

Eris Technology Corporation and Subsidiaries

Consolidated Financial Statements

With Independent Auditors' Review Report

For the Nine Months Ended
September 30, 2024 and 2023

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The independent auditors' review 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' review report and consolidated financial statements, the Chinese version shall prevail.

Table of Contents

<u>Item</u>	<u>Page</u>	<u>No. of Notes to the Financial Statements</u>
1. Cover Page	1	-
2. Table of Contents	2	-
3. Independent Auditors' Review Report	3~4	-
4. Consolidated Balance Sheets	5	-
5. Consolidated Statement of Comprehensive Income	6	-
6. Consolidated Statement of Changes in Equity	7	-
7. Consolidated Statements of Cash Flows	8~9	-
8. Notes to Consolidated Financial Statements		
(1) Company History	10	1
(2) Approval Date and Procedures of Authorization of Financial Statements	10	2
(3) Application of New and Amended Standards and Interpretations	10~12	3
(4) Summary of Significant Accounting Policies	12~13	4
(5) The significant Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions	13	5
(6) Explanation of Significant Accounts	13~36	6~27
(7) Related-Party Transactions	36~39	28
(8) Pledged Assets	39	29
(9) Significant Contingent Liabilities and Unrecognized Contract Commitments	39	30
(10) Losses Due to Major Disasters	-	-
(11) Significant Subsequent Events	-	-
(12) Information on significant foreign currency	39~41	31
(13) Others	41~44	32
(14) Supplementary Disclosures		
(a) Information on Significant Transactions	44, 47~50	33
(b) Information on Investees	44, 51	33
(c) Information on Investments in Mainland China	45, 52~53	33
(d) Information on Major Shareholders	45, 54	33
(15) Segment Information	45~46	34

Independent Auditors' Review Report

To The Board of Directors and Shareholders of Eris Technology Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Eris Technology Corp. and its subsidiaries (the "Group") for 2024 and September 30, 2023 after the restatement, and from July 1 to September 30, 2023 after the restatement, and 2024 and the consolidated comprehensive income statement from January 1 to September 30, 2023 after the restatement, the consolidated statement of changes in equity and the consolidated cash flow statement from January 1 to September 30, 2023 after the restatement, and The notes to the consolidated financial statements (including a summary of significant accounting policies) have been reviewed by our accountants.

It is the management's responsibility to prepare consolidated financial statements that adequately express themselves in accordance with the financial reporting standards for securities issuers and International Accounting Standard No. 34 "Interim Financial Reporting" approved and issued by the Financial Supervisory Commission. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We have performed the review work in accordance with Review Standard No. 2410 "Review of Financial Statements". The procedures performed when reviewing the consolidated financial statements include inquiries (primarily to those responsible for financial and accounting matters), analytical procedures and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on the results of the accountant's review, it was not found that the consolidated financial statements of the above failed in all material aspects to comply with the preparation standards for financial reporting of securities issuers and the International Accounting Standard No. 34 "Interim Financial Reporting" approved and issued by the Financial Supervisory Commission. "preparation, resulting in the inability to adequately express the consolidated financial position of Eris Technology Corporation and its subsidiaries as of 2024 and September 30, 2023 after the restatement, and from July 1 to September 30, 2024 and after the restatement. Consolidated financial performance, as well as consolidated financial performance and consolidated cash flow for 2024 and the restated period from January 1 to September 30, 2023.

Emphasis on matters

As stated in Note 32 of the consolidated financial statements, Eris Technology Corporation and its subsidiaries acquired the divided wafer business of the Keelung Branch of Luxembourg-based Diodes International Co., Ltd. in cash in June 2024. The aforementioned transaction is under joint control. Due to the organizational reorganization under, when preparing the consolidated financial statements for the third quarter of 2024, it should be deemed to have been consolidated from the beginning. Therefore, when Eris Technology Corporation prepared the consolidated financial statements for the third quarter of 2024, it has restated retrospectively the 2023 and Consolidated Financial Statements for the Third Quarter of 2023.

Deloitte & Touche

Certified Public Accountant

Jimmy Wu

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

Certified Public Accountant

Sabrina Liu

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

October 28, 2024

Notice to Readers

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

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. e-language independent auditors' report and consolidated financial statements shall prevail.

Eris Technology Corporation and Subsidiaries

Consolidated Balance Sheets
As of September 30, 2024, and December 31 and September 30, 2023
(Reviewed only, not audited in accordance with Generally Accepted Auditing Standards)
(Expressed in Thousands of New Taiwan Dollars)

Code	Assets	September 30, 2024		December 31, 2023 (Restated)		September 30, 2023 (Restated)	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current assets						
1100	Cash (Note 6)	\$ 847,682	17	\$ 581,159	15	\$ 341,628	9
1110	Financial assets at fair value through profit or loss - current (Note 7)	840	-	339	-	5,016	-
1136	Financial assets at amortized cost - current (Note 8 and 29)	71,920	2	65,818	2	56,794	2
1150	Notes receivable (Note 9 and 19)	1,343	-	953	-	987	-
1170	Trade receivables, net (Note 9 and 19)	286,711	6	102,102	3	123,824	3
1180	Trade receivables from related parties (Note 9, 19 and 28)	401,090	8	356,352	9	386,825	11
1200	Other receivables	21,003	-	9,169	-	13,630	1
1210	Other receivables - related parties (Note 28)	4,142	-	463	-	-	-
130X	Inventories, net (Note 10)	515,120	11	412,566	10	374,851	10
1470	Other current assets	19,732	-	11,198	-	12,149	-
11XX	Total current assets	2,169,583	44	1,540,119	39	1,315,704	36
	Non-current assets						
1535	Financial assets at amortized cost - non-current (Note 8 and 29)	14,093	-	10,057	-	10,034	-
1600	Property, plant and equipment (Note 12 and 29)	2,089,406	43	2,022,384	52	1,996,419	54
1755	Right-of-use assets (Note 13)	166,737	4	6,309	-	7,865	-
1805	Goodwill (Note 14)	58,728	1	24,070	1	24,070	1
1821	Intangible assets (Note 15)	58,559	1	14,080	-	14,877	-
1840	Deferred tax assets (Note 4 and 21)	236,387	5	205,089	5	195,826	5
1915	Prepayments for equipment (Note 30)	86,149	2	88,106	2	89,805	3
1920	Refundable deposits	8,397	-	3,749	-	3,769	-
1990	Other non-current assets	17,330	-	15,654	1	15,096	1
15XX	Total non-current assets	2,735,786	56	2,389,498	61	2,357,761	64
1XXX	Total assets	\$ 4,905,369	100	\$ 3,929,617	100	\$ 3,673,465	100
	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Note 16 and 29)	\$ 615,000	13	\$ 600,000	15	\$ 350,000	10
2120	Financial liabilities at fair value through profit or loss - current (Note 7)	620	-	-	-	208	-
2170	Trade payables	299,282	6	235,876	6	227,723	6
2180	Trade payables - related parties (Note 28)	6,286	-	26,594	1	29,595	1
2200	Other payables (Note 17)	212,297	4	168,912	4	151,676	4
2220	Other payables - related parties (Note 28)	151	-	-	-	-	-
2230	Current tax liabilities (Note 4)	18,602	-	4,255	-	3,059	-
2280	Lease liabilities - current (Note 13)	21,117	-	3,373	-	4,492	-
2320	Long-term liabilities due within one year (Note 16 and 29)	45,745	1	135,877	4	36,269	1
2399	Other current liabilities (Note 19)	32,399	1	4,796	-	4,069	-
21XX	Total current liabilities	1,251,499	25	1,179,683	30	807,091	22
	Non-current liabilities						
2540	Long-term borrowings (Note 16 and 29)	655,431	13	522,044	14	731,008	20
2570	Deferred tax liabilities (Note 4 and 21)	20,456	1	10,329	-	10,750	-
2580	Lease liabilities - non-current (Note 13)	146,202	3	3,012	-	3,452	-
2645	Deposit Margin	12	-	12	-	12	-
25XX	Total non-current liabilities	822,101	17	535,397	14	745,222	20
2XXX	Total liabilities	2,073,600	42	1,715,080	44	1,552,313	42
	Equity attributable to owners of the Company (Note 18 and 24)						
	Capital						
3110	Common stock capital	547,039	11	502,039	13	444,283	12
3150	Stock dividends to be distributed	-	-	-	-	57,756	2
3100	Total share capital	547,039	11	502,039	13	502,039	14
3200	Capital surplus	1,517,949	31	402,511	10	402,511	11
	Retained earnings						
3310	Legal reserve	176,501	4	142,722	4	142,722	4
3320	Special reserve	2,598	-	1,617	-	1,617	-
3350	Unappropriated earnings	516,549	10	533,433	13	460,006	12
3300	Total retained earnings	695,648	14	677,772	17	604,345	16
3400	Other equity	(130)	-	(2,598)	-	(1,531)	-
31XX	Total equity owners of the Company	2,760,506	56	1,579,724	40	1,507,364	41
35XX	Prior interest under joint control (Notes 4, 24 and 32)	-	-	634,813	16	613,788	17
36XX	Non-controlling interests	71,263	2	-	-	-	-
3XXX	Total equity	2,831,769	58	2,214,537	56	2,121,152	58
	Total liabilities and equity	\$ 4,905,369	100	\$ 3,929,617	100	\$ 3,673,465	100

