Stock Code：3675TW

Eris Technology Corporation and Subsidiaries

Consolidated Financial Statements
with Independent Auditors' Report
for the Years Ended
December 31, 2022 and 2021

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

Note: The accompanying financial statements have been translated into English from the original Chinese version, and the English version is not audited by certified public accountant.

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Representation Letter

The entities that are required to be included in the combined financial statements of Eris Technology Corporation as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated and Separate Financial Statements." In addition, the information required to be disclosed in the combined financial statements and is included in the consolidated financial statements. Consequently, Eris Technology Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Eris Technology Corporation
Chairman: Jonathan Chang
Date: Feb. 20, 2023

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021	
Assets	**Amount**	**%**	**Amount**	**%**
Current assets				
Cash (Notes 4 and 6)	$ 493,065	15	$ 334,633	11
Financial assets at amortized cost - current (Notes 4, 8 and 27)	55,794	2	61,852	2
Notes receivable (Notes 4, 9 and 19)	1,494	-	3,112	-
Net trade receivables (Notes 4, 9 and 19)	91,272	3	140,416	5
Trade receivables from related parties (Notes 4, 9, 19 and 26)	319,186	10	379,719	13
Other receivables (Note 4)	3,841	-	10,908	-
Inventories (Notes 4, 5 and 10)	308,850	10	340,470	11
Prepayments and other current assets	14,000	-	10,189	-
Total current assets	1,287,502	40	1,281,299	42
Non-current assets				
Financial assets at amortized cost – non-current (Notes 4, 8 and 27)	10,014	-	10,004	-
Property, plant and equipment (Notes 4, 12, 26 and 27)	1,527,867	48	1,400,289	46
Rights-of-use assets (Notes 4 and 13)	9,717	-	10,585	-
Goodwill (Notes 4 and 14)	24,070	1	24,070	1
Other intangible assets (Note 4 and 15)	14,210	1	14,312	1
Deferred tax assets (Note 4, 5 and 21)	166,172	5	130,022	4
Prepayments for equipment (Note 28)	132,373	4	173,139	6
Refundable deposits	3,768	-	3,778	-
Other non-current assets	12,608	1	12,056	-
Total non-current assets	1,900,799	60	1,778,255	58
Total assets	$ 3,188,301	100	$ 3,059,554	100
Liabilities and Equity				
Current Liabilities				
Short-term borrowings (Note16 and 27)	$ 500,000	16	$ 500,000	16
Trade payables	157,357	5	260,267	8
Other payables(Note 17)	197,325	6	173,079	6
Current tax liabilities (Note 4 and 21)	29,261	1	25,745	1
Provisions - current (Note 4)	4,798	-	6,700	-
Lease liabilities - current (Notes 4 and 13)	4,474	-	3,558	-
Current portions of long-term borrowings (Note16 and 27)	35,725	1	48,549	2
Other current liabilities (Note 19)	4,202	-	984	-
Total current liabilities	933,142	29	1,018,882	33
Non-current liabilities				
Long-term borrowings (Note16 and 27)	757,732	24	777,102	26
Deferred tax liabilities (Note 4 and 21)	9,269	-	8,090	-
Lease liabilities - non-current (Notes 4 and 13)	5,320	-	7,055	-
Deposit Margin	12	-	-	-
Total non-current liabilities	772,333	24	792,247	26
Total liabilities	1,705,475	53	1,811,129	59
Equity				
Equity attributable to owner of parent (Note 11, 18 and 23)				
Ordinary share	444,283	14	444,283	15
Capital surplus	402,511	13	402,511	13
Retained earnings				
Legal reserve	97,141	3	64,432	2
Special reserve	2,341	-	2,013	-
Unappropriated earnings	538,167	17	337,527	11
Total retained earnings	637,649	20	403,972	13
Other equity	(1,617)	-	(2,341)	-
Total equity	1,482,826	47	1,248,425	41
Total Liabilities and Equity	$ 3,188,301	100	$ 3,059,554	100

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the year ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
Operation Revenue (Note 4, 19 and 26)				
Sales	$ 2,184,741	100	$ 2,063,406	100
Less: Sales return and allowance	(7,124)	-	(6,689)	-
Net Revenue	2,177,617	100	2,056,717	100
Cost of good Sales (Note 10, 20 and 26)	1,373,131	63	1,375,191	67
Gross Profit	804,486	37	681,526	33
Operating Expenses (Note 20)				
Selling and marketing	74,056	3	79,446	4
General and administrative expenses	161,728	8	149,299	7
Research and development	135,191	6	113,042	5
Expected credit impairment loss (Notes 9)	638	-	254	-
Total operating expenses	371,613	17	342,041	16
Operating Income	432,873	20	339,485	17
Non-operating income and expenses:				
Interest income	1,205	-	307	-
Other income	432	-	324	-
Disposal of property, plant and equipment	(1,140)	-	4,869	-
Foreign exchange loss, net(Note 20 and 29)	32,107	1	(5,123)	-
Gain (loss) on financial debt at fair value through profit or loss(Note 7)	(5,384)	-	262	-
Interest expense	(16,484)	(1)	(12,331)	(1)
Total non-operating income and expenses	10,736	-	(11,692)	(1)
Profit before Tax	443,609	20	327,793	16
Less: Income tax benefit (expense) (Note 4, 5 and 21)	12,209	1	(509)	-
Net Profit	455,818	21	327,284	16

(Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the year ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Other comprehensive income /(loss)				
Components of other comprehensive income (loss) that will be reclassified to profit or loss				
Exchange differences on translating the financial statements of foreign operations	905	-	(410)	-
Income tax relating to items that may be reclassified subsequently to profit or loss(Note4 and 21)	(181)	-	82	-
Other comprehensive income/(loss) for the year, net of income tax	724	-	(328)	-
Total comprehensive income	$ 456,542	21	$ 326,956	16
Net profit, attributable to:				
Owners of parent	$ 455,818	21	$ 327,088	16
Non-controlling interests (Notes 11 and 18)	-	-	196	-
	$ 455,818	21	$ 327,284	16
Comprehensive income attributable to:				
Owners of parent	$ 456,542	21	$ 326,760	16
Non-controlling interests(Notes 11 and 18)	-	-	196	-
	$ 456,542	21	$ 326,956	16
Earnings per share (Note 22)				
Basic earnings per share	$ 10.26		$ 7.36	
Diluted earnings per share	$ 10.24		$ 7.36	

The accompanying notes are an integral part of the financial statements. (Concluded)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the year ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of parent										
	Share Capital (Notes 18)			**Retained Earnings**							
	Ordinary Share (In Thousands)	Amount	Capital Surplus (Notes 18)	Legal Reserve	Special Reserve	Unappropriated Earnings (Notes 11 and 18)	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations (Notes 18)	Total equity attributable to owners of parent	Non-controlling Interests (Notes11,18and 23)	Total Equity
Balance at January 1, 2021	44,428	$ 444,283	$ 402,511	$ 55,098	$ 2,586	$ 108,553	$ 166,237	($ 2,013)	$ 1,011,018	$ 1,613	$ 1,012,631
Appropriation and distribution of 2020 earnings:											
Legal reserve	-	-	-	9,334	-	(9,334)	-	-	-	-	-
Special reserve	-	-	-	-	(573)	573	-	-	-	-	-
Cash dividends distributed of ordinary share	-	-	-	-	-	(88,857)	(88,857)	-	(88,857)	-	(88,857)
	-	-	-	9,334	(573)	(97,618)	(88,857)	-	(88,857)	-	(88,857)
Acquire part of the equity of the subsidiary (Note 23)	-	-	-	-	-	(496)	(496)	-	(496)	(1,809)	(2,305)
2021 Net profit	-	-	-	-	-	327,088	327,088	-	327,088	196	327,284
Other comprehensive after tax income/(loss)	-	-	-	-	-	-	-	(328)	(328)	-	(328)
Total comprehensive income/(loss) for the year ended December 31, 2021	-	-	-	-	-	327,088	327,088	(328)	326,760	196	326,956
Balance at December 31, 2021	44,428	444,283	402,511	64,432	2,013	337,527	403,972	(2,341)	1,248,425	-	1,248,425
Appropriation and distribution of 2021 earnings:											
Legal reserve	-	-	-	32,709	-	(32,709)	-	-	-	-	-
Special reserve	-	-	-	-	328	(328)	-	-	-	-	-
Cash dividends distributed of ordinary share	-	-	-	-	-	(222,141)	(222,141)	-	(222,141)	-	(222,141)
	-	-	-	32,709	328	(255,178)	(222,141)	-	(222,141)	-	(222,141)
2022 Net profit	-	-	-	-	-	455,818	455,818	-	455,818	-	455,818
Other comprehensive income/(loss)	-	-	-	-	-	-	-	724	724	-	724
Total comprehensive income/(loss) for the year ended December 31, 2022	-	-	-	-	-	455,818	455,818	724	456,542	-	456,542
Balance at December 31, 2022	44,428	$ 444,283	$ 402,511	$ 97,141	$ 2,341	$ 538,167	$ 637,649	($ 1,617)	$ 1,482,826	$ -	$ 1,482,826

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the year ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Code		2022	2021
A10000	**Cash flows generated from (used in) operating activities:**		
	Profit before tax	$ 443,609	$ 327,793
A20010	**Adjustments:**		
A20100	Depreciation expenses	126,748	118,337
A20200	Amortization expenses	11,196	11,846
A20300	Expected credit impairment loss	638	254
A20400	Net (gain)/loss on fair value changes of financial assets and debts designated as at fair value through profit or loss	-	(1,277)
A20900	Interest expense	16,484	12,331
A21200	Interest income	(1,205)	(307)
A22500	(Gain)/loss on disposal retirement of property, plant and equipment	1,140	(4,869)
A23800	Write-downs of inventories	(3,500)	-
A24100	Unrealized (gain)/loss on foreign currency exchange	1,386	(1,265)
A30000	**Changes in operating assets and liabilities**		
A31130	Notes receivable	1,618	(1,571)
A31150	Trade receivables	46,739	(34,114)
A3116	Trade receivables - related parties	58,919	(122,926)
A31180	Other receivables	7,067	(6,787)
A32100	Inventories	35,120	(94,814)
A32150	Prepayments and other current assets	(3,774)	2,459
A32160	Trade payables	(102,801)	96,608
A32180	Trade payables - related parties	-	(97)
A32200	Other payables	18,605	35,310
A32230	Provisions	(1,902)	2,330
A33000	Other current liabilities	3,218	204
A33000	**Cash generated from operations**	659,305	339,445
A33100	Interest received	1,168	300
A33300	Interest paid	(16,438)	(12,132)
A33500	Income tax paid	(19,424)	(12,793)
AAAA	**Net cash flows generated from (used in) operating activities**	624,611	314,820
	Cash flows from (used in) investing activities:		
B00040	Purchase of financial assets at amortized cost	-	(32,284)
B00050	Proceeds from sale of financial assets at amortized cost	7,943	6,001
B02700	Payments for property, plant and equipment	(124,940)	(85,200)
B02800	Proceeds from disposal of property, plant and equipment	1,076	70,416
B03800	Refundable deposits	14	1,655
B04500	Payments for intangible assets	(2,600)	(697)
B06700	Payments for other non-current assets	(9,046)	(9,353)
B07100	Increase in prepayments for equipment	(79,075)	(176,203)
BBBB	**Net cash flows from (used in) investing activities**	(206,628)	(225,665)

(Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the year ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Code		2022	2021
	Cash flows generated from (used in) financing activities:		
C00200	Proceeds from short-term borrowings	$ -	$ 150,000
C01600	Proceeds from long-term borrowings	250,000	250,000
C01700	Repayments of long-term borrowings	(282,194)	(278,662)
C03000	Repayment of the principal portion of lease liabilities	12	(8,076)
C04020	Dividends paid to owners of the Company	(6,087)	(88,857)
C04500	Payment of cash dividends for non-controlling interests	(222,141)	-
C05400	Acquire equity in subsidiary	-	(2,305)
CCCC	**Net cash generated from/(used in) financing activities**	(260,410)	22,100
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	859	(432)
EEEE	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	158,432	110,823
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	334,633	223,810
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 493,065	$ 334,633

The accompanying notes are an integral part of the financial statements. (Concluded)

1. COMPANY HISTORY

Eris Technology Corporation (the "Company") was incorporated in the Republic of China ("ROC") in August 16, 1995. The Company mainly manufactures tests and sells rectifier diode, wafer and light-emitting diode.

The Securities and Futures Bureau of Financial Supervisory Commission approved The Company public offering of its capital stock on August 13, 2009. The Company shares have been listed on the Taipei Exchange ("TPEx") Mainboard since June 29, 2012.

In August 2012, Diodes International B.V. (Diodes B.V.) became the parent company of the Company with a shareholding ratio of more than 50%. Diodes Holding B.V. has merged and assumed all the rights and obligations of Diodes B.V. in January 2019, and the relevant operation was completed in August 2019. Diodes Holding B.V. was acquired by Diodes Holdings UK Limited in January 2021 and it assumed all the rights and obligations. Ended of December 31, 2022, Diodes Holdings UK Limited held 51.07% of the Company's shares. The ultimate parent of the Company is Diodes Incorporated (Diodes), and the ultimate parent and its subsidiaries are hereinafter referred to as the Diodes Group, respectively.

The parent company only financial statements are presented in The Company functional currency, the New Taiwan dollar.

2. APPROVAL DATE AND PROCEDURES OF THE FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company board of directors on February 20, 2023.

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

a. For the first time, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) recognized and issued by the Financial Supervisory Commission (hereinafter referred to as the "FSC") (hereinafter referred to as "IFRSs")
The application of the revised IFRSs approved and issued by the FSC will not result in a material change in the Company's accounting policies.

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2023

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendment to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023(Note 1)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023(Note 2)
Amendment to IAS 12 "Deferred income tax relating to assets and liabilities arising from a single transaction"	January 1, 2023(Note 3)

Note 1: The application of this amendment will be available during the annual reporting period beginning on January 1, 2023.

Note 2: This amendment applies to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period beginning on January 1, 2023.

Note 3: The amendment applies to transactions occurring after January 1, 2022, except for the recognition of deferred tax on temporary differences in lease and decommissioning obligations at January 1, 2022.

As of the release date of this consolidated financial report, the Company's will continue to assess that the amendments to the above standards and interpretations will not have a significant impact on the financial status and financial performance, and the relevant impact will be disclosed when the assessment is completed.

c. The impact of IFRS issued by IASB but not yet endorsed by the FSC
As of the date, the following IFRSs that have been issued by the International Accounting Standards Board ("IASB"), but have yet to be endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or investment of assets between investors and their affiliates or joint ventures"	To be determined by IASB
Amendments to IFRS 16 "Lease Liability in Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Contracts of Insurance"	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
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with contractual terms"	January 1, 2024

Note 1: Unless otherwise stated, the above newly issued/amended/revised standards or interpretations are effective for each annual reporting period beginning after that date.

Note 2: The seller and lessee shall apply the amendments of IFRS 16 retrospectively to the sale and leaseback transactions signed after the date of initial application of IFRS 16.

As of the date the financial statements were authorized for issue, The Company is continuously assessing the possible impact that the application of other standards and interpretations will have on The Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The Company's financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, other regulations and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

Except for financial instruments measured at fair value, the parent company of the financial statements have been prepared on the historical cost basis.

The fair value measurements, which are Company's seed 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, 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.

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 balance sheet date; and
3) Cash and cash equivalents (but excluding those subjects to restrictions on exchange or settlement of liabilities more than 12 months after the balance sheet date).

Current liabilities include:

1) Liabilities held primarily for trading purposes;
2) Liabilities due to be settled within 12 months after the balance sheet date; and
3) Liabilities that cannot unconditionally defer the settlement period to at least 12 months after the balance sheet date.

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

d. Basis of consolidation

The consolidated financial report includes the financial reports of the company and entities (subsidiaries) controlled by the company. The consolidated comprehensive income statement has included the operating profit and loss of the acquired or disposed subsidiary in the current period from the date of acquisition or to the date of disposal. The subsidiaries' financial reports have been adjusted to bring their accounting policies into line with those of the consolidated company. When preparing the consolidated financial report, all transactions, account balances, income and expenses between entities have been eliminated. The total comprehensive profit or loss of the subsidiaries is attributed to the owners of the company and non-controlling interests, even if the non-controlling interests thus become the balance of the loss.

When the merger company’s changes in the ownership and equity of the subsidiary do not result in the loss of control, it is treated as an equity transaction. The carrying amount of the consolidated company and non-controlling interests has been adjusted to reflect changes in its relative equity in the subsidiary. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and attributable to the owners of the company.

For details of subsidiaries, shareholding ratios and business items, please refer to Note 11 and Attached Tables 5 and 6.

e. Business combination

Business mergers are handled by the acquisition method. Acquisition-related costs are included as expenses in the period in which the costs are incurred and the labor services are obtained.

Goodwill is the sum of the fair value of the transfer consideration, the amount of non-controlling interests of the acquire, and the fair value of the acquirer’s previously held equity at the acquisition date, which exceeds the identifiable assets and commitments acquired on the acquisition date Net debt measurement.

The acquire has the current ownership interest and is entitled to pro rata non-controlling interest in the acquiree's net assets at the time of liquidation, which is measured by the proportion of its share of the recognized amount of the acquiree's identifiable net assets. Other non-controlling interests are measured at fair value.

As the measurement of identifiable assets acquired and liabilities assumed due to a business combination has not been completed, the balance sheet date is recognized at a provisional amount. During the measurement period, retrospective adjustments are made or additional assets or liabilities are recognized to reflect the obtained new information about the facts and circumstances that existed on the acquisition date.

f. Foreign currencies

When each entity prepares financial reports, those who trade in currencies other than the individual's functional currency (foreign currency) are converted into functional currency records at the exchange rate on the transaction day.

Monetary items denominated in foreign currencies are translated at the closing exchange rates on each balance sheet date. Exchange differences arising from delivery of monetary items or translation of monetary items are recognized in profit or loss in the period in which they occur.

Foreign currency non-monetary items measured by fair value are translated at the exchange rate on the day when the fair value is determined, and the resulting exchange difference is listed as current profit or loss. However, if the change in fair value is recognized in other comprehensive profit or loss, the resulting exchange difference is listed as in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

When preparing the consolidated financial report, the assets and liabilities of foreign operating institutions (including subsidiaries operating in a country or using a currency different from that of the Company) are translated into New Taiwan Dollars at the exchange rate on each balance sheet date. Income and expense items are translated at the current average exchange rate, and the resulting exchange differences are listed in other comprehensive income.

g. Inventories

Inventories include raw materials, finished goods and work-in-progress. Inventories are measured at the lower of cost and net realizable value. When comparing cost and net realizable value, it is based on individual items except for inventories of the same category. Net realizable value represents the estimated selling price under normal circumstances less the estimated cost of completion and the estimated cost of completion of the sale. The cost of inventories is calculated using the weighted average method.

h. Property, plant, and equipment

Property, plant and equipment are stated at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment under construction are stated at cost less accumulated impairment losses. Costs include professional service fees and borrowing costs eligible for capitalization. When these assets are completed and ready for their intended use, they are classified to the appropriate category of property, plant and equipment and depreciation begins.

Property, plant and equipment are depreciated separately for each significant component on a straight-line basis over their useful lives. The combining company reviews the estimated useful life, residual value and depreciation method at least at the end of each year, and defers the impact of changes in applicable accounting estimates.

On de-recognition of an item of property, plant and equipment, the difference between the net disposal price and the asset's book value is recognized in profit and loss.

i. Goodwill

The goodwill obtained from a business combination is based on the amount of goodwill recognized on the acquisition date as the cost, and subsequently measured by the cost minus the accumulated impairment loss.

For the purpose of impairment testing, goodwill is accounted to each cash-generating unit or group of cash-generating units (referred to as "cash-generating units") that the amalgamating company expects to benefit from the synergy of the merger.

Amortized goodwill cash-generating unit performs an impairment test on the unit every year (and when there are indications that the unit may have been impaired) by comparing the book value of the unit containing goodwill and its recoverable amount. If the goodwill allocated to the cash-generating unit is obtained from a business combination of the current year, the unit shall be tested for impairment before the end of the current year. If the recoverable amount of the cash-generating unit of amortized goodwill is lower than its book value, the impairment loss is to reduce the book amount of the cash-generating unit’s amortized goodwill first, and then reduce the proportion of the book value of the other assets in the unit by each The carrying amount of the asset. Any impairment loss is directly recognized as the current loss. The loss of goodwill impairment shall not be reversed in the subsequent period.

When disposing of a certain operation within the amortized goodwill cash-generating unit, the amount of goodwill related to the dispositioned operation is included in the book value of the operation to determine the disposition of profits and losses.

j. 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 and accumulated impairment loss. Intangible assets are amortized on a straight-line basis during their useful life. The company reviews the estimated service life, residual value and amortization method at least at the end of each year, and defers the impact of changes in applicable accounting estimates.

On de-recognition of an intangible asset, the difference between the net disposal price and the asset's book value is recognized in profit and loss.

k. Impairment of assets related to real property, plant and equipment, right-of-use assets, intangible assets (except goodwill) and contract costs

The company assesses on each balance sheet date whether there are any signs that real property, plant and equipment, right-of-use assets and intangible assets (except goodwill) may have been impaired. If there are any signs of impairment, estimate the recoverable amount of the asset. If the recoverable amount of an individual asset cannot be estimated, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of the fair value less the cost of sale and its use value. If the recoverable amount of an individual asset or cash-generating unit is lower than its book value, the book value of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit and loss.

