Stock Code：3675TW

Eris Technology Corporation and Subsidiaries

Consolidated Financial Statements
with Independent Auditors' Report
for the Years Ended
December 31, 2023 and 2022

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, 2023 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. 26, 2024

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets				
1100	Cash (Notes 4 and 6)	$ 581,159	19	$ 493,065	15
1110	Financial assets at fair value through profit or loss – Current (Notes 4 and 7)	339	-	-	-
1136	Financial assets at amortized cost - current (Notes 4, 8 and 26)	65,818	2	55,794	2
1150	Notes receivable (Notes 4, 9 and 19)	953	-	1,494	-
1170	Net trade receivables (Notes 4, 9 and 19)	72,525	2	91,272	3
1180	Trade receivables from related parties (Notes 4, 9, 19 and 25)	278,311	9	319,186	10
1200	Other receivables (Note 4)	9,632	-	3,841	-
130X	Inventories (Notes 4, 5 and 10)	237,732	8	308,850	10
1470	Prepayments and other current assets	11,198	-	14,000	-
11XX	**Total current assets**	1,257,667	40	1,287,502	40
	Non-current assets				
1535	Financial assets at amortized cost – non-current (Notes 4, 8 and 26)	10,057	-	10,014	-
1600	Property, plant and equipment (Notes 4, 12 and 26)	1,539,827	49	1,527,867	48
1755	Rights-of-use assets (Notes 4 and 13)	6,309	-	9,717	-
1805	Goodwill (Notes 4 and 14)	24,070	1	24,070	1
1821	Other intangible assets (Note 4 and 15)	13,997	-	14,210	1
1840	Deferred tax assets (Note 4, 5 and 21)	205,089	6	166,172	5
1915	Prepayments for equipment (Note 27)	88,106	3	132,373	4
1920	Refundable deposits	3,749	-	3,768	-
1990	Other non-current assets	15,654	1	12,608	1
15XX	**Total non-current assets**	1,906,858	60	1,900,799	60
1XXX	**Total assets**	$ 3,164,525	100	$ 3,188,301	100

Code	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Liabilities				
2100	Short-term borrowings (Note16 and 26)	$ 600,000	19	$ 500,000	16
2170	Trade payables	146,170	5	157,357	5
2180	Trade payables-related (Note 4 and 25)	4,526	-	-	-
2200	Other payables(Note 17)	150,407	5	197,325	6
2230	Current tax liabilities (Note 4 and 21)	4,255	-	29,261	1
2280	Lease liabilities - current (Notes 4 and 13)	3,373	-	4,474	-
2320	Current portions of long-term borrowings (Note16 and 26)	135,877	4	35,725	1
2399	Other current liabilities (Note 19)	4,796	-	9,000	-
21XX	**Total current liabilities**	1,049,404	33	933,142	29
	Non-current liabilities				
2540	Long-term borrowings (Note16 and 26)	522,044	17	757,732	24
2570	Deferred tax liabilities (Note 4 and 21)	10,329	-	9,269	-
2580	Lease liabilities - non-current (Notes 4 and 13)	3,012	-	5,320	-
2645	Deposit Margin	12	-	12	-
25XX	**Total non-current liabilities**	535,397	17	772,333	24
2XXX	**Total liabilities**	1,584,801	50	1,705,475	53
	Equity (Note 11 and 18)				
3100	Ordinary share	502,039	16	444,283	14
3200	Capital surplus	402,511	13	402,511	13
	Retained earnings				
3310	Legal reserve	142,722	4	97,141	3
3350	Special reserve	1,617	-	2,341	-
3300	Unappropriated earnings	533,433	17	538,167	17
3400	**Total retained earnings**	677,772	21	637,649	20
	Other equity	(2,598)	-	(1,617)	-
3XXX	**Total equity**	1,579,724	50	1,482,826	47
	Total Liabilities and Equity	$ 3,164,525	100	$ 3,188,301	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, 2023 and 2022

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

		2023		2022	
Code		Amount	%	Amount	%
	Operation Revenue (Note 4, 19 and 25)				
4110	Sales	$ 1,742,866	100	$2,184,741	100
4170	Less: Sales return and allowance	(3,498)	-	(7,124)	-
4000	**Net Revenue**	**1,739,368**	**100**	**2,177,617**	**100**
5000	Cost of good Sales (Note 10, 20 and 25)	1,086,491	62	1,373,131	63
5900	**Gross Profit**	652,877	38	804,486	37
	Operating Expenses (Note 20)				
6100	Selling and marketing	59,316	4	74,056	3
6200	General and administrative expenses	143,623	8	161,728	8
6300	Research and development	138,436	8	135,191	6
6450	Expected credit impairment loss (Notes 9)	-	-	638	-
6000	**Total operating expenses**	341,375	20	371,613	17
6900	**Net operating Income**	311,502	18	432,873	20
	Non-operating income and expenses:				
7100	Interest income	4,040	-	1,205	-
7190	Other income	1,225	-	432	-
7210	Gains on disposal of property, plant and equipment	85	-	(1,140)	-
7230	Foreign exchange loss, net (Note 20 and 29)	1,552	-	32,107	1
7235	Net gain (loss) on financial debt at fair value through profit or loss(Note 7)	3,809	-	(5,384)	-
7510	Interest expense	(21,616)	(1)	(16,484)	(1)
7000	**Total non-operating income and expenses**	(10,905)	(1)	10,736	-
7900	**Profit before Tax**	$ 300,597	17	$ 443,609	20
7950	**Less: Income tax benefits (Note 4, 5 and 21)**	37,195	2	12,209	1
8200	**Net Profit**	337,792	19	455,818	21

(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, 2023 and 2022

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

		2023		2022	
Code		Amount	%	Amount	%
	Other comprehensive income /(loss)				
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	(1,226)	-	905	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss(Note4 and 21)	245	-	(181)	-
8300	Other comprehensive income/(loss) for the year, (net of income tax)	(981)	-	724	-
8500	**Total comprehensive income**	$ 336,811	19	$ 456,542	21
	Earnings per share (Note 22)				
9710	**Basic earnings per share**	$ 6.73		$ 9.08	
9810	**Diluted earnings per share**	$ 6.72		$ 9.06	

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		Share Capital (Notes 18)			**Retained Earnings** (Notes 18)					
Code		Ordinary Share (In Thousands)	Amount	Capital Surplus (Notes 18)	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Total Equity
A1	Balance at January 1, 2022	44,428	$ 444,283	$ 402,511	$ 64,432	$ 2,013	$ 337,527	$ 403,972	($ 2,341)	$ 1,248,425
	Appropriation and distribution of 2021 earnings:									
B1	Legal reserve	-	-	-	32,709	-	(32,709)	-	-	-
B3	Special reserve	-	-	-	-	328	(328)	-	-	-
B5	Cash dividends distributed of ordinary share	-	-	-	-	-	(222,141)	(222,141)	-	(222,141)
		-	-	-	32,709	328	(255,178)	(222,141)	-	(222,141)
D1	2022 Net profit	-	-	-	-	-	455,818	455,818	-	455,818
D3	2022 Other comprehensive after tax income/(loss)	-	-	-	-	-	-	-	724	724
D5	Total comprehensive income/(loss) for the year ended December 31, 2022	-	-	-	-	-	455,818	455,818	724	456,542
Z1	Balance at December 31, 2022	44,428	444,283	402,511	97,141	2,341	538,167	637,649	(1,617)	1,482,826
	Appropriation and distribution of 2022 earnings:									
B1	Legal reserve	-	-	-	45,581	-	(45,581)	-	-	-
B3	Special reserve	-	-	-	-	(724)	724	-	-	-
B5	Cash dividends distributed of ordinary share	-	-	-	-	-	(239,913)	(239,913)	-	(239,913)
B9	Stock dividends distributed of ordinary share	5,776	57,756	-	-	-	(57,756)	(57,756)	-	-
		5,776	57,756	-	45,581	(724)	(342,526)	(297,669)	-	(239,913)
D1	2023 Net profit	-	-	-	-	-	337,792	337,792	-	337,792
D3	2023 Other comprehensive income/(loss)	-	-	-	-	-	-	-	(981)	(981)
D5	Total comprehensive income/(loss) for the year ended December 31, 2023	-	-	-	-	-	337,792	337,792	(981)	336,811
Z1	Balance at December 31, 2023	50,204	$ 502,393	$ 402,511	$ 142,722	$ 1,617	$ 533,433	$ 677,772	($ 2,598)	$ 1,579,724