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

Eris Technology Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three months and nine months ended September 30, 2024 and 2023
(Reviewed only, not audited in accordance with Generally Accepted Auditing Standards)
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share are stated in NT\$)

Code		For the three months ended September 30, 2024		For the three months ended September 30, 2023 (Restated)		For the nine months ended September 30, 2024		For the six months ended September 30, 2023 (Restated)	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Operating revenue (Note 19 and 28)								
4110	Sales	\$ 753,166	101	\$ 547,720	100	\$ 2,229,126	101	\$ 1,478,962	100
4170	Less: Sales return and allowance	(9,066)	(1)	(1,791)	-	(23,892)	(1)	(2,653)	-
4000	Net operating revenue	744,100	100	545,929	100	2,205,234	100	1,476,309	100
5000	Operating costs (Note 10, 20 and 28)	431,988	58	461,087	84	1,496,341	68	1,145,992	78
5900	Gross Profit	312,112	42	84,842	16	708,893	32	330,317	22
	Operating expenses (Note 20)								
6100	Selling and Marketing expenses	29,445	4	15,882	3	81,925	4	44,207	3
6200	General and Administrative expenses	70,978	10	76,679	14	250,779	11	165,124	11
6300	Research and Development expenses	62,054	8	36,215	7	153,322	7	101,403	7
6450	Expected credit loss (profit)(Note 9)	-	-	11	-	349	-	(74)	-
6000	Total operating expenses	162,477	22	128,787	24	486,375	22	310,660	21
6900	Net operating income (loss)	149,635	20	(43,945)	(8)	222,518	10	19,657	1
	Non-operating income and expenses								
7100	Interest income	1,869	-	779	-	6,132	1	3,252	-
7190	Other income	32	-	22	-	4,322	-	820	-
7210	Gains (loss) on disposal of property, plant and equipment	(61)	-	-	-	(11)	-	85	-
7230	Foreign currency exchange gain-net (loss) (Note 20)	(15,359)	(2)	12,644	2	23,023	1	17,107	1
7235	Net profit (loss) of financial instruments at fair value through profit or loss (Note7)	262	-	2,591	1	465	-	4,775	1
7510	Interest expense	(6,552)	(1)	(5,656)	(1)	(20,955)	(1)	(16,880)	(1)
7000	Total non-operating income and expenses	(19,809)	(3)	10,380	2	12,976	1	9,159	1
7900	Net profit (loss) before income tax	129,826	17	(33,565)	(6)	235,494	11	28,816	2
7950	Income tax (expense) benefit (Notes 4 and 21)	(11,530)	(1)	6,708	1	(2,200)	-	29,091	2
8200	Net profit (loss) for the period	118,296	16	(26,857)	(5)	233,294	11	57,907	4
	Other comprehensive income (loss)								
8361	Exchange differences on translating the financial statements of foreign operations	1,228	-	1,986	-	3,084	-	107	-
8399	Income tax relating to items that may be reclassified subsequently to other comprehensive income (Note 4 and 21)	(245)	-	(397)	-	(616)	-	(21)	-
8300	Other comprehensive income (loss) for the period, net of income tax	983	-	1,589	-	2,468	-	86	-
8500	Total comprehensive income for the period	\$ 119,279	16	(\$ 25,268)	(5)	\$ 235,762	11	\$ 57,993	4
	Net profit is attributed to:								
8610	parent company owner	\$ 114,771	15	\$ 88,730	16	\$ 338,708	15	\$ 264,365	18
8615	Preceding interest under joint control	-	-	(115,587)	(21)	(121,585)	(5)	(206,458)	(14)
8620	non-controlling interests	3,525	1	-	-	16,171	1	-	-
8600		\$ 118,296	16	(\$ 26,857)	(5)	\$ 233,294	11	\$ 57,907	4
	Net profit is attributed to:								
8710	parent company owner	\$ 115,754	16	\$ 90,319	16	\$ 341,176	15	\$ 264,451	18
8715	Preceding interest under joint control	-	-	(115,587)	(21)	(121,585)	(5)	(206,458)	(14)
8720	non-controlling interests	3,525	-	-	-	16,171	1	-	-
8700		\$ 119,279	16	(\$ 25,268)	(5)	\$ 235,762	11	\$ 57,993	4
	Earnings per share (Note 22)								
9710	Basic	\$ 2.10		\$ 1.77		\$ 6.49		\$ 5.27	
9810	Diluted	\$ 2.10		\$ 1.77		\$ 6.49		\$ 5.26	