The inventory, real estate, plant and equipment and intangible assets recognized in the customer contract are firstly recognized as impairment in accordance with the provisions on inventory impairment and the above-mentioned regulations, and then the book value of the contract cost related assets exceeds the expected consideration that can be received for the provision of related goods or services. The amount after deducting the directly related costs is recognized as an impairment loss, and the book value of the contract cost-related assets is continuously included in the cash-generating unit to perform the impairment assessment of the cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit or contract cost-related asset is adjusted to the revised recoverable amount, but the increased carrying amount does not exceed the asset, cash-generating unit or contract cost If the relevant asset is not in the previous year, the book value determined when the impairment loss is recognized (less amortization or depreciation) The reversal of the impairment loss is recognized in the profit and loss.

l. Financial instruments

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

When initially recognizing financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability at fair value through profit or loss 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

The types of financial assets held by the company are financial assets measured at amortized cost.

Financial assets measured at amortized cost.

If the company's investment financial assets meet the following two conditions at the same time, they are classified as financial assets measured at amortized cost:

A. It is held under a certain business model, the purpose of which is to hold financial assets to collect contractual cash flows; and

B. The terms of the contract generate cash flows on a specific date, and these cash flows are all interest on the payment of the principal and the amount of principal in circulation.

Financial assets measured at amortized cost (including cash, notes receivable at amortized cost, accounts receivable (including related parties) and other receivables (including related parties)) are initially recognized, It is measured by the total book amount determined by the effective interest method minus the amortized cost of any impairment loss, and any foreign currency exchange gains and losses are recognized in profit and loss.

Except for the following two cases, interest income is calculated by multiplying the effective interest rate by the total book value of financial assets:

A. For purchased or created credit-impaired financial assets, interest income is calculated by multiplying the effective interest rate after credit adjustment by the amortized cost of the financial asset.

B. For financial assets that are not purchased or original credit impairment, but subsequently become credit impairment, it should use the effective interest rate multiplied by the amortized cost of the financial asset to calculate the interest income from the next reporting period after the impairment.

Credit-impaired financial assets refer to the issuer or debtor who has experienced major financial difficulties, defaulted, the debtor is likely to apply for bankruptcy or other financial reorganization, or the active market for financial assets disappears due to financial difficulties.

b) Impairment of financial assets and contract assets

The company assesses the impairment losses of financial assets (including accounts receivable) measured at amortized cost based on expected credit losses on each balance sheet date.

For accounts receivable are recognized as allowance losses based on expected credit losses during the duration. For other financial assets, first assess whether there is a significant increase in credit risk since the initial recognition. If there is no significant increase, the allowance loss is recognized based on the 12-month expected credit loss; if it has increased significantly, it is recognized based on the duration of the expected credit loss Allowance for losses.

Expected credit losses are weighted average credit losses weighted by the risk of default. The 12-month expected credit losses represent the expected credit losses arising from possible default events of the financial instrument within 12 months after the reporting date. And the lifetime expected credit losses represent the expected credit losses arising from all possible default events of the financial instrument during the expected duration.

For internal Credit Risk Management (CRM), the company determines that there is internal or external information indicating that the debtor is unable to pay off the debt without considering the collateral held, which represents that the financial asset has defaulted.

The impairment loss of all financial assets is reduced by the allowance account to reduce its carrying amount, but the allowance loss of debt instrument investment measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce its carrying amount.

c) Derecognition of financial assets

The consolidate company 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.

When a financial asset measured at amortized cost is deducted as a whole, the difference between its carrying amount and the consideration received is recognized in profit or loss. When investments in debt instruments at fair value through other comprehensive profit or loss are deducted as a whole, the difference between their carrying amount and the sum of the consideration received plus any cumulative gain or loss recognized in other comprehensive profit or loss is recognized in profit or loss. When equity instrument investments at fair value through other comprehensive profit or loss are deducted as a whole, the accumulated profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2) Equity instruments

Debt and equity instruments issued by the consolidate company are classified as financial liabilities or equity according to the substance of the contract agreement and the definition of financial liabilities and equity instruments.

The equity instruments issued by the consolidate company are recognized at the amount obtained after deducting the direct issuance costs.

The return of the Company's own equity instruments is recognized and deducted under equity. The purchase, sale, issue or cancellation of the Company's own equity instruments are not recognized in profit or loss.

3) Financial liabilities

a) Subsequent measurement

Except for derivatives, all financial liabilities of the company 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 Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross-currency swaps.

Derivatives are initially recognized at fair value when the derivative contract is signed, and then re-measured at fair value on the balance sheet date, and the gains or losses resulting from the subsequent measurement are directly included in profit or loss. When the fair value of a derivative is positive, it is listed as a financial asset; when the fair value is negative, it is listed as a financial liability.

m. Debt Provisions

The amount recognized as a liability reserve is based on the risk and uncertainty of the obligation, and is the best estimate of the expenditure required to settle the obligation on the balance sheet date. The liability provision is the estimated liability for sales returns and discounts. The liability provision is the estimated product returns and a discount that may occur based on the judgment of management and other known reasons, and is recognized as a deduction of operating income in the period when the relevant product is sold subtract items.

n. Revenue recognition

The company identifies contract with the customers; it allocates the transaction price to each performance obligation, and recognizes revenue when each performance obligation is met.

<u>Revenue from the sale of goods</u>

Revenue from the sale of goods is derived from the sale of electronic component products. When the product arrives at the place designated by the customer, the customer has the right to set the price and the use of the product and bears the main responsibility for resale, and bears the risk of the product becoming obsolete. The company recognizes the revenue and receivables at that time accounts.

When processing with materials, the control of the ownership of the processed products has not been transferred, so revenue is not recognized when the materials are removed.

When processing incoming materials, the company processes and manufactures diodes according to the raw materials provided by the customer and the agreed specifications. Since the customer has control over the diodes when they are strengthened, the consolidate company will gradually recognize revenue over time.

o. Leasing

The company assesses whether the contract is (or contains) a lease on the contract inception date.

The Company's as lessee

Except for leases of low-value underlying assets for which the recognition exemption applies and lease payments for short-term leases, which are recognized as expenses on a straight-line basis over the lease term, other leases are recognized as right-of-use assets and lease liabilities on the lease inception date.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability, lease payments less lease incentives received before the lease commencement date, original direct costs and the estimated cost of restoring the underlying asset), and is subsequently measured at cost less accumulated depreciation and The amount after the accumulated impairment loss is measured, and the remeasurement amount of the lease liability is adjusted. Right-of-use assets are presented separately in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the expiry of the useful life or the expiry of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of lease payments (including fixed payments and substantive fixed payments). If the implied interest rate of the lease is easy to determine, the lease payment shall be discounted using the interest rate. If this rate is not readily determined, the lessee incremental borrowing rate is used.

Subsequently, the lease liability is measured on an amortized cost basis using the effective interest method, and the interest expense is amortized over the lease term. If there is a change in the lease period, the merged company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the book value of the right-of-use asset has been reduced to zero, the remaining remeasured amount is recognized in profit or loss. Lease liabilities are presented separately in the consolidated balance sheet.

p. Employee benefits

1) Short-term employee benefits
Liabilities related to short-term employee benefits are measured at undiscounted amounts expected to be paid in exchange for employee services.

2) Retirement benefits
The retirement benefits of the defined contribution retirement plan are recognized as expenses during the service period of the employees.

q. Taxation

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

1) Current tax

The consolidate company determines the current income (loss) in accordance with the laws and regulations established by each income tax reporting jurisdiction, and calculates the payable (recoverable) income tax based on it.

According to the Income Tax Law, an additional tax of unappropriated earnings is provided for as income tax 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 recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are likely to have taxable income to deduct temporary differences, loss deductions, or purchases of machinery and equipment. The resulting income tax deduction is recognized when it is used.

Taxable temporary differences related to investment in subsidiaries are recognized as deferred income tax liabilities, but if the company can control the timing of the reversion of the temporary difference, and the temporary difference is likely to not revert in the foreseeable future except. The deductible temporary differences related to this type of investment will be recognized as deferred income tax only if it is likely to have sufficient taxable income to realize the temporary difference, and within the range expected to return in the foreseeable future assets.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is reduced for those assets for which it is no longer probable that sufficient taxable income will be available to recover all or part of the asset. Those that have not been recognized as deferred income tax assets are also re-examined on each balance sheet date, and for those that are likely to generate taxable income in the future to recover all or part of the assets, the book amount is increased.

Deferred income tax assets and liabilities are measured by the tax rate for the period in which the expected liability is settled or the asset is realized. The tax rate is based on the tax rate and tax law that has been legislated or substantively legislated on the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences arising from the way the company expects to recover or settle the carrying amount of its assets and liabilities on the balance sheet date.

3) Current and deferred taxes

Current and deferred income taxes are recognized in profit or loss, but current and deferred incomes taxes related to items recognized in other comprehensive profit or loss or directly included in equity are respectively recognized in other comprehensive profit or loss or directly included in equity.

5. SIGNIFICANT ACCOUNTING ASSUMPTIONS AND JUDGMENTS, AND MAJOR SOURCES OF ESTIMATION UNCERTAINTY:

The Company's adopts accounting policies, the management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors for those that are not easy to obtain relevant information from other sources. Actual results may differ from estimates.

Estimates and underlying assumptions will be continuously reviewed by management. If the revision of the estimate affects only the current period, it is recognized in the revision period; if the revision of the accounting estimate affects both the current period and the future period, it is recognized in the revision period and the future period.

Assumption and major sources of estimation uncertainty:

1) Write-down of inventories

The net realizable value of inventories is the estimated selling price in the normal course of business less the estimated cost to be invested in completion and the estimated cost to complete the sale. These estimates are based on current market conditions and historical sales of similar products. Based on experience, changes in market conditions may materially affect the results of these estimates.

2) Income Tax

The realizability of deferred tax assets depends primarily on the availability of sufficient future profits or taxable temporary differences. If the actual profits generated in the future are less than expected, there may be a reversal of significant deferred tax assets, and these reversals are recognized as profit or loss in the period in which they occur. As at the balance sheet date, please refer to Note 21 for the amount not recognized as deferred tax assets.

6. CASH

	December 31, 2022	December 31, 2021
Foreign currency demand deposit	$ 137,040	$ 178,618
Demand deposits	354,992	155,016
Cash on hand	1,020	986
Check deposits	13	13
	$ 493,065	$ 334,633

The market rate intervals of cash in the bank at the end of the reporting period were as follows:

	December 31, 2022	December 31, 2021
Bank balance	0.01%-1.05%	0.001%-0.100%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Company has no outstanding cross-currency swaps and forward foreign exchange contracts on December 31, 2022 and 2021.

