MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

MARCH 31, 2026 AND 2025

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

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Merry Electronics Co., Ltd. and subsidiaries (the "Group") as on March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As explained in Notes 4 (3) and 6 (6), the financial statements of certain insignificant consolidated subsidiaries and certain investments accounted for using the equity method were not reviewed by independent auditors. Those statements reflect total assets of NT$13,584,898 thousand and NT$7,614,037 thousand, constituting 33% and 19% of the consolidated total assets, and total liabilities

of NT$6,038,697 thousand and NT$3,075,925 thousand, constituting 27% and 14% of the consolidated total liabilities as at March 31, 2026 and 2025, respectively, and reflect total revenue of NT$1,867,193 thousand and NT$523,048 thousand, constituting 17% and 6% of the consolidated revenues for the three months then ended, respectively, and total comprehensive income of NT$336,869 thousand and NT$ 254,612 thousand, constituting 60% and 41% of the consolidated total comprehensive income for the three months then ended.

Qualified Conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and certain investments accounted for using the equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as on March 31, 2026 and 2025, and of its consolidated financial performance and consolidated cash flows for the three months then ended in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

Wang, Yu-Chuan
Liu, Mei-Lan

For and on behalf of PricewaterhouseCoopers, Taiwan
April 29, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' review report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2026 and 2025 were reviewed, not audited)

	Assets	Notes	March 31, 2026 AMOUNT	%	December 31, 2025 AMOUNT	%	March 31 , 2025 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6 (1)	$ 7,934,047	19	$ 9,797,932	22	$ 10,916,520	28
1110	Financial assets at fair value through profit or loss - current	6 (2)	22,795	-	819,779	2	594,496	1
1120	Current financial assets at fair value through other comprehensive income		108,856	-	107,541	-	108,479	-
1136	Current financial assets at amortized cost		991,385	2	161,348	-	326,561	1
1170	Accounts receivable, net	6 (3)	9,146,684	22	11,421,033	26	7,851,709	20
1180	Accounts receivable due from related parties, net	7 (2)	1,838,931	5	1,968,952	4	322,825	1
1200	Other receivables		217,015	1	63,306	-	209,348	1
1210	Other receivables – related parties	7 (2)	197,975	1	68,104	-	151,220	-
130X	Inventories	6 (5)	7,021,029	17	6,705,759	15	5,731,998	15
1470	Other current assets		416,368	1	434,398	1	417,108	1
11XX	**Current Assets**		27,895,085	68	31,548,152	70	26,630,264	68
	Non-current assets							
1510	Financial assets at fair value through profits or loss – non-current	6 (2)	43,678	-	46,282	-	47,879	-
1517	Non-current financial assets at fair value through other comprehensive income		220,990	-	223,254	1	224,773	-
1535	Financial assets at amortized cost – non-current		110,000	-	576,235	1	652,264	2
1550	Investments accounted for under equity method	6 (6)	6,520,239	16	6,272,742	14	6,219,055	16
1600	Property, plant and equipment	6 (7)	5,212,745	13	5,037,783	11	4,428,244	11
1780	Intangible assets	6 (8)	785,807	2	733,882	2	761,558	2
1840	Deferred income tax assets		175,963	-	128,407	-	166,837	-
1900	Other non-current assets		276,749	1	227,832	1	275,092	1
15XX	**Non-current assets**		13,346,171	32	13,246,417	30	12,775,702	32
1XXX	**Total assets**		$ 41,241,256	100	$ 44,794,569	100	39,405,966	100

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MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2026 and 2025 were reviewed, not audited)

			March 31, 2026		December 31, 2025		March 31, 2025	
	Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowing	6 (9)	$ 1,319,976	3	$ 4,295,965	9	$ 356,054	1
2120	Financial liabilities at fair value through profit or loss - current	6 (2)	105,059	-	38,725	-	-	-
2130	Contract liabilities – current	6 (19)	612,363	1	413,316	1	324,248	1
2170	Accounts payable		7,295,532	18	9,137,857	20	6,502,111	16
2180	Accounts payable – related parties	7 (2)	3,956,353	10	3,424,949	8	3,795,937	10
2200	Other payables	6 (10)	2,421,851	6	1,659,781	4	3,240,552	8
2220	Other payables – related parties	7 (2)	203,839	1	111,139	-	190,209	-
2230	Current income tax liabilities		340,914	1	339,489	1	339,407	1
2320	Current portion of long-term liabilities	6 (12)	146,441	-	152,691	-	152,691	-
2399	Other current liabilities		752,311	2	757,409	2	654,401	2
21XX	**Current Liabilities**		17,154,639	42	20,331,321	45	15,555,610	39
	Non-current liabilities							
2527	Contract liabilities – non-current	6 (19)	313,502	1	334,381	1	430,105	1
2530	Bonds payable	6 (11)	2,926,243	7	2,912,269	6	2,869,983	7
2540	Long-term borrowings	6 (12)	-	-	12,500	-	200,778	1
2570	Deferred income tax liabilities		2,132,122	5	2,056,586	5	2,244,066	6
2640	Net defined benefit liability – non-current		81,835	-	20,729	-	21,069	-
2670	Other non-current liabilities		78,863	-	38,958	-	81,591	-
25XX	**Non-current liabilities**		5,532,565	13	5,375,423	12	5,847,592	15
2XXX	**Total liabilities**		22,687,204	55	25,706,744	57	21,403,202	54
	Equity attributable to owners of parent							
	Share capital	6 (15)						
3110	Common stock		2,536,449	6	2,538,269	6	2,534,894	6
	Capital surplus	6 (16)						
3200	Capital surplus		8,460,111	20	8,480,217	19	8,422,402	21
	Retained earnings	6 (17)						
3310	Legal reserve		2,759,561	7	2,759,561	6	2,549,941	7
3320	Special reserve		462,936	1	462,936	1	973,012	3
3350	Unappropriated retained earnings		3,330,742	8	4,088,344	9	2,809,791	7
	Other equity interest	6 (18)						
3400	Other equity interest		(549,956)	(1)	(780,006)	(2)	(512,142)	(1)
3500	Treasury shares	6 (15)	(139,221)	-	-	-	-	-
31XX	**Equity attributable to owners of the parent**		16,860,622	41	17,549,321	39	16,777,898	43
36XX	**Non-controlling interest**	4 (3)	1,693,430	4	1,538,504	4	1,224,866	3
3XXX	**Total equity**		18,554,052	45	19,087,825	43	18,002,764	46
	Significant contingent liabilities and unrecognized contract commitments	9						
3X2X	**Total liabilities and equity**		$ 41,241,256	100	$ 44,794,569	100	$ 39,405,966	100

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)
(Reviewed, Unaudited)

Items		Notes	Three months ended March 31			
			2026		2025	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6 (19) and 7 (2)	$ 10,970,652	100	$ 8,858,184	100
5000	Operating costs	6 (5) and 7 (2)	(9,673,180)	(88)	(7,763,525)	(88)
5900	Net operating margin		1,297,472	12	1,094,659	12
	Operating expenses	6 (22) (23)				
6100	Selling expenses		(126,982)	(1)	(117,449)	(1)
6200	General and administrative expenses		(356,005)	(3)	(290,597)	(3)
6300	Research and development expenses		(605,018)	(6)	(579,443)	(7)
6450	Expected credit impairment loss	12 (2)	(2,963)	-	(2,840)	-
6000	Total operating expenses		(1,090,968)	(10)	(990,329)	(11)
6900	Operating profit		206,504	2	104,330	1
	Non-operating income and expenses					
7100	Interest income		39,473	-	73,458	1
7010	Other income	6 (20)	46,386	1	29,001	-
7020	Other gains and losses	6 (21)	42,327	-	121,367	1
7050	Finance costs		(46,545)	-	(21,932)	-
7060	Share of profit of associates and joint ventures accounted for under the equity method	6 (6)	139,617	1	184,240	2
7000	Total non-operating income and expenses		221,258	2	386,134	4
7900	**Profit before income tax**		427,762	4	490,464	5
7950	Income tax expense	6 (24)	(42,780)	(1)	(92,445)	(1)
8200	**Profit for the period**		$ 384,982	3	$ 398,019	4

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)
(Reviewed, Unaudited)

	Items	Notes	Three months ended March 31			
			2026		2025	
			AMOUNT	%	AMOUNT	%
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income, net	6 (18)	($ 1,681)	-	($ 6,029)	-
8320	Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6 (6) (18)	910	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6 (18) (24)	(897)	-	(225)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(1,668)	-	(6,254)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	6 (18)	91,741	1	170,361	2
8370	Share of other comprehensive income of associates and joint ventures accounted for using the equity method – components of other comprehensive income that will be reclassified to profit or loss	6 (6) (18)	171,766	1	119,948	1
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6 (24)	(44,882)	-	(55,067)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		218,625	2	235,242	3
8300	**Total other comprehensive income (loss) for the period**		$ 216,957	2	$ 228,988	3
8500	**Total comprehensive(loss) for the period**		$ 601,939	5	$ 627,007	7
	Profit (loss), attributable to:					
8610	Owners of parent		$ 257,754	2	$ 353,497	4
8620	Non-controlling interest		127,228	1	44,522	-
	Total profit (loss) for the period		$ 384,982	3	$ 398,019	4
	Comprehensive income attributable to:					
8710	Owners of parent		$ 447,013	4	$ 576,663	6
8720	Non-controlling interest		154,926	1	50,344	1
	Total comprehensive income (loss)		$ 601,939	5	$ 627,007	7
	Basic earnings per share	6 (25)				
9750	Total basic earnings per share		$	1.03	$	1.42
	Diluted earnings per share	6 (25)				
9850	Total diluted earnings per share		$	0.97	$	1.33

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)
(Reviewed, Unaudited)

		Equity attributable to owners of the parent								
				Retained earnings						
	Notes	Share capital - common stock	Capital surplus-additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Other equity interest	Treasury shares	Total	Non-Controlling interest	Total equity
Three months ended March 31,2025											
Balance at January 1,2025		$ 2,534,914	$ 8,422,431	$ 2,549,941	$ 973,012	$ 4,306,799	($ 768,252)	$ -	$ 18,018,845	$1,174,522	$ 19,193,367
Profit (loss) for the period		-	-	-	-	353,497	-	-	353,497	44,522	398,019
Other comprehensive income for the period		-	-	-	-	-	223,166	-	223,166	5,822	228,988
Total comprehensive income (loss) for the period		-	-	-	-	353,497	223,166	-	576,663	50,344	627,007
Appropriation and distribution of 2024 retained earnings	6 (17)										
Cash dividends		-	-	-	-	(1,850,505)	-	-	(1,850,505)	-	(1,850,505)
Share-based payments	6 (14)(15)(16)(18)	(20)	(141)	-	-	-	32,944	-	32,783	-	32,783
Recognition of change in equity of associates in proportion to the Group's ownership	6 (6)(16)	-	112	-	-	-	-	-	112	-	112
Balance at March 31, 2025		$ 2,534,894	$ 8,422,402	$ 2,549,941	$ 973,012	$ 2,809,791	($ 512,142)	$ -	$ 16,777,898	$1,224,866	$ 18,002,764
Three months ended March 31,2026											
Balance at January 1,2026		$ 2,538,269	$ 8,480,217	$ 2,759,561	$ 462,936	$ 4,088,344	($ 780,006)	$ -	$ 17,549,321	$1,538,504	$ 19,087,825
Profit (loss) for the period		-	-	-	-	257,754	-	-	257,754	127,228	384,982
Other comprehensive income for the period		-	-	-	-	-	189,259	-	189,259	27,698	216,957
Total comprehensive income (loss) for the period		-	-	-	-	257,754	189,259	-	447,013	154,926	601,939
Appropriation and distribution of 2025 retained earnings	6 (17)										
Cash dividends		-	-	-	-	(1,015,358)	-	-	(1,015,358)	-	(1,015,358)
Share-based payments	6 (14)(15)(16)(18)	(1,820)	(20,107)	-	-	-	40,791	-	18,864	-	18,864
Treasury shares repurchased	6 (15)	-	-	-	-	-	-	(139,221)	(139,221)	-	(139,221)
Recognition of change in equity of associates in proportion to the Group's ownership	6 (6)(16)	-	1	-	-	2	-	-	3	-	3
Balance at March 31, 2026		$ 2,536,449	$ 8,460,111	$ 2,759,561	$ 462,936	$ 3,330,742	($ 549,956)	($ 139,221)	$ 16,860,622	$1,693,430	$ 18,554,052