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

Eris Technology Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the nine months ended September 30, 2024 and 2023
(Reviewed only, not audited in accordance with Generally Accepted Auditing Standards)
(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to the owners of the company (Notes 18 and 32)													
Code		Capital			Retained earnings				Other equity	Total	Preceding interest under joint control Notes 4 and 31)	non-controlling interests	Total equity
		Ordinary shares	Stock dividends to be distributed	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations				
A1	Balance as of January 1, 2023	\$ 444,283	\$ -	\$ 402,511	\$ 97,141	\$ 2,341	\$ 538,167	\$ 637,649	(\$ 1,617)	\$ 1,482,826	\$ -	\$ -	\$ 1,482,826
A4	Retrospective adjustment of a business combination under common control.	-	-	-	-	-	-	-	-	-	588,220	-	588,220
	Appropriation of 2022 earnings												
B1	Legal reserve	-	-	-	45,581	-	(45,581)	-	-	-	-	-	-
B3	Special surplus reserve	-	-	-	-	(724)	724	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(239,913)	(239,913)	-	(239,913)	-	-	(239,913)
B9	Stock dividends	-	57,756	-	-	-	(57,756)	(57,756)	-	-	-	-	-
		-	57,756	-	45,581	(724)	(342,526)	(297,669)	-	(239,913)	-	-	(239,913)
D1	Net profit for the nine months ended September 30, 2023	-	-	-	-	-	264,365	264,365	-	264,365	(206,458)	-	57,907
D3	Other comprehensive income/(loss) for the nine months ended September 30, 2023 after tax	-	-	-	-	-	-	-	86	86	-	-	86
D5	Total comprehensive income/(loss) for the nine months ended September 30, 2023	-	-	-	-	-	264,365	264,365	86	264,451	(206,458)	-	57,993
T1	Investment of predecessor interests under joint control	-	-	-	-	-	-	-	-	-	232,026	-	232,026
Z1	Balance as of September 30, 2023	\$ 444,283	\$ 57,756	\$ 402,511	\$ 142,722	\$ 1,617	\$ 460,006	\$ 604,345	(\$ 1,531)	\$ 1,507,364	\$ 613,788	\$ -	\$ 2,121,152
A1	Balance as of January 1, 2024	\$ 502,039	\$ -	\$ 402,511	\$ 142,722	\$ 1,617	\$ 533,433	\$ 677,772	(\$ 2,598)	\$ 1,579,724	\$ 634,813	\$ -	\$ 2,214,537
	Appropriation of 2023 earnings												
B1	Legal reserve	-	-	-	33,779	-	(33,779)	-	-	-	-	-	-
B3	Special surplus reserve	-	-	-	-	981	(981)	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	(273,520)	(273,520)	-	(273,520)	-	-	(273,520)
		-	-	-	33,779	981	(308,280)	(273,520)	-	(273,520)	-	-	(273,520)
E1	Cash capital increase issuance	45,000	-	1,071,900	-	-	-	-	-	1,116,900	-	-	1,116,900
D1	Net profit for the nine months ended September 30, 2024	-	-	-	-	-	338,708	338,708	-	338,708	(121,585)	16,171	233,294
D3	Other comprehensive income/(loss) for the nine months ended September 30, 2024 after tax	-	-	-	-	-	-	-	2,468	2,468	-	-	2,468
D5	Total comprehensive income/(loss) for the nine months ended September 30, 2024	-	-	-	-	-	338,708	338,708	2,468	341,176	(121,585)	16,171	235,762
T1	Investment of predecessor interests under joint control	-	-	-	-	-	-	-	-	-	163,280	-	163,280
H3	Organizational restructuring	-	-	-	-	-	(47,312)	(47,312)	-	(47,312)	(676,508)	-	(723,820)
M7	Changes in ownership interests in subsidiaries	-	-	43,538	-	-	-	-	-	43,538	-	(43,538)	-
O1	Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	98,630	98,630
Z1	Balance as of September 30, 2024	\$ 547,039	\$ -	\$ 1,517,949	\$ 176,501	\$ 2,598	\$ 516,549	\$ 695,648	(\$ 130)	\$ 2,760,506	\$ -	\$ 71,263	\$ 2,831,769

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

Eris Technology Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the nine months ended September 30, 2024 and 2023
(Reviewed only, not audited in accordance with Generally Accepted Auditing Standards)
(Expressed in Thousands of New Taiwan Dollars)

Code		For the nine months ended September 30, 2024	For the nine months ended September 30, 2023 (Restated)
	Cash flows from operating activities		
A10000	Net Profit before tax for the period	\$ 235,494	\$ 28,816
A20010	Adjustments for:		
A20100	Depreciation expenses	163,241	136,813
A20200	Amortization expenses	20,303	9,525
A20300	Expected credit loss (Reversal)	349	(74)
A20400	Financial instruments at fair value through profit loss (Gain)	119	(4,808)
A20900	Interest expense	20,955	16,880
A21200	Interest income	(6,132)	(3,252)
A22500	Disposal of property, plant and equipment loss (Gain)	11	(85)
A23800	Write-downs of inventories and sluggish losses (Reversal)	(24,567)	2,000
A24100	Unrealized gain on foreign currency exchange	(16,105)	(14,198)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	659	507
A31150	Trade receivables	(14,343)	23,267
A31160	Trade receivables from related parties	(125,747)	(54,378)
A31180	Other receivables	(6,252)	(9,789)
A31190	Other receivables - related parties	95,159	-
A31200	Inventories	26,371	111,977
A31240	Prepayments and other current assets	(8,483)	2,181
A32130	Notes payables	(2,347)	-
A32150	Trade payables	13,866	(19,717)
A32160	Trade payables - related parties	(20,304)	29,595
A32180	Other payables	24,276	(46,257)
A32230	Other current liabilities	<u>11,589</u>	<u>(4,931)</u>
A33000	Cash generated from operations	388,112	204,072
A33100	Interest received	5,208	2,922
A33300	Interest paid	(19,626)	(16,628)
A33500	Income tax paid	(<u>17,377</u>)	(<u>25,305</u>)
AAAA	Net cash generated from operating activities	<u>356,317</u>	<u>165,061</u>

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Code		For the nine months ended September 30, 2024	For the nine months ended September 30, 2023 (Restated)
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	(\$ 25,637)	(\$ 10,076)
B00050	Disposal of financial assets measured at amortized cost	17,161	10,000
B02200	Net cash outflow from business combination	(39,222)	-
B02700	Acquisition of property, plant and equipment	(118,645)	(70,021)
B02800	Proceeds from disposal of property, plant and equipment	7,348	220
B04500	Payments for intangible assets	(4,917)	(2,811)
B06700	Increase in other non-current assets	(18,534)	(9,771)
B07100	Increase in prepayments for equipment	(<u>70,024</u>)	(<u>45,343</u>)
BBBB	Net cash used in investing activities	(<u>252,470</u>)	(<u>127,802</u>)
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings decrease	(20,000)	(150,000)
C01600	long-term borrowing	200,000	469,475
C01700	Repayments of long-term borrowings	(176,745)	(495,655)
C04020	Repayments of principal portion of lease liabilities	(12,240)	(4,701)
C04500	Paid cash dividends	(273,520)	(239,913)
C04600	Cash capital increase issuance	1,116,900	-
C05800	Increase in non-controlling interests	80,000	-
C05800	Increase in non-controlling loss	(194,400)	-
C05400	Organizational restructuring payments	(723,820)	-
C09900	Investment of predecessor interests under joint control	<u>163,280</u>	<u>232,026</u>
CCCC	Net cash generated from /used in financing activities	<u>159,455</u>	(<u>188,768</u>)
DDDD	Effect of exchange rate changes on cash	<u>3,221</u>	<u>72</u>
EEEE	Increase (Decrease) in cash	266,523	(151,437)
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>\$ 847,682</u>	<u>\$ 341,628</u>

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

Eris Technology Corporation and Subsidiaries

Notes to Consolidated Financial Statements

For the nine months ended September 30, 2024 and 2023

(Reviewed only, not audited in accordance with Generally Accepted Auditing Standards)
(Unless otherwise stated, in thousands of New Taiwan Dollars)

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 September 30, 2024, Diodes Holdings UK Limited held 51.04% 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.

In June 2024, the merged company used cash consideration of NT\$723,820 thousand to acquire the divided wafer business of the Keelung Branch of Luxembourg-based Diodes International Co., Ltd. Since this transaction is a business combination under joint control, which should be regards as starting from the beginning that consolidated and retrospectively restated comparative financial statements.

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 October 28, 2024.

3. Application of New and Revised Standards, Amended 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. IFRS accounting standards approved by the Financial Supervisory Commission applicable in 2025

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB
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Amendment to IAS 21 “Lack of Convertibility”	January 1, 2025 (Note 1)
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Note 1: 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 retained earnings or exchange differences of foreign operating institutions

under equity (as appropriate) on the date of initial application and the related affected assets and liabilities.

- c. 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)
"Annual Improvement of IFRS Accounting Standards - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	To be determined
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
IFRS 19 "Subsidiaries not publicly accountable: Disclosure"	January 1, 2027

Note 1: Unless otherwise specified, the aforementioned New/Amended/Revised Standards and Interpretations shall be effective for the annual reporting period after the specified dates.

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 matters, and classify and aggregate them on the basis of common characteristics so that the main 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 merged company conducts public communications outside of financial statements and communicates management's views on a certain aspect of the merged company's overall financial performance to users of financial statements, it should include a single note in the financial statements. Disclose 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 income tax and non-controlling interest effects of related reconciliation items.

