

Eris Technology Corporation and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report For the Three Months Ended March 31, 2024 and 2023

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

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Independent Auditors' Report

To: The Board of Directors and Shareholders of Eris Technology Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Eris Technology Corp. and its subsidiaries as of March 31, 2024 and 2023, the related consolidated statements of comprehensive income, of changes in equity, and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

The accountants performed the review work in accordance with the review standard No. 2410 "Review of Financial Statements". The procedures performed in reviewing the consolidated financial statements include inquiries (principally of those responsible for financial and accounting matters), analytical procedures and other review procedures. The scope of the audit work is obviously smaller than that of the audit work, so the accountant may not be able to detect all the major matters that can be identified through the audit work, and therefore cannot express an audit opinion.

Conclusion

Based on our reviews, we did not find that the above-mentioned consolidated financial statements did not comply with the Financial Reporting Standards for Securities Issuers and the International Accounting Standard No. 34 "prepared by, It is impossible to properly express the consolidated financial status of Eris Technology Corp. and its subsidiaries on March 31, 2024 and March 31, 2023, and the consolidated financial performance and Consolidated cash flows.

Deloitte & Touche
Certified Public Accountant
Jimmy Wu

Certified Public Accountant
Sabrina Liu

Approval number of
the Financial Supervisory Commission
the Jin Guan Zheng Shen Zi No.1010028123

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of the Financial Supervisory Commission
the Jin Guan Zheng Shen Zi No. 1100356048

April 30, 2024

Eris Technology Corp. and Subsidiaries
Consolidated Balance Sheets
As of March 31, 2024, and December 31 and March 31, 2023
Unit: NT\$ Thousands

Code	Assets	March 31, 2024 (Reviewed)		December 31, 2023 (Audited)		March 31, 2023 (Reviewed)	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash (Note 6)	\$ 618,200	17	\$ 581,159	19	\$ 545,569	17
1110	Financial assets at fair value through profit or loss – current (Notes 7 and 26)	454	-	339	-	501	-
1136	Financial assets at amortized cost - current (Note 8 and 28)	67,699	2	65,818	2	55,665	2
1150	Notes receivable (Note 9 and 19)	3,146	-	953	-	377	-
1170	Trade receivables, net (Note 9 and 19)	235,506	6	72,525	2	74,956	2
1180	Trade receivables from related parties (Note 9, 19 and 27)	321,527	9	278,311	9	252,281	8
1200	Other receivables	22,977	1	9,632	-	3,101	-
130X	Inventories, net (Note 10)	303,056	8	237,732	8	284,523	9
1470	Prepayments and other current assets	8,229	-	11,198	-	13,862	1
11XX	Total current assets	<u>1,580,794</u>	<u>43</u>	<u>1,257,667</u>	<u>40</u>	<u>1,230,835</u>	<u>39</u>
	Non-current assets						
1540	Financial assets at amortized cost - non-current (Note 8 and 28)	14,057	1	10,057	-	10,014	-
1600	Property, plant and equipment (Note 12 and 28)	1,578,221	43	1,539,827	49	1,561,465	50
1755	Right-of-use assets (Note 13)	7,007	-	6,309	-	8,173	-
1805	Goodwill (Note 4, 14 and 23)	46,446	1	24,070	1	24,070	1
1821	Other intangible assets (Note 15)	103,921	3	13,997	-	14,281	1
1840	Deferred tax assets (Note 4 and 21)	224,296	6	205,089	6	175,737	6
1915	Prepayments for equipment (Note 29)	68,091	2	88,106	3	95,255	3
1920	Refundable deposits	4,397	-	3,749	-	3,770	-
1990	Other non-current assets	16,750	1	15,654	1	11,574	-
15XX	Total non-current assets	<u>2,063,186</u>	<u>57</u>	<u>1,906,858</u>	<u>60</u>	<u>1,904,339</u>	<u>61</u>
1XXX	Total assets	<u>\$ 3,643,980</u>	<u>100</u>	<u>\$ 3,164,525</u>	<u>100</u>	<u>\$ 3,135,174</u>	<u>100</u>
	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Note 16 and 28)	\$ 675,000	19	\$ 600,000	19	\$ 450,000	15
2120	Financial liabilities at fair value through profit or loss - current (Note 7 and 26)	494	-	-	-	-	-
2150	Notes payable	3	-	-	-	-	-
2170	Trade payables	174,307	5	146,170	5	152,912	5
2180	Trade payables from related parties (Note 27)	1,142	-	4,526	-	-	-
2200	Other payables (Note 17)	149,334	4	150,407	5	128,321	4
2230	Current tax liabilities (Note 4 and 21)	17,342	-	4,255	-	34,416	1
2280	Lease liabilities - current (Note 13)	4,488	-	3,373	-	3,788	-
2320	Long-term liabilities due within one year (Note 16 and 28)	40,635	1	135,877	4	35,687	1
2399	Other current liabilities (Note 19)	22,341	1	4,796	-	8,847	-
21XX	Total current liabilities	<u>1,085,086</u>	<u>30</u>	<u>1,049,404</u>	<u>33</u>	<u>813,971</u>	<u>26</u>
	Non-current liabilities						
2540	Long-term borrowings (Note 16 and 28)	628,375	17	522,044	17	748,886	24
2570	Deferred tax liabilities (Note 4 and 21)	27,351	1	10,329	-	9,341	-
2580	Lease liabilities - non-current (Note 13)	2,598	-	3,012	-	4,463	-
2645	Deposit Margin	12	-	12	-	12	-
25XX	Total non-current liabilities	<u>658,336</u>	<u>18</u>	<u>535,397</u>	<u>17</u>	<u>762,702</u>	<u>24</u>
2XXX	Total liabilities	<u>1,743,422</u>	<u>48</u>	<u>1,584,801</u>	<u>50</u>	<u>1,576,673</u>	<u>50</u>
	Equity attributable to owners of the Company (Note 18)						
3100	Share Capital	502,039	14	502,039	16	444,283	14
3200	Capital surplus	402,511	11	402,511	13	402,511	13
	Retained earnings						
3310	Legal reserve	142,722	4	142,722	4	97,141	3
3320	Special reserve	1,617	-	1,617	-	2,341	-
3350	Unappropriated earnings	629,343	17	533,433	17	613,571	20
3300	Total retained earnings	<u>773,682</u>	<u>21</u>	<u>677,772</u>	<u>21</u>	<u>713,053</u>	<u>23</u>
3400	Other equity	(1,576)	-	(2,598)	-	(1,346)	-
31XX	Total equity attributable to owners of parent	<u>1,676,656</u>	<u>46</u>	<u>1,579,724</u>	<u>50</u>	<u>1,558,501</u>	<u>50</u>
36XX	Non-controlling interests	223,902	6	-	-	-	-
3XXX	Total equity	<u>1,900,558</u>	<u>52</u>	<u>1,579,724</u>	<u>50</u>	<u>1,558,501</u>	<u>50</u>
	Total liabilities and equity	<u>\$ 3,643,980</u>	<u>100</u>	<u>\$ 3,164,525</u>	<u>100</u>	<u>\$ 3,135,174</u>	<u>100</u>

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

Eris Technology Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2024 and 2023

(Reviewed only, not audited in accordance with Generally Accepted Auditing Standards)

Unit: NT\$ Thousands, Except for Earnings Per Share In NT\$

Code		Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
		Amount	%	Amount	%
	Operating revenue (Note 19 and 27)				
4110	Sales	\$ 551,089	101	\$ 433,486	100
4170	Less: Sales return and allowance	(6,171)	(1)	(302)	-
4000	Net operating revenue	544,918	100	433,184	100
5000	Operating costs (Note 10 and 20)	353,325	65	280,764	65
5900	Gross Profit	191,593	35	152,420	35
	Operating expenses (Note 9 and 20)				
6100	Selling and marketing expenses	24,336	4	13,422	3
6200	General and administrative expenses	48,240	9	31,835	7
6300	Research and development expenses	38,025	7	30,321	7
6450	Expected credit impairment losses	330	-	-	-
6000	Total operating expenses	110,931	20	75,578	17
6900	Net operating income	80,662	15	76,842	18
	Non-operating income and expenses				
7100	Interest income	1,357	-	390	-
7190	Other income	115	-	523	-
7210	Gains on disposal of property, plant and equipment	50	-	85	-
7230	Foreign exchange gain (loss) (Note 20)	23,459	4	(1,608)	(1)
7235	Net gain (loss) on financial instruments at fair value through net (loss) or profit (Note 7)	(147)	-	501	-
7510	Interest expense	(6,085)	(1)	(5,688)	(1)
7000	Total non-operating income and expenses	18,749	3	(5,797)	(2)

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Code		Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
		Amount	%	Amount	%
7900	Net profit before income tax	\$ 99,411	18	\$ 71,045	16
7950	Income tax expenses (Notes 4 and 21)	<u>3,591</u>	<u>1</u>	<u>4,359</u>	<u>1</u>
8200	Net profit for the period	<u>103,002</u>	<u>19</u>	<u>75,404</u>	<u>17</u>
	Other comprehensive gains and losses				
8361	Exchange differences on translating the financial statements of foreign operations	1,277	-	339	-
8399	Income taxes related to components of other comprehensive income that will be reclassified to profit and loss (Note 4 and 21)	(<u>255</u>)	<u>-</u>	(<u>68</u>)	<u>-</u>
8300	Other comprehensive income/(loss) for the period (after net income tax)	<u>1,022</u>	<u>-</u>	<u>271</u>	<u>-</u>
8500	Total comprehensive income for the period	<u>\$ 104,024</u>	<u>19</u>	<u>\$ 75,675</u>	<u>17</u>
	Net Profit attributable to :				
8610	Owners of parent	\$ 95,910	18	75,404	17
8620	Non-controlling interests	<u>7,092</u>	<u>1</u>	<u>-</u>	<u>-</u>
8600		<u>\$ 103,002</u>	<u>19</u>	<u>\$ 75,404</u>	<u>17</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 96,932	18	75,675	17
8720	Non-controlling interests	<u>7,092</u>	<u>1</u>	<u>-</u>	<u>-</u>
8700		<u>\$ 104,024</u>	<u>19</u>	<u>\$ 75,675</u>	<u>17</u>
	Earnings per share (Note 22)				
9710	Basic	<u>\$ 1.91</u>		<u>\$ 1.50</u>	
9810	Diluted	<u>\$ 1.91</u>		<u>\$ 1.50</u>	