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)
(Reviewed, Unaudited)

	Notes	Three months ended March 31 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 427,762	$ 490,464
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense-property, plants and equipment	6 (7)(22)	186,041	152,513
Depreciation expense - right-of-use assets	6 (22)	18,416	31,406
Amortization	6 (8)(22)	18,970	19,014
Expected credit impairment loss	12 (2)	2,963	2,840
Finance costs		45,400	20,750
Interest expense-lease liability		1,145	1,182
Loss (gain) on financial assets or liabilities at fair value through profit or loss	6 (6)(21)	72,139	(9,210)
Share of profit of associates and joint ventures accounted for using equity method	6 (6)	(139,617)	(184,240)
Compensation cost of employee restricted shares	6 (14)	18,864	32,783
Loss (gain) on disposal of property, plant and Equipment	6 (21) and 7 (2)	(526)	(452)
Interest income		(39,473)	(73,458)
Gain on bargain purchase	6 (26)	(4,777)	-
Unrealized foreign exchange gains		(73,369)	(6,837)
Changes in operating assets and liabilities			
Changes in operating assets			
Increase in financial assets/liabilities mandatorily measured at fair value through profit or loss		3,365	3,398
Accounts receivable (including related parties)		2,653,693	3,500,886
Other receivables (including related parties)		(227,052)	24,369
Inventories		104,643	(807,132)
Other current assets		66,259	32,129
Changes in operating liabilities			
Accounts payable		(2,112,586)	(635,100)
Accounts payable – related parties		512,375	450,636
Other payables		(261,318)	(211,992)
Other payables – related parties		91,843	77,816
Contract liabilities		178,345	(26,266)
Other current liabilities		(23,820)	(470)
Net defined benefit liability – non-current		(1,179)	(2,817)
Cash inflow generated from operations		1,518,506	2,882,212
Interest received		34,502	64,465
Interest paid		(56,304)	(21,061)
Income taxes paid		(65,092)	(44,402)
Net cash inflows generated from operating activities		1,431,612	2,881,214

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MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars)
(Reviewed, Unaudited)

	Notes	Three months ended March 31 2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in financial assets mandatorily measured at fair value through profit or loss		$ -	($ 500,000)
Decrease in financial assets mandatorily measured at fair value through profit or loss		790,418	562,988
Increase in financial assets at amortized cost- current		(388,901)	(154,224)
Increase in financial assets at amortized cost － non-current		-	(173,774)
Decrease in financial assets at amortized cost － non-current		45,753	-
Acquisition of subsidiaries, net of cash acquired	6 (27)	(660,565)	-
Earnings repatriated by investments accounted for using equity method	6 (6)	29,871	-
Proceeds from capital reduction of investments accounted for using equity method	6 (6)	34,928	-
Acquisition of property, plant and equipment	6 (27)	(213,464)	(198,558)
Proceeds from disposal of property, plant and equipment	7 (2)	37,536	22,884
Acquisition of intangible assets		(17,701)	(2,357)
Decrease (increase) in other non - current assets		6,494	(7,327)
(Increase) decrease in guarantee deposits paid		(8,210)	1,627
Net cash flows used in investing activities		(343,841)	(448,741)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6 (28)	181,244	182,920
Decrease in short-term borrowings	6 (28)	(3,167,452)	(201,132)
Repayment of principal portion of lease liabilities	6 (28)	(25,685)	(32,717)
Decrease in long-term borrowings	6 (28)	(18,750)	(173,526)
Increase (decrease) in other non-current liabilities		10,180	(5,724)
Treasury shares repurchased	6 (27)	(118,100)	-
Net cash flows used in financing activities		(3,138,563)	(230,179)
Effect of change in foreign currency exchange		186,907	127,332
Net increase (decrease) in cash and cash equivalents		(1,863,885)	2,329,626
Cash and cash equivalents at beginning of period		9,797,932	8,586,894
Cash and cash equivalents at end of period		$ 7,934,047	$ 10,916,520

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(REVIEWED, UNAUDITED)

1. HISTORY AND ORGANISATION

Merry Electronics Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on December 24, 1975. The Company and its subsidiaries (collectively referred here in as the "Group") are primarily engaged in manufacturing, processing, repairing, sales of electric appliance and audiovisual electric products, telecommunication equipment and apparatus electronic parts and components, computers and computing peripheral equipment, restrained telecom radio frequency equipment and medical appliances; planning, design, input as well as output of service items' equipment; production as well as marketing management consultant of service items' relevant business; and all business items that are not prohibited or restricted by law, except those that are subject to special approval. The Company's shares were listed on the Taipei Exchange since August 1998 and transferred to the Taiwan Stock Exchange starting September 2000 with approval from the competent authority. The Company merged with its subsidiaries, Huges Hi-Tech Inc. and Biotest Medical Corporation, on September 1, 2005 and October 29, 2021, respectively. The Company was the surviving company while Huges Hi-Tech Inc. and Biotest Medical Corporation were the dissolved companies.

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

These consolidated financial statements were reported to the Board of Directors on April 29, 2026.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by FSC effective from 2026 are as follows:

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

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

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

None

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027(Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a Hyperinflationary Presentation Currency'	January 1, 2027

Note：The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2025, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2025.

(2) Basis of preparation

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

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

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

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

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

Basis for preparation for the current period financial statements and the 2025 consolidated financial statements is the same.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business Activities	Ownership (%) March 31, 2026	Ownership (%) December 31, 2025	Ownership (%) March 31, 2025	Description
MEHO	Merry Electronics (HK) Co., Ltd. (MEST)	Trade service for headphone, microphone, receiver, and speaker.	100.00%	100.00%	100.00%	
MEHO	Merry Electronics (Thailand) Co., Ltd. (METC)	Manufacturing of electronic product such as headphone, audio equipment, amplifier, and microphone.	99.99%	99.99%	99.99%	NOTE 1
MEHO	Merry Electronics (U.S.A.) Co., Ltd. ("MECA")	Providing technology and marketing after-sales services.	100.00%	100.00%	99.90%	NOTE 1、6
MEHO	Danny Dynamics Limited ("DDBV")	Equity investments.	100.00%	100.00%	100.00%	
MEHO	Merry Electronics (Singapore) Pte. Ltd. ("MESG")	Sales and research and development of headphone, microphone, audio equipment, receiver, and speaker.	100.00%	100.00%	100.00%	
MEHO	Merry Healthcare Co., LTD. ("MHKY")	Equity investments.	100.00%	100.00%	100.00%	NOTE 1
MEHO	Asian Elite International Ltd. ("MSCS")	Manufacturing and sales of speaker and amplifier.	100.00%	100.00%	100.00%	NOTE 1
MEHO	Indigo Enterprise Inc. ("INSA")	Equity investments.	100.00%	100.00%	100.00%	
MEHO	MERRY & LUXSHARE	Manufacturing of sales of speaker,	51.00%	51.00%	51.00%	NOTE 1

Name of investor	Name of subsidiary	Main business Activities	Ownership (%) March 31, 2026	December 31, 2025	March 31, 2025	Description
	(VIETNAM) CO., LTD. ("MEVN")	microphone and headphone products.				
MEHO	MUtek Electronics Co., Ltd. (MUTT)	Manufacturing and application service of electrical appliances and audiovisual electronic products	51.00%	51.00%	51.00%	NOTE 1
MEHO	Merry Capital Inc.("MCTT")	Equity investments.	100.00%	100.00%	100.00%	NOTE 1
MEHO	MWT Holdings Co., Ltd. . (" MWJP")	Equity investments.	100.00%	-	-	NOTE 2、7
MEST	Merry Electronics (Shenzhen) Co., Ltd. ("MECL")	Manufacture of earphones, microphone, receiver, batteries, speaker and other electronic component.	100.00%	100.00%	100.00%	
DDBV	Merrytech (HK) Co., Limited ("MTHK")	Equity investments.	100.00%	100.00%	100.00%	
INSA	Merry Electronics North America Inc. ("MENA")	Develop-to-order and appearance design of speaker and amplifier.	100.00%	100.00%	100.00%	
MENA	Seas Fabrikker ("SENM")	Manufacturing and sales of speaker monomer.	100.00%	100.00%	100.00%	NOTE 1
MHKY	Fulicare Co., Ltd. ("FUSA")	Equity investments.	100.00%	100.00%	96.01%	NOTE 1、3
FUSA	Fulicare Medical Instruments (Suzhou) Co. ,Ltd. ("FUSZ")	General administration.	100.00%	100.00%	100.00%	NOTE 1
FUSA	Fulicare Medical Instruments (Xiamen) Co., Ltd. **(**"FUXM"**)**	General administration.	100.00%	100.00%	100.00%	NOTE 1
FUSA	Xiamen Etimbre Hearing Technology Co., Ltd. ("ETCX")	Exclusive stores for selling hearing related products	100.00%	100.00%	100.00%	NOTE 1
FUSZ and FUSA	Austar Hearing Science And Technology (Xiamen) Co., Ltd. ("ASCX")	Research and development, manufacturing as well as sales of hearing aid, hearing device and acoustics equipment.	100.00%	100.00%	99.50%	NOTE 1、4
MESG	Merry Electronics Sdn Bhd.	Research and development of	100.00%	100.00%	100.00%	NOTE 1

Name of investor	Name of subsidiary	Main business Activities	Ownership (%) March 31, 2026	December 31, 2025	March 31, 2025	Description
	("MEMP")	microphone, receiver and speaker.				
MESG and MCTT	Merry Electronics Private Limited ("MEIN")	Research and development of microphone, receiver and speaker.	100.00%	100.00%	-	NOTE 1、5
MWJP	Tokumi Electronics Co., Ltd. ("TOJP")	Equity investments.	100.00%	-	-	NOTE 2、7
TOJP	TR Electronics HK Limited ("TOHK")	Purchase of components for headphone and earbud production.	100.00%	-	-	NOTE 2、7
TOJP、TOHK and TOJG	Tokumi Electronics Thai Co.,Ltd. ("TOTH")	Manufacturing and sales of headphones and earphones.	100.00%	-	-	NOTE 2、7
TOJP and TOTH	Tokumi Corporation ("TOJG")	Design, samples, and molds for headphone and earphone products.	100.00%	-	-	NOTE 2、7
TOJG	Tokumi Mold Inc. ("TOJY")	Manufacturing and sales of molds for headphones and earphones.	100.00%	-	-	NOTE 2、7

Note 1: The financial statements of the entity as of and for the three months ended March 31, 2026 and 2025 were not reviewed by the independent auditors as the entity is not a significant subsidiary.

Note 2: On March 17, 2025, the Board of Directors of the Group resolved to acquire 100% ownership in MWT HOLDINGS CO., LTD. (MWT Holdings) from non-related parties, including J-STAR Co., Ltd., with an investment amount of JPY 9,782 million (approximately NTD 2,017 million). The effective date of the merger was set on February 2, 2026, and the settlement was completed.

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

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

Note 5: On August 27, 2025, the investment of MEIN was resolved. The investment is amounting

to INR 90,000 thousand, with 100% ownership. The registration was completed.

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

Note 7: The financial statements of the entity as of and for the three months ended March 31, 2026 were not reviewed by the independent auditors as the entity is not a significant subsidiary.

C. Subsidiaries not included in the consolidated financial statements:

None.

D. Adjustments for subsidiaries with different balance sheet dates:

None.