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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Code		2023	2022
	Cash flows from operating activities:		
A10000	**Net profit before tax**	$ 300,597	$ 443,609
A20010	**Adjustments:**		
A20100	Depreciation expenses	130,012	126,748
A20200	Amortization expenses	14,000	11,196
A20300	Expected credit impairment loss	-	638
A20400	Net gain on fair value changes of financial assets and debts designated as at fair value through profit or loss	(339)	-
A20900	Interest expense	21,616	16,484
A21200	Interest income	(4,040)	(1,205)
A22500	(Gain)/loss on disposal retirement of property, plant and equipment	(85)	1,140
A23800	Write-downs of inventories	2,000	(3,500)
A24100	Unrealized loss on foreign currency exchange	8,281	1,386
A30000	**Net changes in operating assets and liabilities**		
A31130	Notes receivable	541	1,618
A31150	Trade receivables	20,117	46,739
A31160	Trade receivables - related parties	29,147	58,919
A31180	Other receivables	(5,791)	7,067
A31200	Inventories	69,118	35,120
A31240	Prepayments and other current assets	2,832	(3,774)
A32150	Trade payables	(9,001)	(102,801)
A32160	Trade payables - related parties	4,526	-
A32180	Other payables	(40,537)	18,605
A32230	Other current liabilities	(4,204)	1,316
A33000	**Cash generated from operations**	538,790	659,305
A33100	Interest received	4,010	1,168
A33300	Interest paid	(21,529)	(16,438)
A33500	Income tax paid	(25,382)	(19,424)
AAAA	**Net cash flows generated from operating activities**	495,889	624,611
	Cash flows from (used in) investing activities:		
B00040	Purchase of financial assets at amortized cost	(25,167)	(20,000)
B00050	Proceeds from sale of financial assets at amortized cost	15,000	27,943
B02700	Payments for property, plant and equipment	(51,437)	(124,940)
B02800	Proceeds from disposal of property, plant and equipment	220	1,076
B03800	Refundable deposits	14	14
B04500	Payments for intangible assets	(2,811)	(2,600)
B06700	Payments for other non-current assets	(14,023)	(9,046)
B07100	Increase in prepayments for equipment	(46,579)	(79,075)
BBBB	**Net cash flows from used in investing activities**	(124,783)	(206,628)

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(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, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Code		2023	2022
	Cash flows generated from (used in) financing activities:		
C00200	Proceeds from short-term borrowings	$ 100,000	$ -
C01600	Proceeds from long-term borrowings	469,475	250,000
C01700	Repayments of long-term borrowings	(605,011)	(282,194)
C03000	Repayment of the principal portion of lease liabilities	-	12
C04020	Lease principal repayment	(6,249)	(6,087)
C04500	Payment of cash dividends	(239,913)	(222,141)
CCCC	**Net cash generated from used in financing activities**	(281,698)	(260,410)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(1,314)	859
EEEE	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	88,094	158,432
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	493,065	334,633
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 581,159	$ 493,065

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

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, 2023, 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 26, 2024.

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")

   Except for the following instructions, the application of the revised IFRS accounting standards approved and promulgated by the Financial Supervisory Commission will be not cause significant changes in the Group's accounting policies:

   (a) Amendment to IAS 1 "Disclosure of Accounting Policies"

   When this amendment is applied, the consolidated company determines the significant accounting policy information that should be disclosed based on the definition of material. Accounting policy information is material if it can reasonably be expected to affect the decisions of principal users of general purpose financial statements based on those financial statements. In addition,

   - Accounting policy information related to insignificant transactions, other items/events or circumstances is not material and the consolidated company is not required to disclose such information.

- The consolidated company may determine that the relevant accounting policy information is significant due to the nature of the transaction, other items or circumstances, even if the amount is not significant .
- Not all accounting policy information related to significant transactions, other events or circumstances is material.

If accounting policy information relates to significant transactions, other items/events or circumstances, and the following circumstances exist, the information may be material:

(1) The consolidated company changes its accounting policies during the reporting period, and the change results in significant changes in the financial statement information;

(2) The consolidated company selects its applicable accounting policy from the options allowed by the standards;

(3) Due to the lack of specific standards, the consolidated company's accounting policies are established in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";

(4) The consolidated company discloses relevant accounting policies that require the use of significant judgments or assumptions; or

(5) Deal with the complex accounting treatment requirements and users of financial statements rely on such information to understand such significant transactions, other events or circumstances.

Please refer to Note 4 for disclosure of relevant accounting policies.

(b) Amendment to IAS 8 "Definition of Accounting Estimates"

The consolidated company will apply this amendment starting from January 1, 2023, and its express accounting estimates refer to the monetary amounts affected by measurement uncertainty in the financial statements. The consolidated company applies accounting policies, it may be necessary to measure financial statement items in monetary amounts that cannot be directly observed but must be estimated. Therefore, measurement techniques and inputs must be used to develop accounting estimates to achieve this purpose. If the impact of changes in measurement technology or input values on accounting estimates is not the correction of previous errors, these changes are changes in accounting estimates.

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2024

New publish, Revised or Amended Standards and Interpretations	**Effective Date Announced by IASB**
Amendment to IFRS 16 “Lease Liabilities in Sale and Leaseback”	January 1, 2024(Note 2)
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
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	January 1, 2024(Note 3)

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

Note 2: The seller as the same lessee shall retroactively apply the amendments to IFRS 16 to any sale and leaseback transactions signed 16 days after the initial application of IFRS.

Note 3: When this amendment is applied for the first time, some disclosure requirements are exempted.

As of the date of issuance of this consolidated financial report, the consolidated company assesses that the amendments to the above standards and interpretations will not have a significant impact on the financial position and financial performance.

c. The IASB has issued IFRS accounting standards but has not yet been approved by the Financial Supervisory Commission and issued as effective.

New publish, 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
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
Amendment to IAS 21 “Lack of Convertibility”	January 1, 2025(Note 2)

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: Applicable to annual reporting periods starting after January 1, 2025. When the amendment is first applied, the impact will be recognized in retained earnings on the first application date. When the company uses non-functional currency as the currency of expression, the impact amount will be adjusted to the exchange difference of foreign operating institutions under equity on the first application date.

As of the date of issuance of this consolidated financial report, the combined company continues to evaluate the impact of the amendments to the above standards and interpretations on the financial position and financial performance. The relevant impact will be disclosed when the evaluation 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.

Those that are not current assets or current liabilities as mentioned above are classified as non-current assets or non-current liabilities.

d. Basis of consolidation

This consolidated financial report contains the financial reports of the Company and entities (subsidiaries) controlled by the Company. The consolidated comprehensive income statement has included the operating profits and losses of the acquired or disposed subsidiaries for the current period from the acquisition date or to the disposal date.