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

Eris Technology Corp. and Subsidiaries
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2024 and 2023
(Reviewed only, not audited in accordance with Generally Accepted Auditing Standards)
Unit: NT\$ Thousands

Code		Share capital (Note 18)		Retained earnings (Note 18)				Other equity			Total equity	
		Number of shares (in thousands)	Amount	Capital surplus (Note 18)	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations	Total amount		Non-controlling Interests
A1	Balance as of January 1, 2023	44,428	\$ 444,283	\$ 402,511	\$ 97,141	\$ 2,341	\$ 538,167	\$ 637,649	(\$ 1,617)	\$ 1,482,826	\$ -	\$ 1,482,826
D1	Net profit for the three months ended March 31, 2023	-	-	-	-	-	75,404	75,404	-	75,404	-	75,404
D3	Other comprehensive income/(loss) for the three months ended March 31, 2023 after tax	-	-	-	-	-	-	-	271	271	-	271
D5	Total comprehensive income/(loss) for the three months ended March 31, 2023	-	-	-	-	-	75,404	75,404	271	75,675	-	75,675
Z1	Balance as of March 31, 2023	<u>44,428</u>	<u>\$ 444,283</u>	<u>\$ 402,511</u>	<u>\$ 97,141</u>	<u>\$ 2,341</u>	<u>\$ 613,571</u>	<u>\$ 713,053</u>	(<u>\$ 1,346</u>)	<u>\$ 1,558,501</u>	<u>\$ -</u>	<u>\$ 1,558,501</u>
A1	Balance as of January 1, 2024	50,204	\$ 502,039	\$ 402,511	\$ 142,722	\$ 1,617	\$ 533,433	\$ 677,772	(\$ 2,598)	\$ 1,579,724	\$ -	\$ 1,579,724
O1	Non-controlling interests increase	-	-	-	-	-	-	-	-	-	216,810	216,810
D1	Net profit for the three months ended March 31, 2024	-	-	-	-	-	95,910	95,910	-	95,910	7,092	103,002
D3	Other comprehensive income/(loss) for the three months ended March 31, 2024 after tax	-	-	-	-	-	-	-	1,022	1,022	-	1,022
D5	Total comprehensive income/(loss) for the three months ended March 31, 2024	-	-	-	-	-	95,910	95,910	1,022	96,932	7,092	104,024
Z1	Balance as of March 31, 2024	<u>50,204</u>	<u>\$ 502,039</u>	<u>\$ 402,511</u>	<u>\$ 142,722</u>	<u>\$ 1,617</u>	<u>\$ 629,343</u>	<u>\$ 773,682</u>	(<u>\$ 1,576</u>)	<u>\$ 1,676,656</u>	<u>\$ 223,902</u>	<u>\$ 1,900,558</u>

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

Eris Technology Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the three months ended March 31, 2024 and 2023

(Reviewed only, not audited in accordance with Generally Accepted Auditing Standards)

Unit: NT\$ Thousands

Code		Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	Cash flows from operating activities		
A10000	Net Profit before tax for the period	\$ 99,411	\$ 71,045
A20010	Adjustments for:		
A20100	Depreciation expenses	32,452	30,416
A20200	Amortization expenses	7,419	2,799
A20300	Expected credit loss	330	-
A20400	Net (gain)/loss on financial instruments at fair value through profit or loss	379	(501)
A20900	Interest expense	6,085	5,688
A21200	Interest income	(1,357)	(390)
A22500	Gains on disposal of property, plant and equipment	(50)	(85)
A23800	Write-downs of inventories	-	2,000
A24100	Unrealized gain on foreign currency exchange	(22,687)	(4,625)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(1,144)	1,117
A31150	Trade receivables	12,207	18,548
A31160	Trade receivables from related parties	(22,807)	70,421
A31180	Other receivables	(7,764)	740
A31200	Inventories	39,035	22,327
A31240	Prepayments and other current assets	2,743	245
A32130	Notes payables	(2,344)	-
A32150	Trade payables	(22,489)	(5,445)
A32160	Trade payables from related parties	(3,384)	-
A32180	Other payables	(28,076)	(61,899)
A32230	Other current liabilities	<u>1,532</u>	<u>(153)</u>
A33000	Cash generated from operations	89,491	152,248
A33100	Interest received	710	283
A33300	Interest paid	(5,946)	(5,770)
A33500	Income tax paid	<u>(91)</u>	<u>(47)</u>
AAAA	Net cash generated from operating activities	<u>84,164</u>	<u>146,714</u>

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Code		Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	Cash flows from investing activities		
B00040	Acquiring financial assets measured at amortized cost	(\$ 4,000)	\$ -
B02200	Net cash outflow from business combination	(39,222)	-
B02700	Acquisition of property, plant and equipment	(25,317)	(20,078)
B02800	Proceeds from disposal of property, plant and equipment	2,715	220
B04500	Payments for intangible assets	(822)	(762)
B06700	Increase in other non-current assets	(4,925)	(1,073)
B07100	Increase in prepayments for equipment	(<u>5,416</u>)	(<u>12,430</u>)
BBBB	Net cash used in investing activities	(<u>76,987</u>)	(<u>34,123</u>)
	Cash flows from financing activities		
C00100	Increase (decrease) in short-term loans	40,000	(50,000)
C01600	long-term loans	100,000	-
C01700	Repayments of long-term borrowings	(108,911)	(8,884)
C04020	Repayments of principal portion of lease liabilities	(<u>2,435</u>)	(<u>1,544</u>)
CCCC	Net cash generated from/(used in) financing activities	<u>28,654</u>	(<u>60,428</u>)
DDDD	Effect of exchange rate changes on cash	<u>1,210</u>	<u>341</u>
EEEE	Increase in cash	37,041	52,504
E00100	Cash at the beginning of the period	<u>581,159</u>	<u>493,065</u>
E00200	Cash at the ending of the period	<u>\$ 618,200</u>	<u>\$ 545,569</u>

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

Eris Technology Corp. and Subsidiaries

Notes to Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Reviewed only, not audited in accordance with Generally Accepted Auditing Standards)

(Amount in NTS Thousands, Unless Specified Otherwise)

1. Company History

Eris Technology Corporation (the “Company”) was incorporated with the approval of the Ministry of Economic Affairs on August 16, 1995, and it mainly manufactures, sells and services for testing of components, such as rectifier diode, wafer, light-emitting diode, and related products.

The Securities and Futures Bureau of Financial Supervisory Commission approved the Company for the public offering of its stocks on August 13, 2009, and the shares have been listed on the Taipei Exchange (“TPEX”) Mainboard on June 29, 2012 with approval.

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 of Diodes Holding B.V.

As of March 31, 2024, 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.

The consolidated financial statements are presented in the New Taiwan dollar as the Company's functional currency.

2. Date and Procedures of Authorization of Financial Statements

The consolidated financial statements were approved by the Company's Board of Directors on April 20, 2024.

3. Application of New and Amended Standards and Interpretations

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group accounting policies.

b. IFRSs issued by the International Accounting Standards Board (“IASB”) and yet to be endorsed by the FSC

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	To be determined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure of Financial Statements"	January 1, 2027
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 this amendment is applied for the first time, the comparative period shall not be restated, but the impact shall be recognized in the foreign operating institution's exchange difference (as appropriate) under retained earnings or equity on the first application date, as well as the related affected assets and liabilities. As of the date of approval of this consolidated financial report, the company continues to evaluate the impact of the amendments to the above standards and interpretations on its financial position and financial performance, and the relevant impact will be disclosed when the evaluation is completed.

IFRS 18 "Presentation and Disclosure of Financial Statements"

IFRS 18 will replace IAS 1 "Presentation of Financial Statements". The main changes in this standard include:

- The income statement should divide income and expense items into operating, investment, financing, income tax and closed unit types.
- The profit and loss statement should present operating profit and loss, profit and loss before financing and income tax, and the subtotal and total of profit and loss.
- Provide guidance to strengthen aggregation and segmentation requirements: Merging companies must identify assets, liabilities, equity, income, expenses, losses and cash flows from individual transactions or other events, and classify and aggregate them on the basis of common characteristics so that major Each line item presented in the financial statements has at least one similar characteristic. Items with different characteristics should be broken down in the main financial statements and notes. The merged company will label these items as "other" only if it cannot find a more informative name.
- Increase the disclosure of performance measures defined by management: When the combined company conducts public communications outside of financial statements and communicates management's views on a certain aspect of the combined company's overall financial performance to users of financial statements, it should disclose it in a single note to the financial statements. Information related to performance measurement defined by management, including the description of the measurement, how it is calculated, its reconciliation with the subtotal or total specified in IFRS accounting standards, and the impact of income tax and non-controlling interests on related reconciliation items.

In addition to the above impacts, 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 impacts will be disclosed when the assessment is completed.

4. Summary of Significant Accounting Policies

a. Statement of compliance

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, other regulations and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements prepared under the IFRSs.

b. Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis except for financial instruments at fair value.

The fair value measurement is classified into Levels 1 to 3 based on the observability and importance of the related inputs:

- 1) Level 1 inputs refer to the quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date;
- 2) Level 2 inputs refer to the 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 refer to the unobservable inputs for an asset or liability.

c. Basis of Consolidation

The Consolidated Financial Statements include the financial statements of the Company and entities controlled by the Company (subsidiaries). The financial statements of the subsidiaries have been adjusted to bring their accounting policies in line with those used by the Group. All intergroup transactions, balances, income and expenses are eliminated in full as preparing the consolidated financial statements. A subsidiary's total comprehensive income is attributed to the owners of the Company and non-controlling interests, even if non-controlling interests become having deficit balances in the process.

