Merida Industry Co., Ltd.

Parent Corporation Only Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors’ Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Merida Industry Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Merida Industry Co., Ltd. (the Corporation), which comprise the parent corporation only balance sheets as of December 31, 2024 and 2023, and the parent corporation only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent corporation only financial statements, including material accounting policy information (collectively referred to as the "parent corporation only financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section of this report), the accompanying parent corporation only financial statements present fairly, in all material respects, the parent corporation only financial position of the Corporation as of December 31, 2024 and 2023, and its parent corporation only financial performance and its parent corporation only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent corporation only Consolidated Financial Statements section of our report. We are independent of the Corporation in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the report of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent corporation only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent corporation only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the parent corporation only financial statements for the year ended December 31, 2024 is as follows:

Revenue Recognition

The Corporation's sales revenue mainly comes from the manufacture and sales of bicycles, e-bikes, and bicycle components. Since revenue from the export sales of e-bikes for the year ended December 31, 2024 accounted for a significant proportion of sales revenue, recognition of export sales revenue from the sale of e-bikes has been identified as a key audit matter. For the accounting policies on the recognition of sales revenue, refer to Note 4.

Our audit procedures performed in respect of revenue recognition include the following:

1. We obtained an understanding of and evaluated the design and appropriateness of implementation of the internal controls related to the recognition of sales revenue and the operating procedures and risks related to revenue collection. We also tested the continuous effectiveness of its related procedures during the year.

2. We obtained the sales revenue receipts from the export of e-bikes, sampled the orders, and subsequently recognized the documents and receipt vouchers related to sales revenue and verified the occurrence of the sales revenue recognized.

Other Matter

We did not audit the part of the investments accounted for using the equity method that were evaluated in the parent corporation only financial statements, which is consistent with the U.S. GAAP financial reporting structures. This part has been audited by other accountants in accordance with auditing standards generally accepted in the U.S. We have applied all necessary audit procedures on the conversion adjustments made to the financial statements of the Group, and in our opinion, such financial statements present fairly and are in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS). In our opinion, the amounts relating to the abovementioned adjusted financial statements are based on the reports of other auditors and are the results of additional audit procedures performed in order to meet the relevant requirements of the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. The balance of the long-term investments accounted for using the equity method was NT$15,770,662 thousand and NT$18,653,865 thousand, accounting for 49% and 57% of the Group's consolidated total assets as of December 31, 2024 and 2023, respectively. The share of loss of associates was NT$4,046,255 thousand and NT$711,238 thousand, accounting for 435% and (30)% of the Group's consolidated net income (loss) before tax for the years ended December 31, 2024 and 2023, respectively.

Responsibilities of Management and Those Charged with Governance for the parent corporation only Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the parent corporation only Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent corporation only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation to express an opinion on the parent corporation only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent corporation only financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shao-Chun Wu and Done-Yuin Tseng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2025

<u>*Notice to Readers*</u>

The accompanying parent corporation only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent corporation only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent corporation only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent corporation only financial statements shall prevail.

MERIDA INDUSTRY CO., LTD.

PARENT CORPORATION ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash (Notes 4 and 6)	$ 2,294,519	7	$ 1,970,162	6
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	57,764	-	204,951	1
Notes receivable (Notes 4 and 19)	3,593	-	7,154	-
Trade receivables (Notes 4, 8 and 19)	254,478	1	250,432	1
Trade receivables from related parties (Notes 4, 8, 19 and 25)	3,670,741	12	3,345,411	10
Other receivables (Notes 4 and 25)	352,035	1	235,612	1
Inventories (Notes 4 and 9)	4,290,319	13	3,049,587	9
Other current assets	80,204	-	18,824	-
Total current assets	11,003,653	34	9,082,133	28
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 10)	92,620	-	92,620	-
Investments accounted for using the equity method (Notes 4 and 11)	19,723,131	61	22,372,342	68
Property, plant and equipment (Notes 4 and 12)	887,445	3	917,517	3
Right-of-use assets (Notes 4 and 13)	6,029	-	24,697	-
Intangible assets (Notes 4 and 14)	22,168	-	27,425	-
Deferred tax assets (Notes 4 and 21)	281,283	1	305,924	1
Prepayments for equipment	45,000	-	27,488	-
Prepayments for investment (Note 11)	315,721	1	-	-
Net defined benefit assets - non-current (Notes 4 and 17)	90,774	-	19,129	-
Other non-current assets (Note 4)	6,354	-	6,384	-
Total non-current assets	21,470,525	66	23,793,526	72
TOTAL	$ 32,474,178	100	$ 32,875,659	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term bank loans (Note 15)	$ 5,053,600	16	$ 4,704,626	15
Contract liabilities - current (Notes 4, 19 and 25)	124,221	-	15,116	-
Trade payables	3,616,146	11	2,032,216	6
Trade payables to related parties (Note 25)	100,363	-	71,529	-
Other payables (Note 16)	277,850	1	399,299	1
Current tax liabilities (Notes 4 and 21)	279,815	1	711,380	2
Lease liabilities - current (Notes 4 and 13)	3,714	-	21,517	-
Other current liabilities	14,170	-	10,393	-
Total current liabilities	9,469,879	29	7,966,076	24
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 21)	3,626,078	11	4,344,688	14
Lease liabilities - non-current (Notes 4 and 13)	2,337	-	3,619	-
Guarantee deposits received	14	-	-	-
Credit balance of investments accounted for using the equity method (Notes 4 and 11)	80,417	1	41,727	-
Total non-current liabilities	3,708,846	12	4,390,034	14
Total liabilities	13,178,725	41	12,356,110	38
EQUITY				
Ordinary shares	2,989,838	9	2,989,838	9
Capital surplus	940,458	3	630,152	2
Retained earnings				
Legal reserve	4,116,578	12	3,937,840	12
Special reserve	638,687	2	666,194	2
Unappropriated earnings	10,323,780	32	12,934,212	39
Other equity	286,112	1	(638,687)	(2)
Total equity	19,295,453	59	20,519,549	62
TOTAL	$ 32,474,178	100	$ 32,875,659	100

The accompanying notes are an integral part of the parent corporation only financial statements.

(With Deloitte & Touche auditors' report dated March 13, 2025)

MERIDA INDUSTRY CO., LTD.

PARENT CORPORATION ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
SALES (Notes 4, 19 and 25)	$ 18,215,546	100	$ 20,008,786	100
COST OF GOODS SOLD (Notes 9, 20 and 25)	15,938,591	88	17,607,545	88
GROSS PROFIT	2,276,955	12	2,401,241	12
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES (Note 4)	(79,132)	-	311,441	2
REALIZED GROSS PROFIT	2,197,823	12	2,712,682	14
OPERATING EXPENSES (Notes 20 and 25)				
Selling and marketing expenses	465,806	2	483,654	3
General and administrative expenses	153,125	1	227,433	1
Total operating expenses	618,931	3	711,087	4
PROFIT FROM OPERATIONS	1,578,892	9	2,001,595	10
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 4 and 25)	85,815	-	104,640	1
Technical service and royalty income (Note 25)	313,352	2	188,972	1
Dividend income	2,644	-	2,476	-
Other income (Note 25)	51,766	-	63,959	-
Net foreign exchange gains (Notes 4 and 30)	351,310	2	28,840	-
Gain on fair value changes of financial assets at fair value through profit or loss (Note 4)	6,027	-	14,225	-
Share of profit (loss) of subsidiaries and associates (Notes 4 and 11)	(3,196,932)	(18)	117,261	1
Interest expense	(84,424)	-	(96,230)	(1)
Other expenses (Note 20)	(37,967)	-	(74,060)	-
Total non-operating income and expenses	(2,508,409)	(14)	350,083	2
PROFIT BEFORE INCOME (LOSS) TAX	(929,517)	(5)	2,351,678	12
INCOME TAX EXPENSE (BENEFIT) (Notes 4 and 21)	(230,414)	(1)	659,855	4
NET PROFIT (LOSS) FOR THE YEAR	(699,103)	(4)	1,691,823	8

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MERIDA INDUSTRY CO., LTD.

PARENT CORPORATION ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that may will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 17)	$ 62,370	-	$ 123,565	1
Share of the other comprehensive income (loss) of associates accounted for using the equity method	(17,010)	-	(15,291)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	(12,715)	-
	45,360	-	95,559	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	1,271,212	7	33,669	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	(302,511)	(2)	(6,162)	-
Income tax related to items that may be reclassified subsequently to profit or loss	(43,902)	-	-	-
	924,799	5	27,507	-
Other comprehensive income for the year, net of income tax	970,159	5	123,066	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 271,056	1	$ 1,814,889	9
EARNINGS (LOSS) PER SHARE (Note 22)				
Basic	$ (2.34)		$ 5.66	
Diluted	$ (2.34)		$ 5.64	

The accompanying notes are an integral part of the parent corporation only financial statements.

(With Deloitte & Touche auditors’ report dated March 13, 2025) (Concluded)

MERIDA INDUSTRY CO., LTD.