The subsidiaries' financial reports have been adjusted to bring their accounting policies into line with those of the combined company. In preparing consolidated financial reports, transactions, account balances, income and expenses between entities have been eliminated in full.

The total consolidated profit and loss of subsidiaries is attributed to the owners of the Company and the non-controlling interest, even if the non-controlling interest become a loss balance.

When the change in the consolidated company's ownership interest in the subsidiary did not result in a loss of control, it is treated as an equity transaction. The carrying amounts of the consolidated companies and non-controlling interests have been adjusted to reflect changes in their relative interests in subsidiaries. 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 attributed to the owners of the Company.

For details of subsidiaries, shareholding ratios and business items, please refer to Note 11 and Schedules 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 proportionate non-controlling interest in the acquiree net assets at the time of liquidation, which is measured by the proportion of its share of the recognized amount of the acquiree identifiable net assets. Other non-controlling interests are measured at fair value.

For the measurement of identifiable assets acquired and liabilities assumed due to a business combination has not yet been completed, they will be recognized at a provisional amount on the balance sheet date, and retrospective adjustments or additional assets or liabilities will be recognized during the measurement period to reflect the relevant acquisitions , that could reflected to new information on existing facts and circumstances.

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 recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

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

Property, plant and equipment are depreciated on a straight-line basis over their useful lives, with each significant portion being separately depreciated. The combined company will review the estimated useful life, residual value and depreciation method at least at the end of each year, and defer the impact of changes in applicable accounting estimates.

When property, plant and equipment are delisted, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or 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.

<u>Financial assets measured at amortized cost.</u>

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.

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

2) Equity instruments

Debt and equity instruments issued by the 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

Derecognition of financial liabilities, the difference between their carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized as profit or loss.

4) Derivative financial instruments

The derivative instruments signed by the company are mainly exchange rate contracts or forward foreign exchange contracts, which are used to manage the exchange rate risk of the consolidate company.

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. 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.

Revenue from the sale of goods

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.

n. 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.

o. 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.

p. 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 AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Foreign currency demand deposit	$ 177,727	$ 137,040
Demand deposits	402,356	354,992
Cash on hand	976	1,020
Check deposits	100	13
	$ 581,159	$ 493,065

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

	December 31, 2023	December 31, 2022
Bank balance	0.05%-1.45%	0.01%-1.05%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2023	December 31, 2022
Financial assets-current		
Held for trading		
－Exchange contract	$ 339	$ -

The consolidated company's exchange contracts that have not yet expired and have not yet expired on the balance sheet date are as follows (December 31, 2022: None) :

December 31, 2023

Currency	Expiration period	Contract amount (NT$ thousands)
USD : NTD	March ~Nomenber,2024	USD 1,000 / NTD 29,749

In 2023 and 2022, the consolidated company's engagement in financial instruments measured at fair value through profit and loss generated net profits of NT$3,809 thousand and net losses of NT$5,384 thousand respectively.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2023	December 31, 2022
Current		
Unpledged time deposits to bank		
Time deposits with original maturities of more than 3 months	$ 9,211	$ 9,213
Pledged time deposits		
Time deposits with original maturities of more than 3 months	14,416	14,515
Restricted demand deposit	42,191	32,066
	$ 65,818	$ 55,794
Non-current		
Pledged time deposits to bank		
Restricted demand deposit	$ 10,057	$ 10,014

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

	December 31, 2023	December 31, 2022
Time deposits with original maturities of more than 3 months	2.49%-4.80%	1.80%-2.90%
Restricted demand deposit	0.58%-0.60%	0.40%-0.48%

Please refer to Note 26 for information on pledges of financial assets measured at amortized cost.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31, 2023	December 31, 2022
Notes receivable		
Measured at amortized cost		
total book value	$ 953	$ 1,494
Trade receivables		
Measured at amortized cost		
total book value	$ 76,057	$ 95,192
Less: Allowance for loss	(3,532)	(3,920)
Net Accounts Receivable	$ 72,525	$ 91,272
Trade receivables from related parties		
Measured at amortized cost		
total book value	$ 278,311	$ 319,186

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 allowance losses for accounts receivable of the consolidated company (including amounts due from related parties) are as follows:

December 31, 2023

	Payment Terms 30 Days	Payment Terms 60 Days	Payment Terms of 90 days	Payment Terms of 120 days	Others	Total
Gross carrying amount	$ 19,507	$ 292,359	$ 40,508	$ 1,580	$ 414	$354,368
Loss allowance (Expected credit losses during the duration)	(975)	(1,939)	(202)	(2)	(414)	(3,532)
Amortized cost	$ 18,532	$ 290,420	$ 40,306	$ 1,578	$ -	$350,836

December 31, 2022

	Payment Terms 30 Days	Payment Terms 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 (Expected credit losses during the duration)	(1,085)	(1,791)	(223)	(1)	(820)	(3,920)
Amortized cost	$ 20,608	$ 343,914	$ 44,514	$ 1,422	$ -	$ 410,458

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

	2023	2022
AT THE BEGINNING OF THE YEAR	$ 3,920	$ 8,026
Add: The impairment loss is listed for the current year	-	638
Less: The impairment losses written off for the period	(368)	(4,757)
Foreign exchange translation gains and losses	(20)	13
AT THE END OF THE YEAR	$ 3,532	$ 3,920

The aging of receivables analysis was as follows:

	December 31, 2023	December 31, 2022
Not past due	$ 352,735	$ 406,942
Less than 60 days overdue	831	3,104
61-90 days overdue	269	-
91-120 days overdue	-	671
More than 120 days overdue	533	3,661
	$ 354,368	$ 414,378

10. INVENTORIES

	December 31, 2023	December 31, 2022
Raw materials	$ 136,380	$ 113,524
Work in progress	76,615	114,591
Finished goods	24,737	80,735
	$ 237,732	$ 308,850

The cost of goods sold in 2023 includes inventory depreciation and slack losses of NT$ 2,000 thousand; the cost of goods sold in 2022 includes the price reduction of the revolving inventory and the sluggish loss of NTD3,500 thousands.

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, 2023	Proportion of Ownership (%) December 31, 2022
Eris Technology Co. ("Eris")	Keep High Ltd. ("Keep High")	Holding company	100%	100%
Eris Technology Co. ("Eris")	Yea Shin Technology Co., Ltd. ("Yea Shin")	Manufacturing of electronic parts and wholesaling of electronic components	100%	100%
Eris Technology Co. ("Eris")	Erishin Semiconductor Corporation (" Erishin")	Manufacturing of electronic parts and wholesaling of electronic components	100%	-
Keep High	Forever Eagle Incorporation ("Forever")	Holding company	100%	100%
Forever	Jie Cheng Electronic (Shanghai) Co., Ltd. ("Jie Cheng")	Wholesaling of electronic components and international trading business	100%	100%

On April 3, 2008, Eris set up as of Jie Cheng with the investment in Mainland China companies through a company invested and established in a third region approved by the Investment Commission, Ministry of Economic Affairs. Jie Cheng mainly manufacturing of electronic parts and wholesaling of electronic components. December 31, 2023, the capital of Jie Cheng was US$650 thousand.

For business expansion needs, the company established Erishin Semiconductor in accordance with the resolution of the board of directors on July 5, 2023. The company's main business is the manufacturing of electronic parts and components and the wholesale of electronic materials. As of December 31, 2023, Erishin Semiconductor's paid-in capital was NT$1,000 thousands.