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

4. Summary of Significant Accounting Policies

a. Statement of compliance

The 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. Business combination under common control

The consolidate company adopts the book value method to handle the merger of enterprises under joint control, and it is regarded as the merger from the beginning and the comparative information of the previous period is restated.

e. Other significant accounting policies

In addition to the following description, please refer to the summary of significant accounting policies in the consolidated financial statements for the year ended December 31, 2023.

- a. Criteria for distinguishing 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.

b. 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-acquirer 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 acquired and are entitled to a proportionate share of the acquirer's 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.

c. Income tax expenses

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 significant 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

	September 30, 2024	December 31, 2023	September 30, 2023
Foreign currency demand deposits	\$ 403,489	\$ 177,727	\$ 132,664
Demand deposits	442,826	402,356	207,687
Cash on hand	1,267	976	1,144
Check deposits	100	100	133
	<u>\$ 847,682</u>	<u>\$ 581,159</u>	<u>\$ 341,628</u>

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Demand deposits	0.03%~1.45%	0.05%~1.45%	0.05%~1.45%

7. Financial Instruments at Fair Value through Profit or Loss

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Financial assets - current</u>			
Held for trading			
– Cross-currency swap contracts(a)	<u>\$ 840</u>	<u>\$ 339</u>	<u>\$ 5,016</u>
<u>Financial liabilities - current</u>			
Held for trading			
– Exchange rate options(b)	<u>\$ 620</u>	<u>\$ -</u>	<u>\$ -</u>
– Forward foreign exchange contracts(c)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208</u>

(a) At the balance sheet date, outstanding cross-currency swap contracts not applicable to hedge accounting were as follows:

September 30, 2024

<u>Currency</u>	<u>Maturity Period</u>	<u>Notional Amount (In Thousands)</u>
USD : NTD	From November 2024 to October 2025	USD 1,500/ NTD 45,382

December 30, 2023

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

September 30, 2023

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

(b) The exchange rate option contracts that have not expired on the balance sheet date are as follows: (December 31 and September 30, 2023: None)

September 30, 2024

<u>Contract amount (NT\$ thousand)</u>	<u>Transaction type</u>	<u>Call/Sell</u>	<u>Maturity Period</u>	<u>Agreed exchange rate</u>
USD 1,000	Call Option	Seller	April 2025	USD : TWD 32.80
USD 1,000	Call Option	Seller	April 2025	USD : TWD 33.00
USD 1,000	Call Option	Seller	June 2025	USD : TWD 33.50
USD 1,000	Call Option	Seller	August 2025	USD : TWD 33.82
USD 1,000	Call Option	Seller	Feb. 2025	USD : TWD 32.60

- (c) At the balance sheet date, outstanding forward foreign exchange contracts not applicable to hedge accounting were as follows (December 31, 2023 and September 30, 2024: None)

September 30, 2023

	Currency	Maturity Period	Notional Amount (In Thousands)
Sales of forwarding foreign exchange	USD : NTD	From November to December 2023	USD 2,000/ NTD 63,984

8. Financial assets at amortized cost

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Current</u>			
Un-Pledged bank deposits			
Time deposits with original maturity of more than 3 months	\$ 18,990	\$ 9,211	\$ 9,681
Pledged bank deposits			
Time deposits with original maturity of more than 3 months	11,770	14,416	14,991
Restricted demand deposits	<u>41,160</u>	<u>42,191</u>	<u>32,122</u>
	<u>\$ 71,920</u>	<u>\$ 65,818</u>	<u>\$ 56,794</u>
<u>Non-current</u>			
Pledged bank deposits			
Restricted demand deposits	<u>\$ 14,093</u>	<u>\$ 10,057</u>	<u>\$ 10,034</u>

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Time deposits with original maturity of more than 3 months	1.17%~5.10%	2.49%~4.80%	1.80%~4.80%
Restricted demand deposits	0.64%~0.73%	0.58%~0.60%	0.51%~0.60%

Please refer to Note 29 for information relating to financial assets at amortized cost pledged as security.

9. Notes Receivable and Trade Receivables

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
<u>Notes receivable</u>			
Measured at amortized cost			
Total carrying amount	<u>\$ 1,343</u>	<u>\$ 953</u>	<u>\$ 987</u>
<u>Trade receivables</u>			
Measured at amortized cost			
Total carrying amount	\$ 295,280	\$ 105,667	\$ 127,784
Less: loss allowance	(<u>8,569</u>)	(<u>3,565</u>)	(<u>3,960</u>)
Trade receivables, net	<u>\$ 286,711</u>	<u>\$ 102,102</u>	<u>\$ 123,824</u>
<u>Receivables from related parties</u>			
Measured at amortized cost			
Total carrying amount	<u>\$ 401,090</u>	<u>\$ 356,352</u>	<u>\$ 386,825</u>

The payment terms of sales of goods were about 30 days to 165 days, and no interest was charged during the payment terms.

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. Starting from the first quarter of 2024, the historical experience of credit loss assessment of the Group's company shows that there is no significant difference in the loss patterns of organizations in different credit period groups. Therefore, the provision matrix only uses the number of days overdue for accounts receivable to calculate the expected credit loss rate.

The allowance losses for accounts receivable (including receivables from related parties) of the Group was as follows:

September 30, 2024

	Not overdue	Payment Terms of 30 days	Payment Terms of 60 days	Payment Terms of 90 days	Payment Terms of 120 days	Payment Terms of above 121 days	Total
Total carrying amount	\$ 685,383	\$ 6,115	\$ 1,567	\$ 1,372	\$ 591	\$ 1,342	\$ 696,370
Loss allowance (lifetime expected credit losses)	(5,567)	(438)	(389)	(308)	(525)	(1,342)	(8,569)
Amortized cost	<u>\$ 679,816</u>	<u>\$ 5,677</u>	<u>\$ 1,178</u>	<u>\$ 1,064</u>	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 687,801</u>

December 31, 2023

	Payment Terms of 30 days	Payment Terms of 60 days	Payment Terms of 90 days	Payment Terms of 120 days	Others	Total
Total carrying amount	\$ 19,507	\$ 390,242	\$ 40,508	\$ 11,348	\$ 414	\$ 462,019
Loss allowance (lifetime expected credit losses)	(975)	(1,961)	(202)	(13)	(414)	(3,565)
Amortized cost	<u>\$ 18,532</u>	<u>\$ 388,281</u>	<u>\$ 40,306</u>	<u>\$ 11,335</u>	<u>\$ -</u>	<u>\$ 458,454</u>

September 30, 2023

	Payment Terms of 30 days	Payment Terms of 60 days	Payment Terms of 90 days	Payment Terms of 120 days	Others	Total
Total carrying amount	\$ 18,413	\$ 386,605	\$ 91,863	\$ 16,908	\$ 820	\$ 514,609
Loss allowance (lifetime expected credit losses)	(921)	(1,985)	(220)	(14)	(820)	(3,960)
Amortized cost	<u>\$ 17,492</u>	<u>\$ 384,620</u>	<u>\$ 91,643</u>	<u>\$ 16,894</u>	<u>\$ -</u>	<u>\$ 510,649</u>

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

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Beginning balance	\$ 3,565	\$ 3,920
Adjustment of predecessor's equity under joint control (Note 32)	-	113
Acquired from business combination	4,606	-
Add: Loss on impairment recognized in the period	349	-
Less: Reversal of impairment losses in the current period	-	(74)
Foreign exchange translation differences	49	1
Ending balance	<u>\$ 8,569</u>	<u>\$ 3,960</u>

The aging analysis of trade receivables was as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Not Overdue	\$ 685,417	\$ 460,386	\$ 511,318
Less than 60 days overdue	7,648	831	2,041
61~90 days overdue	1,372	269	390
91~120 days overdue	591	-	-
More than 120 days overdue	<u>1,342</u>	<u>533</u>	<u>860</u>
	<u>\$ 696,370</u>	<u>\$ 462,019</u>	<u>\$ 514,609</u>

10. Inventory

	September 30, 2024	December 31, 2023	September 30, 2023
Raw Material	\$ 305,683	\$ 206,941	\$ 193,355
Work in progress	137,792	152,406	121,353
Finished goods	18,279	24,737	26,989
Buy & Sell	<u>53,366</u>	<u>28,482</u>	<u>33,154</u>
	<u>\$ 515,120</u>	<u>\$ 412,566</u>	<u>\$ 374,851</u>

The cost of goods sold from July 1 to September 30, 2024 and from January 1 to September 30, 2024, including reversal inventory depreciation and sluggish losses, were NT\$29,967 thousand and NT\$24,567 respectively; The cost of goods sold from July 1 to September 30, 2023 and from January 1 to September 30, 2023 includes provision for inventory depreciation and slack losses of NT\$0 and NT\$2,000 thousand, respectively.