PARENT CORPORATION ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

			Retained Earnings (Note 18)			Other Equity	
	Ordinary Shares (Note 18)	Capital Surplus (Note 18)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2023	$ 2,989,838	$ 416,290	$ 3,595,669	$ 2,464,786	$ 11,783,296	$ (666,194)	$ 20,583,685
Appropriation of 2022 earnings							
Legal reserve	-	-	342,171	-	(342,171)	-	-
Reversal of special reserve	-	-	-	(1,798,592)	1,798,592	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(2,092,887)	-	(2,092,887)
Changes in capital surplus from investments in associates accounted for using the equity method	-	213,862	-	-	-	-	213,862
Net profit for the year ended December 31, 2023	-	-	-	-	1,691,823	-	1,691,823
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	95,559	27,507	123,066
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	1,787,382	27,507	1,814,889
BALANCE AT DECEMBER 31, 2023	2,989,838	630,152	3,937,840	666,194	12,934,212	(638,687)	20,519,549
Appropriation of 2023 earnings							
Legal reserve	-	-	178,738	-	(178,738)	-	-
Reversal of special reserve	-	-	-	(27,507)	27,507	-	-
Cash dividends distributed by the Corporation	-	-	-	-	(1,793,903)	-	(1,793,903)
Changes in capital surplus from investments in associates accounted for using the equity method	-	310,306	-	-	-	-	310,306
Changes in ownership interests in subsidiaries	-	-	-	-	(11,555)	-	(11,555)
Net loss for the year ended December 31, 2024	-	-	-	-	(699,103)	-	(699,103)
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	45,360	924,799	970,159
Total comprehensive (loss) income for the year ended December 31, 2024	-	-	-	-	(653,743)	924,799	271,056
BALANCE AT DECEMBER 31, 2024	$ 2,989,838	$ 940,458	$ 4,116,578	$ 638,687	$ 10,323,780	$ 286,112	$ 19,295,453

The accompanying notes are an integral part of the parent corporation only financial statements.

(With Deloitte & Touche audit report dated March 13, 2025)

MERIDA INDUSTRY CO., LTD.

PARENT CORPORATION ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	$ (929,517)	$ 2,351,678
Adjustments for:		
Depreciation expense	98,031	110,564
Amortization expense	17,175	15,303
Expected credit loss recognized (reversed) on trade receivables	1,667	(839)
Net gain on fair value changes of financial assets at fair value through profit or loss	(6,027)	(14,225)
Interest expense	84,424	96,230
Interest income	(85,815)	(104,640)
Dividend income	(2,644)	(2,476)
Share of profit (loss) of subsidiaries and associates	3,196,932	(117,261)
Loss on disposal of property, plant and equipment	-	61
Write-down reversal of inventories	(102,741)	(12,174)
Unrealized (realized) gain on transactions with associates	79,132	(311,441)
Unrealized net loss (gain) on foreign currency exchange	(56,950)	77,572
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	153,214	311,979
Notes receivable	3,561	(6,995)
Trade receivables	(273,516)	1,254,496
Other receivables	(119,024)	(67,808)
Inventories	(1,137,991)	2,533,533
Other current assets	(61,380)	119,646
Contract liabilities	109,105	(2,043,838)
Notes and trade payables	1,612,188	(3,066,197)
Other payables	(121,035)	(728,268)
Other current liabilities	3,777	6,023
Net defined benefit assets	(9,275)	499
Cash generated from operations	2,453,291	401,422
Interest received	88,416	99,841
Dividends received	682,235	664,081
Interest paid	(84,661)	(95,676)
Income tax paid	(939,022)	(982,431)
Net cash generated from operating activities	2,200,259	87,237
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from liquidation of investments accounted for using the equity method	-	1,852
Acquisition of property, plant and equipment	(29,199)	(41,806)
Increase (decrease) in refundable deposits	30	(1,260)
Payments for intangible assets	(1,678)	(1,233)
Increase in prepayments for equipment	(45,000)	(25,388)
Net cash used in investing activities	(75,847)	(67,835)

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MERIDA INDUSTRY CO., LTD.

PARENT CORPORATION ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term bank loans	$ 348,974	$ 258,114
Proceeds from (refund of) guarantee deposits received	14	(1)
Repayment of the principal portion of lease liabilities	(22,106)	(21,095)
Dividends paid to owners of the Corporation	(1,793,903)	(2,092,887)
Acquisition of additional interests in subsidiaries	(17,313)	-
Increase in prepayments for investment	(315,721)	-
Net cash used in financing activities	(1,800,055)	(1,855,869)
NET INCREASE (DECREASE) IN CASH	324,357	(1,836,467)
CASH AT THE BEGINNING OF THE YEAR	1,970,162	3,806,629
CASH AT THE END OF THE YEAR	$ 2,294,519	$ 1,970,162

The accompanying notes are an integral part of the parent corporation only financial statements.

(With Deloitte & Touche auditors' report dated March 13, 2025) (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Merida Industry Co., Ltd. (the "Corporation") was incorporated in September 1972 in the Republic of China (ROC). It manufactures and sells bicycles and related parts.

Shares of the Corporation have been listed on the Taiwan Stock Exchange (TWSE) since September 1992.

The parent corporation only financial statements are presented in the Corporation's functional currency, the New Taiwan dollar.

2. APPROVAL OF PARENT CORPORATION ONLY FINANCIAL STATEMENTS

The parent corporation only financial statements were approved by the Corporation's board of directors on March 13, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have any material impact on the Corporation's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New IFRS Accounting Standards	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

As of the date the parent corporation only financial statements were authorized for issue, the Corporation has assessed that the application of the above standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. New IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New IFRS Accounting Standards	**Effective Date Announced by IASB (Note)**
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

1) IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1" Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

2) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that, when settling a financial liability in cash using an electronic payment system, the entity can choose to derecognize the financial liability before the settlement date if, and only if, the entity has initiated a payment instruction that resulted in:

- The entity having no practical ability to withdraw, stop or cancel the payment instruction;

- The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

- The settlement risk associated with the electronic payment system being insignificant.

The Corporation shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application.

Except for the above impact, As of the date the parent corporation only financial statements were authorized for issue, the Corporation is continuously assessing other impacts of the above amended standards and interpretations on the Corporation financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The parent corporation only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations").

b. Basis of preparation

The parent corporation only financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value, and net defined benefit assets that are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing these parent corporation only financial statements, the Corporation used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent corporation only financial statements to be the same as the amounts attributable to the owners of the Corporation in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent corporation only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent corporation only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Corporation does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the parent corporation only financial statements, transactions in currencies other than the Corporation’s functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

In preparing the parent corporation only financial statements, assets and liabilities of the foreign operations are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated into the New Taiwan dollar at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, work in process and finished goods and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at their weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Corporation uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Corporation.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary. The Corporation also recognizes the changes in the Corporation's share of equity of subsidiaries.

Changes in the Corporation's ownership interest in a subsidiary that do not result in the Corporation losing control of the subsidiary are accounted for as equity transactions. The Corporation recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Corporation's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the subsidiary), the Corporation continues recognizing its share of further losses, if any.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Corporation assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Corporation recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

Profits or losses resulting from downstream transactions is eliminated in full only in the parent corporation only financial statements. Profit and losses resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent corporation only financial statements and only to the extent of interests in the subsidiaries that are not related to the Corporation.

g. Investments in associates

An associate is an entity over which the Corporation has significant influence and is neither a subsidiary nor an interest in a joint venture.

The Corporation uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate. The Corporation also recognizes the changes in the Corporation's share of equity of associates.

Any excess of the cost of acquisition over the Corporation's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in the associate. The Corporation records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted from using the equity method. If the Corporation's ownership interest is reduced due to its additional subscription of the new shares of an associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Corporation's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Corporation's net investment in the associate), the Corporation discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Corporation has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Corporation transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the parent corporation only financial statements only to the extent of interests in the associate that are not related to the Corporation.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of property, plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets other than goodwill to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs assets.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (less amortization or depreciation) that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in gains or losses. Fair value is determined in the manner described in Note 24.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash, notes and trade receivables, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.
Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Corporation may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Corporation recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Corporation always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Corporation considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Corporation):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. Financial asset is more than 360 days past due unless the Corporation has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Corporation are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation’s own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation’s own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

The Corporation enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

l. Revenue recognition

The Corporation identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date on which the Corporation transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Corporation does not adjust the promised amount of consideration for the effects of a significant financing component.

Revenue from the sale of goods is recognized as revenue when the goods are delivered to the customer's specific location or when the goods are shipped, because it is the time when the customer has full discretion over the manner of distribution and bears the risks. Trade receivables are recognized concurrently. The transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

The Corporation does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

m. Leases

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease.

1) The Corporation as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Corporation as lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in a lease term the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

n. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service costs, net interest and remeasurement) under the defined retirement benefit plans are determined using the projected unit credit method. Service costs and net interest on the net defined benefit liabilities are recognized as employee benefits expenses in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Net defined benefit assets represent the actual surplus in the Corporation's defined benefit plans.

o. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is calculated on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and research and development expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which liabilities are settled or assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When the Corporation develops material accounting estimates, the estimates and underlying assumptions on an ongoing basis.

Based on the assessment of the Corporation's management, the accounting policies, estimates, and assumptions adopted by the Corporation have not been subject to material accounting judgements, estimates and assumptions uncertainty.

6. CASH

	December 31	
	2024	**2023**
Cash on hand	$ 262	$ 266
Checking accounts and demand deposits	2,294,257	1,969,896
	$ 2,294,519	$ 1,970,162

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	2023
Financial assets		
Non-derivative financial assets		
Domestic listed shares	$ 57,764	$ 53,200
Mutual funds	-	151,751
	$ 57,764	$ 204,951

8. TRADE RECEIVABLES

	December 31	
	2024	2023
Trade receivables	$ 3,930,734	$ 3,599,691
Less: Allowance for impairment loss	(5,515)	(3,848)
	$ 3,925,219	$ 3,595,843

In principle, the payment term granted to customers is 90 days from the invoice date and D/A or O/A of 60 to 180 days. The Corporation adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Corporation uses other publicly available financial information or its own trading records to rate its major customers. The Corporation's exposure and the credit ratings of its counterparties are continuously monitored.

In order to minimize credit risk, the management of the Corporation has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Corporation reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Corporation's credit risk was significantly reduced.