When a change in the Group's ownership interests in a subsidiary does not cause a loss of control over the subsidiary, it shall be treated as an equity transaction. The carrying amounts of the Group and its non-controlling interests have been adjusted to reflect the relative changes in the interest in the subsidiaries. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or collected shall be directly recognized in equity attributable to the owners of the Company.

Please refer to Note 11 and Tables 5 and 6 for details, shareholding ratio, and operations of subsidiaries.

d. Other significant accounting policies

Except to the following instructions, please refer to the summary of significant accounting policies in the 2023 Consolidated Financial Report.

1. Classification of current and non-current assets and liabilities :

Current assets include:

- (1) Assets held mainly for trading purposes;
- (2) Assets expected to be realized within 12 months after the balance sheet date; and
- (3) Cash and cash equivalents (but excluding those that are restricted from being used to exchange or settle liabilities more than 12 months after the balance sheet date).

Current liabilities include:

- (1) Liabilities held primarily for trading purposes;
- (2) Liabilities due for repayment within 12 months after the balance sheet date, and
- (3) Liabilities for which there is no substantive right at the balance sheet date to defer repayment 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.

2. Business combination

Business mergers are handled under the acquisition method. Acquisition-related costs are recorded as expenses in the period when the costs are incurred and the services are obtained.

Goodwill is based on the total of the fair value of the transfer consideration, the amount of the non-controlling interest in the non-acquire and the fair value of the acquirer's previously held interests in the acquire on the acquisition date, in excess of the identifiable assets acquired on the acquisition date and Measured as the net amount of liabilities assumed.

Non-controlling interests that have a current ownership interest in the acquire and are entitled to a proportionate share of the acquires net assets upon liquidation are measured at fair value.

If 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. New information on existing facts and circumstances.

3. Income tax expense

Income tax expense is the sum of current income tax and deferred income tax. Income tax for the interim period is assessed on an annual basis and is calculated on interim pre-tax benefits at the tax rate applicable to the expected total earnings for the year.

5. The Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions

Please refer to the primary sources of uncertainties in major accounting judgments, estimates, and assumptions described in the consolidated financial statements for the year ended December 31, 2023.

6. Cash

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Demand deposits	\$ 338,175	\$ 402,356	\$ 387,044
Foreign currency demand deposits	278,745	177,727	157,502
Cash on hand	1,180	976	1,010
Check deposits	100	100	13
	<u>\$ 618,200</u>	<u>\$ 581,159</u>	<u>\$ 545,569</u>

The market rate intervals of demand deposits at the balance sheet date were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Demand deposits	0.05%~1.45%	0.05%~1.45%	0.05%~1.25%

7. Financial Instruments at Fair Value Through Profit or Loss

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Financial Asset - current</u>			
Held for trading			
–Forward foreign exchange contracts (a.)	\$ -	\$ -	\$ 124
–Cross-currency swap contracts (b.)	454	339	377
	<u>\$ 454</u>	<u>\$ 339</u>	<u>\$ 501</u>
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Financial liabilities - current</u>			
Held for trading			
–Forward foreign exchange contracts (a.)	\$ 168	\$ -	\$ -
–Cross-currency swap contracts (b.)	326	-	-
	<u>\$ 494</u>	<u>\$ -</u>	<u>\$ -</u>

- a. At the balance sheet date, outstanding forward foreign exchange contracts not applicable to hedge accounting were as follows (December 31, 2023: None.):

March 31, 2024

	Currency	Maturity Period	Notional Amount (In Thousands)
Sales of forwarding foreign exchange	USD : NTD	May 2024	USD 500/NTD 15,773

March 31, 2023

	Currency	Maturity Period	Notional Amount (In Thousands)
Sales of forwarding foreign exchange	USD : NTD	May 2023	USD 500/NTD 15,311

- b. At the balance sheet date, outstanding cross-currency swap contracts not under hedge accounting were as follows:

March 31, 2024

Currency	Maturity Period	Contract Amount (In Thousands)			
USD : NTD	November 2024	USD	500	/	NTD 15,124

December 31, 2023

Currency	Maturity Period	Contract Amount (In Thousands)			
USD : NTD	From March 2024 to November 2024	USD	1,000	/	NTD 29,749

March 31, 2023

Currency	Maturity Period	Contract Amount (In Thousands)			
USD : NTD	From October 2023 to March 2024	USD	2,000	/	NTD 58,855

- c. The exchange rate option contracts that have not expired on the balance sheet date are as follows:

March 31, 2024

Contract amount (NT\$ thousand)	Transaction type	Buyer / Seller	Maturity Period	exchange rate
USD 500	Call option	Seller	April 2024	USD : TWD 31.6
USD 500	Call option	Seller	June 2024	USD : TWD 31.9

The Group's financial instruments at fair value through profit or loss incurred a net loss of NTD 147 thousand and net income of NTD 501 thousand for the three months ended March 31, 2024 and 2023, respectively.

8. Financial assets at amortized cost

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Current</u>			
Unpledged bank deposits			
Time deposits with original maturity of more than 3 months	\$ 9,600	\$ 9,211	\$ 9,135
Pledged bank deposits			
Time deposits with original maturity of more than 3 months	14,902	14,416	14,465
Restricted demand deposits	<u>43,197</u>	<u>42,191</u>	<u>32,065</u>
	<u>\$ 67,699</u>	<u>\$ 65,818</u>	<u>\$ 55,665</u>
<u>Non-current</u>			
Pledged bank deposits			
Restricted demand deposits	<u>\$ 14,057</u>	<u>\$ 10,057</u>	<u>\$ 10,004</u>

The market rate intervals of the above assets at the balance sheet date were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Time deposits with original maturity of more than 3 months	2.35%~4.70%	2.49%~4.80%	1.80%~4.35%
Restricted demand deposits	0.64%~0.73%	0.58%~0.60%	0.51%~0.60%

Please refer to Note 28 for information relating to financial assets at amortized cost pledged as security.

9. Notes Receivable and Trade Receivables

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Notes receivable</u>			
Measured at amortized cost			
Total carrying amount	<u>\$ 3,146</u>	<u>\$ 953</u>	<u>\$ 377</u>
<u>Trade receivables</u>			
Measured at amortized cost			
Total carrying amount	\$ 243,995	\$ 76,057	\$ 78,882
Less: loss allowance	<u>(8,489)</u>	<u>(3,532)</u>	<u>(3,926)</u>
Trade receivables, net	<u>\$ 235,506</u>	<u>\$ 72,525</u>	<u>\$ 74,956</u>
<u>Receivables from related parties</u>			
Measured at amortized cost			
Total carrying amount	<u>\$ 321,527</u>	<u>\$ 278,311</u>	<u>\$ 252,281</u>

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 Group's Company has assigned a dedicated team to be responsible for the decision of credit duration, credit approval and other monitoring procedures to ensure that appropriate actions are taken for the recovery of overdue accounts receivable. In addition, the Group's company will review the recoverable amount of the accounts receivable on the balance sheet date to ensure that the unrecoverable accounts receivable have been properly set aside for impairment losses. Accordingly, the management of the Group's believes that the credit risk of the merged company has been significantly reduced.

The Group's company recognizes the allowance loss for accounts receivable according to the expected credit loss during the existence period. The expected credit loss during the duration is

based on the customer's past default record, current financial situation and industrial economic situation.

The loss allowance of trade receivables of the Group (including amounts due from related parties) was as follows:

March 31, 2024

	<u>Not Overdue</u>	<u>1~30 days overdue</u>	<u>31~60 days overdue</u>	<u>61~90 days overdue</u>	<u>More than 90 days overdue</u>	<u>Total</u>
Total carrying amount	\$557,908	\$ 6,457	\$ 362	\$ 166	\$ 629	\$565,522
Loss allowance (lifetime expected credit losses)	(<u>7,723</u>)	(<u>102</u>)	(<u>26</u>)	(<u>9</u>)	(<u>629</u>)	(<u>8,489</u>)
Amortized cost	<u>\$550,185</u>	<u>\$ 6,355</u>	<u>\$ 336</u>	<u>\$ 157</u>	<u>\$ -</u>	<u>\$557,033</u>

December 31, 2023

	<u>Payment Terms of 30 days</u>	<u>Payment Terms of 60 days</u>	<u>Payment Terms of 90 days</u>	<u>Payment Terms of 120 days</u>	<u>Others</u>	<u>Total</u>
Total carrying amount	\$ 19,507	\$292,359	\$ 40,508	\$ 1,580	\$ 414	\$354,368
Loss allowance (lifetime expected credit losses)	(<u>975</u>)	(<u>1,939</u>)	(<u>202</u>)	(<u>2</u>)	(<u>414</u>)	(<u>3,532</u>)
Amortized cost	<u>\$ 18,532</u>	<u>\$290,420</u>	<u>\$ 40,306</u>	<u>\$ 1,578</u>	<u>\$ -</u>	<u>\$350,836</u>

March 31, 2023

	<u>Payment Terms of 30 days</u>	<u>Payment Terms of 60 days</u>	<u>Payment Terms of 90 days</u>	<u>Payment Terms of 120 days</u>	<u>Others</u>	<u>Total</u>
Total carrying amount	\$ 19,829	\$262,294	\$ 46,070	\$ 1,112	\$ 1,858	\$331,163
Loss allowance (lifetime expected credit losses)	(<u>859</u>)	(<u>978</u>)	(<u>230</u>)	(<u>1</u>)	(<u>1,858</u>)	(<u>3,926</u>)
Amortized cost	<u>\$ 18,970</u>	<u>\$261,316</u>	<u>\$ 45,840</u>	<u>\$ 1,111</u>	<u>\$ -</u>	<u>\$327,237</u>

Information on the movements of the loss allowance of trade receivables was as follows:

	<u>Three Months Ended March 31, 2024</u>	<u>Three Months Ended March 31, 2023</u>
Beginning balance	\$ 3,532	\$ 3,920
Acquired from business combination	4,606	-
Provision for impairment losses in this period	330	-
Foreign exchange translation differences	<u>21</u>	<u>6</u>
Ending balance	<u>\$ 8,489</u>	<u>\$ 3,926</u>

The aging analysis of trade receivables was as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Not Overdue	\$ 557,908	\$ 352,735	\$ 326,398
Less than 60 days overdue	6,819	831	1,063
61~90 days overdue	166	269	22
91~120 days overdue	-	-	2,816
More than 120 days overdue	<u>629</u>	<u>533</u>	<u>864</u>
Total	<u>\$ 565,522</u>	<u>\$ 354,368</u>	<u>\$ 331,163</u>

10. Inventories

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Raw Material	\$ 138,590	\$ 136,380	\$ 101,767
Work in progress	88,104	76,615	100,239
Finished goods	21,998	1,940	17,314
Buy & Sales	<u>54,364</u>	<u>22,797</u>	<u>65,203</u>
	<u>\$ 303,056</u>	<u>\$ 237,732</u>	<u>\$ 284,523</u>

The cost of goods sold for the three months ended March 31, 2023 included write-downs of inventories for decline in the value and sluggish losses of NTD 2,000 thousand.