The inventory price decline and sluggish recovery from July 1 to September 30, 2024 and from January 1 to September 30, 2024 are mainly due to the recovery in net realizable value assessment.

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		
			September 30, 2024	December 31, 2023	September 30, 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	96.1%	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%	-	-
Yea Shin Technology Co., Ltd.	SeCos Corporation ("SeCos")	Manufacturing of electronic parts and components R&D, design and sales	60%	-	-
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, the Company reinvested in Jie Cheng located in mainland China through a third region approved by the Investment Commission, Ministry of Economic Affairs (the MOEAIC). This company mainly engaged in wholesaling and international trading of electronic materials. As of September 30, 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 September 30, 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. Yea Shin Company also acquired the remaining 60% of the outstanding equity of SeCos for NT\$194,400 thousand in September 2024, totaling 10,800 thousand shares.

Yea Shin Company had issuance increase its capital in cash in June 2024. As employees participated in the cash capital increase and subscribed shares, the shareholding ratio dropped to 96.1%.

12. Property, Plant and Equipment

Nine Months Ended September 30, 2024							
	Land	Houses and buildings	Machinery Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	Total Cost
Cost							
Balance as of January 1, 2024	\$ 574,129	\$ 914,890	\$1,998,927	\$ 15,377	\$ 304	\$ 15,423	\$3,519,050
Acquired from business combination (Note 23)	19,862	17,405	16,560	9,768	-	2,311	65,906
Increase	-	17,984	80,767	5,008	1,757	2,389	107,905
Dispose	-	(25,254)	(21,967)	(12,268)	(205)	(252)	(59,946)
Internal transfer	-	(371,457)	57,687	2,039	385,305	568	74,142
Effect of exchange rate	-	-	-	81	-	44	125
Balance as of September 30, 2024	<u>\$ 593,991</u>	<u>\$ 553,568</u>	<u>\$2,131,974</u>	<u>\$ 20,005</u>	<u>\$ 387,161</u>	<u>\$ 20,483</u>	<u>\$3,707,182</u>
Accumulated depreciation							
Balance as of January 1, 2024	\$ -	\$ 313,668	\$1,159,105	\$ 12,576	\$ 266	\$ 11,051	\$1,496,666
Acquired from business combination (Note 23)	-	1,808	13,553	6,032	-	1,686	23,079
Depreciation expense	-	36,585	103,486	1,814	7,144	1,471	150,500
Dispose	-	(25,254)	(21,967)	(4,909)	(205)	(252)	(52,587)
Internal transfer	-	(177,460)	-	-	177,460	-	-
Effect of exchange rate	-	-	-	77	-	41	118
Balance as of September 30, 2024	<u>\$ -</u>	<u>\$ 149,347</u>	<u>\$1,254,177</u>	<u>\$ 15,590</u>	<u>\$ 184,665</u>	<u>\$ 13,997</u>	<u>\$1,617,776</u>
Net as of September 30, 2024	<u>\$ 593,991</u>	<u>\$ 404,221</u>	<u>\$ 877,797</u>	<u>\$ 4,415</u>	<u>\$ 202,496</u>	<u>\$ 6,486</u>	<u>\$2,089,406</u>

Nine Months Ended September 30, 2023							
	Land	Houses and buildings	Machinery Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	Total Cost
Cost							
Balance as of January 1, 2023	\$ 574,129	\$ 537,698	\$1,190,852	\$ 15,411	\$ 4,371	\$ 15,061	\$2,337,522
Preceding interest under joint control Adjustment (note 32)	-	-	720,141	-	367,212	30	1,087,383
Increase	-	7,586	29,820	-	4,278	249	41,933
Dispose	-	(2,677)	(51,677)	-	(771)	-	(55,125)
Internal transfer	-	7,564	80,347	-	-	-	87,911
Effect of exchange rate	-	-	-	3	-	2	5
Balance as of September 30, 2023	<u>\$ 574,129</u>	<u>\$ 550,171</u>	<u>\$1,969,483</u>	<u>\$ 15,414</u>	<u>\$ 375,090</u>	<u>\$ 15,342</u>	<u>\$3,499,629</u>
Accumulated depreciation							
Balance as of January 1, 2023	\$ -	\$ 138,595	\$ 646,060	\$ 11,362	\$ 4,145	\$ 9,493	\$ 809,655
Preceding interest under joint control	-	-	478,428	-	137,905	30	616,363
Adjustment (note 32)	-	-	90,935	935	15,469	1,169	132,178
Depreciation expense	-	23,670	90,935	935	15,469	1,169	132,178
Dispose	-	(2,677)	(51,542)	-	(771)	-	(54,990)
Internal transfer	-	-	-	3	-	1	4
Effect of exchange rate	-	-	-	-	-	-	-
Balance as of September 30, 2023	<u>\$ -</u>	<u>\$ 159,588</u>	<u>\$1,163,881</u>	<u>\$ 12,300</u>	<u>\$ 156,748</u>	<u>\$ 10,693</u>	<u>\$1,503,210</u>
Net as of September 30, 2023	<u>\$ 574,129</u>	<u>\$ 390,583</u>	<u>\$ 805,602</u>	<u>\$ 3,114</u>	<u>\$ 218,342</u>	<u>\$ 4,649</u>	<u>\$1,996,419</u>

The Group did not process any assessment for impairment due to no signs of impairment for the nine months ended September 30, 2024 and 2023.

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 to 50 years
Building improvement	5 to 15 years
Machinery Equipment	2 to 15 years
Transportation Equipment	5 to 8 years
Leasehold Improvements	3 to 10 years
Other Equipment	3 to 5 years

Please refer to Note 29 for the amounts of property, plant and equipment pledged as collateral for borrowings.

13. Lease Arrangements

a. Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount of right-of-use assets			
Buildings	<u>\$ 166,737</u>	<u>\$ 6,309</u>	<u>\$ 7,865</u>
	For the Three Months ended September 30, 2024	For the Three Months ended September 30, 2023	For the Nine Months Ended September 30, 2024
Additions on right-of-use assets (note 28)			<u>\$ 170,008</u>
Depreciation expense of right-of-use assets			<u>\$ 2,782</u>
Buildings	<u>\$ 6,513</u>	<u>\$ 1,560</u>	<u>\$ 12,741</u>
			<u>\$ 4,635</u>

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount of lease liabilities			
Current	<u>\$ 21,117</u>	<u>\$ 3,373</u>	<u>\$ 4,492</u>
Non-current	<u>\$ 146,202</u>	<u>\$ 3,012</u>	<u>\$ 3,452</u>

Intervals of discount rates for lease liabilities were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Buildings	1.00%~1.80%	1.00%~1.80%	1.00%~1.80%

c. Other lease information

	For the Three Months ended September 30, 2024	For the Three Months ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
short term rental fees	<u>\$ 67</u>	<u>\$ -</u>	<u>\$ 230</u>	<u>\$ -</u>
Low value asset leasing expenses	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 47</u>	<u>\$ -</u>
Total cash outflow for leases	<u>\$ 5,641</u>	<u>\$ 1,582</u>	<u>\$ 12,240</u>	<u>\$ 4,701</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

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Opening balance	<u>\$ 24,070</u>	<u>\$ 24,070</u>
This period was obtained from a business merger (Note 23)	<u>34,658</u>	<u>-</u>
Ending net amount	<u>\$ 58,728</u>	<u>\$ 24,070</u>

The acquisition of Yea Shin Technology 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\$34,658 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 September 30, 2024 and 2023.