The Corporation measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. The Corporation determines the expected credit loss rate by reference to the past due days of trade receivables.

The Corporation writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Corporation continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables of the Corporation:

December 31, 2024

	Not Past Due	Past Due Within 3 Months	Total
Expected credit loss rate	0%-0.5%	3%	
Gross carrying amount	$ 3,872,381	$ 58,353	$ 3,930,734
Loss allowance (Lifetime ECLs)	(4,294)	(1,221)	(5,515)
Amortized cost	$ 3,868,087	$ 57,132	$ 3,925,219

December 31, 2023

	Not Past Due	Past Due Within 3 Months	Total
Expected credit loss rate	0%-0.5%	3%	
Gross carrying amount	$ 3,285,525	$ 314,166	$ 3,599,691
Loss allowance (Lifetime ECLs)	(3,526)	(322)	(3,848)
Amortized cost	$ 3,281,999	$ 313,844	$ 3,595,843

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 3,848	$ 4,687
Net (reversal of) remeasurement of loss allowance	1,667	(839)
Balance at December 31	$ 5,515	$ 3,848

9. INVENTORIES

	December 31	
	2024	2023
Finished goods	$ 1,750,135	$ 798,797
Work in process	104,915	173,054
Raw materials and supplies	2,367,753	1,980,900
Inventory in transit	67,516	96,836
	$ 4,290,319	$ 3,049,587

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2024 and 2023 was $15,938,591 thousand and $17,607,545 thousand, respectively. The cost of goods sold for the years ended December 31, 2024 and 2023 included inventory write-downs of $102,741 thousand and $12,174 thousand, respectively. Previous write-downs were reversed because slow moving inventories were sold.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2024	2023
Financial assets - non-current		
Overseas unlisted shares	$ 89,220	$ 89,220
Domestic unlisted shares	3,400	3,400
	$ 92,620	$ 92,620

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Corporation's strategy of holding these investments for long-term purposes.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2024	2023
Investments in subsidiaries	$ 3,699,135	$ 3,416,970
Investments in associates	16,023,996	18,955,372
	$ 19,723,131	$ 22,372,342

a. Investments in subsidiaries

	December 31	
	2024	2023
Unlisted shares		
Merida International (B.V.I) Ltd. ("Merida B.V.I.")	$ 3,061,868	$ 2,592,971
Merida & Centurion Germany GmbH ("Merida & Centurion")	501,510	497,793
Merida Norge A.S. ("Merida Norge")	40,265	98,282
Merida Polska Sp.z.o.o ("Merida Polska")	38,449	102,030
Merida Japan Co., Ltd ("Merida Japan")	-	42,742
Merida Bicycles Ltd. ("Merida U.K.")	57,043	83,152
	$ 3,699,135	$ 3,416,970
Credit Balance of Investments Accounted for Using the Equity Method		
Merida Benelux B.V. ("Merida Benelux")	$ 51,782	$ 41,727
Merida Japan Co., Ltd ("Merida Japan")	28,635	-
	$ 80,417	$ 41,727

The proportion of ownership and voting rights of investments in subsidiaries for the Corporation was as follows:

	December 31	
	2024	**2023**
Merida B.V.I.	100%	100%
Merida & Centurion	51% (Note 1)	51%
Merida Norge	80% (Note 2)	75%
Merida Polska	74%	74%
Merida Japan	90%	90%
Merida U.K.	81%	81%
Merida Benelux	60%	60%

Note 1： On August 12, 2024, the Corporation's board of directors resolved to purchase 39% of the shares of Merida & Centurion from the shareholder and managing director of Wolfgang Renner for EUR17,273,800. The parties signed the contract on October 16, 2024. In November 2024, the Corporation made a prepayment of EUR 9,000,000 for the investment, however, the transfer of equity had not yet been completed as of December 31, 2024.

Note 2： In December 2024, the Corporation acquired 5% equity stake in Merida Norway from Bike Holding AS (other related party) for NT$17,313 thousand, increasing its shareholding from 75% to 80%. The above transactions were accounted as equity transactions, since the Corporation did not cease to have control over these subsidiaries

Refer to Table 6 "Information on Investees" following the Notes to Financial Statements for the nature of activities, principal places of business and countries of incorporation of the Corporation's subsidiaries.

b. Investments in associates

	December 31	
	2024	**2023**
Unlisted shares		
Specialized Bicycle Components Holding Company, Inc. ("SBC")	$ 15,770,662	$ 18,653,865
SAIL & SURF GMBH. ("SAIL & SURF")	121,889	125,431
Merida Bikes SWE, S.A ("Merida Bikes SWE")	50,857	56,483
Merida Czech s.r.o ("Merida Czech")	42,818	56,433
Merida Slovakia s.r.o ("Merida Slovakia")	26,963	26,739
Merida Korea Inc. ("Merida Korea")	3,587	13,190
Merida Italy S.r.a ("Merida Italy")	7,220	23,231
	$ 16,023,996	$ 18,955,372

The Corporation's proportion of ownership and voting rights of investments in associates was as follows:

	December 31	
	2024	2023
SBC	35%	35%
SAIL & SURF	40%	40%
Merida Bikes SWE	36%	36%
Merida Czech	45%	45%
Merida Slovakia	30%	30%
Merida Korea	40%	40%
Merida Italy	27%	27%

Refer to Table 6 "Information on Investees" following the Notes to Financial Statements for the nature of activities, principal place of business and country of incorporation of the Corporation's associates.

The shareholders resolved in their meeting to liquidate WideDoctor in October 2022, and the liquidation was completed in June 2023, resulting in a return of the capital investment of $1,852 thousand.

The aggregate financial information of associates is as follows:

	For the Year Ended December 31	
	2024	2023
The Corporation's share of:		
Net loss for the year	$ (4,064,696)	$ (684,938)
Other comprehensive loss for the year	(319,521)	(21,453)
Total comprehensive loss for the year	$ (4,384,217)	$ (706,391)

12. PROPERTY, PLANT AND EQUIPMENT

	For the Year Ended December 31, 2024					
	Land	Buildings	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Total
Cost						
Balance at January 1	$ 478,692	$ 651,189	$ 287,013	$ 968	$ 93,500	$1,511,362
Additions	-	748	5,250	70	23,131	29,199
Disposals	-	-	(37,988)	(458)	(40,046)	(78,492)
Reclassifications	-	748	16,500	-	-	17,248
Balance at December 31	$ 478,692	$ 652,685	$ 270,775	$ 580	$ 76,585	$1,479,317
Accumulated depreciation						
Balance at January 1	$ -	$ 363,941	$ 184,282	$ 799	$ 44,823	$ 593,845
Additions	-	13,771	33,678	120	28,950	76,519
Disposals	-	-	(37,988)	(458)	(40,046)	(78,492)
Balance at December 31	$ -	$ 377,712	$ 179,972	$ 461	$ 33,727	$ 591,872
Carrying amount at December 31	$ 478,692	$ 274,973	$ 90,803	$ 119	$ 42,858	$ 887,445

	For the Year Ended December 31, 2023					
	Land	Buildings	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Total
Cost						
Balance at January 1	$ 478,692	$ 651,189	$ 284,067	$ 1,575	$ 102,923	$ 1,518,446
Additions	-	-	14,666	-	27,140	41,806
Disposals	-	-	(11,720)	(607)	(36,563)	(48,890)
Balance at December 31	$ 478,692	$ 651,189	$ 287,013	$ 968	$ 93,500	$ 1,511,362
Accumulated depreciation						
Balance at January 1	$ -	$ 348,895	$ 160,712	$ 1,132	$ 42,268	$ 553,007
Additions	-	15,046	35,290	274	39,057	89,667
Disposals	-	-	(11,720)	(607)	(36,502)	(48,829)
Balance at December 31	$ -	$ 363,941	$ 184,282	$ 799	$ 44,823	$ 593,845
Carrying amount at December 31	$ 478,692	$ 287,248	$ 102,731	$ 169	$ 48,677	$ 917,517

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	25-60 years
Ancillary work	4-55 years
Machinery and equipment	8-15 years
Transportation equipment	5 years
Miscellaneous equipment	3-15 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amounts		
Land	$ 342	$ 963
Buildings	-	16,418
Transportation equipment	5,687	7,316
	$ 6,029	$ 24,697

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	$ 2,844	$ 6,064
Depreciation charge for right-of-use assets		
Land	$ 1,016	$ 1,016
Buildings	16,418	16,418
Transportation equipment	4,078	3,463
	$ 21,512	$ 20,897

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2024 and 2023.

b. Lease liabilities

	December 31	
	2024	2023
Carrying amounts		
Current	$ 3,714	$ 21,517
Non-current	$ 2,337	$ 3,619

Range of discount rates for lease liabilities was as follows:

	December 31	
	2024	2023
Land	1.725%	1.15%
Buildings	-	1.15%
Transportation equipment	1.04%-1.725%	1.04%-1.475%

c. Material lease activities and terms

The Corporation leases certain land, buildings and transportation equipment for product manufacturing and operational uses with lease terms of 2 to 6 years. According to the lease contract, the Corporation does not have bargain purchase options to acquire the land, buildings and transportation equipment at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	$ 3,521	$ 3,712
Expenses relating to low-value asset leases	$ 159	$ 154
Total cash outflow for leases	$ (25,786)	$ (24,961)

The Corporation leases certain office equipment and miscellaneous equipment which qualify as short-term leases and low-value asset leases. The Corporation has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. INTANGIBLE ASSETS

	For the Year Ended December 31	
	2024	2023
Cost		
Balance at January 1	$ 59,646	$ 58,413
Additions	11,918	1,233
Disposals	(842)	-
Balance at December 31	$ 70,722	$ 59,646

	For the Year Ended December 31	
	2024	2023
Accumulated amortization		
Balance at January 1	$ 32,221	$ 16,918
Amortization expenses	17,175	15,303
Disposals	(842)	-
Balance at December 31	$ 48,554	$ 32,221
Carrying amount at January 1	$ 27,425	$ 41,495
Carrying amount at December 31	$ 22,168	$ 27,425

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	3-5 years

15. SHORT-TERM BANK BORROWINGS

	December 31	
	2024	2023
Unsecured borrowings	$ 5,053,600	$ 4,650,000
Letters of credit - due after 180 days of acceptance	-	54,626
	$ 5,053,600	$ 4,704,626
Rate of interest per annum (%)		
Unsecured borrowings	1.78-1.92	1.56-1.86
Letters of credit	-	No higher than 0.42

16. OTHER PAYABLES

	December 31	
	2024	2023
Payables for salaries and bonuses	$ 179,735	$ 96,832
Payables for compensation of employees	-	154,377
Payables for remuneration of directors	-	66,897
Others	98,115	81,193
	$ 277,850	$ 399,299

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plans adopted by the Corporation in accordance with the Labor Standards Act. The Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Corporation contributes amounts equal to 6% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Corporation has no right to influence the investment policy and strategy. According to the regulations for employees' retirement policy, the Corporation reserves 4% of monthly salaries and wages of appointed managers as an employee retirement reserve (recognized as net defined benefit assets).