11. Subsidiaries

a. Subsidiaries included in the consolidated financial statements

The entities involved in the preparation of the consolidated financial statements were as follows:

Name of Investor	Name of Subsidiary	Nature of business	Percentage of Ownership		
			March 31, 2024	December 31, 2023	March 31, 2023
The Company	Keep High Limited ("Keep High")	Holding of investments	100%	100%	100%
The Company	Yea Shin Technology Co., Ltd. ("Yea Shin")	Manufacturing of electronic components and wholesaling of electronic materials	100%	100%	100%
The Company	Erishin Semiconductor Corporation ("Erishin")	Manufacturing of electronic components and wholesaling of electronic materials	100%	100%	-
The Company	Secos Corporation ("Secos")	Manufacturing of electronic parts and components R&D, design and sales	40%	-	-
Keep High	Forever Eagle Incorporation ("Forever")	Holding of investments	100%	100%	100%
Forever	Jie Cheng Electronic (Shanghai) Co., Ltd. ("Jie Cheng")	Wholesaling of electronic materials and international trading business	100%	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. As of March 31, 2024, the paid-in capital of Jie Cheng was US\$650 thousand.

For business expansion needs, the company established Erishin Semiconductor Corporation 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 March 31, 2024, Erishin's paid-in capital was NT\$1,000 thousands.

In order to expand the scale of operations, the company passed a resolution of the board of directors on December 20, 2023 to purchase 7,200 ordinary shares of Secos shareholders held by them at NT\$25 per share in cash, totaling NT\$180 million (shareholding ratio is 40%), and the relevant equity transfer transaction was completed on January 2, 2024. Please refer to the explanation in Note 23. The Company determines that it has the substantial ability to lead the relevant activities of Secos, so it is classified as a subsidiary.

In order to expand the scale of operations and cooperate with the division of labor planning of the parent company group, Yeashin passed the resolution of the board of directors on April 29, 2024 to

issue 22,000,000 new shares at a premium of NT\$40 per share, totaling NT\$880 million. The base date for capital increase that is not yet to be determined.

Please refer to Table 5 for the country information of the main place of business and company registration.

- b. Information on subsidiaries with significant non-controlling interests (January 1 to March 31, 2023: None)

<u>Name of Subsidiary</u>	<u>Proportion of equity and voting rights held by non-controlling equity</u>
	<u>March 31, 2024</u>
Secos Corporation	60%

<u>Name of Subsidiary</u>	<u>Allocated to Profit and loss from non-controlling equity</u>	<u>Non-controlling equity</u>
	<u>From January 2 to March 31, 2024</u>	<u>March 31, 2024</u>
Secos Corporation	\$ 7,092	\$ 223,902

The following financial information is prepared based on amounts before elimination of intercompany transactions:

Secos Corporation

	<u>March 31, 2024</u>
Current Assets	\$ 434,075
Non-current Assets	150,606
Current Liabilities	(143,981)
Non-Current Liabilities	(32,277)
Equity	<u>\$ 408,423</u>

The rights of equity belong to :

Owners of parent company	\$ 184,521
Non-controlling equity in Secos	<u>223,902</u>
	<u>\$ 408,423</u>

	<u>January 2 to March 31, 2023</u>
Operating Income	<u>\$ 116,973</u>
Net Profit	\$ 11,826
Other Comprehensive gains and losses	<u>-</u>
Total comprehensive profit and loss	<u>\$ 11,826</u>

The Group's property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Houses and buildings	
Main buildings of the office	35 ~ 50 years
Building improvement	5 ~ 15 years
Machinery Equipment	2 ~ 15 years
Transportation Equipment	5 ~ 8 years
Leasehold Improvements	5 years
Other Equipment	3 ~ 5 years

Please refer to Note 28 for the amounts of property, plant and equipment pledged as collateral for borrowings.

13. Lease Arrangements

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount of right-of-use assets			
Buildings	<u>\$ 7,007</u>	<u>\$ 6,309</u>	<u>\$ 8,173</u>
		Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Depreciation expense of right-of-use assets			
Buildings		<u>\$ 2,434</u>	<u>\$ 1,545</u>

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount of lease liabilities			
Current	<u>\$ 4,488</u>	<u>\$ 3,373</u>	<u>\$ 3,788</u>
Non-current	<u>\$ 2,598</u>	<u>\$ 3,012</u>	<u>\$ 4,463</u>

Intervals of discount rates for lease liabilities were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Buildings	1.00%~1.80%	1.00%~1.80%	1.00%~1.25%

c. Other lease information

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Short term lease fees	<u>\$ 97</u>	<u>\$ -</u>
Low value asset leasing expenses	<u>\$ 16</u>	<u>\$ -</u>
Total cash outflow for leases	<u>\$ 2,563</u>	<u>\$ 1,544</u>

The consolidated company chooses to apply the recognition exemption to transportation equipment that qualifies as short-term leases and office equipment that qualifies as low-value asset leases, and does not recognize related right-of-use assets and lease liabilities for these leases.

14. Goodwill

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Beginning Balance	\$ 24,070	\$ 24,070
Acquired from business combination (Note 23)	<u>22,376</u>	<u>-</u>
Ending Balance	<u>\$ 46,446</u>	<u>\$ 24,070</u>

The acquisition of Yea Shin by the Group in July 2018 resulted in related goodwill of \$24,070 thousand, which mainly came from the expects of future economic benefits of the subsidiary.

The acquisition of Secos by the Group in January 2024, resulting in related goodwill of NT\$22,376 thousand, which mainly came from the expects of future economic benefits of the subsidiary. Please refer to the explanation in Note 23.

No impairment losses were recognized or reversed from January 1 to March 31, 2024 and 2023.

15. Other Intangible Assets

	Patent	Computer Software	Customer Relationship	Total
<u>Cost</u>				
Balance as of January 1, 2024	\$ 617	\$ 21,917	\$ -	\$ 22,534
Acquired from business combination (Note 23)	-	5,503	86,161	91,664
Obtained separately	-	822	-	822
Disposal	(617)	-	-	(617)
Balance as of March 31, 2024	<u>\$ -</u>	<u>\$ 28,242</u>	<u>\$ 86,161</u>	<u>\$ 114,403</u>
<u>Accumulated amortization and impairment</u>				
Balance as of January 1, 2024	\$ 617	\$ 7,920	\$ -	\$ 8,537
Acquired from business combination (Note 23)	-	297	-	297
Amortization expenses	-	1,152	1,113	2,265
Disposal	(617)	-	-	(617)
Balance as of March 31, 2024	<u>\$ -</u>	<u>\$ 9,369</u>	<u>\$ 1,113</u>	<u>\$ 10,482</u>
Net balance as of March 31, 2024	<u>\$ -</u>	<u>\$ 18,873</u>	<u>\$ 85,048</u>	<u>\$ 103,921</u>
<u>Cost</u>				
Balance as of January 1, 2023	\$ 617	\$ 19,671	\$ -	\$ 20,288
Obtained separately	-	762	-	762
Balance as of March 31, 2023	<u>\$ 617</u>	<u>\$ 20,433</u>	<u>\$ -</u>	<u>\$ 21,050</u>
<u>Accumulated amortization and impairment</u>				
Balance as of January 1, 2023	\$ 559	\$ 5,519	\$ -	\$ 6,078
Amortization expenses	15	676	-	691
Balance as of March 31, 2023	<u>\$ 574</u>	<u>\$ 6,195</u>	<u>\$ -</u>	<u>\$ 6,769</u>
Net balance as of March 31, 2023	<u>\$ 43</u>	<u>\$ 14,238</u>	<u>\$ -</u>	<u>\$ 14,281</u>

Amortization charge is accrued on a straight-line basis over the following useful years:

Patent	10 years
Computer Software	2~15 years
Customer Relationship	13 years

16. Borrowings

a. Short-term borrowings

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Secured loans</u>			
Bank loans	\$ 323,500	\$ 300,000	\$ 350,000
<u>Unsecured loans</u>			
Line of credit loans	<u>351,500</u>	<u>300,000</u>	<u>100,000</u>
	<u>\$ 675,000</u>	<u>\$ 600,000</u>	<u>\$ 450,000</u>

The interest rates on bank revolving loans were 1.68%~2.90%, 1.60%~1.85%, and 1.70%~1.89% per annum as of March 31, 2024, December 31 and March 31, 2023, respectively.

Please refer to Note 28 for information relating to assets pledged for secured borrowings.