E. Significant restrictions:

None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group's non-controlling interests amounted to $1,693,430 thousand, $1,538,504 thousand and $1,224,866 thousand, respectively. The following is the information for non-controlling interests that are material to the Group and that belong to the Group's subsidiaries:

		Non-controlling interests					
	Principal	March 31, 2026		December 31, 2025		March 31, 2025	
Name of subsidiary	place of business	Amount	Shareholding ratio	Amount	Shareholding ratio	Amount	Shareholding ratio
MEVN	Vietnam	$1,670,694	49%	$1,505,178	49%	$1,166,099	49%

The summarized financial information of the subsidiary is as follows:

Balance sheet

	MEVN		
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 5,492,517	$ 5,946,258	$ 3,738,323
Non-current assets	1,202,780	1,258,145	1,006,318
Current liabilities	(3,260,105)	(4,085,367)	(2,329,061)
Non-current liabilities	(3,384)	(3,351)	(832)
Total net assets	$ 3,431,808	$ 3,115,685	$ 2,414,748

Statement of comprehensive income

	MEVN	
	Three months ended March 31	
	2026	2025
Revenue	$ 3,054,023	$ 1,568,915
Profit before income tax	292,930	94,962
Income tax expense	(33,353)	(7,890)
Profit for the period from continuing operations	259,577	87,072
Profit for the period	259,577	87,072
Total comprehensive income for the period	$ 259,577	$ 87,072
Comprehensive income attributable to non-controlling interests	$ 127,193	$ 42,665

Statement of cash flows

	MEVN	
	Three months ended March 31	
	2026	2025
Net cash inflows generated from operating activities	$ 37,817	$ 273,560
Net cash outflows used in investing activities	(40,504)	(45,242)
Net cash outflows used in financing activities	-	(118,380)
Effect of change in foreign currency exchange	1,189	2,463
(Decrease) increase in cash and cash equivalents	(1,498)	112,401
Cash and cash equivalents at beginning of period	15,083	66,811
Cash and cash equivalents at end of period	$ 13,585	$ 179,212

(4) Employee benefits

Pensions

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

(5) Income tax

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

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

There was no significant change in the reporting period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2025.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and revolving funds	$ 1,333	$ 1,258	$ 1,097
Checking accounts and demand deposits	7,848,733	9,716,237	9,015,243
Time deposits	83,981	80,437	1,900,180
	$ 7,934,047	$ 9,797,932	$ 10,916,520

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group's time deposits with maturity over 3 months had been classified as financial assets measured at amortized cost.

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

Items	March 31, 2026	December 31, 2025	March 31, 2025
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
-Funds	$ 11,582	$ 791,582	$ 561,749
-Forward exchange contract	146	2,139	5,608
-Call options of convertible bonds	-	-	1,200
-Stocks	20,480	20,480	20,480
Valuation adjustment	(9,413)	5,578	5,459
Total	$ 22,795	$ 819,779	$ 594,496
Non-current items:			
Funds	$ 26,220	$ 26,220	$ 26,220
Stocks	20,000	20,000	20,000
Valuation adjustment	(2,542)	62	1,659
	$ 43,678	$ 46,282	$ 47,879

Items	March 31, 2026	December 31, 2025	March 31, 2025
Current items:			
Financial liabilities held for trading			
- Forward exchange contract	$ 105,059	$ 38,725	$ -

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

	Three months ended March 31	
	2026	2025
Net gains on financial assets at fair value through (loss) profit	($ 72,139)	$ 9,210

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

	March 31, 2026		
Derivative instruments	Contract amount (Notional principal)	Contract period	Contract price
Forward foreign exchange contract to sell	USD 150,000 thousand	2025/12/01~ 2026/09/01	NTD30.730~32.165
Forward foreign exchange contract to buy	USD 5,000 thousand	2026/03/19~ 2026/05/05	NTD 31.861~31.885

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

	March 31, 2025		
Derivative instruments	Contract amount (Notional principal)	Contract period	Contract price
Forward foreign exchange contract to buy	USD 4,000 thousand	2024/04/19~ 2025/12/30	NTD 31.115~31.712

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

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

(3) Accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	$ 9,214,995	$ 11,485,703	$ 7,900,014
Less: Allowance for doubtful accounts	(68,311)	(64,670)	(48,305)
	$ 9,146,684	$ 11,421,033	$ 7,851,709

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

	March 31, 2026	December 31, 2025	March 31, 2025
Not past due	$ 8,964,169	$ 11,282,383	$ 7,675,442
Up to 30 days	178,557	139,185	175,451
31 to 90 days	13,030	5,624	7,011
91 to 180 days	1,425	7,899	244
Over 180 days	57,814	50,612	41,866
	$ 9,214,995	$ 11,485,703	$ 7,900,014

The above aging analysis was based on past due date.

B. As of March 31, 2026, December 31, 2025, March 31, 2025, and January 1, 2025, the balances of receivables from contracts with customers amounted to $9,146,684 thousand, $11,421,033 thousand, $7,851,709 thousand and $ 11,234,447 thousand, respectively.

C. The Group insured against its accounts receivable, which the insured amount has been reviewed and granted by the insurance company. If bad debts occur, the insurance company will settle the claim up to 90% of the insured amount. As of March 31, 2026, December 31, 2025 and March 31, 2025, the balance of insured accounts receivable amounted to $3,719,681 thousand, $7,191,488 thousand and $4,640,593 thousand, respectively.

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

E. The Group entered into a factoring agreement which has no right of recourse with ING BANK N.V., TAIPEI BRANCH on August 19, 2024. As of March 31, 2026, December 31, 2025 and March 31, 2025, there were no accounts receivable that were outstanding and expected to be transferred (reclassified as financial assets at fair value through other comprehensive income). Please refer to Note 6(4) for information on transfer of financial assets.

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

(4) Transfer of financial assets

Transferred financial assets that are not entirely derecognized

A. Transferred financial assets that are not entirely derecognized

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

ii. As of March 31, 2026, December 31, 2025 and March 31, 2025, the related information of the transferred accounts receivable sold that the Group continuously recognized to the extent of continuing involvement were as follows:

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

(5) Inventories

	March 31, 2026		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 3,258,988	($ 110,928)	$ 3,148,060
Work in progress	1,366,052	(9,271)	1,356,781
Finished goods	2,648,930	(132,742)	2,516,188
	$ 7,273,970	($ 252,941)	$ 7,021,029

	December 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 3,147,153	($ 102,823)	$ 3,044,330
Work in progress	989,046	(5,941)	983,105
Finished goods	2,815,738	(137,414)	2,678,324
	$ 6,951,937	($ 246,178)	$ 6,705,759

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

The cost of inventories recognized as expense for the period:

	Three months ended March 31	
	2026	2025
Cost of goods sold	$ 9,656,656	$ 7,767,745
Loss on scrapping inventory	9,761	4,984
Loss (gain) on reversal of slow-moving inventories and decline in market value	6,763	(9,204)
	$ 9,673,180	$ 7,763,525

The Group reversed a previous inventory write-down because of the sale of certain written-down inventories by the Group for the three months ended March 31, 2025.

(6) Investments accounted for using the equity method

	Three months ended March 31	
	2026	2025
At January 1	$ 6,272,742	$ 5,914,755
Proceeds from capital reduction of investments accounted for using equity method	(34,928)	-
Share of profit or loss of investments accounted for using the equity method	139,617	184,240
Earnings distribution of investments	(29,871)	-
Changes in capital surplus additional paid-in capital	1	112
Changes in other equity items	172,676	119,948
Changes in retained earnings	2	-
At March 31	$ 6,520,239	$ 6,219,055

A. Details are as follows：

	March 31, 2026	December 31, 2025	March 31, 2025
Associates with significant influence			
Merry Electronics (Suzhou) Co., Ltd. (MECE)	$ 4,039,095	$ 3,816,947	$ 3,877,417
Associates with insignificant influence			
Merry Electronics (Huizhou) Co., Ltd. (MECH)	1,599,594	1,540,032	1,449,270
DONPON PRECISION INC	501,542	453,347	492,386
CDIB-Mac Limited Partnership. (MAC FUND)	125,664	213,318	160,289
Leohab Enterprise Co., Ltd. (LEOHAB)	116,842	109,629	87,457
Dong Guan Get Pink Electronics Co., Ltd.	12,717	13,653	15,044
SYNergy ScienTech Corp.	124,785	125,816	137,192
	$ 6,520,239	$ 6,272,742	$ 6,219,055

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

Investee	Three months ended March 31	
	2026	2025
MECE	$ 107,704	$ 132,685
MECH	14,030	41,753
DONPON	39,756	2,912
MAC FUND	(22,856)	428
LEOHAB	4,783	8,433
Dong Guan Get Pink Electronics Co., Ltd.	(1,325)	(1,565)
SYNergy ScienTech Corp.	(2,475)	(406)
	$ 139,617	$ 184,240

The investment income or loss accounted for under equity method of the above equity investments, except for MECE and MECH, is recognized based on the financial statements for the current period that was not reviewed by auditors.

C. Associates

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

Company name	Principal place of business	Shareholding ratio			Nature of relationship	Method of measurement
		March 31, 2026	December 31, 2025	March 30, 2025		
MECE	Mainland of China	49.00%	49.00%	49.00%	Holding more than 20% of voting right	Equity method

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

Balance sheet

	MERRY ELECTRONICS (SUZHOU) CO., LTD.		
	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 8,856,259	$ 8,525,559	$ 9,097,758
Non-current assets	2,727,744	2,786,897	3,022,423
Current liabilities	(3,123,811)	(3,309,515)	(4,014,858)
Non-current liabilities	(120,608)	(123,652)	(67,028)
Total net assets	$ 8,339,584	$ 7,879,289	$ 8,038,295
Share in associate’s net assets	$ 4,086,396	$ 3,860,852	$ 3,938,765
Realized (unrealized) gain or loss from upstream and side stream transactions	(47,301)	(43,905)	(61,348)
Carrying amount of the associate	$ 4,039,095	$ 3,816,947	$ 3,877,417

Statement of comprehensive income

	MERRY ELECTRONICS (SUZHOU) CO., LTD. Three months ended March 31	
	2026	2025
Revenue	$ 2,750,018	$ 2,599,192
Profit for the period from continuing operations	$ 226,734	$ 331,698
Total comprehensive income	$ 226,734	$ 331,698

(c) The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

	Three months ended March 31	
	2026	2025
Share of profit of associates and joint ventures accounted for using the equity method	$ 31,913	$ 51,555
Other comprehensive income, net of tax	48,138	34,596
Total comprehensive income	$ 80,051	$ 86,151

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(7) Property, plant and equipment

	Three months ended March 31, 2026						
Cost	Opening balance	Effect of initial consolidation of subsidiaries	Additions	Reductions	Transfers	Effect of foreign currency exchange difference	Ending balance
Land	$ 1,021,980	$ -	$ -	$ -	$ -	($ 6,207)	$ 1,015,773
Land improvements	671	-	-	-	-	(15)	656
Buildings and structures	2,085,975	25	1,531	-	503,049	13,725	2,604,305
Machinery	4,009,037	523,427	124,474	(50,845)	148,705	34,413	4,789,211
Transportation equipment	22,113	30,522	2,815	-	632	(745)	55,337
Office equipment	413,624	84,585	7,915	(4,181)	-	715	502,658
Others	421,354	312,884	8,112	(3,097)	2,653	(2,953)	738,953
Unfinished construction	748,512	8,472	54,266	-	(653,986)	(4,164)	153,100
Total	8,723,266	$ 959,915	$ 199,113	($ 58,123)	$ 1,053	$ 34,769	9,859,993
Accumulated depreciation							
Land improvements	($ 664)	$ -	($ 1)	$ -	$ -	$ 16	($ 649)
Buildings and structures	(825,474)	(7)	(27,842)	-	-	(12,269)	(865,592)
Machinery	(2,298,886)	(414,131)	(126,406)	15,642	-	(27,602)	(2,851,383)
Transportation equipment	(14,047)	(18,913)	(1,216)	-	-	475	(33,701)
Office equipment	(290,374)	(67,285)	(12,226)	4,173	-	(1,294)	(367,006)
Others	(256,038)	(259,826)	(18,350)	1,298	-	3,999	(528,917)
Total	(3,685,483)	($ 760,162)	($ 186,041)	$ 21,113	$ -	($ 36,675)	(4,647,248)
	$ 5,037,783						$ 5,212,745

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

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

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

(8) Intangible assets

	Three months ended March 31, 2026					
Cost	Opening balance	Effect of initial consolidation of subsidiaries	Additions	Reductions	Effect of foreign currency exchange difference	Ending balance
Goodwill	$ 931,678	$ -	$ -	$ -	$ -	$ 931,678
Computer software	669,381	41,808	566	(1)	(533)	711,221
Customer relationship	326,550	64,521	-	-	-	391,071
Know-how	115,748	-	-	-	-	115,748
Trademarks	61,481	80	-	-	(33)	61,528
Others	59,029	60	1,163	-	10	60,262
Total	2,163,867	$ 106,469	$ 1,729	($ 1)	($ 556)	2,271,508
Accumulated amortization						
Computer software	($ 621,445)	($ 37,196)	($ 6,378)	$ 1	$ 457	($ 664,561)
Customer relationship	(308,845)	-	(9,928)	-	-	(318,773)
Know-how	(115,748)	-	-	-	-	(115,748)
Trademarks	(40,957)	(30)	(1,382)	-	32	(42,337)
Others	(50,741)	-	(1,282)	-	(10)	(52,033)
Total	(1,137,736)	($ 37,226)	($ 18,970)	$ 1	($ 479)	(1,193,452)
Accumulated Impairment loss						
Goodwill	($ 292,249)	$ -	$ -	$ -	$ -	($ 292,249)
	$ 733,882					$ 785,807

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

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

	Three months ended March 31	
	2026	2025
Operating costs	$ 702	$ 912
Selling expenses	1,628	1,908
Administrative expenses	8,488	8,163
Research and development expenses	8,152	8,031
	$ 18,970	$ 19,014

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

	March 31, 2026		
Goodwill:	Cost	Accumulated Impairment Loss	Ending balance
MSCS and Indigo	$ 581,644	($ 292,249)	$ 289,395
ASCX	210,299	-	210,299
Huges Hi-Tech Inc.	139,735	-	139,735
	$ 931,678	($ 292,249)	$ 639,429

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

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

As of December 31, 2025, the recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount; therefore, no impairment loss on goodwill was recognized. The goodwill balance after the recognition of impairment loss amounted as of March 31, 2026 is $639,429 thousand. The cash flow projections are based on financial budgets approved by the management covering a five-year period, the key assumptions used for value-in-use calculations are as follows:

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

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

(9) Short-term borrowings

Type of borrowings	March 31, 2026	Interest rate range	Collateral
Bank borrowings			
Credit loan	$ 1,229,710	2.00%~4.20%	None
Secured borrowings	43,976	2.60%	Plant
Secured borrowings	46,290	2.70%	Patents (Note)
	$ 1,319,976		

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

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

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

Interest expense recognized in profit or loss amounted to $25,653 thousand and $2,209 thousand for the three months ended March 31, 2026 and 2025, respectively.