As of December 31, 2022 and 2021, the company engaged in financial instruments measured at fair value through profit and loss, resulting in a net loss of NTD 5,384 thousand and a net gain of NTD 262 thousand, respectively.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2022	December 31, 2021
Current		
Unpledged time deposits		
Time deposits with original maturities of more than 3 months	$ 9,213	$ 8,304
Pledged time deposits		
Time deposits with original maturities of more than 3 months	14,515	13,529
Restricted demand deposit	32,066	40,019
	$ 55,794	$ 61,852

	December 31, 2022	December 31, 2021
Non-current		
Pledged time deposits		
Restricted demand deposit	$ 10,014	$ 10,004

The market interest rate range of the above assets on the balance sheet date is as follows:

	December 31, 2022	December 31, 2021
Time deposits with original maturities of more than 3 months	1.80%-2.90%	0.21%-2.15%
Restricted demand deposit	0.40%-0.48%	0.01%-0.05%

Please refer to Note 27 for information on pledges of financial assets measured at amortized cost.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31, 2022	December 31, 2021
Notes receivable		
Measured at amortized cost		
total book value	$ 1,494	$ 3,112
Trade receivables		
Measured at amortized cost		
total book value	$ 95,192	$148,442
Less: Allowance for loss	(3,920)	(8,026)
Net Accounts Receivable	$ 91,272	$140,416
Trade receivables from related parties		
Measured at amortized cost		
total book value	$ 319,186	$ 379,719

The credit period of the consolidate company for commodity sales is about 30 days to 120 days. Since the credit period is short, no interest will be calculated.

In order to mitigate credit risk, the management of the consolidate company assigned a dedicated team to be responsible for the determination of the credit period, credit approval and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables. In addition, the consolidate company will review the recoverable amount of accounts receivable on the balance sheet date to ensure that unrecoverable accounts receivable have been properly provisioned for impairment losses. Accordingly, the management of the consolidate company believes that the credit risk of the consolidate company has been significantly reduced.

The consolidate company recognizes the allowance loss of accounts receivable according to the expected credit loss during the existence period. The expected credit loss during the duration is based on consideration of the customer's past default record, current financial situation, and industrial economic situation.

The following table details the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2022

	Payment Terms of 30 days	Payment Terms of 60 days	Payment Terms of 90 days	Payment Terms of 120 days	Others	Total
Gross carrying amount	$ 21,693	$ 345,705	$ 44,737	$ 1,423	$ 820	$ 414,378
Loss allowance (Lifetime ECLs)	(1,085)	(1,791)	(223)	(1)	(820)	(3,920)
Amortized cost	$ 20,608	$ 343,914	$ 44,514	$ 1,422	$ -	$ 410,458

December 31, 2021

	Payment Terms of 30 days	Payment Terms of 60 days	Payment Terms of 90 days	Payment erms of 120 days	Others	Total
Gross carrying amount	$ 25,867	$440,610	$ 54,851	$ 1,257	$ 5,576	$528,161
Loss allowance (Lifetime ECLs)	(1,293)	(933)	(224)	-	(5,576)	(8,026)
Amortized cost	$ 24,574	$439,677	$ 54,627	$ 1,257	$ -	$520,135

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

	2022	2021
At the beginning of the year	$ 8,026	$ 8,338
Add: The impairment loss is listed for the current year	638	254
Less: The impairment losses written off for the period	(4,757)	(557)
Foreign exchange translation gains and losses	13	(9)
At the end of the year	$ 3,920	$ 8,026

The aging of receivables analysis was as follows:

	December 31, 2022	December 31, 2021
Not past due	$ 406,942	$ 434,111
Less than 60 days overdue	3,104	83,735
61-90 days overdue	-	122
91-120 days overdue	671	147
More than 120 days overdue	3,661	10,046
Total	$ 414,378	$ 528,161

10. INVENTORIES

	December 31, 2022	December 31, 2021
Raw materials	$ 113,524	$ 127,144
Work in progress	114,591	135,218
Finished goods	80,735	78,108
	$ 308,850	$ 340,470

The cost of goods sold in 2022 includes the price reduction of the revolving inventory and the sluggish loss of NTD3,500 thousands (2021: None).

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

The main bodies of this consolidated financial statements are as follows:

Investor	Name of Subsidiary	Nature of Activities	Proportion of Ownership (%) December 31, 2022	Proportion of Ownership (%) December 31, 2021
Eris Technology Co. ("Eris")	Keep High Ltd. ("Keep High")	Holding of investments	100.00	100.00
Eris Technology Co. ("Eris")	Yea Shin Technology Co., Ltd. ("Yea Shin")	Manufacturing of electronic components and wholesaling of electronic materials	100.00	100.00
Keep High	Forever Eagle Incorporation ("Forever")	Holding of investments	100.00	100.00
Forever	Jie Cheng Electronic (Shanghai) Co., Ltd. ("Jie Cheng")	Wholesaling of electronic materials and international trading business	100.00	100.00

On April 3, 2008, the Company reinvested in Jie Cheng located in mainland China through a third region approved by the Investment Commission, Ministry of Economic Affairs (the MOEAIC). This company mainly engaged in wholesaling and international trading of electronic materials. December 31, 2022, the capital of Jie Cheng was US$650 thousand.

In order to vertically integrate upstream suppliers, expand new product business and respond to the group's development strategy, the company has successively acquired shares in Yea Shin Technology from 2018 to 2021, and the shareholding ratio will be 100% by April 2021. The price paid by the company in 2021 is NTD 2,305,000, and the retained surplus is reduced by NTD 496,000.

12. PROPERTY, PLANT AND EQUIPMENT

Carrying amount of each category	December 31, 2022	December 31, 2021
Land	$ 574,129	$ 574,129
House and Buildings	399,103	412,871
Machinery Equipment	544,792	399,558
Transportation Equipment	4,049	5,593
Leasehold Improvements	226	1,750
Other Equipment	5,568	6,388
	$ 1,527,867	$ 1,400,289

	2022					
	Balance at January 1, 2022	**Additions**	**Disposal**	**Reclassifications**	**Effect of movements in exchange rates**	**Balance at December 31, 2022**
Cost						
Land	$ 574,129	$ -	$ -	$ -	$ -	$ 574,129
House and Buildings	524,376	11,553	430	2,199	-	537,698
Machinery Equipment	1,066,519	118,228	111,537	117,642	-	1,190,852
Transportation Equipment	15,385	-	-	-	26	15,411
Leasehold Improvements	11,693	-	7,322	-	-	4,371
Other Equipment	15,932	754	1,667	-	42	15,061
Total	2,208,034	$ 130,535	$ 120,956	$ 119,841	$ 68	2,337,522
Accumulated depreciation						
House and Buildings	111,505	$ 27,520	$ 430	$ -	$ -	138,595
Machinery Equipment	666,961	88,420	109,321	-	-	646,060
Transportation Equipment	9,792	1,545	-	-	25	11,362
Leasehold Improvements	9,943	1,524	7,322	-	-	4,145
Other Equipment	9,544	1,604	1,667	-	12	9,493
Total	807,745	$ 120,613	$ 118,740	$ -	$ 37	809,655
Carrying amount at December 31, 2022	$1,400,289					$1,527,867

	2021					
	Balance at January 1, 2021	**Additions**	**Disposal**	**Reclassifications**	**Effect of movements in exchange rates**	**Balance at December 31, 2021**
Cost						
Land	$ 612,895	$ -	$ 38,766	$ -	$ -	$ 574,129
House and Buildings	530,915	12,569	22,617	3,509	-	524,376
Machinery Equipment	1,025,572	67,464	71,547	45,030	-	1,066,519
Transportation Equipment	15,976	1,122	1,405	(294)	(14)	15,385
Leasehold Improvements	16,991	-	5,298	-	-	11,693
Other Equipment	14,095	3,793	1,960	-	4	15,932
Total	2,216,444	$ 84,948	$ 141,593	$ 48,245	($ 10)	2,208,034
Accumulated depreciation						
House and Buildings	93,088	$ 26,079	$ 7,662	$ -	$ -	111,505
Machinery Equipment	658,697	76,583	59,779	(8,540)	-	666,961
Transportation Equipment	9,363	2,083	1,347	(294)	(13)	9,792
Leasehold Improvements	11,472	3,769	5,298	-	-	9,943
Other Equipment	9,714	1,796	1,960	-	(6)	9,544
Total	782,334	$ 110,310	$ 76,046	($ 8,834)	($ 19)	807,745
Carrying amount at December 31, 2021	$ 1,434,110					$ 1,400,289

As there was no sign of impairment in 2022 and 2021, the company did not conduct impairment assessment.

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

House and Buildings	
Office's main buildings	35-50 years
Building improvement	5-15 years
Machinery equipment	3-15 years
Transportation equipment	5 years
Leasehold Improvements	5 years
Other equipment	5 years

Property, plant and equipment used by the Company and pledged as collateral for bank borrowings are set out in Note 27.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2022	December 31, 2021
Carrying amount of right-of-use assets		
Buildings	$ 9,717	$ 10,585

	2022	2021
Additions on right-of-use assets	$ 5,621	$ 12,665
Depreciation expense for right-of-use assets		
Buildings	$ 6,135	$ 8,027

b. Lease liabilities

	December 31, 2022	December 31, 2021
Carrying amount of lease liabilities		
Current	$ 4,474	$ 3,558
Non-current	$ 5,320	$ 7,055

Intervals of discount rates for lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Buildings	1%~1.25%	1%~1.25%

c. Other lease information

	2022	2021
Total cash outflow for leases	$ 6,087	$ 8,076

14. GOODWILL

	December 31, 2022	December 31, 2021
Cost	$ 24,070	$ 24,070

The company had acquired Yea-shin Technology in July 2018, which generated a related goodwill of NT$24,070 thousand, that was mainly due to the expected future benefits of the subsidiary.