Long-term borrowings

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<u>Secured loans</u>			
Bank loans (1)	\$ 56,402	\$ 57,800	\$ 61,959
Bank loans (2)	397,103	402,697	-
Bank loans (3)	50,000	50,000	-
Bank loans (4)	39,285	40,751	45,118
Bank loans (5)	4,000	-	-
Bank loans (6)	-	-	50,000
Bank loans (7)	-	-	100,000
Bank loans (8)	-	-	419,475
<u>Non-Secured loans</u>			
Bank loans (9)	6,220	6,673	8,021
Bank loans (10)	100,000	-	-
Bank loans (11)	-	100,000	100,000
Bank loans (12)	<u>16,000</u>	<u>-</u>	<u>-</u>
	669,010	657,921	784,573
Less: listed as portion matured in			
1 year	(<u>40,635</u>)	(<u>135,877</u>)	(<u>35,687</u>)
Long-term borrowings	<u>\$ 628,375</u>	<u>\$ 522,044</u>	<u>\$ 748,886</u>

- 1) The bank loan of NT\$140,000 thousand was obtained by the Group at the end of June 2018, which are pledged by the land and buildings owned by the Company as collateral, with an interest rate of the loan calculated by the 2 year floating interest rate of time savings deposit plus 0.115% to be repaid in annual installments over 15 years. The maturity date of the loan was June 28, 2033. The effective annual interest rates were 1.9313%, 1.7992% and 1.7400% as of March 31, 2024, December 31 and March 31 2023, respectively.
- 2) 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 and March 31 2024, respectively.
- 3) 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 were 1.9366% and 1.8044% as of March 31 2024 and December 31 2023, respectively.

- 4) The bank loan of NT\$49,000 thousand was obtained by the Group on July 1, 2020, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by the floating interest rate of one-month time savings deposit plus 0.08%, which should not be lower than 0.90%, and a grace period of two year to be averagely repaid after the period for the principal and the interests. The maturity date of the loan was June 30, 2030. The effective interest rates were 1.68%, 1.68% and 1.55% as of March 31 2024, December 31 and March 31 2023, respectively.
- 5) The bank loan of NT\$4,000 thousand was obtained by the Group at the end of September 18, 2023, which the bank loan interest rate is in accordance with the loan points of the Ministry of Economic Affairs' Assistance to Small and Medium-sized Enterprises Post-Epidemic Revitalization Project, and the subsidy interest rate is in accordance with the two-year term deposit of China Post Co., Ltd. The interest rate is flexible, the interest is calculated on a flexible basis, and the grace period is one year. After the expiration of the period, the principal and interest will be amortized evenly. The loan maturity date is September 18, 2026. The effective annual interest rate was 0.50% on March 31 2024.
- 6) 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 2023. The effective annual interest rate was 1.8044% on March 31, 2023.
- 7) The Group obtained a bank loan of NT\$100,000 thousand at the end of December26, 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 was 1.55% on March 31, 2023.
- 8) 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 1.8656% as of March 31, 2023.
- 9) 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%, 1.68% and 1.55% as of March 31,2024, December 31 and March31 2023, respectively.
- 10) The bank loan of NT\$100,000 thousand was obtained by the Group on March 27 2024, which the bank loan interest rate is calculated based on the three-month TAIBOR plus 0.5%. The interest is paid monthly and the principal is paid off once it is due. The loan maturity date is March 27, 2026. The effective annual interest rate was 1.80% on March 31, 2024.
- 11) 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. It had been paid off by the March 2024. The effective annual interest rates were 1.8000% and 1.8587% as of December 31 and March 31 2023, respectively.

- 12) The bank loan of NT\$16,000 thousand was obtained by the Group on September 18, 2023, which the bank loan interest rate is in accordance with the loan points of the Ministry of Economic Affairs' Assistance to Small and Medium-sized Enterprises Post-Epidemic Revitalization Project, and the subsidy interest rate is in accordance with the two-year term deposit of China Post Co., Ltd. The interest rate is flexible, the interest is calculated on a flexible basis, and the grace period is one year. After the expiration of the period, the principal and interest will be amortized evenly. The loan maturity date is September 18, 2026. The effective annual interest rate was 0.50% on March 31, 2024.

Please refer to Note 28 for information relating to assets pledged for secured borrowings.

17. Other Payables

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Payables for salaries or bonuses	\$ 54,287	\$ 71,509	\$ 45,723
Payables for processing fees	14,761	14,783	16,002
Other	<u>80,286</u>	<u>64,115</u>	<u>66,596</u>
	<u>\$ 149,334</u>	<u>\$ 150,407</u>	<u>\$ 128,321</u>

18. Equity

a. Share capital

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Number of shares authorized (in thousands)	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>
Share capital authorized	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 700,000</u>
Number of shares issued (in thousands)	<u>50,204</u>	<u>50,204</u>	<u>44,428</u>
Share capital issued	<u>\$ 502,039</u>	<u>\$ 502,039</u>	<u>\$ 444,283</u>

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.

The company re-invested in a subsidiary and paid back to bank borrowings. On February 26, 2024, it was approved by the board of directors to increase cash capital and issue new shares through public subscription. The cash capital increase was reported to the Financial Supervisory Commission on March 29, 2024. The declaration is effective, and the cash capital increase will raise 4,500 thousand shares with an issuance price of NT\$248.9 per share, and April 28, 2024 will be the base date for the cash capital increase and subscription.

b. Capital surplus

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Issuance of shares at a premium	\$ 401,662	\$ 401,662	\$ 401,662
Others	<u>849</u>	<u>849</u>	<u>849</u>
	<u>\$ 402,511</u>	<u>\$ 402,511</u>	<u>\$ 402,511</u>

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

The appropriations of earnings for the year ended December 31, 2023 and 2022 proposed from the board of directors' meeting held on April 30, 2024, and approved in the shareholders' meetings held on May 16, 2023, respectively, were as follows:

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Legal reserve	<u>\$ 33,779</u>	<u>\$ 45,581</u>
Special reserve	<u>\$ 981</u>	<u>(\$ 724)</u>
Cash dividends	<u>\$ 273,520</u>	<u>\$ 239,913</u>
Stock Dividends	<u>\$ -</u>	<u>\$ 57,756</u>
Cash Dividends Per Share (\$)	<u>\$ 5.0</u>	<u>\$ 5.4</u>
Stock Dividends Per Share (\$)	<u>\$ -</u>	<u>\$ 1.3</u>

Dividends per share If the number of outstanding shares of the company changes due to the issuance of new shares, the dividend per share will be adjusted proportionally.

The appropriations of earnings for the year ended December 31, 2023 are subject to be approved in the shareholders' meetings held on May 28, 2024.

19. Revenue

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenue from contracts with customers		
Revenue from the sale of goods	<u>\$ 544,918</u>	<u>\$ 433,184</u>

Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Notes and trade receivables (Note 9)	<u>\$ 560,179</u>	<u>\$ 351,789</u>	<u>\$ 327,614</u>	<u>\$ 411,952</u>
Contract liabilities (included in other current liability)				
Sales of goods	<u>\$ 1,805</u>	<u>\$ 719</u>	<u>\$ 525</u>	<u>\$ 264</u>

20. Net Profit

Additional information on the net profit includes the following items:

a. Depreciation and amortization

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Property, plant and equipment	\$ 30,018	\$ 28,871
Right-of-use assets	2,434	1,545
Unamortized expenses	5,154	2,108
Intangible assets	<u>2,265</u>	<u>691</u>
	<u>\$ 39,871</u>	<u>\$ 33,215</u>
Depreciation expenses summarized by function		
Operating costs	\$ 14,644	\$ 16,402
Operating expenses	<u>17,808</u>	<u>14,014</u>
	<u>\$ 32,452</u>	<u>\$ 30,416</u>
Amortization expenses summarized by function		
Operating costs	\$ 4,306	\$ 1,961
Operating expenses		
Marketing expense	1,747	133
Management expense	581	167
R&D	<u>785</u>	<u>538</u>
	<u>\$ 7,419</u>	<u>\$ 2,799</u>

b. Gains or losses on foreign currency exchange

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Total foreign exchange gains	\$ 23,780	\$ 7,758
Total foreign exchange losses	(<u>321</u>)	(<u>9,366</u>)
Net balance	<u>\$ 23,459</u>	<u>(\$ 1,608)</u>

c. Employee benefits expense

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Post-employment benefits		
Defined benefit plans	\$ 2,934	\$ 2,441
Salaries and bonus	<u>85,795</u>	<u>68,615</u>
	<u>\$ 88,729</u>	<u>\$ 71,056</u>
Summarized by function		
Operating costs	\$ 34,144	\$ 38,511
Operating expenses	<u>54,585</u>	<u>32,545</u>
	<u>\$ 88,729</u>	<u>\$ 71,056</u>

d. Employees' compensation

The Company sets aside 1%~5% of the profit before tax for the current year before distribution of employees' compensation as the employees' compensation in compliance with the Articles of Incorporation. The employees' compensation for the three months ended March 31, 2024 and 2023 were accrued as follows:

Accrual rate

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Employees' compensation	1.2%	1.7%

Amount of Cash

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Employees' compensation	<u>\$ 1,200</u>	<u>\$ 1,400</u>

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 accounting estimates and adjusted in the next year.

The board of directors of the Company held on April 30, 2024 and February 20, 2023 to approve the employees' compensation for years ended December 31, 2023 and 2022 as follows:

Amount of Cash

	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Employees' compensation	\$ 5,800	\$ 11,000

There is no difference between the actual amounts of employees' compensation distributed for the years ended December 31, 2023 and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022. The employees' compensation for the years ended December 31, 2023 is waiting for distribution.

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

21. Income Tax

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Current income tax		
In respect of the period	(\$ 5,015)	(\$ 5,202)
Deferred income tax		
In respect of the period	8,606	9,561
Income tax expense recognized in profit	<u>\$ 3,591</u>	<u>\$ 4,359</u>

b. Income tax recognized in other comprehensive income

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
<u>Deferred income tax</u>		
Derived from this period		
- Translations of foreign operations	(\$ 255)	(\$ 68)
Income tax recognized in other comprehensive income(Loss)	<u>(\$ 255)</u>	<u>(\$ 68)</u>

c. Income tax assessments

The profit-seeking enterprise income tax filing case of the Company has been approved by the tax authority through the year ended December 31, 2021; The profit-seeking enterprise income tax filing case of the subsidiary, Yea Shin and Secos have been approved by the tax authority through the year ended December 31, 2022.