The amounts included in the balance sheets in respect of the Corporation's defined benefit plan were as follows:

	December 31	
	2024	**2023**
Present value of defined benefit obligation	$ 366,071	$ 430,560
Fair value of plan assets	(456,845)	(449,689)
Net defined benefit assets	$ (90,774)	$ (19,129)

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Assets**
Balance at January 1, 2024	$ 430,560	$ (449,689)	$ (19,129)
Service cost			
Current service cost	2,441	-	2,441
Net interest expense (income)	5,754	(6,052)	(298)
Recognized in profit or loss	8,195	(6,052)	2,143
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(41,670)	(41,670)
Actuarial (gain) loss			
Changes in financial assumptions	(4,587)	-	(4,587)
Changes in demographic assumptions	497	-	497
Experience adjustments	(16,610)	-	(16,610)
Recognized in other comprehensive income	(20,700)	(41,670)	(62,370)
Contributions from the employer	-	(4,213)	(4,213)
Benefits paid	(51,984)	44,779	(7,205)
Balance at December 31, 2024	$ 366,071	$ (456,845)	$ (90,774)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2023	$ 641,521	$ (537,584)	$ 103,937
Service cost			
Current service cost	4,214	-	4,214
Net interest expense (income)	8,600	(7,200)	1,400
Recognized in profit or loss	12,814	(7,200)	5,614
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,636)	(3,636)
Actuarial (gain) loss			
Experience adjustments	(119,929)	-	(119,929)
Recognized in other comprehensive income	(119,929)	(3,636)	(123,565)
Contributions from the employer	-	(5,115)	(5,115)
Benefits paid	(103,846)	103,846	-
Balance at December 31, 2023	$ 430,560	$ (449,689)	$ (19,129)

Through the defined benefit plan under the Labor Standards Act, the Corporation is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans’ debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2024	2023
Discount rate	1.60%	1.40%
Expected rate of salary increase	2.25%	2.25%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2024	2023
Discount rate		
0.50% increase	$ (11,037)	$ (13,762)
0.50% decrease	$ 11,661	$ 14,563
Expected rate of salary increase		
0.50% increase	$ 11,533	$ 14,373
0.50% decrease	$ (11,025)	$ (13,721)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2024	2023
Expected contributions to the plans for the next year	$ 4,257	$ 4,253
Average duration of the defined benefit obligation	6.3 years	6.7 years

18. EQUITY

a. Ordinary shares

	December 31	
	2024	2023
Number of shares authorized (in thousands)	350,000	350,000
Shares authorized	$ 3,500,000	$ 3,500,000
Number of shares issued and fully paid (in thousands)	298,984	298,984
Shares issued	$ 2,989,838	$ 2,989,838

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (Note)		
Issuance of ordinary shares	$ 416,290	$ 416,290
May only be used to offset a deficit		
Changes in capital surplus from investments in associates accounted for using the equity method	524,168	213,862
	$ 940,458	$ 630,152

Note: Such capital surplus may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to Note 20(b) employees' compensation and remuneration of directors.

According to the dividends policy of the Corporation, the total dividends distributed shall be 10% to 80% of the distributable retained earnings of the current year. In addition, cash dividends distributed should be at least 10% of the total dividends distributed.

The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings and earnings per share approved in the shareholders' meetings in June 2024 and 2023, respectively, were as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2023	**2022**	**2023**	**2022**
Legal reserve	$ 178,738	$ 342,171		
Reversal of special reserve	(27,507)	(1,798,592)		
Cash dividends	1,793,903	2,092,887	$ 6.0	$ 7.0

The appropriation of earnings for 2024, which was proposed by the Corporation's board of directors on March 13, 2025, was as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ -	
Reversal of special reserve	(638,687)	
Cash dividends	1,195,935	$ 4

The appropriation of earnings for 2024 will be resolved by the shareholders in their meeting to be held on June 25, 2025.

19. REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from contracts with customers		
Revenue from sale of goods	$ 18,215,546	$ 20,008,786

a. Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Notes and trade receivables	$ 3,928,812	$ 3,602,997	$ 4,947,354
Contract liabilities - current	$ 124,221	$ 15,116	$ 2,058,954

b. Disaggregation of revenue

Refer to Statement 9 in the Statements of Major Accounting Items for information about the disaggregation of revenue.

20. NET PROFIT FROM CONTINUING OPERATIONS

a. Employee benefits expense, depreciation and amortization expenses

	Operating Costs	Operating Expenses	Non-Operating Expenses	Total
For the Year Ended December 31, 2024				
Short-term employee benefits				
Salary expenses	$ 559,810	$ 127,828	$ 13,824	$ 701,462
Labor and health insurance costs	61,186	9,536	1,991	72,713
Post-employment benefits				
Defined contribution plans	19,810	2,917	804	23,531
Defined benefit plans	910	1,176	57	2,143
Remuneration of directors	-	4,879	-	4,879
Other employee benefits	19,802	2,199	214	22,215
Depreciation expense	77,396	20,635	-	98,031
Amortization expense	450	16,725	-	17,175
For the Year Ended December 31, 2023				
Short-term employee benefits				
Salary expenses	623,574	164,712	13,702	801,988
Labor and health insurance costs	67,645	11,733	2,433	81,811
Post-employment benefits				
Defined contribution plans	19,874	2,632	915	23,421
Defined benefit plans	4,140	1,443	31	5,614
Remuneration of directors	-	72,002	-	72,002
Other employee benefits	25,234	2,036	238	27,508
Depreciation expense	89,015	21,549	-	110,564
Amortization expense	-	15,303	-	15,303

1) As of December 31, 2024 and 2023, the Corporation had 1,296 and 1,253 employees, respectively. Among them, the number of directors not concurrently serving as employees is 7 and 6, respectively, the basis of calculation is the same as employee benefits expenses.

2) The average employee benefits expense was NT$638 thousand and NT$754 thousand for the years ended December 31, 2024 and 2023, respectively.

3) The average employee salary expense was NT$544 thousand and NT$643 thousand for the years ended December 31, 2024 and 2023, respectively.

4) Average employee salary expenses decreased by 15.4%.

5) The Corporation does not have supervisors.

6) The Corporation's salary and compensation policy is as follows:

   a) The salary and compensation of employees shall be decided in accordance with the Corporation's remuneration management policy and related regulations, with reference to industry practices. It shall be approved by the remuneration committee to ensure the competitiveness of remuneration for the purpose of motivation and retention of talent.

   b) The remuneration of directors shall be decided in accordance with the Corporation's Articles of Incorporation and shall be approved by the remuneration committee.

b. Employees' compensation and remuneration of directors

According to the Corporation's Articles of Incorporation, the Corporation accrued employees' compensation and remuneration of directors at rates of no less than 5% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The compensation of employees and remuneration of directors were not accrued because of the pre-tax net loss of the years ended December 31, 2024. The employees' compensation and remuneration of directors for the years ended December 31, 2023, which was approved by the Corporation's board of directors on March 14, 2024, is as follows:

	For the Year Ended December 31	
	2023	
Cash	**Accrual Rate**	**Amount**
Employees' compensation	6%	$ 154,377
Remuneration of directors	2.6%	66,897

If there is a change in the amounts after the annual parent corporation only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimates.

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the parent corporation only financial statements for the years ended December 31, 2023 and 2022.

Information on the employees' compensation and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the TWSE.