12. PROPERTY, PLANT AND EQUIPMENT

Book amount of each category	December 31, 2023	December 31, 2022
Land	$ 574,129	$ 574,129
Buildings	387,879	399,103
Machinery Equipment	570,608	544,792
Transportation Equipment	2,801	4,049
Leasehold Improvements	38	226
Other Equipment	4,372	5,568
	$ 1,539,827	$ 1,527,867

	2023					
	Balance at January 1, 2023	**Additions**	**Disposal**	**Reclassifications**	**Effect of movements in exchange rates**	**Balance at December 31, 2023**
Cost						
Land	$ 574,129	$ -	$ -	$ -	$ -	$ 574,129
Buildings	537,698	12,548	17,905	7,564	-	539,905
Machinery Equipment	1,190,852	32,207	93,056	83,282	-	1,213,285
Transportation Equipment	15,411	-	-	-	(34)	15,377
Leasehold Improvements	4,371	-	4,067	-	-	304
Other Equipment	15,061	301	-	-	31	15,393
Total	2,337,522	$ 45,056	$ 115,028	$ 90,846	($ 3)	2,358,393
Accumulated depreciation						
Buildings	138,595	$ 31,336	$ 17,905	$ -	$ -	152,026
Machinery Equipment	646,060	89,538	92,921	-	-	642,677
Transportation Equipment	11,362	1,246	-	-	(32)	12,576
Leasehold Improvements	4,145	188	4,067	-	-	266
Other Equipment	9,493	1,543	-	-	(15)	11,021
Total	809,655	$ 123,851	$ 114,893	$ -	($ 47)	818,566
Carrying amount at December 31, 2023	$ 1,527,867					$ 1,539,827

	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
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						
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

As there was no sign of impairment in 2023 and 2022, 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:

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 26.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2023	December 31, 2022
Book amount of right-of-use asset	$ 6,309	$ 9,717

	2023	2022
Additions to right-of-use assets	$ 2,762	$ 5,621
Depreciation charge for right-of-use assets		
Buildings	$ 6,161	$ 6,135

b. Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amounts		
Current	$ 3,373	$ 4,474
Non-current	$ 3,012	$ 5,320

Range of discount rate for lease liabilities was as follows:

	December 31, 2023	December 31, 2022
Buildings	1.00%~1.80%	1.00%~1.25%

c. Other lease information

	2023	2022
Total cash outflow for leases	$ 6,336	$ 6,087

14. GOODWILL

	December 31, 2023	December 31, 2022
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.

No impairment losses were recognized or reversed in 2023 and 2022.

15. OTHERS INTANGIBLE ASSETS

Cost	Patents	Computer software	Total
Balance at January 1, 2023	$ 617	$ 19,671	$ 20,288
Obtained separately	-	2,811	2,811
Disposals	-	(565)	(565)
Balance at December 31, 2023	$ 617	$ 21,917	$ 22,534
Accumulated amortization and Loss			
Balance at January 1, 2023	$ 559	$ 5,519	$ 6,078
Amortization expenses	58	2,966	3,024
Disposals	-	(565)	(565)
Balance at December 31, 2023	$ 617	$ 7,920	$ 8,537
Carrying amount at December 31, 2023	$ -	$ 13,997	$ 13,997
Cost			
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	Patents	Computer software	Total
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

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

Patents	10 years
Computer software	2-15 years

16. BORROWINGS

a. Short-term borrowings

	December 31, 2023	**December 31, 2022**
Secured borrowings		
Bank loans	$ 300,000	$ 400,000
Unsecured borrowings		
Line of credit borrowings	300,000	100,000
	$ 600,000	$ 500,000

The range of weighted average effective interest rates on bank loans was 1.60%~1.85% and 1.73%~2.00% per annum as of December 31, 2023 and 2022, respectively.
Please refer to Note 26 for details of the pledged assets of the secured loan.

b. Long-term borrowings

	December 31, 2023	December 31, 2022
Secured borrowings		
Bank loans (1)	$ 57,800	$ 63,349
Bank loans (2)	-	425,068
Bank loans (3)	40,751	46,572
Bank loans (4)	402,697	-
Bank loans (5)	-	50,000
Bank loans (6)	50,000	-
Bank loans (7)	-	100,000
Unsecured borrowings		
Bank loans (8)	6,673	8,468
Bank loans (9)	100,000	100,000
	657,921	793,457
Less: Current portions	(135,877)	(35,725)
Long-term borrowings	$ 522,044	$ 757,732

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 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 1.7992% and 1.6078% as of December 31 , 2023 and 2022,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. It had been paid off by the May 2023. The effective interest rates were 1.7093% as of December 31, 2022.

3) 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 1.68% and 1.43% as of December 31 2023 and 2022, respectively.

4) The consolidated company obtained a bank loan of NT$419,475 thousand on May 22, 2023. The bank loan was secured by the mortgage of the company's own land and buildings. The loan interest rate is calculated based on the three-month TAIBOR plus 0.5%. The interest is calculated quarterly. Payment, the principal is amortized to a specified amount quarterly, and the remaining principal is

paid off in one lump sum when due. The loan maturity date is May 21, 2028. The effective interest rates were 1.83% as of December 31, 2023.

5) 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. It had been pain off by September 30, 2023. The effective annual interest rate on December 31, 2022 was 1.6723%.

6) The bank loan of NT$50,000 thousand was obtained by the Group on September 28, 2023. 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. The principal shall be paid off once upon maturity. The maturity date of the loan is September 28, 2025. The effective annual interest rate on December 31, 2023 was 1.8044%.

7) 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 month the fixed savings deposit floating interest rate plus 0.08%. The principal will be repaid once due. The maturity date of the loan was December 26, 2024. It had been paid off by December 2023. The effective annual interest rate on December 31, 2022 was 1.43%.

8) The bank loan of NT$11,000 thousand was obtained by the Group on July 1, 2020, 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 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 1.68% and 1.43% as of December 31 2023 and 2022, respectively.

9) The bank loan of NT$100,000 thousand was obtained by the Group on December 30, 2022, 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% to be paid monthly for the interests and repaid in a one-time payment at maturity for the principal. The maturity date of the loan was December 30, 2024. The effective annual interest rates were 1.8000% and 1.8587% as of December 31, 2023 and 2022, respectively.

Refer to Note 26 for information relating to borrowings pledged as security.

17. OTHER LIABILITIES

	December 31, 2023	December 31, 2022
Other payables		
Payables for salaries or bonuses	$ 71,509	$ 91,547
Payables for processing fees	14,783	17,760
Payables for equipment fees	3,605	9,986
Others	60,510	78,032
	$ 150,407	$ 197,325

18. EQUITY

a. Share capital

Ordinary shares

	December 31, 2023	December 31, 2022
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)	50,204	44,428
Shares issued	$ 502,039	$ 444,283

Ordinary shares issued have a par value of $10, and they're entitled to one vote right per share and a right to receive dividends.

b. Capital surplus

	December 31, 2023	December 31, 2022
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

Under the policy of earnings distribution as set forth in the Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's Board of Directors as the basis for proposing an earnings distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies of the Company on the distribution of employees' compensation, please refer to employees' compensation in Note 20(4).

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals The Company 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 2022 and 2021 approved in the shareholders' meetings on May 16, 2023 and May 16, 2022, respectively, were as follows:

	2022	2021
Legal reserve	$ 45,581	$ 32,709
Special reserve	($ 724)	$ 328
Cash dividends	$ 239,913	$ 222,141
Stock dividends	$ 57,756	$ -
Cash dividends of per share NT$	$ 5.4	$ 5.0
Stock dividends of per share NT$	$ 1.3	$ -

The surplus distribution proposal for 2023 is yet to be proposed by the board of directors, which is expected to be held in April 2024.