(10) Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Dividend payable	$ 1,015,358	$ -	$ 1,850,505
Payroll and bonus payable	366,195	607,028	348,127
Employee compensation payable	206,175	172,717	346,277
Payables on equipment	165,748	177,609	150,710
Directors' remuneration payable	38,319	31,579	69,324
Others	630,056	670,848	475,609
	$ 2,421,851	$ 1,659,781	$ 3,240,552

(11) Bonds payable

	March 31, 2026	December 31, 2025	March 31, 2025
Bonds payable	$ 3,000,000	$ 3,000,000	$ 3,000,000
Less: Discount on bonds payable	(73,757)	(87,731)	(130,017)
	$ 2,926,243	$ 2,912,269	$ 2,869,983

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

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

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

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

iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. As of March 31, 2026, the conversion price was $128.9 (in dollars) per share.

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

18 of the terms of issuance and conversion during the period from the date after three months of the bonds issue to 40 days before the maturity date.

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

(b) As of March 31, 2026, the bonds had not yet been converted into common stock.

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

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

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

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

iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. As of March 31, 2026, the conversion price was $125.2 (in dollars) per share.

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

the Company has the right to redeem the convertible bonds in accordance with the Article 18 of the terms of issuance and conversion during the period from the date after three months of the bonds issue to 40 days before the maturity date.

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

(b) As of March 31, 2026, the bonds had not yet been converted into common stock.

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

(12) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	March 31, 2026
Long-term bank borrowings				
Credit loan	Borrowing period is from 2020/2/20 to 2027/2/19; interest is repayable monthly; principal is repayable starting from 2023.	1.79%~2.22%	None	$ 146,441
Less: Expiring within one year or one operating cycle				(146,441)
				$ 0

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

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

The interest expense recognized in profit or loss for the three ended March 31, 2026 and 2025 amounted to $811 thousand, $2,967 thousand, respectively.

(13) Pensions

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

(b) The pension costs under defined contribution pension plans of the Group for the three ended March 31, 2026 and 2025 were $145 thousand and $169 thousand, respectively.

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

B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly

salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

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

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

(d) The pension costs under defined contribution pension plans of the Group for the three ended March 31, 2026 and 2025 were $75,633 thousand and $60,177 thousand, respectively.

(14) Share-based payment

A. For the three months ended March 31, 2026 and 2025, 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	Grand date	Quantity granted	Contract period	Share price	Exercise price	Fair Value per unit	Vesting condition
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
The second restricted stocks to employees in 2023	2025.07.25	406 units	5 years	113.0	0	113.0	Note 2

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

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

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

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

ratio is 100%.

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

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

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

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

	Three months ended March 31, 2026		Three months ended March 31, 2025	
	No. of share (in thousands)	Weighted-average exercise price (in dollars)	No. of share (in thousands)	Weighted-average exercise price (in dollars)
At January 1	3,307	$ -	4,127	$ -
Restricted Stocks vested	(40)		-	
Restricted stocks retired	(182)	-	(2)	-
At March 31	3,085	-	4,125	-

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

	Three months ended March 31	
	2026	2025
Equity-settled	$ 18,864	$ 32,783

(15) Share capital

As of March 31, 2026, the Company's authorized capital was $4,000,000 thousand, consisting of 400,000 thousand shares of ordinary stock (including 5,000 thousand shares reserved for employee stock options), and the paid-in capital was $2,538,269 thousand with a par value of $10 (in dollars) per share.

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

	2026	2025
At January 1	253,826	253,491
Employee restricted shares retired	(182)	(2)
Treasury shares repurchased and not yet retired	(1,645)	-
At March 31	251,999	253,489

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

Date of the Board of Directors' Resolution	Number of restricted stocks to employees retired (in thousands)	Date of Capital Reduction
April 29, 2026	182	April 30, 2026
April 24, 2025	2	April 28, 2025

The registration for the abovementioned retirement of the employees' restricted stocks was completed, excluding the capital reduction which was resolved on April 29, 2026.

(b) To maintain the Company's credit and shareholders' equity, the Board of Directors approved a share buyback program during an extraordinary meeting on March 12, 2026. The program authorizes the repurchase of up to 5,000 thousand shares between March 13 and May 11, 2026. As of March 31, the Company has repurchased 1,645 thousand shares, for a total consideration of $139,221 thousand.

(c) Treasury shares:

i. Reason for share repurchase and number of shares

		March 31, 2026	
Name of shareholder company	Reason for repurchase	Number of shares (in thousands)	Carrying amount
The Company	To maintain credit and shareholders' equity	1,645	139,221

March 31, 2025: None.

ii. Pursuant to the Securities and Exchange Act, the number of shares repurchased by a company shall not exceed ten percent (10%) of its total outstanding shares. Furthermore, the total amount of the repurchase shall not exceed the aggregate amount of retained earnings plus premium on issuance of common stock and realized capital surplus.

iii. Pursuant to the Securities and Exchange Act, treasury shares held by the Company shall not be pledged as collateral and do not bear any shareholder rights prior to their transfer.

iv. Pursuant to the Securities and Exchange Act, treasury shares repurchased for transfer to employees must be transferred within five years from the date of repurchase. Any shares remaining untransferred past this period are deemed unissued shares and must be retired through registration of amendment. Additionally, shares repurchased to maintain the Company's credit and shareholders' equity must be retired through registration of cancellation within six months from the date of repurchase.

(16) Capital surplus

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

	2026				
	Share premium	Share option	Employee restricted stocks	Others	Total
At January 1	$ 7,538,518	$280,733	$ 337,972	$ 322,994	$8,480,217
Restricted Stocks vested	3,276	-	(3,276)	-	-
Restricted stocks retired	-	-	(20,107)	-	(20,107)
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	-	1	1
At March 31	$ 7,541,794	$280,733	$ 314,589	$ 322,995	$8,460,111

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

(17) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, after deduction of mandatory income tax, shall first be used to offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. After the provision or reversal of special reserve, the appropriation of the remaining earnings along with the unappropriated earnings of prior year shall be proposed

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

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

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

D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. In Accordance with Ruling No.1010051600 issued by Securities and Futures Bureau of the FSC on November 21, 2012, "unearned employee compensation" under employee restricted stock is not an unrealized item, and therefore is not required to set aside the special reserve. As of March 31, 2026, the special reserve set aside based on the above regulation amounted to $193,792 thousand.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land. As of March 31, 2026, the balance of special reserve as aforementioned was $269,144 thousand.

(c) As of March 31, 2026, December 31, 2025 and March 31, 2025, the balance of special reserve was $462,936 thousand, $462,936 thousand and $973,012 thousand.

E. The Company distributed earnings for the year ended December 31, 2025 as resolved at the Board of Directors on February 25, 2026 and the Company distributed earnings for the years

ended December 31, 2024 as resolved at the shareholders' meeting on May 26, 2025 is as follows:

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

The abovementioned distribution of earnings for the years ended December 31, 2025 not yet been approved by the shareholders at their meeting. The distribution of earnings for the years ended December 31, 2024 was in agreement with those amounts proposed by the Board of Directors on February 26, 2025.

(18) Other equity items

2026	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	Cost of unearned employee compensation	Total
At January 1	($ 25,812)	($ 524,589)	($ 229,605)	($ 780,006)
Amortization of employee restricted stocks	-	-	18,864	18,864
Restricted stocks retired	-	-	21,927	21,927
Revaluation – gross	-	(1,681)	-	(1,681)
Revaluation – tax	-	(897)	-	(897)
Revaluation – associates	-	910	-	910
Currency translation differences:				
-Group	64,043	-	-	64,043
-Tax on Group	(12,886)	-	-	(12,886)
-Associates	171,766	-	-	171,766
-Tax on associates	(31,996)	-	-	(31,996)
At March 31	$ 165,115	($ 526,257)	($ 188,814)	($ 549,956)

2025	Exchange differences on translation of foreign financial statements	Unrealized gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	Cost of unearned employee compensation	Total
At January 1	$ 57,735	($ 520,671)	($ 305,316)	($ 768,252)
Amortization of employee restricted stocks	-	-	32,783	32,783
Restricted stocks retired	-	-	161	161
Revaluation – gross	-	(6,029)	-	(6,029)
Revaluation – tax	-	(225)	-	(225)
Currency translation differences:				
-Group	164,539	-	-	164,539
-Tax on Group	(32,908)	-	-	(32,908)
-Associates	119,948	-	-	119,948
-Tax on associates	(22,159)	-	-	(22,159)
At March 31	$ 287,155	($ 526,925)	($ 272,372)	($ 512,142)

(19) Operating revenue

	Three months ended March 31	
	2026	2025
Revenue from contracts with customers	$ 10,970,652	$ 8,858,184

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

	Three months ended March 31, 2026						
	Electronic devices						
	Taiwan	Shenzhen	Singapore	Vietnam	Thailand	Others	Total
Total segment revenue	$ 7,187,028	$ 1,636,004	$ 1,764,351	$ 3,054,023	$ 1,900,841	$ 476,303	$ 16,018,550
Revenue from internal segment transactions	(3,054)	(1,515,595)	-	(1,737,069)	(1,699,170)	(93,010)	(5,047,898)
Revenue from external customer contracts	7,183,974	120,409	1,764,351	1,316,954	201,671	383,293	10,970,652
Main Region							
US	3,409,613	-	1,076,949	-	-	223,450	4,710,012
Europe	2,918,561	-	676,973	-	-	48,210	3,643,744
Singapore	197,087	16,519	1,089	1,029,580	-	-	1,244,275
Taiwan	258,217	-	47	-	-	-	258,264
Mainland China	32,419	95,074	-	5,116	-	89,540	222,149
Others	368,077	8,816	9,293	282,258	201,671	22,093	892,208
	$ 7,183,974	$ 120,409	$ 1,764,351	$1,316,954	$ 201,671	$ 383,293	$10,970,652

	Three months ended March 31, 2025						
	Electronic devices						
	Taiwan	Shenzhen	Singapore	Vietnam	Thailand	Others	Total
Total segment revenue	$ 6,803,335	$ 2,126,200	$1,431,238	$1,568,915	$ 1,356,275	$ 395,908	$13,681,871
Revenue from internal segment transactions	(444)	(2,054,293)	-	(1,353,491)	(1,356,275)	(59,184)	(4,823,687)
Revenue from external customer contracts	6,802,891	71,907	1,431,238	215,424	-	336,724	8,858,184
Main Region							
US	3,739,028	-	629,252	-	-	154,790	4,523,070
Europe	2,581,386	19,794	794,784	-	-	40,351	3,436,315
Mainland China	55,981	51,752	6,829	-	-	128,946	243,508
Taiwan	228,094	361	-	-	-	(60)	228,395
Others	198,402	-	373	215,424	-	12,697	426,896
	$6,802,891	$ 71,907	$1,431,238	$ 215,424	$ -	$ 336,724	$ 8,858,184