21. TAXES

a. Major components of tax expense (benefit) recognized in profit or loss

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	$ 550,248	$ 572,119
Income tax on unappropriated earnings	-	139,262
Adjustments for prior years	(42,791)	53,520
	507,457	764,901
Deferred tax		
In respect of the current year	(737,871)	(105,046)
Income tax expense (benefit) recognized in profit or loss	$ (230,414)	$ 659,855

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2024	2023
Income tax (benefit) expense calculated at the statutory rate on pre-tax net income (loss)	$ (185,904)	$ 470,336
Nondeductible expenses in determining taxable income	15	77
Tax-exempt income	(1,734)	(3,340)
Income tax on unappropriated earnings	-	139,262
Adjustments for prior years' tax	(42,791)	53,520
Income tax (benefit) expense recognized in profit or loss	$ (230,414)	$ 659,855

b. Current tax liabilities

	December 31	
	2024	2023
Current tax liabilities		
Income tax payable	$ 279,815	$ 711,380

c. Changes in deferred tax assets and liabilities

	For the Year Ended December 31, 2024			
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Unrealized intercompany profit	$ 197,666	$ 15,826	$ -	$ 213,492
Defined benefit obligations	4,840	(500)	-	4,340
Unrealized impairment loss on assets	12,498	-	-	12,498
Unrealized loss on inventories	71,642	(20,689)	-	50,953
Unrealized foreign currency exchange losses	19,278	(19,278)	-	-
	$ 305,924	$ (24,641)	$ -	$ 281,283

	For the Year Ended December 31, 2024			
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liabilities				
Temporary differences				
Investments accounted for using the equity method	$ 4,243,754	$ (775,304)	$ -	$ 3,468,450
Reserve for land revaluation increment tax	100,934	-	-	100,934
Unrealized foreign currency exchange gains	-	12,792	-	12,792
Exchange differences on translatingon of the financial statements of foreign operations	-	-	43,902	43,902
	$ 4,344,688	$ (762,512)	$ 43,902	$ 3,626,078

	For the Year Ended December 31, 2023			
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Unrealized intercompany profit	$ 259,955	$ (62,289)	$ -	$ 197,666
Defined benefit obligations	17,565	(10)	(12,715)	4,840
Unrealized impairment loss on assets	12,498	-	-	12,498
Unrealized loss on inventories	25,018	46,624	-	71,642
Unrealized foreign currency exchange losses	7,021	12,257	-	19,278
	$ 322,057	$ (3,418)	$ (12,715)	$ 305,924
Deferred tax liabilities				
Temporary differences				
Investments accounted for using the equity method	$ 4,352,218	$ (108,464)	$ -	$ 4,243,754
Reserve for land revaluation increment tax	100,934	-	-	100,934
	$ 4,453,152	$ (108,464)	$ -	$ 4,344,688

d. Income tax assessments

The income tax returns of the Corporation through 2022 have been assessed by the tax authorities.

22. EARNINGS (LOSS) PER SHARE

	Net Profit (Loss)	Number of Shares	Earnings (Loss) Per Share (NT$)
For the Year Ended December 31, 2024			
Basic and diluted loss per share			
Net loss available to ordinary shareholders of the parent	$ (699,103)	298,983,800	$ (2.34)
For the Year Ended December 31, 2023			
Basic earnings per share			
Net profit for the year	$ 1,691,823	298,983,800	$ 5.66
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	1,248,217	
Diluted earnings per share			
Net profit for the year plus effect of potentially dilutive ordinary shares	$ 1,691,823	300,232,017	$ 5.64

The Corporation may settle compensation paid to employees in cash or shares; therefore, the Corporation assumes that the entire amount of the compensation 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. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year. Because of the net loss after tax in 2024, they are anti-dilutive and excluded from the computation of diluted loss per share if employee compensation is added potential common stock impact.

23. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The capital structure of the Corporation consists of net debt (borrowings offset by cash) and equity (comprising issued capital, reserves, retained earnings and other equity).

Key management personnel of the Corporation review the capital structure on an annual basis. As part of this review, the key management personnel considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Corporation may adjust the number of dividends paid to shareholders, the number of new shares issued or repurchased, and the amount of new debt issued or existing debt redeemed.

24. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The carrying amounts of the Corporation's financial assets and liabilities that are not measured at fair value approximated their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

The Corporation's financial assets at FVTPL, and financial assets at FVTOCI are measured at fair value using Level 1 inputs. There were no transfers between Levels 1 and 2 in the current and prior years.

c. Categories of financial instruments

	December 31	
	2024	**2023**
Financial assets		
Financial assets at FVTPL	$ 57,764	$ 204,951
Financial assets at amortized cost	6,581,720	5,815,155
Financial assets at FVTOCI - equity instruments	92,620	92,620
Financial liabilities		
Financial liabilities at amortized cost	9,047,973	7,207,670

The balances include financial assets at amortized cost, which comprise cash, notes and trade receivables, other receivables and refundable deposits.

The balances of financial liabilities above include financial liabilities measured at amortized cost, which comprise short-term bank borrowings, notes and trade payables, other payables and guarantee deposits received.

d. Financial risk management objectives and policies

The Corporation's major financial instruments include equity investments, trade receivables, trade payables, borrowings, and lease liabilities. The Corporation's corporate treasury function provides services to the business, coordinates access to financial markets, and monitors and manages the financial risks relating to the operations of the Corporation through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Corporation sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Corporation's policies approved by the board of directors and compliance with policies and exposure limits was reviewed according to the internal control policies on a continuous basis.

a) Market risk

The Corporation's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Corporation entered into forward foreign exchange forward contracts to hedge the exchange rate risk arising on imports and exports.

i. Foreign currency risk

The Corporation has foreign currency sales and purchases, which expose the Corporation to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Corporation was mainly exposed to the USD.

Assuming a 1% increase in the NTD against the USD, the pre-tax profit for the years ended December 31, 2024 and 2023 would have increased in pre-tax loss by $36,332 thousand and decreased in pre-tax profit by $31,288, respectively. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates was 1% for the years ended December 31, 2024 and 2023.

ii. Interest rate risk

The Corporation is exposed to interest rate risk because the Corporation borrowed funds at both fixed and floating interest rates.

The carrying amounts of the Corporation's financial assets and financial liabilities with exposure to interest rates were as follows.

	December 31	
	2024	**2023**
Fair value interest rate risk		
Financial liabilities	$ 906,051	$ 1,425,136
Cash flow interest rate risk		
Financial assets	2,294,257	1,969,896
Financial liabilities	4,153,600	3,304,626

Sensitivity analysis

The sensitivity analysis was determined based on the Corporation's exposure to interest rates at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.25% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.25% higher and all other variables were held constant, the Corporation's pre-tax profit for the years ended December 31, 2024 and 2023 would have increased in pre-tax loss by $4,648 thousand and decreased in pre-tax profit by $3,337 thousand, respectively.

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Corporation. As at the end of the reporting period, the Corporation's maximum exposure to credit risk which would cause a financial loss to the Corporation due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Corporation could arise from:

i. The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

ii. The maximum amount the Corporation would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Corporation's concentration of credit risk was mainly from the top 2 customers, which together accounted for 48% and 49% of the total trade receivables as of December 31, 2024 and 2023, respectively.

c) Liquidity risk

The Corporation manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Corporation's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Corporation relies on bank borrowings as a significant source of liquidity. As of December 31, 2024 and 2023, the Corporation had available unutilized bank loan facilities of $11,606,148 thousand and $10,878,249 thousand, respectively.

Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details the Corporation's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Corporation can be required to pay. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

	On Demand or Less Than 1 Year	**1-2 Years**	**2-5 Years**
December 31, 2024			
Non-interest bearing	$ 3,994,359	$ -	$ -
Lease liabilities	3,775	1,390	989
Variable interest rate liabilities	4,153,600	-	-
Fixed interest rate liabilities	900,000	-	-
Financial guarantee contracts	767,328	323,863	522,376
	$ 9,819,062	$ 325,253	$ 523,365
December 31, 2023			
Non-interest bearing	$ 2,503,044	$ -	$ -
Lease liabilities	21,680	2,859	789
Variable interest rate liabilities	3,304,626	-	-
Fixed interest rate liabilities	1,400,000	-	-
Financial guarantee contracts	669,308	302,099	786,237
	$ 7,898,658	$ 304,958	$ 787,026

The amounts included above for financial guarantee contracts are the maximum amounts the Corporation could be required to settle under the arrangement with an option to demand the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the Corporation considers that it is more likely than not that no amount will be payable under the arrangement.

25. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Corporation and other related parties are disclosed below.

a. Related Party Categories/Names

Related Party	Relationship with the Corporation
Merida Polska	Subsidiary
Merida Benelux	Subsidiary
Merida & Centurion	Subsidiary
Merida U.K.	Subsidiary
Merida B.V.I.	Subsidiary
Merida International (SAMOA) Ltd. ("Merida SAMOA")	Subsidiary
Merida Industry (Hong Kong) Co., Ltd. ("Merida Hong Kong")	Subsidiary
Merida Bicycle (China) Co., Ltd. ("Merida China")	Subsidiary
Merida Bicycle (Shandong) Co., Ltd. ("Merida Shandong")	Subsidiary
Merida Bicycle (Jiangsu) Ltd. ("Merida Jiangsu")	Subsidiary
Merida Europe GmbH	Subsidiary
Merida R&D Center GmbH	Subsidiary
Merida Japan	Subsidiary
Miyata Cycle Co. Ltd., ("Miyata")	Subsidiary
Merida Norge	Subsidiary
Merida Sverige AB ("Sverige")	Subsidiary
SBC Group	Associate
SAIL & SURF	Associate
Merida Bikes SWE	Associate
Merida Czech	Associate
Merida Slovakia	Associate
Merida Korea	Associate
Merida Italy	Associate
Cheng Shin Rubber Industry Co., Ltd. ("Cheng Shin")	Other
Cheng Shin Rubber (Xiamen) Ind., Ltd. ("Cheng Shin (Xiamen)")	Other
Tianjin Ta Feng Rubber Industry Co., Ltd. ("Tianjin Ta Feng")	Other
Cheng Shin Rubber (Vietnam) Ind., Ltd. ("Cheng Shin (Vietnam)")	Other

b. Sales of goods

	For the Year Ended December 31	
Related Party Category/Name	2024	2023
Associates		
SBC Group	$ 12,442,585	$ 13,012,660
Others	1,190,430	1,254,780
	13,633,015	14,267,440
Subsidiaries	3,386,352	4,382,077
	$ 17,019,367	$ 18,649,517

The selling price and gross profit of the products that the Corporation sells to related parties are quoted based on the differences in the products and the acceptance of the market. The quoted price is different from that of OEM products.