19. REVENUE

	2023	2022
Revenue from contracts with customers		
Revenue from the sale of goods	$1,739,368	$2,177,617

a. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Trade receivables and Notes (Note 9)	$ 351,789	$ 411,952	$ 523,247
Contract liabilities (included other current Liabilities)			
Sale of goods	$ 719	$ 264	$ 38

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:

	2023	2022
From contract liabilities at the start of the year		
Sale of goods	$ 264	$ 38

20. NET PROFIT

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

1) Depreciation and amortization

	2023	2022
Property, plant and equipment	$ 123,851	$ 120,613
Right-of-use assets	6,161	6,135
Unamortized expenses	10,976	8,494
Intangible assets	3,024	2,702
	$ 144,012	$ 137,944
An analysis of depreciation by function		
Operation cost	$ 65,068	$ 60,135
Operating expenses	64,944	66,613
	$ 130,012	$ 126,748
An analysis of amortization by function		
Operation cost	$ 10,185	$ 7,387
Operating expenses		
Marketing expense	587	519
Management expense	751	637
R&D expense	2,477	2,653
	$ 14,000	$ 11,196

2) Gains or losses on foreign currency exchange

	2023	2022
Foreign exchange gains	$ 35,837	$ 94,578
Foreign exchange losses	(34,285)	(62,471)
Net profit	$ 1,552	$ 32,107

3) Employee benefits expense

	2023	2022
Post-employment benefits		
Defined benefit plans	$ 10,126	$ 10,125
Salaries and bonus	299,376	331,528
	$ 309,502	$ 341,653
An analysis of employee benefits expense by function		
Operating costs	$ 155,834	$ 179,929
Operating expenses	153,668	161,724
	$ 309,502	$ 341,653

4) Employees' compensation

According to the Articles of Association, the company allocates 1% to 5% of the pre-tax profits before deducting and distributing employee remuneration as employee remuneration in the current year. The employee compensation for 2023 and 2022 was as following. The estimated employee compensation for 2023 is yet to be approved by the board of directors. The estimated employee compensation for 2022 was approved by the BOD on February 20, 2023:

Estimated rate

	2023	2022
Employees' compensation	1.68%	2.24%

Amount

	2023	2022
Employees' compensation	$ 5,800	$ 11,000

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 distribution amount of employee compensation for 2022 and 2021 and the amount recognized in the 2022 and 2021 consolidated financial statements.

Information on the employees' compensation by The Company board of directors, which 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

	2023	2022
Current tax		
In respect of the current year	$ 12,270	$ 31,237
Adjustments for prior years	(11,853)	(8,294)
	417	22,943
Deferred income tax		
In respect of the current year	(37,612)	(35,152)
Income tax recognized in profit or loss	($ 37,195)	($ 12,209)

The adjustment of accounting income and income tax expenses is as follows:

	2023	2022
Profit before tax from continuing operations	$ 300,597	$ 443,609
Income tax expense calculated at the statutory rate	$ 116,155	$ 153,578
The equity method recognizes domestic investment interests	(54,474)	(64,007)
Nondeductible expenses in determining taxable income	13	110
Deductible temporary differences and loss deductions not recognized	(87,036)	(93,596)
Adjustments for prior years' tax	(11,853)	(8,294)
Income tax expense recognized in profit or loss	($ 37,195)	($ 12,209)

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 2023 and 2022, 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

	2023	2022
Deferred tax		
In respect of the current period:		
Translations of foreign operations	$ 245	($ 181)
Income tax recognized in other comprehensive income	$ 245	($ 181)

c. Income tax assessments

	December 31, 2023	December 31, 2022
Current tax liabilities	$ 4,255	$ 29,261

d. Deferred tax assets and liabilities

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

	2023			
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary difference				
Reversals of inventory write-downs	$ 3,979	$ 400	$ -	$ 4,379
Payables for annual leave	1,083	-	-	1,083
Provisions	959	(472)	-	487
Translations of foreign operations	404	-	245	649
Unrealized Foreign exchange loss	536	559	-	1,095
Others	374	(362)	-	12
	7,335	125	245	7,705
Loss carry forwards	158,837	38,547	-	197,384
	$ 166,172	$ 38,672	$ 245	$ 205,089
	$ 3,979	$ 400	$ -	$ 4,379
Deferred tax liabilities				
Temporary difference				
Investments accounted for using the equity method	$ 8,968	$ 1,011	$ -	$ 9,979
Unrealized Foreign exchange income	301	(19)	-	282
Financial assets measured at fair value through profit or loss	-	68	-	68
	$ 9,269	$ 1,060	$ -	$ 10,329

	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 carry forwards	121,351	37,486	-	158,837
	$ 130,022	$ 36,331	($ 181)	$ 166,172

	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	$ 8,090	$ 878	$ -	$ 8,968
Unrealized Foreign exchange income	-	301	-	301
	$ 8,090	$ 1,179	$ -	$ 9,269

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

	December 31, 2023	December 31, 2022
Loss carryforwards		
Expiry in 2026	$ -	$ 3,437
Expiry in 2027	136,511	573,007
Expiry in 2028	263,942	263,942
	$ 400,453	$ 840,386

f. Information about unused loss deduction

As of December 31,2023, the relevant information about loss deduction is as follows:

Un-deduction balance	Last year of deduction
$ 34,640	2025
354,191	2026
650,614	2027
347,927	2028
$1,387,372	

g. Income tax verification situation

The company and its subsidiary Yea-sin Technology's income tax declaration cases for profitable businesses as of 2021 years have been approved by the tax collection agency.

22. EARNINGS PER SHARE

Unit: per share/NTD

	2023	2022
Basic earnings per share	$ 6.73	$ 9.08
Diluted earnings per share	$ 6.72	$ 9.06

When calculating earnings per share, the impact of the free allotment has been retrospectively adjusted, and the base date of the free allotment is set on October 6, 2023.

Due to retrospective adjustments, the changes in basic and diluted earnings per share in 2022 were as follows:

Unit: per share/NTD

	Before retrospective adjustment	After retrospective adjustment
Basic earnings per share	$ 10.26	$ 9.08
Diluted earnings per share	$ 10.24	$ 9.06

Net profit and the weighted average number of common shares used to calculate earnings per share are as follows:

Net profit for the year

	2023	2022
Net profit used to calculate basic earnings per share	$ 337,792	$ 455,818
Used to calculate net profit per diluted earnings per share	$ 337,792	$ 455,818

Number of shares

Unit: thousand shares

	2023	2022
Weighted average number of common shares used to calculate basic earnings per share	50,204	50,204
Impact of potentially dilutive common shares:		
Employee compensation	28	82
Weighted average number of common shares used to calculate diluted earnings per share	50,232	50,286

If the Company can choose to pay employee compensation in stocks or cash, when calculating diluted earnings per share, it is assumed that the employee compensation will be in the form of stock issuance, and the weighted average number of outstanding shares will be included when the potential ordinary shares have a dilutive effect. Calculate diluted earnings per share. When calculating diluted earnings per share before deciding on the number of shares to distribute employee compensation in the following year, the dilutive effect of these potential ordinary shares will also continue to be considered.

23. CAPITAL RISK MANAGEMENT

The company 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.