22. Earnings per Share

	Unit: per share/NTD	
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Basic earnings per share	<u>\$ 1.91</u>	<u>\$ 1.50</u>
Diluted earnings per share	<u>\$ 1.91</u>	<u>\$ 1.50</u>

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 from January 1 to March 31, 2023 were as follows:

	Unit: per share/NTD	
	Before retrospective adjustment	After retrospective adjustment
Basic earnings per share	<u>\$ 1.70</u>	<u>\$ 1.50</u>
Diluted earnings per share	<u>\$ 1.70</u>	<u>\$ 1.50</u>

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

Net profit attributable to shareholders of the parent company

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Used to calculate net profit per diluted earnings per share	<u>\$ 95,910</u>	<u>\$ 75,404</u>

Number of shares

	Unit: thousand shares	
	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
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	<u>28</u>	<u>82</u>
Weighted average number of common shares used to calculate diluted earnings per share	<u>50,232</u>	<u>50,286</u>

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. Business Combination

a. Acquisition of subsidiaries

	Major business activities	Acquisition date	with voting rights Ownership Interest/ Acquisition ratio	Transfer Price
Secos	Electronic parts and components R&D, design and sales	January 2, 2024	40%	<u>\$ 180,000</u>

The purpose of the consolidated company's acquisition of Secos is to expand the scale of operations and enter into downstream domestic and foreign trading and import and export sales.

b. Transfer Price

	Secos
Cash	<u>\$ 180,000</u>

c. Assets acquired and liabilities assumed on acquisition date

	Secos
Current Assets	
Cash	\$ 140,778
Financial assets measured at amortized cost	1,008
Notes receivable, accounts receivable and other receivables	176,503
Inventory	104,359
Other current assets	454
Non-current assets	
Property, plant and equipment	19,917
Right-of-use assets	3,127
Intangible assets	91,367
Deferred tax assets	11,033
Prepaid equipment payment	2,161
Refundable deposits	644
Current liabilities	
Short-term loan	(35,000)
Notes payable, accounts payable and other payables	(77,412)
Income tax liabilities for the current period	(8,162)
Lease liability – current	(3,131)
Long-term borrowings due within one year	(2,454)
Other current liabilities	(16,013)
Non-current liabilities	
Long term loan	(17,546)
Deferred income tax liabilities	(<u>17,199</u>)
	<u>\$ 374,434</u>

The original accounting treatment for the acquisition of Secos was only provisional at the balance sheet date. For tax purposes, the tax basis of Secos assets must be re-determined based on the market value of those assets. As of the date of issuance of this consolidated financial report, the required market evaluation and other calculations have not yet been completed, so the possible taxable value is tentatively determined only based on the best estimate of the management of the consolidated company.

d. Non-controlling equity

The non-controlling interest in Secos (60% ownership interest) is measured based on the fair value of the non-controlling interest on the acquisition date of NT\$216,810 thousand. This fair value is based on the acquisition price of NT\$25 per share and also takes into account the controlling rights after a discount of 19.7%, the price is estimated to be NT\$20.075.

e. Goodwill arising from acquisitions

	<u>Secos</u>
Transfer Prices	\$ 180,000
add : Non-controlling equity (60% ownership equity in Secos)	216,810
less : Fair value of identifiable net assets acquired	(<u>374,434</u>)
Goodwill arising from acquisitions	\$ 22,376

The goodwill generated from the acquisition of Secos mainly comes from the control premium. In addition, the consideration paid for the merger includes the expected merger synergies, revenue growth, future market development and employee value. However, these benefits do not meet the recognition conditions of identifiable intangible assets, so they are not recognized separately.

f. Net cash outflow from acquired subsidiaries

	<u>Secos</u>
Total amount paid in cash	\$ 180,000
less : Cash and equivalent cash balances acquired	(<u>140,778</u>)
	<u>\$ 39,222</u>

g. The impact of business combinations on operating results

After the acquisition date, the operating results from the acquired company are as follows:

	<u>Secos</u>
Revenues	\$ <u>116,261</u>
Net Profit	\$ <u>11,820</u>

If the acquisition of Secos occurs on January 1, 2024, there will be no significant difference between the proposed operating income and net profit of the combined company from January 1 to March 31, 2024, and the results calculated based on the actual merger date.

These amounts cannot reflect the revenue and operating results that the combined company could actually generate if the business combination is completed on the beginning date of the year of acquisition, and should not be used to predict future operating results.

24. Cash Flow information

a. Non-cash transactions

In addition to what has been disclosed in other notes, the consolidated company conducted the following non-cash transaction investment activities from January 1 to March 31, 2024 and 2023:

	<u>Three Months Ended</u> <u>March 31, 2024</u>	<u>Three Months Ended</u> <u>March 31, 2023</u>
Increase in property, plant and equipment	\$ 23,565	\$ 13,055
Other payables	<u>1,752</u>	<u>7,023</u>
Amount of cash paid to purchase property, plant and equipment	<u>\$ 25,317</u>	<u>\$ 20,078</u>

b. Changes in liabilities from financing activities

	January 1		Non-cash changes		March 31 2024
	2024	Cash Flow	Acquisition of subsidiaries	Others	
Short-term Loan	\$ 600,000	\$ 40,000	\$ 35,000	\$ -	\$ 675,000
Long-term Loan	657,921	(8,911)	20,000	-	669,010
Lease liability	6,385	(2,450)	3,131	20	7,086
	<u>\$1,264,306</u>	<u>\$ 28,639</u>	<u>\$ 58,131</u>	<u>\$ 20</u>	<u>\$1,351,096</u>

	January 1		Non-Cash Changes		March 31 2023
	2023	Cash Flow	Acquisition of subsidiaries	Others	
Short-term Loan	\$ 500,000	(\$ 50,000)	\$ -	\$ -	\$ 450,000
Long-term Loan	793,457	(8,884)	-	-	784,573
Lease liability	9,794	(1,544)	-	1	8,251
	<u>\$1,303,251</u>	<u>(\$ 60,428)</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$1,242,824</u>

25. Capital Risk Management

The Group monitors its capital by reviewing the liabilities to assets ratio on a regular basis to plan the operating capital needed by the Group in the future period based on the factors, such as the characteristics of the current operating industry, the development of the company in the future as well as changes in the external environment, to ensure that the Group will be able to continue as a going concern while maintaining the optimization of the capital structure.

26. Financial Instruments

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

1) Fair value hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 454	\$ -	\$ 454
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 494	\$ -	\$ 494

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 339	\$ -	\$ 339

March 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 501	\$ -	\$ 501

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2024 and 2023.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Category of Financial Instruments	Valuation Technique and Inputs
Derivatives - Forward foreign exchange contracts	The fair value of forward foreign exchange contracts is measured by reference to quoted forward exchange rates and the yield curves derived from the quoted interest rates over the contract maturity period.
Derivatives - Cross-currency swap contracts	Discounted cash flow method: Estimate the future cash flow according to the observable forward exchange rate and the exchange rate stipulated in the contract at the end of the period, and discount it at a discount rate that can reflect the credit risk of each counterparty.
Derivatives -Exchange rate option	Option evaluation model: Estimated based on the option evaluation model and the observable exchange rates and contract exchange rates at the end of the period.

b. Categories of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$ 1,272,002	\$ 1,015,824	\$ 943,457
Measured at fair value through profit or loss			
Held for trading	454	339	501
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	1,605,832	1,477,303	1,461,909
Measured at fair value through profit or loss			
Held for trading	494	-	-

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

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

c. Financial risk management objectives and policies

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

1) Market risk

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

i. Foreign exchange risk

The Group's sales and purchase transactions are denominated in foreign currency; as a consequence, the Group is exposed to the risk of fluctuation in the exchange rate. In order to avoid the decrease in the value of foreign currency assets and fluctuations in future cash flows due to changes in exchange rates, the Group has taken into account

the risk of the net position of foreign currencies by analyzing factors, such as the amount of payments received and paid for foreign currency assets and foreign currency liabilities and the maturity period, and it also avoids the related risk of exchange rates by methods of cross-currency swap contracts, forward foreign exchange contracts, exchange rate option, borrowings in foreign currency, and so on. Internal auditors continuously review the conformity to policies and risk exposure limits. The application of cross-currency swap contracts and forward foreign exchange contracts by the Group is governed by the policies approved by the Board of Directors, and the Group does not enter into transactions of cross-currency swap contracts and forward foreign exchange contracts for speculative purposes.

Please refer to Note 30 for the carrying amount of monetary assets and monetary liabilities of the Group denominated in non-functional currencies at the balance sheet date (including the monetary items denominated in non-functional currencies and already eliminated in the consolidated financial statements).

The sensitivity analysis of foreign exchange rate risks is mainly computed with respect to foreign currency items (mainly in USD) and derivatives on the end date of the financial reporting period. If the functional currency of the consolidated entities had strengthened/weakened by 1% against USD, the net profit after tax of the Group for the three months ended March 31, 2024 would decrease/increase by \$4,324 thousand; the net profit after tax of the Group for the three months ended March 31, 2023 would decrease/increase by \$1,852 thousand.

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

ii. Interest rate risk

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

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Fair value interest rate risk			
— Financial assets	\$ 24,502	\$ 23,627	\$ 23,600
— Financial liabilities	7,086	6,385	8,251
Cash flow interest rate risk			
— Financial assets	674,174	632,331	586,625
— Financial liabilities	1,344,010	1,257,921	1,234,573

Fixed-rate financial assets/liabilities held by the Group are measured at amortized cost and are therefore excluded from the analysis; the methods for the analysis of floating-rate financial assets/liabilities assume that the amounts of assets/liabilities outstanding at the balance sheet date were outstanding for the whole reporting period. An increase/decrease of 0.25% in market interest rates is used as a reasonable risk assessment for reporting changes in interest rates to the management by the Group.