c. Purchase of goods

Related Party Category	For the Year Ended December 31 2024	2023
Subsidiaries	$ 582,722	$ 1,160,212
Others related parties	115,613	106,012
Associates	88,620	38,807
	$ 786,955	$ 1,305,031

The purchase price is quoted based on market prices.

d. Other revenue (classified as subtraction of cost of goods sold)

Related Party Category/Name	For the Year Ended December 31 2024	2023
Associates		
SBC Group	$ 22,645	$ 409,457

It is the subsidy amount from associates.

e. Contract liabilities - advance receipts

Related Party Category/Name	December 31 2024	2023
Associates		
SBC Group	$ 110,839	$ 15,116

f. Receivables from related parties

Related Party Category/Name	December 31 2024	2023
Trade receivables		
Associates		
SBC Group	$ 1,355,386	$ 1,106,418
Others	636,897	455,579
	1,992,283	1,561,997
Subsidiaries		
Merida & Centurion	514,603	670,973
Merida Polska	358,071	377,152
Others	805,784	735,289
	1,678,458	1,783,414
	$ 3,670,741	$ 3,345,411

Related Party Category/Name	December 31	
	2024	2023
Other receivables		
Subsidiaries		
Merida Shandong	$ 231,037	$ 137,440
Others	48,562	35,342
	279,599	172,782
Associates	9,842	8,629
	$ 289,441	$ 181,411

g. Loans to related parties

Related Party Category/Name	December 31	
	2024	2023
Other receivables		
Subsidiaries		
Merida Benelux	$ 32,785	$ 43,843

h. Payables to related parties

Related Party Category	December 31	
	2024	2023
Trade payables		
Subsidiaries	$ 62,752	$ 30,807
Other related parties	34,015	22,684
Associates	3,596	18,038
	$ 100,363	$ 71,529

i. Other transactions with related parties

1) Selling and marketing expenses - promotional and advertising expenses and others

Related Party Category	For the Year Ended December 31	
	2024	2023
Subsidiaries	$ 162,897	$ 161,604

2) Interest income

Related Party Category/Name	For the Year Ended December 31 2024	2023
Subsidiaries		
Merida & Centurion	$ 14,306	$ 16,451
Merida Benelux	7,345	4,258
Others	6,131	4,878
	27,782	25,587
Associates		
SBC Group	19,184	40,336
Others	13,191	8,877
	32,375	49,213
	$ 60,157	$ 74,800

The Corporation receives interest from overdue trade receivables at an interest rate agreed upon in the terms of the transactions.

3) Technical service and royalty income

Related Party Category/Name	For the Year Ended December 31 2024	2023
Subsidiaries		
Merida Shandong	$ 271,816	$ 164,007
Merida Jiangsu	29,489	16,330
Merida China	12,047	8,635
	$ 313,352	$ 188,972

The Corporation entered into trademark licensing contracts with Merida China, Merida Jiangsu and Merida Shandong for agreement to label registered trademarks which were licensed to these companies for the bikes and electric bikes they manufacture and sell. The Corporation calculates and charges royalties for 3% of these companies' annual domestic net sales each year. Furthermore, the Corporation respectively entered into technical service contracts with Merida China, Merida Jiangsu and Merida Shandong to transfer production and management techniques to these companies. The Corporation charges technical service income at 1% of the net sales amount for each company individually every year.

4) Other income

Related Party Category/Name	For the Year Ended December 31 2024	2023
Associates		
SBC Group	$ 19,964	$ 23,338
Subsidiaries	-	250
	$ 19,964	$ 23,588

j. Endorsements and guarantees

Related Party Category	Item Endorsed	Amount Endorsed
December 31, 2024		
Subsidiaries	Standby letter of credit	EUR 6,000
	Standby letter of credit	USD 3,500
	Bank borrowings	EUR 26,300
	Bank borrowings	GBP 6,000
	Bank borrowings	RMB320,000
December 31, 2023		
Subsidiaries	Standby letter of credit	EUR 3,000
	Standby letter of credit	USD 1,000
	Bank borrowings	EUR 22,100
	Bank borrowings	GBP 6,000
	Bank borrowings	RMB380,000

Refer to Table 2 "Financing provided to others" for the actual amount borrowed by the subsidiaries.

k. Remuneration of key management personnel

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	$ 29,207	$ 104,052
Post-employment benefits	564	532
	$ 29,771	$ 104,584

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

26. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

No such incident.

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Corporation as of December 31, 2024 and 2023 were as follows:

a. As of December 31, 2024 and 2023, unused letters of credit for purchases of raw materials amounted to approximately $124,108 thousand and $87,096 thousand, respectively.

b. Unrecognized commitments are as follows:

	December 31	
	2024	2023
Acquisition of property, plant and equipment	$ 5,000	$ 6,033

c. Product liability insurance

The Corporation purchased product liability insurance over the products manufactured by the Corporation and its subsidiaries. The insured amount of the sales in USA and Canada is USD4,000 thousand and it covers accidents happening after September 18, 2000. The maximum indemnity claims for the single original cause of a liability is USD3,000 thousand. The insured amount for sales, other than those within the USA and Canada, is USD1,000 thousand, and covers accidents happening after January 7, 1999. The maximum indemnity claims for the single original cause of a liability is USD1,000 thousand.

28. SIGNIFICANT LOSSES FROM DISASTERS

No such incident.

29. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No such incident.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Corporation's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

	December 31, 2024			December 31, 2023		
	Foreign Currency	Exchange Rate	Carrying Amount	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets						
Monetary items						
USD	$ 137,415	32.785	$ 4,505,151	$ 120,694	30.705	$ 3,705,909
JPY	620,615	0.2099	130,267	658,308	0.2172	142,984
Non-monetary items						
Investments accounted for using the equity method						
USD	576,935	32.785	18,914,814	692,387	30.705	21,259,743
EUR	27,410	34.14	935,777	30,914	33.98	1,050,458
JPY	10,835	0.2099	2,274	274,185	0.2172	59,553
POL	12,867	7.6278	98,147	15,689	8.1991	128,636
Financial liabilities						
Monetary items						
USD	26,596	32.785	871,950	18,796	30.705	577,131
JPY	1,783,261	0.2099	374,306	1,602,266	0.2172	348,012

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2024		2023	
Foreign Currency	Exchange Rate	Net Foreign Exchange (Losses) Gains	Exchange Rate	Net Foreign Exchange (Losses) Gains
USD	32.112	$ 308,357	31.155	$ (47,648)
JPY	0.2121	16,256	0.2221	69,668
EUR	34.74	10,080	33.7	6,529
		$ 334,693		$ 28,549

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others. (Table1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held (excluding investments in subsidiaries and associates). (Table 3)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 4)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 5)

9) Trading in derivative instruments.

The Corporation has no outstanding forward contracts as of December 31, 2024 and 2023.

10) Information on investees. (Table 6)

b. Information on investments in mainland China:

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 7)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period. (Table 4)

   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Table 4)

   c) The amount of property transactions and the amount of the resultant gains or losses. (None)

   d) The balance of negotiable instrument endorsements, guarantees or pledges of collateral at the end of the year and their purposes. (Table 2)

   e) The highest balance, the end of year balance, the interest rate range, and total current period interest with respect to financing of funds. (Table 1)

   f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services. (None)

c. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

MERIDA INDUSTRY CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars and Foreign Currencies)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	The Corporation	Merida Benelux	Other receivables from related parties	Yes	$ 78,665	$ 32,785	$ 32,785	5.6-6.3	For short-term financing needs	$ -	Operating capital	$ -	-	$ -	$ 7,718,181 (Note 1)	$ 9,647,726 (Note 2)
1	Merida Shandong	Merida Jiangsu	Other receivables from related parties	Yes	RMB 80,000	RMB 80,000	-	2.33	For short-term financing needs	-	Operating capital	-	-	-	RMB 184,126 (Note 3)	RMB 184,126 (Note 3)

Note 1: 40% of the net assets of The Corporation in their latest financial statements.

Note 2: 50% of the net assets of The Corporation in their latest financial statements.

Note 3: 40% of the net assets of Merida Shandong in their latest financial statements.

MERIDA INDUSTRY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars and Foreign Currencies)

No.	Endorser/Guarantor	Endorsee/Guaranteed Party		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Corporation	Merida U.K.	Subsidiary	$ 5,788,635	EUR 500 GBP 6,000	EUR - GBP 6,000	$ - GBP 5,872	$ -	1.28	$ 9,647,726	Yes	-	-
		Merida & Centurion	Subsidiary	5,788,635	EUR 32,900	EUR 32,300	EUR 21,200	-	5.71	9,647,726	Yes	-	-
		Merida Norge	Subsidiary	5,788,635	USD 2,500	USD 2,500	USD 1,000	-	0.42	9,647,726	Yes	-	-
		Merida Benelux	Subsidiary	5,788,635	USD 1,000	USD 1,000	USD -	-	0.17	9,647,726	Yes	-	-
		Merida Jiangsu	Third-tier subsidiary	5,788,635	RMB280,000	RMB220,000	RMB127,367	-	5.11	9,647,726	Yes	-	Yes
		Merida China	Third-tier subsidiary	5,788,635	RMB100,000	RMB100,000	RMB 10,000	-	2.32	9,647,726	Yes	-	Yes

Note 1: 30% of the net assets of the Corporation in their previous year's financial statements.

Note 2: 50% of the net assets of the Corporation in their previous year's financial statements.