24. FINANCIAL INSTRUMENTS

a. Fair value information - financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy (December 31, 2022: None)

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Derivatives	$ -	$ 339	$ -	$ 339

There are no transfers between Level 1 and Level 2 fair value measurements in 2023 and 2022.

2. Valuation techniques and inputs for Level 2 fair value measurements

Financial instrument categories	Evaluation techniques and input values
Derivatives – Exchange Contracts	Discounted cash flow method: estimate future cash flows based on the observable forward exchange rate at the end of the period and the exchange rate specified in the contract, and discount them separately at a discount rate that reflects the credit risk of each counterparty.

b. Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at amortized cost (Note 1)	$ 1,015,824	$ 974,787
Measured at fair value through profit or loss Held for trading	339	-
Financial liabilities		
Amortized cost (Note 2)	1,477,303	1,545,677

Note 1: The balance includes cash, debt instrument investments, notes receivable, accounts receivable, other receivables (excluding tax refunds receivable) and guarantee deposits and other financial assets measured at amortized cost.

Note 2: The balance includes short-term borrowings, accounts payable, other payables, long-term borrowings and guarantee deposits and other financial liabilities measured at amortized cost.

c. Financial risk management objectives and policies

The main financial instruments of the consolidate company include notes receivable, accounts receivable, other receivables, accounts payable, borrowings and lease liabilities. The financial risk management objective of the consolidate company is to manage market risk, credit risk and liquidity risk related to operating activities. In order to reduce related risks, the management of the merged company is committed to identifying, assessing and avoiding market uncertainties, so as to reduce the potential adverse impact of market changes on the company's financial performance.

1) Market risk

The company's operating activities make the company's main market risks bear the risk of changes in foreign currency exchange rates and changes in interest rates.

a) Exchange rate risk

The (consolidated) company is engaged in foreign currency-denominated sales and purchase transactions, thus causing the (consolidated) company to risk exposure to exchange rate fluctuations. In order to avoid the decrease in the value of foreign currency assets and the fluctuation of future cash flow due to exchange rate changes, the consolidated company analyzes the foreign currency assets and foreign currency liabilities receipts and payments amount, maturity period and other factors, and considers the risk of foreign currency net positions, and then uses foreign currency exchange for profit. Contracts, borrowing foreign currency loans, etc., to avoid relevant exchange rate risks. Internal auditors continue to review compliance with policies and the risk limit. 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.

The carrying amount of monetary assets and monetary liabilities denominated in non-functional currencies of the consolidated company at the balance sheet date (including monetary items denominated in non-functional currencies that have been written off in the consolidated financial statements), please refer to Note 29.

The sensitivity analysis of foreign currency exchange rate risk is mainly based on the calculation of foreign currency monetary items (mainly U.S. dollar items) and derivatives at the end of the financial reporting period. When the functional currency of the merged entity appreciates/depreciates by 1% against the US dollar, the net profit after tax of the company in 2023 will decrease/increase by NTD1,687 thousand; the net profit after tax in 2022 will decrease/increase by NTD888 thousand.

As a above mention, that the aforementioned sensitivity analysis is calculated based on the foreign currency risk exposure amount on the balance sheet date, the management believes that the sensitivity cannot reflect the mid-year risk exposure situation.

b) Interest rate risk

Interest rate risk refers to the risk of changes in the fair value of financial instruments or changes in cash flow due to fluctuations in market interest rates. Because the (consolidated) company holds financial assets and liabilities with fixed interest rates, there is a risk of fair value changes in interest rates; because it holds financial assets and liabilities with floating interest rates, there is a risk of cash flow risks due to changes in interest rates. The management of the (consolidated) company regularly monitors the changes in market interest rates, and adjusts the positions of floating-rate financial assets and liabilities to make the interest rates of the company approach the market interest rate in response to risks arising from changes in market interest rates.

The book amounts of financial assets and financial liabilities of the consolidated company exposed to interest rate exposure on the balance sheet date are as follows:

	December 31, 2023	**December 31, 2022**
Fair value interest rate risk		
-Financial assets	$ 23,627	$ 23,728
-Financial liabilities	6,385	9,794
Cash flow interest rate risk		
-Financial assets	632,331	534,112
-Financial liabilities	1,257,921	1,293,457

The fixed-rate financial assets/liabilities held by the company are measured at amortized cost, so they are not included in the analysis; the floating-rate financial asset/liability analysis method assumes that the amount of assets/liabilities in circulation on the balance sheet date is reported

During the period, they are all in circulation. The company uses an increase/decrease of 0.25% in market interest rates as a reasonable risk assessment for reporting interest rate changes to the management. Under the circumstance that all other variables remain unchanged, if the market interest rate rises/decreases by 0.25%, the company's net profit after tax in 2023 will decrease/increase by NT$1,233 thousand; the net profit after tax in 2022 will decrease/increase by NT$1,506 thousand.

2) Credit risk

Credit risk refers to the risk of consolidated financial losses caused by counterparty default in contractual obligations. The policy adopted by the consolidated company is to only conduct transactions with creditworthy objects to reduce the risk of financial losses, and to continuously monitor credit risk and the credit status of transaction objects. On the balance sheet date, the maximum credit risk amount of the Company is equivalent to the book value of the financial assets listed.

The credit risk of the consolidated company's accounts receivable is mainly concentrated in the Diodes Group, the parent company of the consolidated company's largest customer. As of December 31, 2023 and 2022, the ratio of total accounts receivable from the aforementioned customers was 79% and 77%, respectively. However, since it is an affiliated enterprise transaction, there should be no credit risk.

3) Liquidity risk

The management of the company maintains sufficient cash and bank financing lines to support working capital and reduce liquidity risks.

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

The following table details the analysis of the remaining contractual maturity of non-derivative financial liabilities during the agreed repayment period of the company. It is based on the earliest possible repayment date of the company and is compiled based on the undiscounted cash flow of financial liabilities, which includes interest And principal cash flow.

December 31, 2023

	Weighted Average Effective Rate (%)	Payment on Sight or Less than 3 Month	3 Months to 1 Year	1-2 Year(s)	2-5 Years	Over 5 Years
Non-derivative financial liabilities						
Non-interest bearing		$ 301,103	$ -	$ -	$ -	$ -
Lease liabilities	1.12%	1,583	1,832	1,788	1,249	-
Floating-rate instruments	1.79%	463,480	286,165	94,921	415,600	40,062
		$ 766,166	$ 287,997	$ 96,709	$ 416,849	$ 40,062

December 31, 2022

	Weighted Average Effective Rate (%)	Payment on Sight or Less than 3 Month	3 Months to 1 Year	1-2 Year(s)	2-5 Years	Over 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

b) Financing facilities

The utilization of the bank financing quota of the consolidated company on the balance sheet date is as follows:

	December 31, 2023	December 31, 2022
Secured bank overdraft facilities:		
-Amount used	$ 1,257,921	$ 1,293,457
-Amount unused	300,000	480,710
	$ 1,557,921	$ 1,774,167

25. TRANSACTIONS WITH RELATED PARTIES

The transactions, account balances, income and expenses between the company and its subsidiaries are all eliminated at the time of the merger, so they are not disclosed in this note. Except as disclosed in other notes, the major transactions between the combined company and other related parties are 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 Taiwan S.A R.L., Keelung Branch (Luxembourg) (“Diodes (KL)”)	Sister company
Diodes Hong Kong Limited (“Diodes (HK)”)	Sister company
Shanghai Kaihong Electronic Co., Ltd. (“Kaihong Electronics”)	Sister company

b. Sales of goods

Line Item	Related Party Category/Name	2023	2022
Sales	Sister company		
	Diodes (HK)	$ 747,427	$ 840,745
	Diodes (TW)	621,100	832,192
	Kaihong Electronics	5,321	7,062
		$ 1,373,848	$ 1,679,999

There are no significant difference between the transaction conditions of the above-mentioned related parties and ordinary transactions.

c. Purchases of goods

Related Party Category/Name	2023	2022
Sister company		
Diodes (HK)	$ 163	$ -
Diodes (TW)	4,491	-
	$ 4,654	$ -

There is no significant difference between the transaction conditions of the above-mentioned related parties and ordinary transactions.