With all other variables remaining unchanged, an increase/decrease of 0.25% in market interest rates will lead to a decrease of \$331 thousand and \$320 thousand on the Group's net profit after tax for the three months ended March 31, 2024 and 2023, respectively.

2) Credit risk

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

The Group's credit risk of trade receivable is concentrated on the Group's top customer, the Diodes Group, which is also the parent company, accounting for 57%, 79%, and 76% of the total trade receivable from the above-mentioned customer as of March 31, 2024, December 31 and March 31, 2023, respectively. However, it belongs to associates transactions which should not result in credit risk.

3) Liquidity risk

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

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

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

March 31, 2024

	Weighted Average Effective Rate (%)	Payment on Sight or Less than 3 Month	3 Months to 1 Year	1 to 2 Year(s)	2 to 5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>						
Non-interest bearing liabilities		\$ 324,786	\$ -	\$ -	\$ -	\$ -
Lease liabilities	1.07%	1,700	2,835	1,814	802	-
Floating-rate instruments	1.80%	<u>620,110</u>	<u>110,741</u>	<u>556,445</u>	<u>53,110</u>	<u>28,513</u>
		<u>\$ 946,596</u>	<u>\$ 113,576</u>	<u>\$ 558,259</u>	<u>\$ 53,912</u>	<u>\$ 28,513</u>

December 31, 2023

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

March 31, 2023

	Weighted Average Effective Rate (%)	Payment on Sight or Less than 3 Month	3 Months to 1 Year	1 to 2 Year(s)	2 to 5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>						
Non-interest bearing liabilities		\$ 281,233	\$ -	\$ -	\$ -	\$ -
Lease liabilities	1.06%	1,105	2,745	1,929	2,585	-
Floating-rate instruments	1.81%	<u>413,897</u>	<u>87,269</u>	<u>666,738</u>	<u>43,689</u>	<u>50,084</u>
		<u>\$ 696,235</u>	<u>\$ 90,014</u>	<u>\$ 668,667</u>	<u>\$ 46,274</u>	<u>\$ 50,084</u>

ii. Financing facilities

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

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Secured bank financing facilities:			
— Amount used	\$ 1,344,010	\$ 1,257,921	\$ 1,234,573
— Amount unused	<u>521,400</u>	<u>300,000</u>	<u>530,450</u>
	<u>\$ 1,865,410</u>	<u>\$ 1,557,921</u>	<u>\$ 1,765,023</u>

27. Related Party Transactions

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

a. Related party name and category

<u>Related Party</u>	<u>Nature of Relationship</u>
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 Electronics Co., Ltd. (Kaihong Electronics)	Sister company

b. Operating revenue

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>Three Months Ended March 31, 2024</u>	<u>Three Months Ended March 31, 2023</u>
Sales	Sister company		
	Diodes (TW)	\$ 51,850	\$ 237,015
	Diodes (HK)	303,515	100,044
	Kaihong Electronics	-	<u>2,672</u>
		<u>\$ 355,365</u>	<u>\$ 339,731</u>

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

c. Receivables from related parties

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Trade receivables from related parties	Sister company			
	Diodes (TW)	\$ 42,553	\$ 78,746	\$175,312
	Diodes (HK)	278,974	199,565	74,308
	Kaihong Electronics	<u>-</u>	<u>-</u>	<u>2,661</u>
		<u>\$321,527</u>	<u>\$ 278,311</u>	<u>\$252,281</u>

No secure was received for the outstanding amount of receivables from related parties. No loss allowances were set aside for receivables from related parties as of March 31 2024, December 31 and March 31, 2023.

d. Amounts payable to related parties

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Trade payable from related parties	Sister company			
	Diodes (TW)	<u>\$ 1,142</u>	<u>\$ 4,526</u>	<u>\$ -</u>

e. Remuneration to the major management

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Short-term employee benefits	\$ 7,874	\$ 8,272
Post-employment benefits	<u>27</u>	<u>27</u>
	<u>\$ 7,901</u>	<u>\$ 8,299</u>

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

f. Transactions with other related parties

On July 5, 2023, the company passed a resolution of the board of directors to acquire the wafer manufacturing business planned to be divided by the related party Diodes Taiwan S.A R.L., Keelung Branch (Luxembourg) (Diodes (KL)) in cash. The two parties also signed a division contract, agreeing that Diodes (KL) would divide and transfer the assets and liabilities related to its wafer manufacturing business (subject assets and liabilities), and continue to operate at the original location after the division. 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 was approved at the extraordinary shareholders' meeting on August 21, 2023.

Subsequently, the company decided that its subsidiary Yea Shin Technology would assume all the rights and obligations of the split contract, and agreed with Diodes (KL) that June 3, 2024 would be the date of the split. Split base date. The company also plans to increase capital in Yea Shin Technology after completing the cash capital increase to complete the aforementioned transaction. Please refer to Note 18 for the relevant cash capital increase.

28. Pledged Assets

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

	March 31, 2024	December 31, 2023	March 31, 2023	Nature
Bank time deposits (classified as financial assets at amortized cost)	\$ 14,902	\$ 14,416	\$ 14,465	endorsements/guarantees and short-term borrowings
Bank demand deposits (classified as financial assets at amortized cost)	57,254	52,248	42,079	Short-term and long-term borrowings
	897,066	886,377	891,879	Short-term and long-term borrowings
Property and plant				
	<u>\$ 969,222</u>	<u>\$ 953,041</u>	<u>\$ 948,423</u>	

29. Significant Contingent Liabilities and Unrecognized Contract Commitments

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

	March 31, 2024	December 31, 2023	March 31, 2023
Amount of Contract Commitments	<u>\$ 117,116</u>	<u>\$ 138,577</u>	<u>\$ 145,686</u>
Amount Paid (classified as prepayments for equipment)	<u>\$ 68,091</u>	<u>\$ 88,106</u>	<u>\$ 95,255</u>

30. Information on Assets And Liabilities Denominated in Foreign Currencies With Significant Effects

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

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

	March 31, 2024			
	Foreign Currency	Exchange rate (\$)	Functional Currency	NTD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 20,910	32.0000 (USD:NTD)	\$ 669,120	\$ 669,120
USD	426	7.2595 (USD:RMB)	3,093	13,634
RMB	13,825	4.4080 (RMB:NTD)	60,942	60,942
EUR	132	34.4600 (EUR:NTD)	4,549	4,549
<u>Non-monetary items</u>				
<u>Derivatives</u>				
USD	500	32.0000 (USD:NTD)	16,000	16,000
<u>Investments accounted for using the equity method</u>				
USD	2,161	32.0000 (USD:NTD)	69,166	69,166
RMB	15,791	0.1378(RMB:USD)	2,175	69,609
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	8,723	32.0000 (USD:NTD)	279,136	279,136
<u>Non-monetary items</u>				
<u>Derivatives</u>				
USD	1,500	32.000 (USD:NTD)	48,000	48,000

December 31, 2023				
	Foreign Currency	Exchange rate (\$)	Functional Currency	NTD
<u>Financial assets</u>				
<u>Monetary items</u>				
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
<u>Non-monetary items</u>				
<u>Derivatives</u>				
USD	1,000	30.7050 (USD:NTD)	30,705	30,705
Investments 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
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	8,973	30.7050 (USD:NTD)	275,516	275,516

March 31, 2023				
	Foreign Currency	Exchange rate (\$)	Functional Currency	NTD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 12,286	30.4500 (USD:NTD)	\$374,109	\$374,109
USD	374	6.8720 (USD:RMB)	2,570	11,388
RMB	1,414	4.4310 (RMB:NTD)	6,265	6,265
EUR	421	33.1500 (EUR:NTD)	13,956	13,956
<u>Non-monetary items</u>				
<u>Derivatives</u>				
USD	1,500	30.4500 (USD:NTD)	45,675	45,675
Investments accounted for using the equity method				
USD	2,125	30.4500 (USD:NTD)	64,698	64,698
RMB	14,834	0.1455 (RMB:USD)	2,159	65,731
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	6,627	30.4500(USD:NTD)	201,792	201,792

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

Unit: NT\$ Thousands, Except for Exchange Rate				
Foreign Currency	Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	31.353 (USD:NTD)	\$ 22,647	30.58 (USD:NTD)	(\$ 1,868)
USD	7.178 (USD:RMB)	29	6.920 (USD:RMB)	(29)
EUR	36.460 (EUR:NTD)	531	33.15 (EUR:NTD)	233
Others		252		56
		<u>\$ 23,459</u>		<u>(\$ 1,608)</u>

31. Supplementary Disclosures

- a. Information on significant transactions:
 - 1) Financing provided to others: None.
 - 2) Endorsements/guarantees provided to others: None.
 - 3) Marketable securities held at end of period (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: Please refer to Table 1.
 - 5) Acquisition of property amounting to NT\$300 million or 20% of paid-in capital or more: None.
 - 6) Disposal of property amounting to NT\$300 million or 20% of paid-in capital or more: None.
 - 7) Purchases or sales with related parties amounting to NT\$100 million or 20% of paid-in capital or more: Please refer to Table 2.
 - 8) Receivables from related parties amounting to NT\$100 million or 20% of paid-in capital or more: Please refer to Table 3.
 - 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 Table 4.
- b. Information on investees: Please refer to Table 5.
- c. Information on investments in mainland China:
 - 1) Information on investments in mainland China, showing the name of investee company, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, income of investments, 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 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: Please refer to Table 7.
 - i. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - ii. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - iii. The amount of property transactions and the amount of the resultant gains or losses.
 - iv. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - v. The highest balance, the end of the period balance, the interest rate intervals, and total current period interest with respect to the financing of funds.
 - vi. 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.
- 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 Table 8.

32. 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.
- Secos - mainly R&D, design and sales of diodes, ICs, heat sinks and chips.