B. Contract assets and liabilities：

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

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Contract liabilities-current	$ 612,363	$ 413,316	$ 324,248	$ 318,054
Contract liabilities- non-current	313,502	334,381	430,105	462,049
Contract liabilities	$ 925,865	$ 747,697	$ 754,353	$ 780,103

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

	Three months ended March 31	
	2026	2025
Revenue recognized that was included in the contract liability balance at the beginning of the period	$ 70,473	$ 65,638

(20) Other income

	Three months ended March 31	
	2026	2025
Sample income	$ 24,358	$ 3,141
Government grants	10,460	10,782
Rent income	593	7,787
Gain on bargain purchase	4,777	-
Other income	6,198	7,291
	$ 46,386	$ 29,001

(21) Other gains and losses

	Three months ended March 31	
	2026	2025
Foreign exchange gain	$ 131,836	$ 113,083
(Losses) gains on financial assets / liabilities at fair value through profit or loss	(72,139)	9,210
Gains on disposals of property, plant and equipment	526	452
Other losses	(17,896)	(1,378)
	$ 42,327	$ 121,367

(22) Expenses by nature

	Three months ended March 31	
	2026	2025
Employee benefit expense	$ 1,259,443	$ 1,072,138
Depreciation charge - property, plant and equipment	186,041	152,513
Depreciation charge - right-of-use assets	18,416	31,406
Amortization charge	18,970	19,014
	$ 1,482,870	$ 1,275,071

(23) Employee benefit expense

	Three months ended March 31	
	2026	2025
Wages and salaries	$ 1,064,479	$ 888,105
Share-based payments	18,864	32,783
Labor and health insurance fees	24,806	22,264
Pension costs	75,778	60,346
Directors’ remuneration	6,955	9,943
Other personnel expenses	68,561	58,697
	$ 1,259,443	$ 1,072,138

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

B. The details of employees' compensation and directors' and supervisors' remuneration of the Company are as follows:

	Three months ended March 31	
	2026	2025
Employees' compensation	$ 33,699	$ 47,765
Directors' and supervisors' remuneration	6,740	9,553
	$ 40,439	$ 57,318

The abovementioned amounts were recognized in wages and salaries based on profit status of the current year. Employees' compensation was estimated at 10% and 10% of the profit for the three months ended March 31, 2026 and 2025, respectively. Directors' remuneration was estimated at 2% and 2% of the profit for the three months ended March 31, 2026 and 2025, respectively.

Employees' compensation and directors' remuneration of 2025 as resolved at the Board of Directors' meeting were in agreement with those amounts recognized in the profit or loss of 2025.

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

(24) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Three months ended March 31	
	2026	2025
Current tax:		
Current tax on profits for the period	$ 62,831	$ 64,479
Prior year income tax overestimation	(140)	41
Total current tax	62,691	64,520
Deferred tax:		
Origination and reversal of temporary differences	(19,911)	27,925
Income tax expense	$ 42,780	$ 92,445

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

	Three months ended March 31	
	2026	2025
Exchange differences changes on translation of foreign financial statements - the Group	$ 12,886	$ 32,908
Exchange differences changes on translation of foreign financial statements - associates	31,996	22,159
Changes in fair value of financial assets at fair value through other comprehensive income	897	225
	$ 45,779	$ 55,292

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

C. Pursuant to the Pillar Two legislation, the Group is responsible for paying a Top-up Tax on the difference between the GloBE Effective Tax Rate (ETR) and the minimum tax rate of 15% in respect of each jurisdiction.

The Group's subsidiary, MEVN, calculated a Top-up Tax of 10% for the three months ended March 31, 2026 and, respectively; subsidiary, METC, calculated a Top-up Tax of 5% for the three months ended March 31, 2026 and 2025.

The recognition of the current income tax expense of the Group related to Pillar Two income tax issue amounted to $18,398 thousand and $2,538 thousand for the three months ended March 31, 2026 and 2025, respectively.

D. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority.

E. MUtek Electronics Co., Ltd's income tax returns through 2024 have been assessed and approved by the Tax Authority

(25) Earnings per share

	Three months ended March 31, 2026		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 257,754	249,967	$ 1.03
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	257,754	249,967	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	11,179	23,389	
Employee restricted shares	-	1,507	
Employees' compensation	-	1,378	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 268,933	276,241	$ 0.97

	Three months ended March 31, 2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 353,497	248,963	$ 1.42
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	353,497	248,963	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	10,484	21,927	
Employee restricted shares	-	1,698	
Employees' compensation	-	2,049	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 363,981	274,637	$ 1.33

The Group assumes that the entire amount of the compensation or bonus will be settled in shares and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive.

(26) Business Combinations

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

B. The following table summarizes the consideration paid for the acquisition of MWT Holdings, and the fair values of the assets acquired and liabilities assumed at the acquisition date:

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

C. Since the acquisition date on February 2, 2026, MWT Holdings has contributed NTD 208,334 thousand to the Group's revenue and NTD 81,074 thousand to the Group's net profit before tax. Had the acquisition of MWT Holdings been consolidated from January 1, 2026, the Group's pro forma revenue and net profit before tax for the first quarter of 2026 would have been NTD 11,045,162 thousand and NTD 379,715 thousand, respectively.

(27) Supplemental cash flow information

A. Investing activities with partial cash payments

	Three months ended March 31	
	2026	2025
Acquisition of property, plant and equipment	$ 200,166	$ 201,366
Add: Beginning balance of payable on equipment	177,609	127,331
Ending balance of prepayments for equipment	5,396	21,398
Less: Beginning balance of prepayments for equipment	(3,959)	(827)
Ending balance of payable on equipment	(165,748)	(150,710)
Cash paid during the period	$ 213,464	$ 198,558

B. Net cash outflow on acquisition of subsidiaries:

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

C. Financing activities with treasury shares repurchased:

	Three months ended March 31	
	2026	2025
Treasury shares repurchased	$ 139,221	$ -
Less: Payables for Securities Settlement	(21,121)	-
Cash paid during the period	$ 118,100	$ -

D. Financing activities with no cash flow effects:

	Three months ended March 31	
	2026	2025
Dividend payable	$ 1,015,358	$ 1,850,505

(28) Changes in liabilities from financing activities

	Short-term Borrowings	Lease Liabilities	Convertible bonds	Long-term Borrowings (including those matured within one year	Dividends payables	Liabilities from financing activities-gross
At January 1, 2026	$ 4,295,965	$ 90,494	$ 2,912,269	$ 165,191	$ -	$ 7,463,919
Changes in cash flow from financing	(2,986,208)	(25,685)	-	(18,750)	-	(3,030,643)
Additions	-	55,942	-	-	1,015,358	1,071,300
Impact of changes in foreign exchange rate	10,219	2,440	-	-	-	12,659
Amortization of discounts on corporate bonds	-	-	13,974	-	-	13,974
Changes in other non-cash items	-	2,851	-	-	-	2,851
At March 31, 2026	$ 1,319,976	$ 126,042	$ 2,926,243	$ 146,441	$1,015,358	$ 5,534,060

	Short-term Borrowings	Lease Liabilities	Convertible bonds	Long-term Borrowings (including those matured within one year	Dividends payables	Liabilities from financing activities-gross
At January 1, 2025	$ 366,659	$ 116,138	$ 2,856,278	$ 525,402	$ -	$ 3,864,477
Changes in cash flow from financing	(18,212)	(32,717)	-	(173,526)	-	(224,455)
Additions	-	13,593	-	-	1,850,505	1,864,098
Impact of changes in foreign exchange rate	7,607	4,984	-	1,593	-	14,184
Amortization of discounts on corporate bonds	-	-	13,705	-	-	13,705
Changes in other non-cash items	-	1,182	-	-	-	1,182
At March 31, 2025	$ 356,054	$ 103,180	$ 2,869,983	$ 353,469	$1,850,505	$ 5,533,191

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

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

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

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

(2) Significant related party transactions

A. Operating revenue

	Three months ended March 31	
	2026	2025
Sales of goods		
LUXSHARE PRECISION SINGAPORE PTE.LT	$ 1,035,320	$ 181,022
Luxshare Precision Limited	248,165	34,402
Other related party	43,621	2,509
Affiliated company	2,314	3,516
	$ 1,329,420	$ 221,449

The prices of goods sold to related parties are based on the different product's profitability and adjusted annually as there is no comparable transaction for the goods sold to the third parties, and the prices of purchases on behalf of related parties are based on the cost plus mark-ups of 2 to 3%. The credit terms to related parties are 60 to 120 days end of month and 30 to 120 days end of month to the third parties. For transactions in which the Company sells raw materials to the aforementioned related party and subsequently repurchases finished goods made from the same raw materials from the same party, the initial sale of raw materials is eliminated due to economic substance.

B. Purchases

	Three months ended March 31	
	2026	2025
Purchases of goods		
MECE	$ 2,431,589	$ 2,359,862
MECH	781,334	627,372
Affiliated company	257,932	342,315
Other related party	122,993	54,844
	$ 3,593,848	$ 3,384,393

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

C. Receivables from related parties

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable:			
LUXSHARE PRECISION SINGAPORE PTE.LT	$ 1,432,854	$ 1,635,885	$ 286,312
Luxshare Precision Limited	330,861	316,656	-
Other related party	73,816	14,377	34,024
Affiliated company	1,400	2,034	2,489
Total	$ 1,838,931	$ 1,968,952	$ 322,825
Other receivable:			
MECH	$ 195,838	$ 64,518	$ 149,866
Affiliated company	788	2,260	1,354
Other related party	1,349	1,326	-
Total	$ 197,975	$ 68,104	$ 151,220

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

D. Payables to related parties

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts payable:			
MECE	$ 2,558,012	$ 2,072,198	$ 2,583,248
MECH	791,558	468,235	634,591
Affiliated company	455,679	686,954	485,808
Other related party	151,104	197,562	92,290
Total	$ 3,956,353	$ 3,424,949	$ 3,795,937
Other payable:			
Affiliated company	$ 176,082	$ 74,095	$ 164,817
Other related party	27,757	37,044	25,392
Total	$ 203,839	$ 111,139	$ 190,209

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

E. Equipment payables(shown as other payables)

	March 31, 2026	December 31, 2025	March 31, 2025
MECH	$ -	$ -	$ 3,823
Other related party	-	-	172
Total	$ -	$ -	$ 3,995

F. Property transactions

(a) Acquisition of property, plant and equipment:

	Three months ended March 31	
	2026	2025
MECH	$ -	$ 894

(b) Disposal of property, plant and equipment:

	Three months ended March 31			
	2026		2025	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
Luxshare - ICT (Nghe An) Limited	$ 24,083	$ 166	$ -	$ -

(3) Key management compensation

	Three months ended March 31	
	2026	2025
Short-term employee benefits	$ 22,579	$ 22,878
Post-employment benefits	79	52
Share-based payments	(3,643)	9,380
	$ 19,015	$ 32,310

8. PLEDGED ASSETS

Pledged asset	Book value March 31, 2026	December 31, 2025	March 31, 2025	Purpose
Property, plant and equipment	$ 134,315	$ 132,271	$ 140,074	Long-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

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

	March 31, 2026	December 31, 2025	March 31, 2025
Property, plant and equipment	$ 123,126	$ 322,879	$ 320,967
Intangible assets	175	128	1,227
	$ 123,301	$ 323,007	$ 322,194

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

No significant change for the period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2025

(2) Financial instruments

A. Financial instruments by category

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 66,473	$ 866,061	$ 642,375
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	$ 329,846	$ 330,795	$ 333,252
Financial assets at amortized cost/ Loans and receivables			
Cash and cash equivalents	$ 7,934,047	$ 9,797,932	$ 10,916,520
Financial assets at amortized at cost	1,101,385	737,583	978,825
Accounts receivable (including due from related parties)	10,985,615	13,389,985	8,174,534

	March 31, 2026	December 31, 2025	March 31, 2025
Other receivables (including due from related parties)	414,990	131,410	360,568
Guarantee deposits paid	62,948	54,738	52,143
	$ 20,498,985	$ 24,111,648	$ 20,482,590
Financial liabilities			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	$ 105,059	$ 38,725	$ -
Short-term borrowings	1,319,976	4,295,965	356,054
Accounts payable (including payable to related parties)	11,251,885	12,562,806	10,298,048
Other payable (including payable to related parties)	2,625,690	1,770,920	3,430,761
Lease liability	126,042	90,494	103,180
Corporate bonds payable (including maturing within one year or one operating cycle)	2,926,243	2,912,269	2,869,983
Long-term borrowings (including maturing within one year or one operating cycle)	146,441	165,191	353,469
Guarantee deposits received	1,738	1,168	8,977
	$ 18,503,074	$ 21,837,538	$ 17,420,472

B. Financial risk management policies

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

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

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

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

the volatility of the exchange rate affecting cost of forecast inventory purchases.