15. OTHERS INTANGIBLE ASSETS

Cost	Patents	Computer software	**Total**
Balance at January 1, 2022	$ 617	$ 18,908	$ 19,525
Obtained separately	-	2,600	2,600
Disposals	-	(1,837)	(1,837)
Balance at December 31, 2022	$ 617	$ 19,671	$ 20,288
Accumulated amortization and Loss			
Balance at January 1, 2022	$ 497	$ 4,716	$ 5,213
Amortization expenses	62	2,640	2,702
Disposals	-	(1,837)	(1,837)
Balance at December 31, 2022	$ 559	$ 5,519	$ 6,078
Carrying amount at December 31, 2022	$ 58	$ 14,152	$ 14,210
Cost			
Balance at January 1, 2021	$ 617	$ 19,625	$ 20,242
Obtained separately	-	697	697
Disposals	-	(1,414)	(1,414)
Balance at December 31, 2021	$ 617	$ 18,908	$ 19,525
Balance at January 1, 2021	$ 435	$ 3,897	$ 4,332
Amortization expenses	62	2,233	2,295
Disposals	-	(1,414)	(1,414)
Balance at December 31, 2021	$ 497	$ 4,716	$ 5,213
Carrying amount at December 31, 2021	$ 120	$ 14,192	$ 14,312

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

Patents	10 years
Computer software	3-15 years

16. BORROWINGS

a. Short-term borrowings

	December 31, 2022	**December 31, 2021**
Secured borrowings		
Bank loans	$ 400,000	$ 400,000
Unsecured borrowings		
Line of credit borrowings	100,000	100,000
	$ 500,000	$ 500,000

The interest rates on bank revolving loans were 1.73%~2.00% and 0.97%~1.02% per annum as of December 31 2022 and 2021, respectively.

Please refer to Note 27 for details of the pledged assets of the secured loan.

b. Long-term borrowings

	December 31, 2022	December 31, 2021
Secured borrowings		
Bank loans (1)	$ 63,349	$ 68,954
Bank loans (2)	425,068	447,440
Bank loans (3)	8,468	10,257
Bank loans (4)	46,572	49,000
Bank loans (5)	-	50,000
Bank loans (6)	-	100,000
Bank loans (7)	-	100,000
Bank loans (8)	50,000	-
Bank loans (9)	100,000	-
Bank loans (10)	100,000	-
	793,457	825,651
Less: Current portions	(35,725)	(48,549)
Long-term borrowings	$ 757,732	$ 777,102

1) The bank loan of NT$140,000 thousand was obtained by the Group at the end of June 2018, which are pledged by the land and buildings owned by the Company as collateral, with an interest rate of the loan calculated by the 2 year floating interest rate of time savings deposit plus 0.115% to be repaid in annual installments over 15 years. The maturity date of the loan was June 28, 2033. The effective interest rates were 1.6078% and 0.9154% as of December 31 , 2022 and 2021,respectively.

2) The bank loan of NT$476,000 thousand was obtained by the Group at the end of May 2019, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by TAIBOR 3M plus 0.5% and a grace period of two years to be repaid after the period in one installment of 2% of the principal for every three months and to be repaid in a one-time payment at maturity for the rest of the principal. The maturity date of the loan was May 27, 2024. The effective interest rates were 1.7093% and 0.9806% as of December 31, 2022 and 2021, respectively.

3) The bank loan of NT$11,000 thousand was obtained by the Group on July 1, 2020, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by the floating interest rate of time savings deposit plus 0.08%, which should not be lower than 0.98%, and a grace period of one year to be averagely repaid after the period for the principal and the interests. The maturity date of the loan was June 30, 2027. The effective interest rates were 1.43% and 0.98% as of December 31 2022 and 2021, respectively

4) The bank loan of NT$49,000 thousand was obtained by the Group on July 1, 2020, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by the floating interest rate of one-month time savings deposit plus 0.08%, which should not be lower than 0.90%, and a grace period of two year to be averagely repaid after the period for the principal and the interests. The maturity date of the loan was June 30, 2030. The effective interest rates were

1.43% and 0.90% as of December 31 2022 and 2021, respectively.

5) The bank loan of NT$50,000 thousand was obtained by the Group on September 28, 2021. The bank loan was secured by the Group own land and buildings as a mortgage guarantee. The loan interest rate is based on the two-year fixed deposit mobile interest rate plus 0.082% mobile interest calculation. However, it shall not be less than 0.98%, and the principal shall be paid off once upon maturity. The maturity date of the loan is September 28, 2023. It had been paid off by the September 2022. The effective annual interest rate on December 31, 2021 was 0.98%.

6) The Group obtained a bank loan of NT$100,000 thousand at the end of 30 December, 2021. The bank loan was secured by the Group own land and buildings. The loan interest rate was calculated according to TAIBOR 3M plus 0.5%. Interest is paid monthly. One-time payment. The maturity date of the loan was December 30, 2023. It had been paid off by the December 2022. The effective annual interest rate as at 31 December 2021 was 0.9802%.

7) The Group obtained a bank loan of NT$100,000 thousand at the end of 20 December, 2021 , that bank loan was guaranteed by the Group current deposit, and the amount is 10% of the mobile balance. The loan interest rate is calculated based on the fixed savings deposit mobile interest rate plus 0.08%. The interest is calculated according to Monthly payment, and the principal will be repaid once due. The maturity date of the loan was December 20, 2023. It had been paid off by the December 2022. The effective annual interest rate as at 31 December 2021 was 0.93%.

8) The Group obtained a bank loan of NT$50,000 thousand on September 30, 2022. The bank loan was secured by the mortgage of the consolidate company's own land and buildings. The interest rate of the loan was calculated based on the two-year fixed savings deposit flexible rate plus 0.082%. The principal is repaid once due. The maturity date of the loan is September 30, 2024. The effective annual interest rate on December 31, 2022 was 1.6723%.

9) The Group obtained a bank loan of NT$100,000 thousand at the end of 26 December, 2022 , that bank loan was guaranteed by the Group current deposit, and the amount is 10% of the mobile balance. The loan interest rate is calculated based on the fixed savings deposit mobile interest rate plus 0.08%. The interest is calculated according to Monthly payment, and the principal will be repaid once due. The maturity date of the loan was December 26, 2024. The effective annual interest rate as at 31 December 2022 was 1.43%.

10) The Group obtained a bank loan of NT$100,000 thousand at the end of 30 December, 2022. The bank loan was secured by the Group own land and buildings. The loan interest rate was calculated according to TAIBOR 3M plus 0.5%. Interest is paid monthly. One-time payment. The maturity date of the loan was December 30, 2024. The effective annual interest rate as at 31 December 2022 was 1.8587%.

Refer to Note 27 for information relating to borrowings pledged as security.

17. OTHER LIABILITIES

	December 31, 2022	December 31, 2021
Payables for salaries or bonuses	$ 91,547	$ 90,033
Payables for processing fees	17,760	16,237
Payables on equipment	9,986	4,391
Others	78,032	62,418
	$ 197,325	$ 173,079

18. EQUITY

a. Share capital

Ordinary shares

	December 31, 2022	December 31, 2021
Number of shares authorized (in thousands)	70,000	70,000
Shares authorized	$ 700,000	$ 700,000
Number of shares issued and fully paid (in thousands)	44,428	44,428
Shares issued	$ 444,283	$ 444,283

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

b. Capital surplus

	December 31, 2022	December 31, 2021
Issuance of ordinary shares	$ 401,662	$ 401,662
Others	849	849
	$ 402,511	$ 402,511

The capital surplus from the premium from issuance of shares over the par value and the portion received as endowments may be used to offset a deficit; in addition, when a company has no deficit, it may also be distributed as cash dividends or transferred to share capital with a limit of transferring to a certain percentage of the paid-in capital every year.

c. Retained earnings and dividends policy

According to the provisions of the earnings distribution policy of the company's articles of association, if there is a surplus in the annual final accounts, taxes shall be paid in accordance with the law, and after making up the accumulated losses, another 10% shall be set aside as the statutory surplus reserve, and the rest shall be set aside or transferred to the special surplus reserve according to laws and regulations; If there is still a balance and the accumulated undistributed surplus, the Board of Directors will formulate a surplus distribution proposal and submit a resolution to the shareholders' meeting to distribute dividends to shareholders. Please refer to employee benefits expense in Note 20-4.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company’s paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of The Company paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2021 and 2020 approved in the shareholders' meetings on May 16, 2022 and Aug. 11, 2021, respectively, were as follows:

	2021	2020
Legal reserve	$ 32,709	$ 9,334
Special reserve	$ 328	($ 573)
Cash dividends	$ 222,141	$ 88,857
Cash Dividends Per Share ($)	$ 5.0	$ 2.0

On February 20, 2023, the BOD proposed the 2022 year surplus distribution proposal as follows:

	2022
Legal reserve	$ 45,582
Special reserve	($ 724)
Cash dividends	$ 239,912
Stock dividends	$ 57,757
Cash Dividends Per Share ($)	$ 5.4
Stock Dividends Per Share ($)	$ 1.3

The resolution of the 2022 annual general meeting of shareholders is expected to be held on May 16, 2023.

d. Other equity items

Exchange differences on translating the financial statements of foreign operations

	2022	2021
Balance at January 1	($ 2,341)	($ 2,013)
Exchange differences on translating the financial statements of foreign operations	905	(410)
Related income tax	(181)	82
Balance at December 31	($ 1,617)	($ 2,341)

e. Non-controlling equity (2022: None)

	2021
Balance at January 1	$ 1,613
Acquisition of non-controlling interests in Yea Shin(Notes 23)	(1,809)
Share of profit for the year	196
Payment of cash dividends for non-controlling interests	-
Balance at December 31	$ -

19. REVENUE

	2022	2021
Revenue from contracts with customers		
Revenue from the sale of goods	$2,177,617	$2,056,717

a. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Trade receivables and Notes (Note 9)	$ 411,952	$ 523,247	$ 365,144
Contract liabilities (included other current Liabilities)			
Sale of goods	$ 264	$ 38	$ 17

Changes in contract liabilities are mainly attributable to the difference between the time when performance obligations are satisfied and when the customer pays.

Revenue recognized in the current year that was included in the contract liability balance at the beginning of the year and from the performance obligations satisfied in the previous periods is as follows:

	2022	2021
From contract liabilities at the start of the year		
Sale of goods	$ 38	$ 17

20. NET PROFIT

The additional information on net profit for this year includes the following items:

1) Depreciation and amortization

	2022	2021
Property, plant and equipment	$ 120,613	$ 110,310
Right-of-use assets	6,135	8,027
Unamortized expenses	8,494	9,551
Intangible assets	2,702	2,295
Total	$ 137,944	$ 130,183
An analysis of depreciation by function		
Operation cost	$ 60,135	$ 67,375
Operating expenses	66,613	50,962
	$ 126,748	$ 118,337
An analysis of amortization by function		
Operation cost	$ 7,387	$ 8,252
Operating expenses	3,809	3,594
	$ 11,196	$ 11,846

2) Gains or losses on foreign currency exchange

	2022	2021
Foreign exchange gains	$ 94,578	$ 19,412
Foreign exchange losses	(62,471)	(24,535)
Net profit	$ 32,107	($ 5,123)

3) Employee benefits expense

	2022	2021
Post-employment benefits		
Defined benefit plans	$ 10,125	$ 9,950
Salaries and bonus	331,528	330,867
Total employee benefits expense	$ 341,653	$ 340,817
An analysis of employee benefits expense by function		
Operating costs	$ 179,929	$ 182,207
Operating expenses	161,724	158,610
	$ 341,653	$ 340,817

4) Employees' compensation

The Company sets aside 1%~5% of the profit before tax income for the current year before distribution of employees' compensation as the employees' compensation in compliance with the Articles of Incorporation. The employees' compensation for the years ended December 31, 2021 and 2020, which have been approved by The Company board of directors on Feb. 20, 2023 and Feb. 24, 2022, respectively, were estimated as follows:

Estimated rate

	2022	2021
Employees' compensation	2.24%	2.35%

Amount

	2022	2021
Employees' compensation	$ 11,000	$ 8,400

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the next year.