Segment revenues and operating results

The following was an analysis of the Group's revenues and operating results from continuing operation units by reportable segments.

Three Months Ended March 31, 2024

	<u>Eris Technology and Jie Cheng</u>	<u>Yea Shin</u>	<u>Secos</u>	<u>Adjustments and write-offs</u>	<u>Total</u>
Revenue from external customers	\$ 413,920	\$ 14,737	\$ 116,261	\$ -	\$ 544,918
Inter-segment revenue	<u>7,796</u>	<u>228,499</u>	<u>712</u>	(<u>237,007</u>)	<u>-</u>
Segment revenue	<u>\$ 421,716</u>	<u>\$ 243,236</u>	<u>\$ 116,973</u>	(<u>\$ 237,007</u>)	<u>\$ 544,918</u>
Segment income	<u>\$ 96,739</u>	<u>\$ 75,509</u>	<u>\$ 12,683</u>	(<u>\$ 81,929</u>)	<u>\$ 103,002</u>
Segment assets	<u>\$ 3,440,707</u>	<u>\$ 891,432</u>	<u>\$ 477,382</u>	(<u>\$ 1,165,541</u>)	<u>\$ 3,643,980</u>
Segment liabilities	<u>\$ 1,694,100</u>	<u>\$ 137,996</u>	<u>\$ 159,059</u>	(<u>\$ 247,733</u>)	<u>\$ 1,743,422</u>

Three Months Ended March 31, 2023

	<u>Eris Technology and Jie Cheng</u>	<u>Yea Shin</u>	<u>Adjustments and write-offs</u>	<u>Total</u>
Revenue from external customers	\$ 408,432	\$ 24,752	\$ -	\$ 433,184
Inter-segment revenue	<u>6,669</u>	<u>175,546</u>	(<u>182,215</u>)	<u>-</u>
Segment revenue	<u>\$ 415,101</u>	<u>\$ 200,298</u>	(<u>\$ 182,215</u>)	<u>\$ 433,184</u>
Segment income	<u>\$ 76,443</u>	<u>\$ 53,863</u>	(<u>\$ 54,902</u>)	<u>\$ 75,404</u>
Segment assets	<u>\$ 3,285,239</u>	<u>\$ 862,966</u>	(<u>\$ 1,013,031</u>)	<u>\$ 3,135,174</u>
Segment liabilities	<u>\$ 1,661,007</u>	<u>\$ 116,826</u>	(<u>\$ 201,160</u>)	<u>\$ 1,576,673</u>

Eris Technology Corp. and Subsidiaries
The cumulative amount of buying or selling the same securities reaches NT\$300 million or more than 20% of the paid-in capital
For the three months ended March 31, 2024

Unit: NT\$ Thousands, Unless Specified Otherwise

Buyer (Seller)	Securities Category and name	Account subject	Counterparty	Relationship	Beginning		Buy in		Sell out				Ending	
					Shares	Amount	Shares(thousand)	Amount	Shares	Sell price	Cost Value	Gains and losses on disposal	Shares(thousand)	Amount (Note)
Eris Technology Corp.	Common Stock Secos Corporation	Investments using the equity method	Dai- Kang International Business Co., Ltd.	-	-	-	1,100	\$ 27,500	-	\$ -	\$ -	\$ -	7,200	\$ 184,918
			Tsaixing international co., ltd.	-	-	-	1,088	27,199	-	-	-	-	-	-
			Rayixin International Co., Ltd.	-	-	-	3,500	87,501	-	-	-	-	-	-
			Natural person	-	-	-	1,512	37,800	-	-	-	-	-	-

Note: The amount at the end of the period is the total amount of purchases, and includes the share of profits and losses recognized using the equity method, etc.

Eris Technology Corp. and Subsidiaries
Purchases or Sales with Related Parties Amounting to NT\$100 Million or 20% of Paid-in Capital or More
For the three months ended March 31, 2024

Unit: NT\$ Thousands

Buyer (Seller)	Counterparty	Relationship	Transaction Details				Details and Reasons for Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases (Sales)	Amount	Ratio of Total Purchases (Sales) (%)	Credit Period	Unit price	Credit Period	Balance	Ratio of Notes/Accounts Receivable (Payable) (%)	
Eris Technology Corp.	Diodes Hong Kong Limited	Same as the Company's ultimate parent company	Sales	(\$ 303,515)	74.55%	Net 60 payment term	None	None	\$ 278,974	77.67%	-
Eris Technology Corp.	Yea Shin Technology Co., Ltd.	The Company's subsidiary	Purchases	223,396	68.35%	Net 60 payment term	None	None	(245,335)	94.04%	Note 1

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

Eris Technology Corp. and Subsidiaries
Receivables from Related Parties Amounting to NT\$100 Million or 20% of the Paid-in Capital or More
March 31, 2024

Unit: NT\$ Thousands

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	\$ 278,974	5.07	\$ -	—	\$ 98,616	\$ -
Yea Shin Technology Co., Ltd.	Eris Technology Corp.	Parent company	245,335	3.62	-	—	86,698	-

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

Eris Technology Corp. and Subsidiaries
Intercompany Relationships and Significant Intercompany Transactions
For the three months ended March 31, 2024

Unit: NT\$ Thousands

No.	Company	Counterparty	Relationship with Investor (Note 1)	Transactions Details			Ratio of Consolidated Total Revenue or Total Assets (Note 2)
				Ledger Account	Amount (Note 3)	Transaction Term	
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Trade receivables	\$ 814	-	0.02%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Trade payables	4,140	-	0.12%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Sales	212	No significant difference from general customers	0.04%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Purchases	8,024	No significant difference from general customers	1.46%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Trade receivables	2,209	-	0.06%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Trade payables	245,335	-	6.73%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Other receivables	775	-	0.02%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Sales	2,235	No significant difference from general customers	0.40%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Purchases	223,396	No significant difference from general customers	40.54%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Processing fees	3,110	No significant difference from general customers	0.56%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Rental income	667	No significant difference from general customers	0.12%
0	Eris Technology Corp.	Secos Corporation	1	Sales	6,142	No significant difference from general customers	1.11%
0	Eris Technology Corp.	Secos Corporation	1	Trade receivables	6,449	-	0.18%
0	Eris Technology Corp.	Secos Corporation	1	Trade payables	2,039	-	0.06%
0	Eris Technology Corp.	Secos Corporation	1	Purchases	712	No significant difference from general customers	0.13%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Trade payables	268	-	0.01%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Purchases	268	No significant difference from general customers	0.05%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Other income	725	No significant difference from general customers	0.13%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Other receivables	713	-	0.02%
1	Yea Shin Technology Co., Ltd.	Secos Corporation	3	Sales	1,993	No significant difference from general customers	0.36%
1	Yea Shin Technology Co., Ltd.	Secos Corporation	3	Trade receivables	2,211	-	0.06%

Note 1: 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 2: 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 3: Related transactions were eliminated in the consolidated financial statements.

Eris Technology Corp. and Subsidiaries
Related Information on Name of Investee, Location, and So On
For the three months ended March 31, 2024

Unit: NT\$ Thousands, Unless Specified 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 3)	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 (USD670 thousand)	\$ 20,776 (USD 670 thousand)	N/A	100	\$ 69,166	\$ 487 (USD 16 thousand)	\$ 579 (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	763,201	75,509	81,543 (Note 4)	Subsidiary
	Erishin Semiconductor Corporation	Taiwan	Engaged in manufacturing of electronic components and wholesaling of electronic materials	1,000	1,000	100	100	1,002	-	-	Subsidiary
	Secos Corporation	Taiwan	Engaged in manufacturing of electronic parts and components R&D, design and sales	180,000	-	7,200	40	184,918	12,683	4,727	Subsidiary
Keep High Limited	Forever Eagle Incorporation	Mauritius	Holding of investments	20,473 (USD660 thousand)	20,473 (USD 660 thousand)	N/A	100	69,609 (USD 2,175 thousand)	487 (USD 16thousand)	487 (USD 16thousand)	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: Please refer to Table 6 for related information on investee in Mainland China.

Note 6: The calculation is based on the financial statements reviewed by the certified accountants of the parent company in Taiwan during the same period.

Eris Technology Corp. and Subsidiaries
Information on Investments in Mainland China
For the three months ended March 31, 2024

Unit: NT\$ Thousands, Unless Specified 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 (USD 650 thousand)	\$ -	\$ -	\$ 20,170 (USD 650 thousand)	\$ 487 (RMB111 thousand)	100%	\$ 487 (RMB111 thousand)	\$ 69,609	\$ -

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)	\$20,800 (USD 650 thousand)	\$1,005,994

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

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

Note 3: Translation was based on the period-end exchange rate of USD on March 31, 2024.

Note 4: The information was calculated as 60% of the Company's net worth on March 31, 2024.

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.

Eris Technology Corp. 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 or Losses, and Other Related Information
For the three months ended March 31, 2024**

Unit: NT\$ Thousands, Unless Specified Otherwise

Counterparty	Transaction Details			Details and Reasons for Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
	Purchases (Sales)	Amount	Ratio of Total Purchases (Sales) (%)	Unit price	Credit Period	Balance	Ratio of Notes/Accounts Receivable (Payable) (%)	
Jie Cheng Electronic (Shanghai) Co., Ltd.	Sales	(\$ 212)	0.05%	None	None	\$ 814	0.14%	Note 1
Jie Cheng Electronic (Shanghai) Co., Ltd.	Purchases	8,292	2.54%	None	None	(4,408)	2.51%	Note 1
Jie Cheng Electronic (Shanghai) Co., Ltd.	Others income	(725)	-	None	None	713	2.22%	Note 1

Note 1: Related transactions were eliminated in the consolidated financial statements.

Eris Technology Corp.
Information on Major Shareholders
March 31, 2024

Name of Major Shareholders	Shares Holding	
	Number of Shares Held	Shareholding Ratio
Yuanta Commercial Bank is entrusted with the custody of Diodes Holdings UK Limited Investment Account.	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.