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

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

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(Foreign currency: functional currency)	March 31, 2026			December 31, 2025			March 31, 2025		
	Book value			Book value			Book value		
	Foreign currency amount (In thousands)	Exchange rate	(NTD)	Foreign currency amount (In thousands)	Exchange rate	(NTD)	Foreign currency amount (In thousands)	Exchange rate	(NTD)
Financial assets									
Monetary items									
Cash in banks									
USD : NTD	$ 88,444	32.00	$ 2,829,766	$ 81,893	31.43	$ 2,573,897	$ 128,571	33.21	$ 4,269,200
RMB : NTD	70,515	4.63	326,414	69,330	4.50	311,708	54,915	4.57	251,126
JPY : NTD	-	-	-	8,025,584	0.20	1,611,537	-	-	-
USD : HKD	-	-	-	1,556	7.78	48,905	1,483	7.78	49,243
USD : RMB	7,273	6.91	232,700	42,228	6.99	1,327,226	30,589	7.26	1,015,708
USD : THB	35,723	32.71	1,142,957	3,900	31.37	122,577	3,325	33.74	110,407
Receivables									
USD : NTD	$ 359,283	32.00	$11,495,249	$ 428,986	31.43	$13,483,041	$ 243,845	33.21	$ 8,096,880
USD : RMB	80,817	6.91	2,585,740	119,311	6.99	3,749,945	68,720	7.26	2,281,848
USD : THB	66,845	32.71	2,138,706	85,719	31.37	2,694,148	41,044	33.74	1,362,866
Non-monetary items									
Investments accounted for under equity method									
USD : NTD	$ 126,241	32.00	$ 4,039,095	$ 121,443	31.43	$ 3,816,947	$ 116,772	33.21	$ 3,877,417
HKD : NTD	391,961	4.08	1,599,594	381,385	4.04	1,540,032	339,567	4.27	1,449,270
Financial liabilities									
Monetary items									
Financial liabilities held for trading - current									
USD : NTD	$ 3,367	31.20	$ 105,059	$ -	-	$ -	$ -	-	$ -
Bank loan									
USD : NTD	$ -	-	$ -	$ 70,000	31.43	$ 2,200,100	$ -	-	$ -
USD : RMB	13,038	6.91	417,151	20,571	6.99	646,547	-	-	-
USD : THB	37,757	32.71	1,208,035	-	-	-	-	-	-

(Foreign currency: functional currency)	March 31, 2026 Book value			December 31, 2025 Book value			March 31, 2025 Book value		
	Foreign currency amount (In thousands)	Exchange rate	(NTD)	Foreign currency amount (In thousands)	Exchange rate	(NTD)	Foreign currency amount (In thousands)	Exchange rate	(NTD)
RMB : NTD	-	-	-	43,428	4.50	195,252	49,742	4.57	227,470
Payables									
RMB : NTD	$ 168,123	4.63	$ 778,241	$ 223,710	4.50	$ 1,005,800	$ 116,925	4.57	$ 534,698
USD : NTD	304,945	32.00	9,756,715	332,519	31.43	10,451,072	264,923	33.21	8,796,768
USD : RMB	20,662	6.91	661,081	39,302	6.99	1,235,262	33,488	7.26	1,111,969

(Foreign currency: functional currency)	March 31, 2026 Sensitivity analysis			December 31, 2025 Sensitivity analysis			March 31, 2025 Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets									
Monetary items									
Cash in banks									
USD : NTD	3%	$ 84,893	$ -	3%	$ 77,217	$ -	3%	$ 128,076	$ -
RMB : NTD	3%	9,792	-	3%	9,351	-	3%	7,534	-
JPY : NTD	3%	-	-	3%	48,346	-	3%	-	-
USD : HKD	3%	-	-	3%	1,467	-	3%	1,477	-
USD : RMB	3%	6,981	-	3%	39,817	-	3%	30,471	-
USD : THB	3%	34,289	-	3%	3,677	-	3%	3,312	-
Receivables									
USD : NTD	3%	$ 344,857	$ -	3%	$ 404,491	$ -	3%	$ 242,906	$ -
USD : RMB	3%	77,572	-	3%	112,498	-	3%	68,455	-
USD : THB	3%	64,161	-	3%	80,824	-	3%	40,886	-
Non-monetary items									
Investments accounted for under equity method									
USD : NTD	3%	$ -	$ 121,173	3%	$ -	$ 114,508	3%	$ -	$ 116,323

(Foreign currency: functional currency)	March 31, 2026 Sensitivity analysis Degree of variation	Effect on profit or loss	Effect on other comprehensive income	December 31, 2025 Sensitivity analysis Degree of variation	Effect on profit or loss	Effect on other comprehensive income	March 31, 2025 Sensitivity analysis Degree of variation	Effect on profit or loss	Effect on other comprehensive income
HKD : NTD	3%	-	47,988	3%	-	46,201	3%	-	43,478
Financial liabilities									
Monetary items									
Bank loan									
USD : NTD	3%	$ -	$ -	3%	$ 66,003	$ -	3%	$ -	$ -
USD : RMB	3%	12,515	-	3%	19,396	-		-	-
USD : THB	3%	36,241	-	3%	-	-		-	-
RMB : NTD	3%	-	-	3%	5,858	-		6,824	-
Payables									
RMB : NTD	3%	$ 23,347	$ -	3%	$ 30,174	$ -	3%	$ 16,041	$ -
USD : NTD	3%	292,701	-	3%	313,532	-	3%	263,903	-
USD : RMB	3%	19,832	-	3%	37,058	-	3%	33,359	-

Total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the three months and three months ended March 31, 2026 and 2025 amounted to a gain of $131,836 thousand, and a gain of $113,083 thousand, respectively.

Price risk

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

ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 3% with all other variables held constant, post-tax profit for the three months ended March 31, 2026 and 2025 would have increased/decreased by $1,990 thousand and $19,067 thousand, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $9,895 thousand and $9,998 thousand, respectively, as a result of other comprehensive income classified as available-for-sale equity investment and equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

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

ii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit (loss), net of tax for the three months ended March 31, 2026 and 2025 would have increased/decreased by $733 thousand and $355 thousand, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income.

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

iii. For banks and financial institutions, the Group transacts with a variety of banks and financial institutions, mainly domestic and overseas well-known financial institutions, to avoid concentration in any single counterparty and to minimize credit risk. The Group can only enter into the financial services and loan agreement provided by banks and financial institutions after being approved by the Board of Directors or authorized management according to the Company's delegation of authorization policy. To prevent legal risks, all

the Group signs with banks and financial institutions after all documents are examined by counsel or legal advisor profession. The Group periodically checks the credit rating, conditions and quality of service as well as transactions. According to the Group's operating condition, the credit limits and utilization of credit limits are monitored on a regular basis and maintained within a reasonable range to ensure it meets the needs of the operation.

iv. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

v. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

(i) If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

(ii) For investments in bonds that are traded over the counter, if any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low.

vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. The Group classifies customers' accounts receivable, contract assets in accordance with geographic area. The Group applies the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis.

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

ix. The Group used the forecastability of adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. As of March 31, 2026, December 31, 2025 and March 31, 2025, the provision matrix is as follows:

March 31, 2026	Expected loss rate	Total book value	Loss allowance
Not past due	0.03%	$ 8,964,169	$ 2,884
Up to 30 days	1.59%	178,557	2,840
31~90 days	25.69%	13,030	3,348
91~180 days	100.00%	1,425	1,425
Over 180 days	100.00%	57,814	57,814
		$ 9,214,995	$ 68,311

December 31, 2025	Expected loss rate	Total book value	Loss allowance
Not past due	0.02%	$ 11,282,383	$ 2,179
Up to 30 days	1.36%	139,185	1,894
31~90 days	37.09%	5,624	2,086
91~180 days	100.00%	7,899	7,899
Over 180 days	100.00%	50,612	50,612
		$ 11,485,703	$ 64,670

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

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

	2026	2025
	Accounts receivable	Accounts receivable
At January 1	$ 64,670	$ 44,658
Allowance of impairment loss	2,963	2,840
Effect of foreign exchange	678	807
At March 31	$ 68,311	$ 48,305

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

	March 31, 2026			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortized cost				
Group 1	$ 991,385	$ -	$ -	$ 991,385
Group 2	110,000	-	-	110,000
	$ 1,101,385	$ -	$ -	$ 1,101,385

	December 31, 2025			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortized cost				
Group 1	$ 627,583	$ -	$ -	$ 627,583
Group 2	110,000	-	-	110,000
	$ 737,583	$ -	$ -	$ 737,583

	March 31, 2025			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortized cost				
Group 1	$ 928,825	$ -	$ -	$ 928,825
Group 2	50,000	-	-	50,000
	$ 978,825	$ -	$ -	$ 978,825

Group 1: Time deposits designated as investment grade.
Group 2: Debt instruments designated as investment grade.
Based on assessment, the default possibility of the Group's financial assets at amortised cost is remote, and thus no loss allowances were provided as of March 31, 2026, December 31, 2025 and March 31, 2025.

(c) Liquidity risk

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

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

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

iv. The Group has $17,018,488 thousand, $13,336,488 thousand and $16,909,121 thousand in undrawn borrowing facilities as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

Non-derivative financial liabilities

March 31, 2026	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	$ 632,237	$ 696,426	$ -	$ -	$ -	$ 1,328,663
Accounts payable	5,981,941	1,295,693	5,274	12,624	-	7,295,532
Accounts payable - related parties	2,594,709	1,314,589	13,205	33,850	-	3,956,353
Other payables (including related parties)	2,344,132	75,685	205,873	-	-	2,625,690
Lease liabilities	14,899	32,039	33,827	49,590	-	130,355
Bonds payable	-	-	3,000,000	-	-	3,000,000
Long-term borrowings (including expiring within one year)	19,477	128,794	-	-	-	148,271
Derivative financial liabilities						
Forward exchange contracts	64,102	40,957	-	-	-	105,059

Non-derivative financial liabilities

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

Non-derivative financial liabilities

March 31, 2025	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short-term borrowings	$ 1,227	$ 357,417	$ -	$ -	$ -	$ 358,644
Accounts payable	4,599,255	1,902,856	-	-	-	6,502,111
Accounts payable - related parties	3,000,948	794,989	-	-	-	3,795,937
Other payables (including related parties)	3,191,507	239,254	-	-	-	3,430,761
Lease liabilities	23,030	19,069	28,838	36,647	5,818	113,402
Bonds payable	-	-	-	3,000,000	-	3,000,000
Long-term borrowings (including expiring within one year)	59,216	98,912	149,549	5,950	61,504	375,131

(3) Fair value information

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

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

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

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

B. Financial instruments not measured at fair value

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

	March 31, 2026			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable	$ 2,926,243	$ -	$ 2,951,920	$ -
	December 31, 2025			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable	$ 2,912,269	$ -	$ 2,926,261	$ -
	March 31, 2025			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities				
Bonds payable	$ 2,869,983	$ -	$ 2,796,887	$ -

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

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

March 31, 2026	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Equity securities	$ -	$ -	$ 43,678	$ 43,678
-Forward exchange contracts	-	146	-	146
-Fund	12,009	-	-	12,009
-Stock	10,640	-	-	10,640
Financial liabilities at fair value through other comprehensive income				
- Equity securities	108,856	-	220,990	329,846
Total	$ 131,505	$ 146	$ 264,668	$ 396,319

March 31, 2026	Level 1	Level 2	Level 3	Total
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
-Forward exchange contracts	$ -	$ 105,059	$ -	$ 105,059

December 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Equity securities	$ -	$ -	$ 46,282	$ 46,282
-Forward exchange contracts	-	2,139	-	2,139
-Fund	800,400	-	-	800,400
-Stock	17,240	-	-	17,240
Financial liabilities at fair value through other comprehensive income				
- Equity securities	107,541	-	223,254	330,795
Total	$ 925,181	$ 2,139	$ 269,536	$ 1,196,856
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
-Forward exchange contracts	$ -	$ 38,725	$ -	$ 38,725