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31, 2023	December 31, 2022
Trade receivables from related parties	Sister company		
	Diodes (TW)	$ 78,746	$ 215,735
	Diodes (HK)	199,565	103,451
		$ 278,311	$ 319,186

The outstanding trade receivables from related parties are unsecured. At the end of 2023 and 2022, no allowance for losses was provided for the accounts receivable from related parties.

e. Amounts payable to related parties

Line Item	Related Party Category/Name	December 31, 2023	December 31, 2022
Trade receivables from related parties	Sister company		
	Diodes (TW)	$ 4,526	$ -

f. Compensation of major management personnel

	2023	2022
Short-term employee benefits	$ 21,073	$ 18,971
Post-employment benefits	108	108
	$ 21,181	$ 19,079

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

g. Transactions with other related parties

On July 5, 2023, the company passed a resolution of the board of directors and approved the acquisition of the wafer manufacturing business to be divided by the related party Diodes Taiwan S.A R.L., Keelung Branch (“Diodes (KL)”) in cash by the company or the newly established subsidiary. The two parties also signed a split contract, agreeing that Diodes (KL)would split and transfer the assets and liabilities (subject assets and liabilities) related to its wafer manufacturing business to the company or a newly established subsidiary and continue to operate at the original location after the split.

The calculation of the split consideration is based on the operating value of the underlying assets and liabilities on the base date of split plus the operating premium agreed upon by both parties, and is adjusted based on the underlying assets and liabilities at the time of delivery. The transaction has been approved by the extraordinary shareholders' meeting on August 21, 2023. The company also plans to increase cash capital to complete the aforementioned transaction. Please refer to Note 28 (2) for details of the relevant cash capital increase.

26. PLEDGED ASSETS

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

	December 31, 2023	December 31, 2022	Nature
Bank time deposits (classified as financial assets at amortized cost)	$ 14,416	$ 14,515	endorsements/guarantees and short-term borrowings
Bank demand deposits (classified as financial assets at amortized cost)	52,248	42,080	Short-term and long-term borrowings
Properties and plant	886,377	893,713	Short-term and long-term borrowings
	$ 953,041	$ 950,308	

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Due to the company has demand for replace production line equipment and business expansion that the company has promised to invest/bought properties, land and plant, order machinery and equipment, and system software...etc. The payment amount is listed below:

	December 31, 2023	December 31, 2022
Amount of Contract Commitments	$ 138,577	$ 201,380
Amount Paid (classified as prepayments for equipment)	$ 88,106	$ 132,373

28. SIGNIFICANT POST-PERIOD EVENTS

(1) In order to expand the scale of operations and enter into downstream domestic and foreign trading and import and export sales, the company passed the resolution of the board of directors on December 20, 2023 to purchase other holdings from shareholders of Secos Co., Ltd. for NTD 25 in cash per share. There are common shares issued by Secos Co., Ltd.

The company has acquired 40% of the equity of Secos Co., Ltd. in January 2024 with a cash payment of NTD180,000 thousands. It is judged that it has control over the company, so it was as a subsidiary.

(2) In order to re-invest in subsidiaries and repay bank loans, the company passed the resolution of the board of directors on February 26, 2024, to increase cash capital and issue new shares through public subscription. The number of new shares issued is capped at 5,000 thousand ordinary shares. The total amount of funds expected to be raised is NTD1,000,000 thousands.

29. SIGNIFICANTLY INFLUENCING FOREIGN CURRENCY ASSETS AND LIABILITIES INFORMATION

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, 2023			
	Foreign Currency	Exchange rate ($)	Functional Currency	NTD
Financial assets				
Monetary items				
USD	$ 11,997	30.7050 (USD:NTD)	$ 368,368	$ 368,368
USD	2,394	7.0961 (USD:RMB)	16,988	73,508
RMB	1,403	4.3270 (RMB:NTD)	6,071	6,071
Non-monetary items				
Derivatives				
USD	1,000	30.7050 (USD:NTD)	30,705	30.705
Investing accounted for using the equity method				
USD	2,188	30.7050 (USD:NTD)	67,179	67,179
RMB	15,680	0.1409 (RMB:USD)	2,210	67,874
Financial liabilities				
Monetary items				
USD	8,973	30.7050 (USD:NTD)	275,516	275,516

	December 31, 2022			
	Foreign Currency	Exchange rate ($)	Functional Currency	NTD
Financial assets				
Monetary items				
USD	$ 8,376	30.7100 (USD:NTD)	$ 257,227	$ 257,227
USD	1,186	6.9669 (USD:RMB)	8,263	36,422
RMB	1,420	4.4080 (RMB:NTD)	6,259	6,259
Non-monetary items				
Investments accounted for using the equity method				
USD	2,063	30.7100 (USD:NTD)	63,353	63,353
RMB	14,600	0.1435 (RMB:USD)	2,096	64,335
Financial liabilities				
Monetary items				
USD	6,086	30.7100 (USD:NTD)	186,901	186,901
USD	98	6.9669 (USD:RMB)	683	3,010

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

Unit: NT$ Thousands, Except for Exchange Rate

	2023		**2022**	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	30.708 (USD:NTD)	$ 1,742	29.20 (USD:NTD)	$ 33,262
USD	7.032 (USD:RMB)	320	6.669 (USD:RMB)	25
EUR	33.980 (EUR:NTD)	(795)	32.72 (EUR:NTD)	(1,020)
Others		285		(160)
		$ 1,552		$ 32,107

30. SUPPLEMENTARY DISCLOSURES

a. Information on significant transactions：

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 individual real estate at prices of at least NT$300 million, or above of 20% the paid-in capital：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) Other: Business relations and important transactions and amounts between parent and subsidiary companies and between subsidiaries：Please refer to Attached Table 4

b. Intercompany relationships and significant intercompany transactions：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 operating results

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

	2023			
	ERIS Technology & Jie Cheng	YEA SHIN	Adjustment and Write-off	Total
Revenue from external customers	$ 1,642,338	$ 97,030	$ -	$ 1,739,368
Inter-segment revenue	24,690	793,508	(818,198)	-
Segment revenue	$ 1,667,028	$ 890,538	($ 818,198)	$ 1,739,368
Segment income	$ 342,510	$ 279,072	($ 283,790)	$ 337,792
Segment assets	$ 3,327,619	$ 840,017	($ 1,003,111)	$ 3,164,525
Segment liabilities	$ 1,680,047	$ 162,090	($ 257,336)	$ 1,584,801

	2022			
	ERIS Technology & 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

b. Product category of business revenues

	2023	2022
Diodes & Transistor	$ 1,681,413	$ 2,124,333
Wafer	54,105	46,823
Others	3,850	6,461
	$ 1,739,368	$ 2,177,617

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	
	2023	2022	December 31, 2023	December 31, 2022
Taiwan	$ 828,293	$ 1,099,382	$ 1,663,084	$ 1,709,597
Asia	850,580	990,037	809	960
Europe	33,949	58,087	-	-
North USA	26,546	29,540	-	-
Australia	-	571	-	-
	$ 1,739,368	$ 2,177,617	$ 1,663,893	$ 1,710,557