There is no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

Information on the employees' compensation by the Company's Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

21. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	2022	2021
Current tax		
In respect of the current year	($ 31,237)	($ 19,977)
Adjustments for prior years	8,294	(1,832)
	(22,943)	(21,809)
Deferred tax		
In respect of the current year	35,152	21,394
Adjustments for prior years	-	(94)
	35,152	21,300
Income tax expense recognized in profit or loss	$ 12,209	($ 509)

The accounting income and income tax income (expenses) are adjusted as follows:

	2022	2021
Profit before tax from continuing operations	$ 443,609	$ 327,793
Income tax expense calculated at the statutory rate	($ 153,578)	($ 113,745)
The equity method recognizes domestic investment interests	64,007	47,601
Nondeductible expenses in determining taxable income	(110)	(119)
Unrecognized deductible temporary differences and write-off of losses	93,596	67,680
Adjustments for prior years' tax	8,294	(1,926)
Income tax expense recognized in profit or loss	$ 12,209	($ 509)

Subsidiaries Keep High Company and Forever Company are established in the tax-free zone, and only need to pay the annual fee each year, so there are no income tax expenses and deferred income tax assets and liabilities. In addition, in accordance with the "Enterprise Income Tax Law of the People's Republic of China", the applicable tax rate of Shanghai Jie-cheng in 2022 and 2021, that due to the local income tax preferential conditions, the preferential tax rate was 5%, and it did not generate Significant deferred income tax assets and liabilities.

b. Income tax recognized in other comprehensive income

	2022	2021
Deferred tax		
In respect of the current period:		
Translations of foreign operations	($ 181)	$ 82
Total income tax recognized in other comprehensive income	($ 181)	$ 82

c. Income tax assessments

	December 31, 2022	December 31, 2021
Current tax liabilities	$ 29,261	$ 25,745

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Temporary difference				
Reversals of inventory write-downs	$ 4,679	($ 700)	$ -	$ 3,979
Payables for annual leave	1,213	(130)	-	1,083
Provisions	1,340	(381)	-	959
Translations of foreign operations	585	-	(181)	404
Unrealized Foreign exchange loss	66	470	-	536
FVTPL financial assets	557	(557)	-	-
Others	231	143	-	374
	8,671	(1,155)	(181)	7,335
loss carryforwards	121,351	37,486	-	158,837
	$ 130,022	$ 36,331	($ 181)	$ 166,172
Deferred tax liabilities				
Temporary difference				
Investments accounted for using the equity method	$ 8,090	$ 878	$ -	$ 8,968
Unrealized Foreign exchange income	-	301	-	301
	$ 8,090	$ 1,179	$ -	$ 9,269

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Temporary difference				
Reversals of inventory write-downs	$ 5,719	($ 1,040)	$ -	$ 4,679
Payables for annual leave	1,013	200	-	1,213
Provisions	874	466	-	1,340
Translations of foreign operations	503	-	82	585
Unrealized Foreign exchange loss	156	(90)	-	66
FVTPL financial assets	911	(354)	-	557
Others	427	(196)	-	231
	9,603	(1,014)	82	8,671
loss carryforwards	97,136	24,215	-	121,351
	$ 106,739	$ 23,201	$ 82	$ 130,022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liabilities				
Temporary difference				
Investments accounted for using the equity method	$ 6,117	$ 1,973	$ -	$ 8,090
Unrealized Foreign exchange income	72	($ 72)	-	-
	$ 6,189	$ 1,901	$ -	$ 8,090

e. Unused loss deduction for deferred tax assets not recognized in the consolidated balance sheet.

	December 31, 2022	December 31, 2021
Loss carryforwards		
Expiry in 2025	$ -	185,894
Expiry in 2026	3,437	285,521
Expiry in 2027	573,007	573,007
Expiry in 2028	263,942	263,942
	$ 840,386	$ 1,308,364

f. Information about unused loss deduction

As of December 31,2022, the relevant information about loss deduction is as follows:

Un-deduction balance	Last year of deduction
$ 281,837	2025
354,191	2026
650,614	2027
347,927	2028
$ 1,634,569	

g. Income tax verification situation

The company and its subsidiary Yea-sin Technology's income tax declaration cases for profitable businesses as of 2020 years have been approved by the tax collection agency.

22. EARNINGS PER SHARE

The net profit and weighted average number of ordinary shares used in the computation of earnings per share were as follows:

	Amount (numerator)	Number of Shares (denominator) (in Thousands)	Earnings per share (NT$)
2022			
Basic earnings per share			
Net profit of the year	$455,818	44,428	$ 10.26
Effect of potentially dilutive ordinary shares			
Remuneration to employees	-	73	
Diluted earnings per share			
Profit for the period attributable to owners of the Company	$455,818	44,501	$ 10.24
2021			
Basic earnings per share			
Net profit of the year	$327,088	44,428	$ 7.36
Effect of potentially dilutive ordinary shares			
Remuneration to employees	-	37	
Diluted earnings per share			
Profit for the period attributable to owners of the Company	$ 327,088	44,465	$ 7.36

If the amalgamating company chooses to issue employee compensation in stocks or cash, when calculating the diluted earnings per share, it is assumed that employee compensation will be issued in the form of stocks, and the weighted average number of shares outstanding when the potential common stock has a dilutive effect is included in the calculation for Diluted earnings per share. When calculating the diluted earnings per share before deciding on the number of shares to be issued for employee compensation in the following year, the dilution effect of these potential ordinary shares will also continue to be considered.

23. Equity transactions with non-controlling Interests

The consolidate company acquired its 0.48% shareholding in Yea-shin Technology on April 30, 2021, resulting in an increase in the shareholding ratio from 99.52% at the end of 2020 to 100%.
Since the above transactions did not change the control of the consolidated company over these subsidiaries, the consolidate company was treated as an equity transaction.

	2021
Consideration paid	($ 2,305)
Carrying amount of the subsidiary's net assets to be nsferred to non-ontrolling interests based on nges in equity	1,809
Difference in equity transactions	($ 496)
Adjustment accounts of difference in equity transactions	
Unappropriated earnings	($ 496)

24. CAPITAL MANAGEMENT

The Group monitors its funds by regularly reviewing the ratio of assets to liabilities, and based on the characteristics of the current operating industry, future company development and changes in the external environment, it plans the company’s needs for working capital, capital expenditures, and dividend payments in the future, To ensure that the company can continue to operate and maintain the best capital structure.

25. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at amortized cost (Note 1)	$ 974,787	$ 933,518
Financial liabilities		
Amortized cost (Note 2)	1,545,677	1,660,924

Note 1: The balances include financial assets at amortized cost, which comprise cash, debt instrument investments, notes receivable, trade receivables, other receivables (excluding tax refunds receivable) and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, other payables, and long-term borrowings.

b. Financial risk management objectives and policies

The Group's major financial instruments include note receivables, trade receivables, other receivables, trade payables, borrowings, and lease liabilities. The Group's financial risk management objective is to manage market risks, credit risks, and liquidity risks associated with its operating activities. To reduce related risks, the Group is committed to identify, assess and avoid uncertainties of the market in order to reduce potentially unfavorable effects on its financial performance due to changes in the market.

1) Market risk

The Group's operating activities expose the Group primarily to the market risks of changes in foreign currency exchange rates and interest rates.

a) Foreign exchange risk

The Group's sales and purchase transactions are denominated in foreign currency; as a consequence, the Group is exposed to the risk of fluctuation in the exchange rate. In order to avoid the decrease in the value of foreign currency assets and fluctuations in future cash flows due to changes in exchange rates, the Group has taken into account the risk of the net position of foreign currencies by analyzing factors, such as the amount of payments received and paid for foreign currency assets and foreign currency liabilities and the maturity period, and it also avoids the related risk of exchange rates by methods of cross-currency swap contracts, forward foreign exchange contracts, borrowings in foreign currency, and so on. Internal auditors continuously review the conformity to policies and risk exposure limits. The application of cross-currency swap contracts and forward foreign exchange contracts by the Group is governed by the policies approved by the Board of Directors, and the Group does not enter into transactions of cross-currency swap contracts and forward foreign exchange contracts for speculative purposes.

Please refer to Note 29, for the carrying amount of monetary assets and monetary liabilities of the Group denominated in non-functional currencies at the balance sheet date (including the monetary items denominated in non-functional currencies and already eliminated in the consolidated financial statements).

The sensitivity analysis of foreign exchange rate risks is mainly computed with respect to foreign currency items (mainly in USD) and derivatives on the end date of the financial reporting period. If the functional currency of the consolidated entities had strengthened/weakened by 1% against USD, the net profit after tax of the Group in 2022 would increase/decrease by $880 thousand; the net profit after tax of the Group in 2021 would decrease/increase by $479 thousand.

As the above-mentioned sensitivity analysis is based on the amount of foreign currency to be exposed at the balance sheet date, the management considers that the sensitivity is unrepresentative of the interim exposure.

b) Interest rate risk

Interest rate risk refers to the risk of changes in the fair value of a financial instrument or changes in cash flows caused by fluctuations in market interest rates. The Group is exposed to fair value interest rate risk through holding its fixed-rate financial assets and liabilities; financial assets and liabilities held at floating rates expose the Group to cash flow interest rate risk. The management of the Group regularly monitors the changes in market interest rates and adjusts the portion of financial assets and liabilities at floating rates to make the Group's interest rates approximate the market interest rates in response to the risk of changes in market interest rates.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the balance sheet date were as follows:

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
Financial assets	$ 23,728	$ 21,883
Financial liabilities	9,794	10,613
Cash flow interest rate risk		
Financial assets	534,112	383,657
Financial liabilities	1,293,457	1,325,651

Fixed-rate financial assets/liabilities held by the Group are measured at amortized cost and are therefore excluded from the analysis; the methods for the analysis of floating-rate financial assets/liabilities assume that the amounts of assets/liabilities outstanding at the balance sheet date were outstanding for the whole reporting period. An increase/decrease of 0.25% in market interest rates is used as a reasonable risk assessment for reporting changes in interest rates to the management by the Group. With all other variables remaining unchanged, an increase/decrease of 0.25% in market interest rates will impact to a decrease or increase of $1,506 thousand and $1,875 thousand on the Group's net profit after tax in 2022 and 2021,respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopted a policy of only dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from defaults, and the exposure to credit risk and the credit ratings of its counterparties were continuously monitored. At the balance sheet date, the Group's maximum amount of exposure to credit risk approximated the carrying amount of its financial assets.