March 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
-Equity securities	$ -	$ -	$ 47,879	$ 47,879
-Forward exchange contracts	-	5,608	-	5,608
-Fund	570,608	-	-	570,608
-Call options of convertible bonds	-	-	1,200	1,200
-Stock	17,080	-	-	17,080
Financial liabilities at fair value through other comprehensive income				
- Equity securities	108,479	-	224,773	333,252
Total	$ 696,167	$ 5,608	$ 273,852	$ 975,627

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

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

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

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

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

iv. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

E. For the three months ended March 31, 2026 and 2025, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the three months ended March 31, 2026 and 2025:

	Three months ended March 31	
	2026	2025
At January 1	$ 269,536	$ 275,885
(Losses) gains recognized in profit or loss	(2,604)	5,404
Losses recognized in other comprehensive income	(2,264)	(7,437)
At March 31	$ 264,668	$ 273,852

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2026	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity investment:					
Equity securities	$ 158,758	Market comparable companies	Price to book ratio multiple	1	The higher the multiplier, the higher the fair value
Private equity funds in venture capital	43,678	Net asset value	N/A	N/A	N/A
Private placement shares (listed companies)	62,232	Market price method	Discount for lack of marketability	29.52%	The higher the discount for marketability, the lower the fair value

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

	Fair value at March 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity investment:					
Equity securities	$ 158,924	Market comparable companies	Price to book ratio multiple	1	The higher the multiplier, the higher the fair value
Private equity funds in venture capital	47,879	Net asset value	N/A	N/A	N/A
Private placement shares (listed companies)	65,849	Market price method	Discount for lack of marketability	34.06%	The higher the discount for marketability, the lower the fair value
Call options of convertible bonds	1,200	Binary tree convertible bond valuation model	Risk-free interest rate	1.3368%~ 1.3391%	The higher the risk-free interest rate, the lower the fair value
			Stock price	120.5	The higher the stock price, the higher the fair value
			Volatility	34.50%	The higher the stock price volatility, the higher the

fair value

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

			March 31, 2026			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity securities	Price to book ratio multiple	±10%	$ -	$ -	$ 15,876	($ 15,876)

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

			March 31, 2025			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity securities	Price to book ratio multiple	±10%	$ -	$ -	$ 15,892	($ 15,892)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

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

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

D. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 3.

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

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

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

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

14. SEGMENT INFORMATION

(1) General information

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

(2) Measurement of segment information

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

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

A. The segment information provided to the chief operating decision-maker for the reportable segments for the three months ended March 31, 2026 is as follows:

	2026					
	Taiwan	Shenzhen	Singapore	Vietnam	Thailand	Total
Revenue						
Revenue from external customers	$ 7,183,974	$ 120,409	$ 1,764,351	$ 1,316,954	$ 201,671	$ 10,587,359
Inter-segment revenue	3,054	1,515,595	-	1,737,069	1,699,170	4,954,888
Total revenue	$ 7,187,028	$ 1,636,004	$ 1,764,351	$ 3,054,023	$ 1,900,841	$ 15,542,247
Segment pre-tax profit (loss)	$ 296,555	($ 261,179)	$ 46,690	$ 292,930	$ 23,556	$ 398,552

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

B. The segment information provided to the chief operating decision-maker for the reportable segments for the three months ended March 31, 2025 is as follows:

	2025					
	Taiwan	Shenzhen	Singapore	Vietnam	Thailand	Total
Revenue						
Revenue from external customers	$ 6,802,891	$ 71,907	$ 1,431,238	$ 215,424	$ -	$ 8,521,460
Inter-segment revenue	444	2,054,293	-	1,353,491	1,356,275	4,764,503
Total revenue	$ 6,803,335	$ 2,126,200	$ 1,431,238	$ 1,568,915	$ 1,356,275	$ 13,285,963
Segment pre-tax profit (loss)	$ 420,334	($ 129,584)	$ 111,707	$ 94,962	$ 81,930	$ 579,349

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

C. The Group's reportable operating segments are classified based on the operating regions.

D. The accounting policies of the operating segments are in agreement with the significant accounting policies summarized in Note 4. The Group's segment profit (loss) is measured with the current profit (loss), which is used as a basis for the Group in assessing the performance of the operating segments.

(4) Reconciliation for segment income (loss)

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

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

	Three months ended March 31	
	2026	2025
Adjusted revenue from reportable segments	$ 15,542,247	$ 13,285,963
Adjusted revenue from other operating segments	476,303	395,908
Total operating segments	16,018,550	13,681,871
Elimination of inter-segment revenue	(5,047,898)	(4,823,687)
Total consolidated operating revenue	$ 10,970,652	$ 8,858,184

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

	Three months ended March 31	
	2026	2025
Adjusted income from reportable segments before income tax	$ 398,552	$ 579,349
Adjusted income (loss) from other operating segments before income tax	378,819	320,706
Total operating segments	777,371	900,055
Elimination of inter-segment income	(349,609)	(409,591)
Income from continuing operations before income tax	$ 427,762	$ 490,464

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Loans to others
Three months ended March 31, 2026

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance for the three months ended March 31, 2026	Balance at March 31, 2026	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transaction with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 1)	Ceiling on total loans granted (Note 1)	Footnote
													Item	Value			
0	MEHO	MESG	Other receivables	Y	$ 1,599,750	$ 1,599,750	$ -	-	2	$ -	Business operation	$ -	-	$ -	$ 6,744,249	$16,860,622	
1	MESG	MENA	Other receivables	Y	63,990	63,990	63,990	4.31	2	-	Business operation	-	-	-	701,532	701,532	
1	MESG	MENA	Other receivables	Y	127,980	127,980	127,980	3.73~4.83	2	-	Business operation	-	-	-	701,532	701,532	
1	MESG	SENM	Other receivables	Y	31,995	31,995	15,998	4.64	2	-	Business operation	-	-	-	701,532	701,532	
1	MESG	SENM	Other receivables	Y	31,995	31,995	15,998	3.55	2	-	Business operation	-	-	-	701,532	701,532	
1	MESG	MEMP	Other receivables	Y	15,998	15,998	4,799	3.87	2	-	Acquisition for asset	-	-	-	701,532	701,532	
2	MECL	FUXM	Other receivables	Y	60,177	-	-	-	2	-	Business operation	-	-	-	1,548,174	3,870,435	
2	MECL	FUXM	Other receivables	Y	50,919	50,919	50,919	2.60	2	-	Business operation	-	-	-	1,548,174	3,870,435	
2	MECL	ASCX	Other receivables	Y	37,032	37,032	-	-	2	-	Business operation	-	-	-	1,548,174	3,870,435	
2	MECL	FUXM	Other receivables	Y	18,516	18,516	13,887	2.60	2	-	Business operation	-	-	-	1,548,174	3,870,435	
3	MWJP	TOJP	Other receivables	Y	401,000	401,000	106,365	3.73	2	-	Business operation	-	-	-	1,978,556	1,978,556	
4	TOJP	TOJG	Other receivables	Y	401,000	401,000	48,517	3.73	2	-	Business operation	-	-	-	1,707,081	1,707,081	

Note 1:(1) The ceiling on the Company total loans to others is its net assets; for short-term financing, the limit for loans to MESG is 40% of the Company’s net assets.
(2) The ceiling on MESG total loans to others, as well as the individual loan limits for MENA, SENM, and MEMP, shall not exceed MESG’s net assets.
(3) The ceiling on MECL total loans to others is MECL’s net assets; for short-term financing, the individual loan limit for ASCX and FUXM is 40% of MECL’s net assets.
(4) The financing provided by MWJP to TOJP is a pre-existing transaction prior to the Company's acquisition. The total loan ceiling and the individual loan limit shall not exceed MWJP’s net assets.
(5) The financing provided by TOJP to TOJG is a pre-existing transaction prior to the Company's acquisition. The total loan ceiling and the individual loan limit shall not exceed TOJP’s net assets.
Note 2:(1) For business transactions: 1.
(2) For short-term financing: 2.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2026

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	As of March 31, 2026				Note
				Number of shares	Book value (in thousands)	Ownership (%)	Fair value (in thousands)	
The Company	Stock-Foxtron Vehicle Technologies	-	Financial assets mandatorily measured at fair value through profit or loss - current	400	$ 20,480	-	$ 10,640	
MUTT	Fund - Taishin 1699 Money Market Fund	-	Financial assets mandatorily measured at fair value through profit or loss - current	833	11,582	-	12,009	
					32,062		$ 22,649	
			Valuation adjustment		(9,413)			
					$ 22,649			
The Company	Fund - JIF	-	Financial assets mandatorily measured at fair value through profit or loss - non-current	870	$ 26,220	0.71%	$ 21,649	Note 2
The Company	Fund-WK Technology	-	Financial assets mandatorily measured at fair value through profit or loss - non-current	2,000	20,000	1.78%	22,029	
					46,220		$ 43,678	
			Valuation adjustment		(2,542)			
					$ 43,678			
The Company	Stock - 2881B.TW	-	Equity instruments measured at fair value through OCI - current	683	$ 40,980	-	$ 42,688	
The Company	Stock - 2882B.TW	-	Equity instruments measured at fair value through OCI - current	585	35,100	-	35,568	
The Company	Stock - 5871A	-	Equity instruments measured at fair value through OCI - current	300	30,000	-	30,600	
					106,080		$ 108,856	
					2,776			
					$ 108,856			
The Company	Stock - 4943.TW	-	Measured at fair value through other comprehensive income - non-current	7,712	$ 648,164	6.09%	$ 62,232	
The Company	Stock - FUJITER Semiconductor CO.,LTD.	-	Measured at fair value through other comprehensive income - non-current	2,126	27,811	9.79%	14,434	
The Company	Stock - NETVOX TECHNOLOGY CO., LTD	-	Measured at fair value through other comprehensive income - non-current	324	2,976	1.32%	-	
The Company	Stock - -EVER THAI AGRI-PRODUCT CO.,LTD.	-	Measured at fair value through other comprehensive income - non-current	683	6,425	4.64%	-	
The Company	Stock - -SUNSINO SME Development Co., Ltd.	-	Measured at fair value through other comprehensive income - non-current	178	2,123	0.36%	2,282	
The Company	Stock - -LINSATION Intelligent Technology Limited	-	Measured at fair value through other comprehensive income - non-current	75	8,772	6.19%	2,935	
The Company	Stock - MERRY FULING CO., LTD., TAIWAN BRANCH (SAMOA)	-	Measured at fair value through other comprehensive income - non-current	356	10,437	19.00%	10,965	
					706,708		$ 92,848	
			Valuation adjustment		(613,860)			
					$ 92,848			
MEST	Stock - Perfect Fortune Inc	-	Measured at fair value through other comprehensive income - non-current	-	$ 8,678	18.33%	$ 98,799	
MEST	Stock - LOYAL WIRE& CABLE COMPANY LTD	-	Measured at fair value through other comprehensive income - non-current	-	8,365	18.33%	24,714	
ASCX	Stock - Beijing Wanling Hearing Aids	-	Measured at fair value through other comprehensive income - non-current	-	4,629	19.64%	4,629	
					21,672		$ 128,142	
			Valuation adjustment		106,470			
					$ 128,142			

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2026

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	As of March 31, 2026				Note
				Number of shares	Book value (in thousands)	Ownership (%)	Fair value (in thousands)	
The Company	Bond - P13 Fubon Life Insurance 1A	-	Financial assets at amortized cost – non-current	-	$ 50,000	-	$ 50,000	
The Company	Bond - P14 Taiwan Life Insurance 1A	-	Financial assets at amortized cost – non-current	-	50,000	-	50,000	
The Company	Bond - P14 E.SUN Bank 3	-	Financial assets at amortized cost – non-current	-	10,000	-	10,000	
					$ 110,000		$ 110,000	