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

d. Important customers' information:

	2023	2022
A Group	$ 1,373,848	$ 1,672,937
B Customer	47,031	64,950
	$ 1,420,879	$ 1,737,887

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

For the Year end December 31, 2023

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Provided to An Individual Entity (Note 2)	Maximum Endorsement/ Guarantee Balance for the Period	Outstanding Balance of Endorsements/ Guarantees at the End of the Period	Actual Drawing Amount	Amount of Endorsements/ Guarantees Collateralized by Property	Ratio of Cumulative Amount of Endorsements/ Guarantees to the Net Equity Stated in the Latest Financial Statements	Maximum Limit of Endorsement/ Guarantee (Note 2)	Endorsements/ Guarantees Provided by Parent for Subsidiary	Endorsements/ Guarantees Provided by Subsidiary for Parent	Endorsements/ Guarantees Provided for Subsidiary in Mainland China
		Name of Company	Relationship (Note 1)										
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	(2)	$ 157,972	$ 30,000	$ 30,000	$ -	$ 9,212	1.90%	$ 473,917	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, 2023.

TABLE2

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Purchases or Sales with Related Parties Amounting to NT$100 Million or 20% of Paid-in Capital or More

For the Year end December 31, 2023

(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
			Purchase/ Sale	Amount	Ratio of Total Purchases (Sales) (%)	Credit Period	Unit Price	Credit Period	Balance	Ratio of Notes/Accounts Receivable (Payable) (%)	
Eris Technology Corporation	Diodes Hong Kong Ltd.	Same as The Group ultimate parent company	Sale	($ 747,427)	46.85%	60 days	None	None	$ 199,565	56.17%	-
Eris Technology Corporation	Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg)	Same as The Group ultimate parent company	Sale	(621,100)	38.93%	60 days	None	None	78,746	22.17%	-
Eris Technology Corporation	Yea-Shin Technology Corp.	The Company's subsidiary	Purchase	776,278	84.55%	60 days	None	None	(248,317)	95.53%	Note 1

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

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

December 31, 2023

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

Company recording the receivables	Counterparty	Relationship	Balance Receivables from Related Parties	Turnover rate	Overdue Receivables from Related Parties		Amounts of Receivables from Related Parties Received in Subsequent Period (Note 1)	Amount of Loss Allowance
					AMOUNT	Actions Taken		
Eris Technology Corp.	Diodes Hong Kong Limited	Same as the Company's ultimate parent company	$ 199,565	4.93	$ -	—	$ 132,395	-
Yea Shin Technology Co., Ltd.	Eris Technology Corp.	Parent company	248,317	3.76	-	—	160,054	-

Note 1: Related transactions have been written off in the consolidated 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, 2023

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

No. (Note 1)	Investee 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	Accounts receivable	$ 30	–	0.00%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Sales revenue	5,283	No significant difference compared with general customers	0.30%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Purchase	21,846	No significant difference compared with general customers	1.25%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Other operating expenses	989	No significant difference compared with general customers	0.06%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Accounts receivable	5,896	–	0.19%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Accounts payable	248,317	–	7.85%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Other Accounts receivable	1,104	–	0.03%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Sales revenue	22,881	No significant difference compared with general customers	1.31%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Purchase	776,278	No significant difference compared with general customers	44.54%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Outsourced	14,231	No significant difference compared with general customers	0.82%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Other operating expenses	4,068	No significant difference compared with general customers	0.23%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Rent	3,429	No significant difference compared with general customers	0.20%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Other Accounts receivable	766	–	0.02%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Accounts payable	276	–	0.01%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Another income	3,365	No significant difference compared with general customers	0.19%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Sales revenue	2,773	No significant difference compared with general customers	0.16%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Purchase	1,809	No significant difference compared with general customers	0.10%

Note 1: The numbers shall be filled in the column of No. for intercompany relationships in a manner of following instructions:

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 subsidiaries.
2. Subsidiaries to the parent company.
3. Subsidiaries to subsidiaries.

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

RELATED INFORMATION ON NAME OF INVESTEE, LOCATION, AND SO ON

For the Year end December 31, 2023

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

Name of Investor	Name of Investee	Location	Principal Business Activities	Original Investment Amount (Note 1)		Ending Balance			Net Income (Loss) of the Investee for the Period (Note 2 and 6)	Investment Profit (Loss) Recognized for the Period (Note 2 and 6)	Note
				End of the Period	Year-end of the last year	Number of shares (in thousands)	Ratio (%)	Carrying Amount (Note 3)			
Eris Technology Corp.	Keep High Limited	SEYCHELLES	Holding of investments	$ 20,776 (USD 670 thousand)	$ 20,776 (USD 670 thousand)	N/A	100	$ 67,179	$ 4,718 (USD 154 thousand)	$ 5,053 (Note 4)	Subsidiary
	Yea Shin Technology Co., Ltd.	Taiwan	Engaged in manufacturing of electronic components and wholesaling of electronic materials	381,078	381,078	29,342	100	681,746	279,072	272,366 (Note 4)	Subsidiary
	Erishin Semiconductor Corporation	Taiwan	Engaged in manufacturing of electronic components and wholesaling of electronic materials	1,000	-	100	100	1,002	2	-	Subsidiary
Keep High Limited	Forever Eagle Incorporation	MAURITIUS	Holding of investments	20,473 (USD 660 thousand)	20,473 (USD 660 thousand)	N/A	100	67,847 (USD 2,210 thousand)	4,718 (USD 154 thousand)	4,718 (USD 118 thousand)	Sub-subsidiary

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: Related transactions were eliminated in the consolidated financial statements.

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

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

Note 6: Please refer to Table 6 for related information on investee in Mainland China.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

For the Year end December 31, 2023

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

Investee in Mainland China	Principal Business Activities	Paid-in Capital (Note 1)	Method of Investments	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 (Note 6)	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 (USD 650 thousand)	Indirectly investment in Mainland China through companies registered in a third region	$ 20,170 (USD650 thousand)	$ -	$ -	$ 20,170 (USD 650 thousand)	$ 4,718 (RMB 1,080 thousand)	100%	$ 4,718 (RMB 1,080 thousand)	$ 67,847	$ -

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 (USD 650 thousand)	$19,958 (USD 650 thousand)	$ 947,834

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 of the investment period.

Note 3: Translation was based on the period-end exchange rate at December 31, 2023

Note 4: The information was calculated as 60% of the Company’s net worth at December 31, 2023

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: Related transactions were eliminated in the consolidated financial statements.

TABLE 7

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

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 OF LOSSES, AND OTHERS RELATED INFORMATION

For the Year end December 31, 2023

(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
Jiecheng Electronic (Shanghai) Co., Ltd.	Sales	($ 8,056)	0.46%	None	None	$ 30	0.01%	Note 1
Jiecheng Electronic (Shanghai) Co., Ltd.	Purchases	23,655	1.36%	None	None	(276)	0.18%	Note 1
Jiecheng Electronic (Shanghai) Co., Ltd.	Other income	(3,365)	-	None	None	766	7.96%	Note 1

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

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON MAJOR SHAREHOLDERS

For the Year end December 31, 2023

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

Name of Major Shareholders	Shares	
	Number of Shares Held	Shareholding Ratio
Yuanta Commercial Bank is entrusted with the custody of Diodes Holdings UK Limited Investment Account.	25,636,992	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 (website: http://mops.twse.com.tw).