MERIDA INDUSTRY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024			
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note 2)
The Corporation	Share capital						
	Leechi Enterprises Co., Ltd.	-	Financial assets at FVTPL - current	113	$ 1,562	-	$ 1,562
	Cheng Shin	The Corporation’s chairman is their director	Financial assets at FVTPL - current	1,146	56,202	-	56,202
	Merida Benelux	-	Financial assets at FVTOCI - non-current	2,749	89,220	-	89,220
	SR Suntour Inc.	-	Financial assets at FVTOCI - non-current	110	3,000	-	3,000
	Taifong Golf Course	-	Financial assets at FVTOCI - non-current	30	400	-	400
	Long Jee Holdings Pte. Ltd. (Note 1)	-	Financial assets at FVTOCI - non-current	330	-	2	-

Note 1: Long Jee Holdings Pte. Ltd. was resolved to be dissolved and liquidated at the shareholder’s meeting on July 2024. As of December 31, 2024, the liquidation has not yet been completed.

Note 2: Refer to Note 24 for information on the fair values.

TABLE 4

MERIDA INDUSTRY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchases/Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Corporation	SBC Group	Associate	Sales	$ (12,442,585)	(68)	O/A 60 days	$ -	-	$ 1,355,386	34	
	Merida & Centurion	Subsidiary	Sales	(1,072,898)	(6)	T/T 14 days or O/A 150 days	-	-	514,603	13	
	Merida Jiangsu	Third-tier subsidiary	Sales	(994,516)	(5)	O/A 90 days	-	-	264,617	7	
	Merida U.K.	Subsidiary	Sales	(367,560)	(2)	O/A 120 days	-	-	157,442	4	
	Merida Bikes SWE	Associate	Sales	(325,279)	(2)	T/T 14 days or O/A 120 days	-	-	115,356	3	
	SAIL & SURF	Associate	Sales	(276,292)	(2)	T/T 14 days or O/A 180 days	-	-	125,994	3	
	Merida Polska	Subsidiary	Sales	(259,733)	(1)	O/A 150 days	-	-	358,071	9	
	Merida Benelux	Subsidiary	Sales	(256,678)	(1)	O/A 180 days	-	-	214,130	5	
	Merida Norge	Subsidiary	Sales	(245,054)	(1)	T/T 14 days or O/A 120 days	-	-	144,902	4	
	Merida Korea	Associate	Sales	(222,588)	(1)	T/T 14 days or O/A 120 days	-	-	80,165	2	
	Merida Italy	Associate	Sales	(199,072)	(1)	O/A 120 days	-	-	239,128	6	
	Merida Japan	Subsidiary	Sales	(149,564)	(1)	O/A 120 days	-	-	24,693	1	
	Merida Czech	Associate	Sales	(127,159)	(1)	T/T 14 days or O/A 150 days	-	-	62,244	2	
	Merida Jiangsu	Third-tier subsidiary	Purchases	323,293	2	T/T 30 days	-	-	-	-	
	Merida China	Third-tier subsidiary	Purchases	230,315	1	T/T 90 days	-	-	(56,893)	(1)	
Merida Jiangsu	Merida Shandong	Associate	Sales	RMB (640,040)	(81)	T/T 90 days	-	-	RMB 27,674	92	
Merida China	Merida Shandong	Associate	Sales	RMB (108,599)	(49)	T/T 90 days	-	-	RMB 4,986	29	

TABLE 5

MERIDA INDUSTRY CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Company Name	Related Party	Relationship	Financial Statement Account	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Actions Taken		
The Corporation	SBC Group	Associate	Trade receivables from related parties	$ 1,355,386	10.11	$ 267	Enhanced collection	$ 1,355,386	$ -
			Other receivables from related parties	5,355	-	-	-	5,355	-
	Merida & Centurion	Subsidiary	Trade receivables from related parties	514,603	1.81	-	-	61,251	-
			Other receivables from related parties	6,951	-	-	-	753	-
	Merida Polska	Subsidiary	Trade receivables from related parties	358,071	0.71	55,085	Enhanced collection	-	-
	Merida Jiangsu	Third-tier subsidiary	Trade receivables from related parties	264,617	4.48	-	-	250,195	-
			Other receivables from related parties	25,068	-	-	-	-	-
	Merida Italy	Associate	Trade receivables from related parties	239,128	1.01	24,872	Enhanced collection	30,732	1,840
	Merida Benelux	Subsidiary	Trade receivables from related parties	214,130	1.32	14,125	Enhanced collection	46,049	-
			Other receivables from related parties	37,068	-	-	-	33,706	-
	Merida U.K.	Subsidiary	Trade receivables from related parties	157,442	2.79	3,279	Enhanced collection	32,613	-
	Merida Norge	Subsidiary	Trade receivables from related parties	144,902	1.74	-	-	43,853	-
			Other receivables from related parties	1,913	-	-	-	579	-
	SAIL & SURF	Associate	Trade receivables from related parties	125,994	2.41	-	-	38,618	633
	Merida Bikes SWE	Associate	Trade receivables from related parties	115,356	3.87	-	-	65,700	580
			Other receivables from related parties	1,634	-	-	-	880	-
	Merida Shandong	Third-tier subsidiary	Other receivables from related parties	231,037	-	-	-	-	-
Merida Jiangsu	Merida Shandong	Associate	Trade receivables from related parties	RMB 27,674	23.88	-	-	RMB 27,674	-

MERIDA INDUSTRY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares (In Thousands)	%	Carrying Amount			
The Corporation	Share capital										
	SBC	Delaware, United State of America	Design, development, manufacture and sale of bicycles	$ 887,013	$ 887,013	3,410	35	$ 15,770,662	USD (356,084)	$ (4,046,255)	
	Merida B.V.I.	British Virgin Islands	International investment	1,362,597	1,362,597	42,500	100	3,061,868	USD 34,306	1,101,642	Subsidiary
	Merida & Centurion	Stuttgart, Germany	Sale of bicycles	103,725	103,725	-	51	501,510	EUR (6,256)	(110,855)	Subsidiary
	Merida Polska	Gliwice, Poland	Sale of bicycles and bicycle components	113,170	113,170	-	74	38,449	PLN (3,810)	(22,217)	Subsidiary
	Merida Norge	Lysaker, Norway	Sale of bicycles	168,772	151,459	211	80	40,265	NOK (10,479)	(22,913)	Subsidiary
	SAIL & SURF	Strobl, Austria	Sale of bicycles	116,195	116,195	-	40	121,889	EUR 271	3,770	
	Merida Czech	Brno, Czech Republic	Sale of bicycles	21,042	21,042	-	45	42,818	CZK (9,692)	(5,885)	
	Merida Bikes SWE	Madrid, Spain	Sale of bicycles	18,646	18,646	1	36	50,857	EUR 11	141	
	Merida Slovakia	Partizanska, Slovakia	Sale of bicycles	40	40	-	30	26,963	EUR 40	419	
	Merida Japan	Kanagawa, Japan	Sale of bicycles	118,875	118,875	2	90	(28,635)	JPY (292,610)	(55,857)	Subsidiary
	Merida Italy	Reggio Emilia, Italy	Sale of bicycles	19,011	19,011	559	27	7,220	EUR (880)	(8,342)	
	Merida Benelux	Beekbergen, Netherlands	Sale of bicycles	65,400	65,400	766	60	(51,782)	EUR (330)	(6,877)	Subsidiary
	Merida U.K.	Nottingham, United Kingdom	Sale of bicycles	40,309	40,309	482	81	57,043	GBP (454)	(15,159)	Subsidiary
	Merida Korea	Seoul, Republic of Korea	Sale of bicycles	10,598	10,598	77	40	3,587	KRW (897,493)	(8,544)	
Merida B.V.I.	Share capital										
	Merida Hong Kong	Hong Kong	International investment and trade	USD 27,087	USD 27,087	202,800	100	USD 76,484	HKD 228,451	(Note)	Indirectly owned subsidiary
	Merida SAMOA	Samoa	International investment	USD 24,500	USD 24,500	24,500	70	USD 16,976	USD 7,175	(Note)	Indirectly owned subsidiary
Merida Norge	Share capital										
	Merida Sverige	Gothenburg, Sweden	Sale of bicycles	NOK 814	NOK 814	-	100	NOK 2,477	SEK (7,951)	(Note)	Indirectly owned subsidiary
Merida & Centurion	Share capital										
	Merida Europe GmbH	Stuttgart, Germany	Brand promotion and cycling team management	EUR 25	EUR 25	-	100	EUR 1,903	EUR 149	(Note)	Indirectly owned subsidiary
	Merida R&D Center GmbH	Stuttgart, Germany	Design and development of bicycles	EUR 25	EUR 25	-	100	EUR 528	EUR 76	(Note)	Indirectly owned subsidiary
Merida Japan	Share capital										
	Miyata	Kanagawa, Japan	Sale of bicycles	JPY 62,371	JPY 62,371	-	100	JPY (135,530)	JPY (70,784)	(Note)	Indirectly owned subsidiary

Note : Not applicable.

MERIDA INDUSTRY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Income of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 1)	Carrying Amount as of December 31, 2024 (Note 1)	Accumulated Repatriation of Investment Income as of December 31, 2024
					Outward	Inward						
Merida China	Manufacture and sale of bicycles	$ 402,600 (USD 12,280)	The investment was made through a corporation established in a third country, which, in turn, invested in companies located in mainland China	$ 363,487 (USD 11,087)	$ -	$ -	$ 363,487 (USD 11,087)	$ 11,755	100	$ 11,755	$ 377,089	$ 2,051,259 (USD 62,567)
Merida Shandong	Manufacture and sale of e-bikes and bicycles	524,560 (USD 16,000)	The investment was made through a corporation established in a third country, which, in turn, invested in companies located in mainland China	524,560 (USD 16,000)	-	-	524,560 (USD 16,000)	928,516	100	928,516	2,061,573	1,754,817 (USD 53,525)
Merida Jiangsu	Manufacture and sale of e-bikes and bicycles	1,147,475 (USD 35,000)	The investment was made through a corporation established in a third country, which, in turn, invested in companies located in mainland China	540,953 (USD 16,500)	-	-	540,953 (USD 16,500)	227,242	70	159,069	521,039	-

Accumulated Outward Remittance for Investments in Mainland China as of DECEMBER 31, 2024	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
$ 1,429,000 (USD 43,587)	$ 1,498,766 (USD 45,715) (Note 2)	$ 12,169,198 (Note 3)

Note 1: The investment gain and carrying amount as of December 31, 2024 are recognized according to the financial statements audited by the Corporation’s independent auditors.