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

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more

Three months ended March 31, 2026

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
Purchase/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance (Note 2)	Percentage of total notes/ accounts receivable payable	Note
The Company	MECL	A subsidiary of the Company	Purchases	$ 1,327,751	12%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	($ 2,681,767)	24%	(Note 3)
The Company	MEVN	A subsidiary of the Company	Purchases	1,740,570	16%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(1,602,560)	14%	(Note 3)
The Company	MECH	Investment accounted for using the equity method	Purchases	763,317	7%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(773,349)	7%	
The Company	MECE	Investment accounted for using the equity method	Purchases	2,431,589	22%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(2,558,012)	23%	
The Company	METC	A subsidiary of the Company	Purchases	263,688	2%	60 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	-	-	(Note 3)
METC	The Company	Parent company	Purchases	1,140,497	10%	60 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(3,199,376)	28%	(Note 3,4)
MESG	MECL	Parent Company	Purchases	151,498	1%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(203,668)	2%	(Note 3)
MESG	METC	Parent Company	Purchases	1,438,349	13%	60 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(1,644,250)	15%	(Note 3)
METC	DONPON PRECISION INC.	Associates	Purchases	152,096	1%	90 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	(219,609)	2%	
MEVN	LUXSHARE PRECISION SINGAPORE PTE.LT	Associates	(Sales)	1,027,989	9%	60 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	1,426,731	13%	
MEVN	Luxshare Precision Limited	Associates	(Sales)	246,858	2%	60 - 120 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	325,520	3%	
MEVN	The Company	Parent Company	Purchases	157,335	1%	60 - 65 days end of month after offsetting with accounts receivable	(Note 1)	30~120 days end of month for the third parties	-	-	(Note 3,4)

Note 1: For purchase transactions with related parties, the price is based on the profitability of the product and will be adjusted annually.
Note 2: The balance is the net amount after offsetting accounts receivable and payable due from/ to related parties.
Note 3: Inter-company transactions between companies within the Group are eliminated.
Note 4: For transactions in which the Company sells raw materials to the aforementioned related party and subsequently repurchases finished goods made from the same raw materials from the same party, the initial sale of raw materials is eliminated due to economic substance.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Receivables from related parties reaching $100 million or 20% of paid-in capital or more
March 31, 2026

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance of accounts receivable due from related party			Overdue receivables			Amount collected subsequent to the balance sheet date (Note2)	Allowance for doubtful accounts	Note
			General ledger account	Amount	Turnover rate	Amount	Action taken				
The Company	METC	A subsidiary of the Company	Other Receivable	$ 3,199,376	-	$ -	-		$ 241,895	$ -	(Note 1,3,4)
MECL	The Company	Parent Company	Accounts receivable	2,681,767	1.62	-	-		663,908	-	(Note 1)
MECL	MESG	A subsidiary of the Company	Accounts receivable	203,668	2.41	-	-		61,132	-	(Note 1)
METC	MESG	A subsidiary of the Company	Accounts receivable	1,644,250	2.79	-	-		451,580	-	(Note 1)
MEVN	The Company	Parent Company	Accounts receivable	1,602,560	4.00	-	-		610,641	-	(Note 1)
MEVN	LUXSHARE PRECISION SINGAPORE PTE.LT	A other related party of the Group	Accounts receivable	1,426,731	0.34	-	-		389,500	-	
MEVN	Luxshare Precision Limited	A other related party of the Group	Accounts receivable	325,520	0.38	-	-		111,614	-	
MESG	MENA	A subsidiary of the Company	Other Receivable	191,970	-	-	-		-	-	(Note 1,3)

Note 1: Inter-company transactions between companies within the Group are eliminated.
Note 2: The balance was as at April 29, 2026.
Note 3: The amount comprises other receivables and thus, the turnover rate is not calculated.
Note 4: Other receivables mainly were the purchases of raw materials on behalf of affiliated companies.

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Significant inter-company transactions during the reporting periods
Three months ended March 31, 2026

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	MEHO	MECL	1	Purchases	$ 1,327,751	The price is based on the profitability of the product	12%
0	MEHO	MECL	1	Accounts payable	2,681,767	60~65 days end of month after offsetting with accounts receivable	7%
0	MEHO	MEVN	1	Purchases	1,740,570	The price is based on the profitability of the product	16%
0	MEHO	MEVN	1	Accounts payable	1,602,560	60~65 days end of month after offsetting with accounts receivable	4%
0	MEHO	METC	1	Purchases	263,688	The price is based on the profitability of the product	2%
1	METC	MEHO	2	Purchases	1,140,497	The price is based on the profitability of the product	10%
1	METC	MEHO	2	Accounts payable	3,199,376	60~120 days end of month after offsetting with accounts receivable	8%
2	MEVN	MEHO	2	Purchases	157,335	The price is based on the profitability of the product	1%
3	MESG	MECL	3	Purchases	151,498	The price is based on the profitability of the product	1%
3	MESG	MECL	3	Accounts payable	203,668	60~65 days end of month after offsetting with accounts receivable	0%
3	MESG	METC	3	Purchases	1,438,349	The price is based on the profitability of the product	13%
3	MESG	METC	3	Accounts payable	1,644,250	60~65 days end of month after offsetting with accounts receivable	4%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
1. Parent company is '0'.
2. The subsidiaries are numbered in order starting from '1'.

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

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2026

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as on March 31, 2026			Net profit (loss) of the investee for the year ended March 31, 2026	Investment income (loss) recognized by the Company for the year ended March 31, 2026	Note
				Balance as on March 31, 2026	Balance as on December 31, 2025	Number of shares (in thousand shares)	Ownership (%)	Book value			
The Company	MEST	HONG KONG	Sales of microphone, receiver and speaker	$ 733,733	$ 733,733	19,658	100.00	$ 5,631,836	($ 210,700)	($ 196,445)	(Note 1)
The Company	DDBV	British Virgin IS.	General investment business	1,479,925	1,479,925	48,005	100.00	4,040,442	111,079	107,683	(Note 1)
The Company	LEOHAB ENTERPRISE CO.,LTD.	Taichung City	Plastic injection molding and metal stamping	79,689	79,689	5,529	13.81	116,842	34,637	4,783	
The Company	DONPON PRECISION INC.	Taoyuan City	Various plastic products, mold manufacturing and processing and trading business	386,010	386,010	13,806	15.30	501,542	239,085	39,756	(Note 1)
The Company	SYNergy ScienTech Corp.	Hsinchu City	Research, development, manufacture and sale of secondary lithium batteries	135,869	135,869	7,300	7.78	124,785	(32,476)	(2,475)	(Note 1)
The Company	MECA	U.S.A.	Technique, marketing and after service	28,925	28,925	1,000	100.00	22,633	(14,195)	(14,195)	
The Company	MESG	SINGAPORE	Sales of microphone, receiver and speaker	369,556	92,132	12,000	100.00	701,532	36,843	36,843	
The Company	METC	THAILAND	Microphone, components and product and sale of other electric products	484,358	484,358	5,060	99.99	1,361,224	(9,862)	(4,433)	(Note 1)
The Company	MHKY	CAYMAN	General investment business	922,946	922,946	29,992	100.00	555,129	63,975	63,975	
The Company	INSA	SAMOA	General investment business	1,293,008	1,293,008	302	100.00	169,684	(41,959)	(41,959)	
The Company	MEVN	VIETNAM	Manufacture of microphone and speaker	366,710	366,710	-	51.00	1,738,886	259,577	143,433	(Note 1)
The Company	MUTT	New Taipei City	Electrical appliances and audiovisual electronic products	30,600	30,600	3,060	51.00	12,589	73	37	
The Company	MCTT	Taichung City	General investment business	8,000	8,000	800	100.00	8,810	(139)	(139)	
The Company	MAC FUND	Taipei City	General investment business	115,205	149,333	-	42.67	122,786	(52,338)	(22,333)	
The Company	MWJP	Japan	General investment business	2,016,920	-	102	100.00	1,978,556	24,450	24,450	
MESG	MEMP	Malaysia	Research and development of microphone, receiver and speaker	15,969	15,969	2,400	100.00	8,351	(3,773)	-	(Note 2)
MCTT	MAC FUND	Taipei City	General investment business	2,700	3,500	-	1.00	2,878	(52,338)	(523)	
DDBV	MTHK	HONG KONG	General investment business	1,392,956	1,392,956	45,000	100.00	4,039,095	111,079	-	(Note 2)
MHKY	FUSA	SAMOA	General investment business	860,943	860,943	28,078	100.00	555,826	64,143	-	(Note 2)
INSA	MENA	CANADA	Sale and development of speaker and power amplifier	103,557	103,557	56,954	100.00	(188,330)	(35,394)	-	(Note 2)
MENA	SENM	NORWAY	Manufacture and sales of speaker monomer	7,491	7,491	-	100.00	35,383	(9,561)	-	(Note 2)
MESG	MEIN	India	Research and development of microphone, receiver and speaker	31,379	31,379	8,910	99.00	21,794	(7,016)	-	(Note 2)
MCTT	MEIN	India	Research and development of microphone, receiver and speaker	317	317	90	1.00	220	(7,016)	-	(Note 2)
MWJP	TOJP	Japan	General investment business	120,060	-	10	100.00	1,707,081	26,752	-	(Note 2)
TOJP	TOHK	HONG KONG	Purchase of components for headphone and earbud production.	200	-	70	100.00	349,924	(1,335)	-	(Note 2)

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Information on investees
Three months ended March 31, 2026

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as on March 31, 2026			Net profit (loss) of the investee for the year ended March 31, 2026	Investment income (loss) recognized by the Company for the year ended March 31, 2026	Note
				Balance as on March 31, 2026	Balance as on December 31, 2025	Number of shares (in thousand shares)	Ownership (%)	Book value			
TOJP	TOTH	THAILAND	Manufacturing and sales of headphones and earphones.	694	-	1	0.31	5,381	33,418	-	(Note 2)
TOHK	TOTH	THAILAND	Manufacturing and sales of headphones and earphones.	300,228	-	330	99.69	1,741,567	33,418	-	(Note 2)
TOJG	TOTH	THAILAND	Manufacturing and sales of headphones and earphones.	3	-	-	0.00	35	33,418	-	(Note 2)
TOJP	TOJG	Japan	Design, samples, and molds for headphone and earphone products.	22,234	-	-	90.00	(11,737)	(4,836)	-	(Note 2)
TOTH	TOJG	Japan	Design, samples, and molds for headphone and earphone products.	315	-	-	10.00	(1,304)	(4,836)	-	(Note 2)
TOJG	TOJY	Japan	Manufacturing and sales of molds for headphones and earphones.	18,009	-	6	100.00	2,441	(114)	-	(Note 2)

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Information on investees in Mainland China
Three months ended March 31, 2026

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2026	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for three months ended March 31, 2026: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China / Amount remitted back to Taiwan for three months ended March 31, 2026: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Net income of investee for three months ended March 31, 2026	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for three months ended March 31, 2026	Book value of investments in Mainland China as of March 31, 2026 (Note 4)	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2026	Note
MSCS	Manufacture of speaker and amplifier	$ 160,036	(Note 1)	$ 110,497	$ -	$ -	$ 110,497	($ 9,000)	100.00%	($ 9,000)	$ 131,746	$ -	
MECL	Manufacture of earphones, microphone, receiver, batteries, speaker and other electronic component	441,347	(Note 2)	453,191	-	-	453,191	(222,277)	100.00%	(222,277)	3,870,435	2,282,120	Note 3
MECE	Manufacture and sales of microphone, receiver and speaker	2,896,546	(Note 2)	1,369,285	-	-	1,369,285	226,734	49.00%	107,704	4,039,095	498,288	Note 3
MECH	Manufacture and sales of microphone, receiver, speaker and mobile phone	470,582	(Note 2)	426,742	-	-	426,742	27,940	49.00%	14,030	1,599,594	431,543	Note 3
FUSZ	General administration	297,104	(Note 2)	310,763	-	-	310,763	(943)	100.00%	(943)	258,238	-	
ETCX	Retail sales of hearing products	20,831	(Note 2)	19,009			19,009	598	100.00%	598	(41,089)		
ASCX	Manufacture and sales of hearing aid, hearing device and acoustics equipment	121,452	(Note 2)	315,461			315,461	64,533	100.00%	64,533	255,004		
FUXM	General administration	322,332	(Note 2)	302,995	-	-	302,995	203	100.00%	203	27,440	-	
DONG GUAN GET PINK	Manufacture and sales of earphones and speaker	72,907	(Note 2)	-	-	-	-	(4,301)	33.00%	(1,325)	12,717	-	

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

MERRY ELECTRONICS CO., LTD. AND SUBSIDIARIES
Information on investees in Mainland China
Three months ended March 31, 2026

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2026	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission (MOEA) (Note 5)
Merry Electronics Co., Ltd.	$ 3,307,943	$ 3,748,971	$ 11,132,431

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