The Group's credit risk of trade receivable is concentrated on the Group's top customer, the Diodes Group, which is also the parent company, accounting for 77%, and 72% of the total trade receivable from the above-mentioned customer as of December 31, 2022 and 2021, respectively. However, it belongs to associates transactions which should not result in credit risk.

3) Liquidity risk

The Group's management finances the operations and mitigates the liquidity risk by maintaining sufficient cash and banking facilities.

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

The following table details analysis of the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows, including both interest and principal cash flows, of financial liabilities from the earliest date on which the Group can be required to pay.

December 31, 2022

	Weighted Average Effective Rate (%)	Payment on Sight or Less than 3 Month	3 Months to 1 Year	1-2 Years	2-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing		$354,682	$ -	$ -	$ -	$ -
Lease liabilities	1.07%	1,593	2,955	2,350	3,032	-
Floating-rate instruments	1.70%	413,356	136,323	672,194	43,798	53,376
		$769,631	$139,278	$674,544	$46,830	$53,376

December 31, 2021

	Weighted Average Effective Rate (%)	Payment on Sight or Less than 3 Month	3 Months to 1 Year	1-2 Years	2-5 Years	5+ Years
Non-derivative financial liabilities						
Non-interest bearing		$433,346	$ -	$ -	$ -	$ -
Lease liabilities	1.01%	1,550	2,090	2,348	4,825	-
Floating-rate instruments	0.97%	514,001	42,962	308,803	416,446	64,405
		$948,897	$45,052	$311,151	$421,271	$64,405

b) Financing facilities

Conditions of utilization on the Group's bank financing facilities at the balance sheet date were as follows:

	December 31, 2022	December 31, 2021
Secured bank overdraft facilities:		
Amount used	$ 1,293,457	$ 1,325,651
Amount unused	480,710	257,680
	$ 1,774,167	$ 1,583,331

26. TRANSACTIONS WITH RELATED PARTIES

Transactions, account balances, income and expenses between the Company and its subsidiaries have been eliminated in full upon consolidation, and they are not disclosed in this note accordingly. In addition to those disclosed in other notes, the significant transactions between the Group and other related parties were as follows:

a. Related party name and category

Related Party	Nature of Relationship
Diodes Taiwan S.A R.L., Taiwan Branch(Luxembourg) (Diodes (TW))	Sister company
Diodes Hong Kong Limited (Diodes (HK))	Sister company
Lite-on Semiconductor Corp. (Lite-on)	Sister company
Shanghai Kaihong Electronics Co., Ltd. (Kaihong Electronics)	Sister company

b. Sales of goods

Line Item	Related Party Category/Name	2022	2021
Sales	Sister company		
	Diodes (HK)	$ 840,745	$ 945,509
	Diodes (TW)	832,192	560,173
	Kaihong Electronics	7,062	-
		$ 1,679,999	$ 1,505,682

There are no significant differences between the terms and conditions of transactions for related parties and that for general transactions.

c. Purchases of goods

Related Party Category/Name	2022	2021
Sister company.		
Lite-on	$ -	$ 3,219

There are no significant differences between the terms and conditions of transactions for related parties and that for general transactions.

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31, 2022	December 31, 2021
Trade receivables from related parties	Sister company.		
	Diodes (TW)	$ 215,735	$ 167,334
	Diodes (HK)	103,451	212,385
		$ 319,186	$ 379,719

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2022 and 2021, no impairment loss was recognized for trade receivables from related parties.

e. Purchase of Property, plant and equipment

Related Party Category/Name	Proceeds received 2022	Proceeds received 2021
Sister company.		
Lite-on	$ -	$33,488

f. Compensation of major management personnel

	2022	2021
Short-term employee benefits	$ 18,971	$ 12,594
Post-employment benefits	108	108
	$ 19,079	$ 12,702

The remuneration of directors and major executives was determined by the remuneration committee based on the performance of individuals and market trends.

27. PLEDGED ASSETS

The following assets of the Group were provided as collateral for borrowings and endorsements/guarantees through pledges:

	December 31, 2022	December 31, 2021	Nature
Bank time deposits (classified as financial assets at amortized cost)	$ 14,515	$ 13,529	endorsements/guarantees and short-term borrowings
Bank demand deposits (classified as financial assets at amortized cost)	42,080	50,023	Short-term and long-term borrowings
Property and plant	893,713	901,040	Short-term and long-term borrowings
	$ 950,308	$ 964,592	

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As a result of the replacement of production line equipment and business expansion, the Group has undertaken to purchase buildings and land for plants and to order machinery equipment and system software, etc. The amounts paid were as follows:

	December 31, 2022	December 31, 2021
Amount of Contract Commitments	$ 201,380	$ 340,523
Amount Paid (classified as prepayments for equipment)	$ 132,373	$ 173,139

29. INFORMATION ON ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES WITH SIGNIFICANT EFFECTS

The following information is presented in foreign currencies other than the functional currency of the Group's each entity, and the exchange rate disclosed refers to the exchange rate for such foreign currency translated to the functional currency. Financial assets and liabilities denominated in foreign currencies with significant effects were as follows:

Unit: Foreign currency/NT$ thousands, Except for Exchange Rate

	December 31, 2022			
	Foreign Currency	Exchange rate ($)	Functional Currency	NTD
Financial assets				
Monetary items				
USD	$ 8,376	30.710 (USD:NTD)	$ 257,227	$ 257,227
USD	1,186	6.9669 (USD:RMB)	8,263	36,422
RMB	1,420	4.408 (RMB:NTD）	6,259	6,259
Non-monetary items				
Investments accounted for using the equity method				
USD	2,063	30.710 (USD:NTD)	63,353	63,353
RMB	14,600	0.1435 (RMB:USD)	2,096	64,335
Financial liabilities				
Monetary items				
USD	6,086	30.710 (USD:NTD)	186,901	186,901
USD	98	6.9669 (USD:RMB)	683	3,010

	December 31, 2021			
	Foreign Currency	Exchange rate ($)	Functional Currency	NTD
Financial assets				
Monetary items				
USD	$ 15,691	27.68 (USD:NTD)	$ 434,327	$ 434,327
USD	177	6.3720 (USD:RMB)	1,128	4,899
RMB	1,390	4.344(RMB:NTD)	6,038	6,038
Non-monetary items				
Investments accounted for using the equity method				
USD	2,103	27.68 (USD:NTD)	58,199	58,199
RMB	13,601	0.1569(RMB:USD)	2,135	59,084
Financial liabilities				
Monetary items				
USD	13,738	27.68 (USD:NTD)	380,268	380,268

The (realized and unrealized) foreign exchange net gains or losses with significant effects were as follows:

Foreign Currencies	2022 Exchange Rate	2022 Net Foreign Exchange Gains (Losses)	2021 Exchange Rate	2021 Net Foreign Exchange Gains (Losses)
USD	29.20 (USD:NTD)	$ 33,262	27.68 (USD:NTD)	($ 3,943)
USD	6.669 (USD:RMB)	25	6.439 (USD:RMB)	102
EUR	32.72 (EUR:NTD)	(1,020)	31.32 (EUR:NTD)	(1,098)
Others		(160)		(184)
		$ 32,107		($ 5,123)

30. NOTE DISCLOSURE ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: None
2) Endorsements/guarantees provided: Please refer to Attached Table 1
3) Marketable securities held (excluding investments in subsidiaries): None
4) Marketable securities acquired and disposed of amounting to NT$300 million or 20% of the paid-in capital or more: None
5) Acquisition of individual real estate at costs of at least NT$300 million, or above of 20% the paid-in capital: None
6) Disposal of property amounting to NT$300 million or 20% of paid-in capital or more: None
7) Purchases or sales with related parties amounting to NT$100 million or 20% of paid-in capital or more: Please refer to Attached Table 2
8) Receivables from related parties amounting reach NT$100 million, or 20% of the paid-in capital: Please refer to Attached Table3
9) Trading in derivative instruments: Please refer to Note 7
10) Others: Business relations and important transactions and amounts between parent and subsidiary companies and between subsidiaries: Please refer to Attached Table4

b. Information on investees: Please refer to Attached Table 5

c. 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: Please refer to Attached Table 6
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: Please refer to Attached Table 7
b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period Please refer to Attached Table 7
c) The amount of property transactions and the amount of the resultant gains or losses: None
d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes Please refer to Attached Table 1
e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None
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

d. Information on major shareholders: names of shareholders with a shareholding ratio of 5% or more as well as number and proportion of shares held: Please refer to Attached Table 8.

31. SEGMENT INFORMATION

The information provided to major operating decision makers for allocating resources and evaluating department performance, in addition to considering department managers, focuses on each operating entity and the types of products or services provided. The departments that the consolidate company should report are as follows:

- Eris Technology and Jie Cheng - mainly manufacturing and selling in diodes.
- Yea Shin - mainly manufacturing and selling in wafers.

a. Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments.

	2022			
	ERIS & Jie Cheng	**YEA SHIN**	**Adjustment and Write-off**	**Total**
Revenue from external customers	$ 2,043,873	$ 133,744	$ -	$ 2,177,617
Inter-segment revenue	30,888	857,631	(888,519)	-
Segment revenue	$ 2,074,761	$ 991,375	($ 888,519)	$ 2,177,617
Segment income	$ 460,188	$ 323,718	($ 328,088)	$ 455,818
Segment assets	$ 3,291,107	$ 832,155	($ 934,961)	$ 3,188,301
Segment liabilities	$ 1,743,927	$ 139,878	($ 178,330)	$ 1,705,475

	2021			
	ERIS & Jie Cheng	YEA SHIN	Adjustment and Write-off	Total
Revenue from external customers	$ 1,897,123	$ 159,594	$ -	$ 2,056,717
Inter-segment revenue	42,918	764,114	(807,032)	-
Segment revenue	$ 1,940,041	$ 923,708	($ 807,032)	$ 2,056,717
Segment income	$ 337,640	$ 237,893	($ 248,249)	$ 327,284
Segment assets	$ 3,181,146	$ 759,368	($ 880,960)	$ 3,059,554
Segment liabilities	$ 1,873,638	$ 210,810	($ 273,319)	$ 1,811,129

b. Product category of business revenues

	2022	2021
Diodes & Transistor	$ 2,124,333	$ 1,954,789
Wafer	46,823	96,425
Others	6,461	5,503
	$ 2,177,617	$ 2,056,717

c. Geographical information:

The company's and its subsidiaries' income that is from continuing operations from external customers based on the location of customers' operations, and non-current assets based on the location of assets are listed below:

	Revenue from external customers		Non-current Assets	
	2022	2021	December 31, 2022	December 31, 2021
Taiwan	$ 1,099,382	$ 1,034,093	$ 1,709,597	$ 1,623,232
Asia	990,037	966,811	960	931
Europe	58,087	47,725	-	-
North USA	29,540	8,088	-	-
Australia	571	-	-	-
	$ 2,177,617	$ 2,056,717	$ 1,710,557	$ 1,624,163

Non-current assets exclude assets classified as financial instruments, goodwill and deferred income tax assets.

d. Important customers' information:

	2022	2021
A Group	$ 1,672,937	$ 1,505,682
B Customer	64,950	91,131
	$ 1,737,887	$ 1,596,813

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

For the Year end December 31, 2022

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	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 (Note 1)										
0	Eris Technology Corporation	Jie Cheng Electronic (Shanghai) Co., Ltd.	(2)	$ 148,283	$ 30,000 (US$1,000 thousand)	$ 30,000 (US$1,000 thousand)	$ -	$ 9,213 (US$ 300 thousand)	2.02%	$ 444,848	Y	N	Y

Note 1: Relationship between the endorser/guarantor and the endorsee/guarantee is classified into the following seven categories:

(1) A company with which it does business.