15. Other Intangible Assets

	Patent	Computer Software	Customers Relationship	Total
<u>Cost</u>				
Balance as of January 1, 2024	\$ 617	\$ 22,025	\$ -	\$ 22,642
Acquired from business combination (Note 23)	-	5,503	40,513	46,016
Obtained separately	-	4,917	-	4,917
Disposal	(617)	(84)	-	(701)
Balance as of September 30, 2024	<u>\$ -</u>	<u>\$ 32,361</u>	<u>\$ 40,513</u>	<u>\$ 72,874</u>
<u>Accumulated amortization and impairment</u>				
Balance as of January 1, 2024	\$ 617	\$ 7,945	\$ -	\$ 8,562
Acquired from business combination (Note 23)	-	297	-	297
Obtained separately	-	3,613	2,544	6,157
Disposal	(617)	(84)	-	(701)
Balance as of September 30, 2024	<u>\$ -</u>	<u>\$ 11,771</u>	<u>\$ 2,544</u>	<u>\$ 14,315</u>
Net as of September 30, 2024	<u>\$ -</u>	<u>\$ 20,590</u>	<u>\$ 37,969</u>	<u>\$ 58,559</u>
<u>Cost</u>				
Balance as of January 1, 2023	\$ 617	\$ 19,671	\$ -	\$ 20,288
Preceding interest under joint control Adjustment (note 32)	-	108	-	108
Obtained separately	-	2,811	-	2,811
Disposal	-	(565)	-	(565)
Balance as of September 30, 2023	<u>\$ 617</u>	<u>\$ 22,025</u>	<u>\$ -</u>	<u>\$ 22,642</u>
<u>Accumulated amortization and impairment</u>				
Balance as of January 1, 2023	\$ 559	\$ 5,519	\$ -	\$ 6,078
Preceding interest under joint control Adjustment (note 32)	-	11	-	11
Obtained separately	46	2,195	-	2,241
Disposal	-	(565)	-	(565)
Balance as of September 30, 2023	<u>\$ 605</u>	<u>\$ 7,160</u>	<u>\$ -</u>	<u>\$ 7,765</u>
Net as of September 30, 2023	<u>\$ 12</u>	<u>\$ 14,865</u>	<u>\$ -</u>	<u>\$ 14,877</u>
Amortization charge is accrued on a straight-line basis over the following useful years:				
Patent	10 years			
Computer Software	2 to 15 years			
Customers Relationship	13 years			

16. Borrowings

a. Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Secured loans</u>			
Bank loans	\$ 121,250	\$ 300,000	\$ 350,000
<u>Unsecured loans</u>			
Line of credit loans	<u>493,750</u>	<u>300,000</u>	<u>-</u>
	<u>\$ 615,000</u>	<u>\$ 600,000</u>	<u>\$ 350,000</u>

The interest rates of bank revolving borrowings on September 30, 2024 and December 31 and September 30, 2023 were 1.80%~2.72%、1.60%~1.85%、及1.78%~1.85%, respectively.

Please refer to Note 29 for information relating to assets pledged for secured borrowings.

b. Long-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Secured loans</u>			
Bank loans (1)	\$ 53,608	\$ 57,800	\$ 59,652
Bank loans (2)	385,917	402,697	408,289
Bank loans (3)	100,000	50,000	50,000
Bank loans (4)	36,340	40,751	42,212
Bank loans (5)	4,000	-	-
Bank loans (6)	-	-	100,000
<u>Non-Secured loans</u>			
Bank loans (7)	5,311	6,673	7,124
Bank loans (8)	-	100,000	100,000
Bank loans (9)	100,000	-	-
Bank loans (10)	<u>16,000</u>	<u>-</u>	<u>-</u>
	701,176	657,921	767,277
Less: listed as portion matured in 1 year	(<u>45,745</u>)	(<u>135,877</u>)	(<u>36,269</u>)
Long-term borrowings	<u>\$ 655,431</u>	<u>\$ 522,044</u>	<u>\$ 731,008</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 September 30, 2024, December 31 and September 30 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 1.97%, 1.83% and 1.83% as of September 30, 2024, December 31 and September 30 2023, 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. It's exchanged when it matures in September 2024, and an increase loan of NT\$50,000,000 will be borrowed. The maturity date of the loan is September 26, 2026. The effective annual

interest rate were 1.9366%, 1.9366% and 1.8044% as of September 30, 2024 December 31 and September 30 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 rate was 1.80%, 1.68% and 1.68% as of September 30, 2024, December 31 and September 30 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 2.22% on September 30 2024.
- 6) The Group obtained a bank loan of NT\$100,000 thousand at the end of December 26, 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 1.68% on September 30, 2023.
- 7) 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 0.98%, and a grace period of one year to be averagely repaid after the period for the principal and the interests. The maturity date of the loan was June 30, 2027. The effective interest rates were 1.80%, 1.68% and 1.68% as of September 30, 2024, December 31 and September 30 2023, respectively.
- 8) 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 1.80% as of December 31 and September 30 2023, respectively.
- 9) 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 1.94% on September 30, 2024, respectively.
- 10) 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 2.22% on September 30, 2024.

Please refer to Note 29 for information relating to assets pledged for secured borrowings.

17. Other Payables

	September 30, 2024	December 31, 2023	September 30, 2023
Salary and bonus payable	\$ 80,237	\$ 71,509	\$ 62,099
Processing fees payable	17,361	14,783	14,372
Utility fees payable	15,256	5,569	6,647
Equipment fees payable	6,642	22,109	10,410
Other	<u>92,801</u>	<u>54,942</u>	<u>58,148</u>
	<u>\$ 212,297</u>	<u>\$ 168,912</u>	<u>\$ 151,676</u>

18. Equity

a. Share capital

	September 30, 2024	December 31, 2023	September 30, 2023
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>54,704</u>	<u>50,204</u>	<u>44,428</u>
Share capital issued	<u>\$ 547,039</u>	<u>\$ 502,039</u>	<u>\$ 444,283</u>
Number of stock dividend shares to be distributed(Thousands of shares)	<u>-</u>	<u>-</u>	<u>5,776</u>
Stock dividend shares to be distributed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,756</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 raise 4,500 thousand shares with an issuance price of NT\$248.9 per share, and April 28, 2024 had the base date for the cash capital increase and subscription. The expenditure for the cash capital increase and the issuance of new shares of NT\$ 3,150 thousand was a necessary issuance cost and was used as a deduction from the capital reserve for the issuance premium.

b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
Issuance of shares at a premium	\$ 1,473,562	\$ 401,662	\$ 401,662
Recognition of changes in all equity interests in subsidiaries	43,538	-	-
Others	<u>849</u>	<u>849</u>	<u>849</u>
	<u>\$ 1,517,949</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.

The recognized changes in all equity interests in subsidiaries are mainly due to equity adjustments resulting from the failure to increase capital in accordance with the shareholding ratio of the Yea Shin Technology and that Yea Shin Technology acquisition of the remaining 60% of the outstanding equity of SeCos. Please refer to Note 24 for details of relevant transactions.