Note 2: The amount includes the upper limit of the investment amount for Merida China of USD13,215 thousand, USD 16,000 thousand for Merida Shandong and USD16,500 thousand for Merida Jiangsu.

Note 3: Amounts are based on the upper limit of the investment amount regulated by the “Regulation for Screening of Application to Engage in Technical Cooperation in Mainland China”.

TABLE 8

MERIDA INDUSTRY CO., LTD.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Michael S.T. Tseng	48,664,715	16.27

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Corporation as of the last business day for the current quarter. The share capital in the parent corporation only financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

MERIDA INDUSTRY CO., LTD.

STATEMENT OF CASH
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Item	Foreign Currency	Exchange Rate	Amount
Cash on hand and petty cash			$ 262
Cash in banks			
Demand deposits			1,177,066
Foreign currency deposits			
USD	24,829	32.785	814,029
EUR	4,560	34.14	155,675
JPY	702,656	0.2099	147,487
			$ 2,294,519

STATEMENT 2

MERIDA INDUSTRY CO., LTD.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Type and Name of Marketable Securities	Number of Shares/Units	Acquisition Cost	Market Value	
			Unit Price	Total Amount
Domestic listed shares				
Cheng Shin	1,145,814	$ 49,858	49.05	$ 56,202
Leechi Enterprises Co., Ltd.	112,750	4,777	13.85	1,562
		$ 54,635		$ 57,764

MERIDA INDUSTRY CO., LTD.

STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Notes receivable - non-related parties	
Acetrikes Ind. Co., Ltd.	$ 2,914
Heng Feng Bicycle Company LTD.	616
Others (Note)	63
	$ 3,593
Accounts receivable - non-related parties	
ADVANCE TRADERS (AUSTRALIA) PTY LTD.	$ 151,705
ADVANCE TRADERS (NEW ZEALAND) LIMITED	57,851
BIKEFUN LTD.	20,173
Others (Note)	26,028
	255,757
Less: Allowance for impairment loss	(1,279)
Total	$ 254,478

Note: The amount from each individual client included in others does not exceed 5% of the account balance.

MERIDA INDUSTRY CO., LTD.

STATEMENT OF OTHER RECEIVABLES
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Technical service and royalty receivable	$ 266,053
Tax refund receivable	26,169
Others	59,813
	$ 352,035

MERIDA INDUSTRY CO., LTD.

STATEMENT OF INVENTORIES
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

	Amount	
Item	**Cost**	**Market Price (Note 1)**
Finished goods	$ 1,750,135	$ 1,853,716
Work in process	104,915	104,915
Raw materials and supplies	2,367,753	3,044,626
Inventory in transit	67,516	67,516
	$ 4,290,319	$ 5,070,773

Note 1: Net realizable value is used in the valuation of inventories.

Note 2: Inventories have not been provided as a collateral.

MERIDA INDUSTRY CO., LTD.

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

	Balance, January 1, 2024			Increase in the Current Year		Decrease in the Current Year		Balance, December 31, 2024			
Investees	Number of Shares	Amount	Ownership (%)	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Ownership (%)	Accumulated Impairment
Domestic unlisted shares											
SR Suntour Inc.	110,000	$ 3,000	-	-	$ -	-	$ -	110,000	$ 3,000	-	$ -
Taifong Golf Course	30,000	400	-	-	-	-	-	30,000	400	-	-
Long Jee Holdings Pte. Ltd.	330,000	-	2	-	-	-	-	330,000	-	2	-
		3,400			-		-		3,400		-
Overseas unlisted shares											
Merida Benelux	2,748,637	89,220	-	-	-	-	-	2,748,637	89,220	-	-
		$ 92,620			$ -		$ -		$ 92,620		$ -

MERIDA INDUSTRY CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

	Balance, January 1, 2024			Increase in the Current Year		Decrease in the Current Year						Balance, December 31, 2024			
Investees	Number of Shares	Amount	Ownership (%)	Number of Shares	Amount	Number of Shares (Note 1)	Amount	Others (Note)	Share of Profit (Loss) of Subsidiaries and Associates	Exchange Differences on Translating the Financial Statements of Foreign Operations	Realized (Unrealized) Gain on Transactions	Number of Shares	Amount	Ownership (%)	Net Assets Value
Long-term Investments															
SBC	3,409,982	$ 18,653,865	35	-	$ -	-	$ -	$ 293,295	$ (4,046,255)	$ 876,990	$ (7,233)	3,409,982	$ 15,770,662	35	$ 15,301,048
Merida B.V.I.	42,500,000	2,592,971	100	-	-	-	-	(679,591)	1,101,642	108,954	(62,108)	42,500,000	3,061,868	100	3,124,257
Merida & Centurion	-	497,793	51	-	-	-	-	-	(110,855)	5,705	108,867	-	501,510	51	501,510
Merida Polska	100	102,030	74	-	-	-	-	-	(22,217)	(8,275)	(33,089)	100	38,449	74	38,449
Merida Norge	198,000	98,282	75	13,200	17,313	-	-	(11,555)	(22,913)	(14,547)	(26,315)	211,200	40,265	80	40,265
SAIL & SURF	-	125,431	40	-	-	-	-	-	3,770	537	(7,849)	-	121,889	40	112,446
Merida Czech	-	56,433	45	-	-	-	-	-	(5,885)	(6,298)	(1,432)	-	42,818	45	39,986
Merida Bikes SWE	448	56,483	36	-	-	-	-	-	141	279	(6,046)	448	50,857	36	50,857
Merida Slovakia	-	26,739	30	-	-	-	-	-	419	135	(330)	-	26,963	30	26,963
Merida Italy	559,050	23,231	27	-	-	-	-	-	(8,342)	268	(7,937)	559,050	7,220	27	7,220
Merida U.K.	481,763	83,152	81	-	-	-	-	-	(15,159)	6,337	(17,287)	481,763	57,043	81	43,559
Merida Korea	76,560	13,190	40	-	-	-	-	-	(8,544)	(306)	(753)	76,560	3,587	40	3,587
		22,329,600			17,313		-	(397,851)	(3,134,198)	969,779	(61,512)		19,723,131		19,290,147
Long-term Investments - credit															
Merida Japan	1,800	42,742	90	-	-	-	-	-	(55,857)	(1,422)	(14,098)	1,800	(28,635)	90	(36,943)
Merida Benelux	766,126	(41,727)	60	-	-	-	-	-	(6,877)	344	(3,522)	766,126	(51,782)	60	(51,782)
		1,015			-		-	-	(62,734)	(1,078)	(17,620)		(80,417)		(88,725)
		$ 22,330,615			$ 17,313		$ -	$ (397,851)	$ (3,196,932)	$ 968,701	$ (79,132)		$ 19,642,714		$ 19,201,422

Note : SBC is the remeasurement of defined benefit plans and issuance of employees share options. Merida B.V.I. has declared the distribution of cash dividends, while Merida Norway has recorded changes in ownership equity.

MERIDA INDUSTRY CO., LTD.

STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
Non-related parties	
SRAM Corporation, Taiwan	$ 740,740
MARUI LTD.	352,047
TOPKEY CORPORATION	343,044
Others (Note)	2,180,315
	$ 3,616,146

Note: The amount to each individual vendor in others does not exceed 5% of the account balance.

MERIDA INDUSTRY CO., LTD.

STATEMENT OF NET REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Shipment	Amount
Bikes	About 380 thousand units	$ 17,218,474
Frames		341,281
Rims		360,778
Other parts		316,322
Gross sales		18,236,855
Less: Sales returns		(952)
Sales discounts and allowances		(20,357)
Net sales		$ 18,215,546

MERIDA INDUSTRY CO., LTD.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw material and supplies, beginning of year	$ 2,425,568
Add: Raw material and supplies purchased	16,177,506
Less: Sale of raw material and supplies	(265,054)
Raw material and supplies, end of year	(2,677,709)
Gain on raw material and supplies	388
Raw material and supplies scrapped	(52,092)
Others	(38,330)
Raw material and supplies used	15,570,277
Direct labor	573,396
Manufacturing expenses	503,622
Manufacturing cost	16,647,295
Add: Work in process, beginning of year	173,054
Less: Work in process, end of year	(104,915)
Sale of work-in-progress	(580,606)
Cost of finished goods	16,134,828
Add: Finished goods, beginning of year	809,176
Less: Finished goods, end of year	(1,762,458)
Transferred to other expenses	(11,852)
Cost of goods sold	15,169,694
Sale of work-in-process cost	580,606
Sales of raw material and supplies	265,054
Scrapped and gain on inventories	51,704
Gain from sale of scraps	(25,726)
Reversal of write-downs of inventories	(102,741)
Operating costs	$ 15,938,591

MERIDA INDUSTRY CO., LTD.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	General and Administrative Expenses	Total
Advertisement	$ 218,114	$ -	$ 218,114
Payroll and annual bonus	73,913	58,008	131,921
Shipping expense	37,168	-	37,168
Insurance expense	30,571	4,306	34,877
Export expense	6,714	-	6,714
Depreciation expense	12,302	8,333	20,635
Professional service fees	981	16,189	17,170
Others	86,043	66,289	152,332
Total	$ 465,806	$ 153,125	$ 618,931