(2) A company in which the public company directly and indirectly holds more than 50% of the voting shares.

(3) A company that directly and indirectly holds more than 50% of the voting shares in the public company.

(4) A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.

(5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.

(7) Escrow with joint and several guarantees between companies in the same industry for performance guarantees of pre-construction homes under the Consumer Protection Act.

Note 2: The total amount of the company's external endorsement guarantee and the limit of the single company's endorsement guarantee shall not exceed 30% and 10% of the company's net worth, respectively. The maximum limit of this endorsement guarantee is calculated based on the company's net value on December 31, 2022.

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ERIS TECHNOLOGY CORPORATION 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 end December 31, 2022

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

Buyer (Seller)	Counterparty	Relationship	Transaction Details				Details and Reasons for Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases (Sales)	Amount	Ratio of Total Purchases (Sales) (%)	Credit Period	Unit Price	Payment Terms	Balance	Ratio of Notes/Accounts Receivable (Payable) (%)	
Eris Technology Corporation	Diodes Hong Kong Ltd.	Same as The Group ultimate parent company	Sale	($ 840,745)	41.92%	60 days	None	None	$ 103,451	27.88%	-
Eris Technology Corporation	Diodes Taiwan S.A R.L., Taiwan Branch	Same as The Group ultimate parent company	Sale	(832,192)	41.49%	60 days	None	None	215,735	58.14%	-
Eris Technology Corporation	Yea Shin Technology Corp.	The Company's subsidiary	Purchase	842,453	69.27%	60 days	None	None	(165,090)	77.71%	Note 1

Note 1: Related transactions have been written off in the consolidated financial statements.

TABLE 3

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

December 31, 2022

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

Company recording the receivables	Counterparty	Relationship	Balance Receivables from Related Parties	Turnover Rate	Overdue		Amounts of Receivables from Related Parties Received in Subsequent Period (Note 1)	Amount of Loss Allowance
					Amount	Actions Taken		
Eris Technology Corporation	Diodes Taiwan S.A R.L., Taiwan Branch	Same as the Company's ultimate parent company	$ 215,735	4.34	$ -	—	$ 110,912	$ -
Eris Technology Corporation	Diodes Hong Kong Ltd.	Same as the Company's ultimate parent company	103,451	5.32	-	—	53,816	-
Yea Shin Technology Corp.	Eris Technology Corporation	Parent company	165,090	3.97	-	—	103,562	-

Note 1: Amounts received as of the issue date of the financial statements.

TABLE 4

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

For the Year end December 31, 2022

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

No. (Note 1)	Company	Counterparty	Relationship with Investor (Note 2)	Transactions Details			
				Ledger Account	Amount(Note 4)	Transaction Term	Ratio of Consolidated Total Revenue or Total Assets (Note 3)
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Trade receivables	$ 1,506	–	0.05%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Trade payable	2,324	–	0.07%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Sales	3,888	No significant difference compared with general customers	0.18%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Purchase	16,678	No significant difference compared with general customers	0.76%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Other manufacturing expenses	561	No significant difference compared with general customers	0.03%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Trade receivable	8,427	–	0.26%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Trade payable	165,090	–	5.18%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Other receivable	1,020	–	0.03%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Sales	30,888	No significant difference compared with general customers	1.41%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Purchase	842,453	No significant difference compared with general customers	38.56%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Processing fees	14,915	No significant difference compared with general customers	0.68%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Rental income	3,429	No significant difference compared with general customers	0.16%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Other receivable	1,028	–	0.03%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Other income	3,467	No significant difference compared with general customers	0.16%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Sales	263	No significant difference compared with general customers	0.01%

Note 1: The business transaction information between the parent company and its subsidiaries should be indicated in the number column respectively. The method of filling in the number is as follows:

1. Fill in 0 for the parent company.
2. Subsidiaries are numbered in order starting from 1 of Arabic numerals.

Note 2: Relationships with the investor are classified into the following three categories to remark the category only:

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

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

Note 4: Related transactions were eliminated in the consolidated financial statements.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES

For the Year end December 31, 2022

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

Name of Investor	Name of Investor	Location	Principal Business Activities	Original Investment Amount (Note 1)		Ending Balance			Net Income (Loss) of the Investee for the Period (Note 2、3 and5)	Investment Profit (Loss) Recognized for the Period (Note 2、3 and5)	Note
				End of the Period	Year-end of the last year	Number of shares (in thousands)	Ratio (%)	Carrying Amount (Note 3)			
Eris Technology Corporation	Keep High Limited	Seychelles	Holding of investments	$ 20,776 (US$670/thousand)	$ 20,776 (US$670/thousand)	N/A	100	$ 63,353	$ 4,370 (US$150/thousand)	$ 4,395 (Note 4)	Subsidiaries
	Yea Shin Technology Corp.	Taiwan	Engaged in manufacturing of electronic components and wholesaling of electronic materials	381,078	381,078	29,342	100	702,860	323,718	320,033 (Note 4)	Subsidiaries
Keep High Limited	Forever Eagle Incorporation	Mauritius	Holding of investments	20,473 (US$660/thousand)	20,473 (US$660/thousand)	N/A	100	64,355 (US$2,096/thousand)	4,370 (US$150/thousand)	4,370 (US$ 150/ thousand)	Sub-subsidiaries

Note 1: The conversion is based on the US dollar buying exchange rate when the original investment funds are remitted out.

Note 2: The conversion is based on the average exchange rate of USD during the investment period.

Note 3: The relevant balance has been written off in the consolidated financial statements.

Note 4: It includes the adjustment of unrealized sales gross profit.

Note 5: Calculated based on the financial statements reviewed by certified accountants of the parent company in Taiwan during the same period.

Note 6: Please refer to Attachment 6 for relevant information of the invested companies in mainland China.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

For the Year end December 31, 2022

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

Investee in Mainland China	Principal Business Activities	Paid-in Capital (Note 1)	Method of Investment	Accumulated Amount of Investments Remitted Outward from Taiwan at Beginning of Period (Note 1)	Amount of Investments Remitted or Repatriated for the Period		Accumulated Amount of Investments Remitted Outward from Taiwan at End of Period (Note 1)	Income (Loss) of the Investee for the Period	Shareholding Ratio of The Company's Direct or Indirect Investment	Investment Gain (Loss) Recognized for the Period (Note 2, 5 and 6)	Carrying Amount of Investments at End of Period	Accumulated Repatriation of Investment Income at End of Period
					Remitted	Repatriated						
Jie Cheng Electronic (Shanghai) Co., Ltd.	Wholesaling of electronic materials and international trading business	$ 20,170 (US$650/thousand)	Indirectly investment in Mainland China through companies registered in a third region	$ 20,170 (US$650/thousand)	$ -	$ -	$ 20,170 (US$650/thousand)	$ 4,370 (RMB998/thousand)	100%	$ 4,370 (RMB998/thousand)	$ 64,355	$ -

Accumulated Amount of Investments in Mainland China Remitted Outward from Taiwan at End of Period (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on the Amount of Investment in Mainland China Stipulated by Investment Commission, MOEA (Note 4)
$20,170(US$650thousand)	$19,962 ((US$650thousand))	$889,695

Note 1: Translation was based on the buying exchange rate of USD at the time of remittance.

Note 2: Translation was based on the average exchange rate during the investment period.

Note 3: Translation was based on the closing exchange rate at December 31, 2022

Note 4: The information was calculated as 60% of the Company’s net worth at December 31, 2022

Note 5: Computation was based on the financial statements for the same periods reviewed by the certified public accountants of the Taiwan parent company.

Note 6: The relevant balance has been written off in the consolidated financial statements.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

The following major transactions with Mainland China investee companies directly or indirectly via a third region, and their prices, payment terms, unrealized gains and losses, and other relevant information

For the Year end December 31, 2022

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

Counterparty	Transaction Details			Transaction Details		Notes/Accounts Receivable (Payable)		
	Purchases (Sales)	AMOUNT	Ratio of Total Purchases (Sales) (%)	Unit price	Credit Period	Balance	Ratio of Notes/Accounts Receivable (Payable) (%)	Note
Jie Cheng Electronic (Shanghai) Co., Ltd.	Sales	($ 3,888)	0.19%	None	None	$ 1,506	0.41%	Note 1
Jie Cheng Electronic (Shanghai) Co., Ltd.	Purchases	16,678	1.37%	None	None	(2,324)	1.09%	Note 1
Jie Cheng Electronic (Shanghai) Co., Ltd.	Other income	(3,467)	-	None	None	1,028	26.76%	Note 1

Note 1: Related transactions have been written off in the consolidated financial statements.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Major shareholders information

December 31, 2022

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

Name of Major shareholders	Shares Holding	
	Number of Shares Held	Shareholding ratio (%)
Yuanta Commercial Bank is entrusted with the custody of Diodes Holdings UK Limited Investment Account.	22,687,604	51.07

Note 1: Information on major shareholders in this table is the information on shareholders holding more than 5% of the common stocks and preferred stocks that are completed the non-physical registration and delivered (including treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. Share capital indicated in the Company's consolidated financial statements may differ from the actual number of shares that have been completed the non-physical registration and delivered as a result of the different basis of preparation.

Note 2: In the above table, if the shareholder entrusts his/her shares to the trust, disclosure shall be made by the individual account of the trustee who opened the trust account of the grantor. As for the shareholders' declarations for insider equity holdings exceeding 10% in accordance with the Securities and Exchange Act, their shareholding includes their own shares plus their delivery of trust and shares with the right to make decisions on trust property, etc. For information on the declaration for insider equity, please refer to the Market Observatory Post System.