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.

On June 28, 2024 and May 16, 2023, the company held general shareholders' meetings, and the resolutions were passed respectively to approve the 2023 and 2022 annual profit distribution proposals 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>

19. Revenue

	For the Three Months ended September 30, 2024	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Revenue from contracts with customers				
Revenue from the sale of goods	<u>\$ 744,100</u>	<u>\$ 545,929</u>	<u>\$2,205,234</u>	<u>\$1,476,309</u>

Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Notes and trade receivables	<u>\$ 689,144</u>	<u>\$ 459,407</u>	<u>\$ 511,636</u>	<u>\$ 411,952</u>
Contract liabilities (included in other current liability)				
Sales of goods	<u>\$ 1,461</u>	<u>\$ 719</u>	<u>\$ 328</u>	<u>\$ 264</u>

20. Net Profit

Additional information on the net profit includes the following items:

a. Depreciation and amortization

	For the Three Months ended September 30, 2024	For the Three Months ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Property, plant and equipment	\$ 44,538	\$ 55,678	\$ 150,500	\$ 132,178
Right-of-use assets	6,513	1,560	12,741	4,635
Unamortized expenses	5,128	2,946	14,146	7,284
Intangible assets	<u>2,124</u>	<u>804</u>	<u>6,157</u>	<u>2,241</u>
	<u>\$ 58,303</u>	<u>\$ 60,988</u>	<u>\$ 183,544</u>	<u>\$ 146,338</u>
Depreciation expenses summarized by function				
Operating costs	\$ 28,023	\$ 29,987	\$ 83,967	\$ 72,062
Operating expenses	<u>23,028</u>	<u>27,251</u>	<u>79,274</u>	<u>64,751</u>
	<u>\$ 51,051</u>	<u>\$ 57,238</u>	<u>\$ 163,241</u>	<u>\$ 136,813</u>
Amortization expenses summarized by function				
Operating costs	\$ 4,084	\$ 2,747	\$ 12,067	\$ 6,775
Sales expenses	1,070	156	2,915	433
Management expenses	788	200	2,420	554
R&D expenses	<u>1,310</u>	<u>647</u>	<u>2,901</u>	<u>1,763</u>
	<u>\$ 7,252</u>	<u>\$ 3,750</u>	<u>\$ 20,303</u>	<u>\$ 9,525</u>

b. Gains or losses on foreign currency exchange

	For the Three Months ended September 30, 2024	For the Three Months ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Total foreign exchange gains	\$ 8,324	\$ 18,696	\$ 63,116	\$ 36,253
Total foreign exchange losses	(23,683)	(6,052)	(40,093)	(19,146)
Net balance	<u>(\$ 15,359)</u>	<u>\$ 12,644</u>	<u>\$ 23,023</u>	<u>\$ 17,107</u>

c. Employee benefits expense

	For the Three Months ended September 30, 2024	For the Three Months ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Post-employment benefits				
Defined benefit plans	\$ 13,937	\$ 4,922	\$ 23,384	\$ 11,597
Salaries and bonus	<u>424,907</u>	<u>130,634</u>	<u>687,943</u>	<u>313,224</u>
	<u>\$ 438,844</u>	<u>\$ 135,556</u>	<u>\$ 711,327</u>	<u>\$ 324,821</u>
Summarized by function				
Operating costs	\$ 179,780	\$ 90,567	\$ 325,540	\$ 202,800
Operating expenses	<u>259,064</u>	<u>44,989</u>	<u>385,787</u>	<u>122,021</u>
	<u>\$ 438,844</u>	<u>\$ 135,556</u>	<u>\$ 711,327</u>	<u>\$ 324,821</u>

d. Employees' compensation

The Company sets aside 1%~5% of the profit before tax income for the current year before distribution of employees' compensation as the employees' compensation in compliance with the Articles of Incorporation. The estimated employee's compensation for the three months ended September 30, 2024 and 2023, and for nine months ended January 1 to September 30, 2024 and 2023 were as follows:

Accrual rate

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Employees' compensation	1.7%	2.2%

Amount of Cash

	For the Three Months ended September 30, 2024	For the Three Months ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Employees' compensation	<u>\$ 1,600</u>	<u>\$ 800</u>	<u>\$ 5,800</u>	<u>\$ 4,600</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	<u>\$ 5,800</u>	<u>\$ 11,000</u>

There is no difference between the actual distribution amount of employee compensation for 2023 and 2022 and the amount recognized in the 2023 and 2022 consolidated financial statements.

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:

	For the Three Months ended September 30, 2024	For the Three Months ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Current income tax				
In respect of the current year	(\$ 17,794)	(\$ 2,394)	(\$ 29,335)	(\$ 10,958)
Adjustments for prior years	<u>-</u>	<u>2</u>	<u>5,857</u>	<u>12,271</u>
	(<u>17,794</u>)	(<u>2,392</u>)	(<u>23,478</u>)	<u>1,313</u>
Deferred income tax				
In respect of the current year	<u>6,264</u>	<u>9,100</u>	<u>21,278</u>	<u>27,778</u>
Income tax recognized in profit or (loss)	(<u>\$ 11,530</u>)	<u>\$ 6,708</u>	(<u>\$ 2,200</u>)	<u>\$ 29,091</u>

b. Income tax recognized in other comprehensive income

	For the Three Months ended September 30, 2024	For the Three Months ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
<u>Deferred income tax</u>				
In respect of the current period:				
-Translations of foreign operations	(<u>\$ 245</u>)	(<u>\$ 397</u>)	(<u>\$ 616</u>)	(<u>\$ 21</u>)

c. Income tax assessments

The income tax declaration cases of the Company, Yea Shin and SeCos for the year ending 2022 have been approved by the tax collection authority.

22. Earnings per Share

Unit: per share/NTD

	For the Three Months ended September 30, 2024	For the Three Months ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Earnings per share	<u>\$ 2.10</u>	<u>\$ 1.77</u>	<u>\$ 6.49</u>	<u>\$ 5.27</u>
Diluted earnings per share	<u>\$ 2.10</u>	<u>\$ 1.77</u>	<u>\$ 6.49</u>	<u>\$ 5.26</u>

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

Current Net Profit

	For the Three Months ended September 30, 2024	For the Three Months ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Net profit for the current period used to calculate basic and diluted earnings per share	<u>\$ 114,771</u>	<u>\$ 88,730</u>	<u>\$ 338,708</u>	<u>\$ 264,365</u>

Number of shares

Unit: Thousand shares	Unit: per share/NTD			
	For the Three Months ended September 30, 2024	For the Three Months ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Weighted average number of common shares used to calculate basic earnings per share	54,704	50,204	52,175	50,204
Effect of potentially dilutive ordinary shares Employees' compensation	<u>21</u>	<u>19</u>	<u>29</u>	<u>27</u>
Weighted average number of common shares used to calculate diluted earnings per share	<u>54,725</u>	<u>50,223</u>	<u>52,204</u>	<u>50,231</u>

If the Group offered to settle the employees' compensation in cash or shares, it assumed the entire amount of the compensation will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential ordinary shares is included in the computation of diluted earnings per share until the number of shares to be distributed as employees' compensation in the resolution in the next year.

23. Capital Risk Management

a. Acquisition of subsidiaries

	Major operating activities	Acquisition date	Voting 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 Group company of the acquisition of SeCos is to expand its operating scale and enter into downstream domestic and foreign trading and import and export sales.

b. Transfer Price

Cash	<u>SeCos</u> <u>\$ 180,000</u>
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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	42,827
Right-of-use assets	3,127
Intangible assets	45,719
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	(10,523)
	<u>\$ 358,372</u>

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\$213,030 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 21.1%, the price is estimated to be NT\$19.725.

e. Goodwill arising from acquisitions

	SeCos
Transfer Prices	\$ 180,000
add : Non-controlling equity (60% ownership equity in SeCos)	213,030
less : Fair value of identifiable net assets acquired	(358,372)
Goodwill arising from acquisitions	<u>\$ 34,658</u>

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

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

g. The impact of business combinations on operating results : Not applicable

24. Equity transactions with non-controlling interests

The merged company did not subscribe to Yea Shin Technology's cash capital increase equity on June 7, 2024, in accordance with its shareholding ratio, resulting in a decrease in its shareholding ratio from 100% to 96.1%.

In September 2024, the merged company purchased the remaining 60% of the outstanding shares of its subsidiary SeCos. The transaction was treated as an equity transaction.

Since the above transaction did not change the merged company's control over the subsidiaries, it was treated as an equity transaction.

	Yea Shin	SeCos
Consideration for payment	(\$800,000)	(\$194,400)
The carrying amount of the subsidiary's net assets is calculated based on the change in relative equity and the amount that should be transferred out of the non-controlling interest.	<u>816,272</u>	<u>221,666</u>
Equity transaction balance	<u>\$ 16,272</u>	<u>\$ 27,266</u>

	Yea Shin	SeCos	Total
<u>Equity transaction difference adjustment account</u>			
Capital reserve - Recognition of changes in ownership interests in subsidiaries	<u>\$ 16,272</u>	<u>\$ 27,266</u>	<u>\$ 43,538</u>

25. 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 September 30, 2024 and 2023:

	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Increase in property, plant and equipment	\$ 107,905	\$ 41,933
Other payables	<u>10,740</u>	<u>28,089</u>
Amount of cash paid to purchase property, plant and equipment	<u>\$ 118,645</u>	<u>\$ 70,022</u>

b. Changes in liabilities from financing activities

	January 1, 2024	Cash Flow	Non-cash changes			September 30, 2024
			New lease	Acquisition of subsidiaries	Others	
Short-term Loan	\$ 600,000	(\$ 20,000)	\$ -	\$ 35,000	\$ -	\$ 615,000
Long-term Loan	657,921	23,255	-	20,000	-	701,176
Lease liability	<u>6,385</u>	<u>(12,240)</u>	<u>170,008</u>	<u>3,131</u>	<u>35</u>	<u>167,319</u>
	<u>\$ 1,264,306</u>	<u>(\$ 8,985)</u>	<u>\$ 170,008</u>	<u>\$ 58,131</u>	<u>\$ 35</u>	<u>\$ 1,483,495</u>

	January 1, 2023	Cash Flow	Non-cash changes			September 30, 2023
			New lease	Acquisition of subsidiaries	Others	
Short-term Loan	\$ 500,000	(\$ 150,000)	\$ -	\$ -	\$ -	\$ 350,000
Long-term Loan	793,457	(26,180)	-	-	-	767,277
Lease liability	9,794	(4,701)	2,782	-	69	7,944
	<u>\$ 1,303,251</u>	<u>(\$ 180,881)</u>	<u>\$ 2,782</u>	<u>\$ -</u>	<u>\$ 69</u>	<u>\$ 1,125,221</u>

26. Capital Risk Management

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

27. Financial Instruments

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

1) Fair value hierarchy

September 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 840	\$ -	\$ 840
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 620	\$ -	\$ 620

December 31, 2023

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

September 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 5,016	\$ -	\$ 5,016
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 208	\$ -	\$ 208

There were no transfers between Levels 1 and 2 for the nine months ended september 30, 2024 and 2023.

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

Category of Financial Instruments	Valuation Technique and Inputs
Derivatives - cross-currency swap contract	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.
Derivatives -Forward Foreign Exchange Contracts	The fair value of a forward foreign exchange contract is measured based on the quoted forward exchange rate and the yield curve derived from the quoted interest rates during the contract's maturity period.

b. Categories of financial instruments

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$ 1,638,689	\$ 1,123,442	\$ 927,413
Measured at fair value through profit or loss			
Held for trading	840	339	5,016
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	1,745,781	1,607,582	1,455,042
Measured at fair value through profit or loss			
Held for trading	620	-	208

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 main market risks that the Group's is exposed to are the risk of changes in foreign currency exchange rates and the risk of changes in 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, borrowings in foreign currency, and so on. Internal-audit members who will be 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 31, 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 nine months ended September 30, 2024 would decrease/increase by \$5,974 thousand; the net profit after tax of the Group for the nine months ended September 30, 2023 would decrease/increase by \$2,352 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Fair value interest rate risk			
— Financial assets	\$ 30,760	\$ 23,627	\$ 24,672
— Financial liabilities	167,319	6,385	7,944
Cash flow interest rate risk			
— Financial assets	901,567	632,331	382,507
— Financial liabilities	1,316,176	1,257,921	1,117,277

Fixed-rate financial assets/liabilities held by the Group are measured at amortized cost and are therefore excluded from the analysis; the methods for the analysis of floating-rate financial assets/liabilities assume that the amounts of assets/liabilities outstanding at the balance sheet date were outstanding for the whole reporting period. An increase/decrease of 0.25% in market interest rates is used as a reasonable risk assessment for reporting changes in interest rates to the management by the Group. With all other variables remaining unchanged, an increase/decrease of 0.25% in market interest rates will impact to a decrease / increase of \$777 thousand on the Group's net profit after tax for the nine months ended September 30, 2024; It also, would impact to a decrease / increase of \$1,380 thousand on the Group's net profit after tax for the six months ended September 30, 2023, respectively.

2) Credit risk

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

The Group's credit risk of trade receivable is concentrated on the Group's top customer, the Diodes Group, which is also the parent company, accounting for 58%, 77%, and 75% of the total trade receivable from the above-mentioned customer as of September 30, 2024, and December 31 and September 30, 2023, respectively. Therefore, 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.

September 30, 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		\$ 518,016	\$ -	\$ -	\$ -	\$ -
Lease liabilities	1.23%	6,308	17,016	19,102	50,502	83,065
Floating-rate instruments	1.94%	<u>390,825</u>	<u>285,375</u>	<u>257,511</u>	<u>393,092</u>	<u>30,462</u>
		<u>\$ 915,149</u>	<u>\$ 302,391</u>	<u>\$ 276,613</u>	<u>\$ 443,594</u>	<u>\$ 113,527</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		\$ 431,382	\$ -	\$ -	\$ -	\$ -
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>\$ 896,445</u>	<u>\$ 287,997</u>	<u>\$ 96,709</u>	<u>\$ 416,849</u>	<u>\$ 40,062</u>

September 30, 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		\$ 408,994	\$ -	\$ -	\$ -	\$ -
Lease liabilities	1.06%	1,569	3,196	1,791	1,848	-
Floating-rate instruments	1.80%	<u>314,030</u>	<u>87,099</u>	<u>296,084</u>	<u>423,407</u>	<u>43,264</u>
		<u>\$ 724,593</u>	<u>\$ 90,295</u>	<u>\$ 297,875</u>	<u>\$ 425,255</u>	<u>\$ 43,264</u>

ii. Financing facilities

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

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Secured bank financing facilities:			
— Amount used	\$ 1,316,176	\$ 1,257,921	\$ 1,117,277
— Amount unused	<u>551,330</u>	<u>300,000</u>	<u>482,270</u>
	<u>\$ 1,867,506</u>	<u>\$ 1,557,921</u>	<u>\$ 1,599,547</u>

28. 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

Related Party	Relationship with the Group
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 Taiwan S.A R.L., Taiwan Branch (Luxembourg) (Diodes (Hsinchu))	Sister company
Diodes Taiwan S.A R.L., Keelung Branch (Luxembourg) (Diodes (Chengdu))	Sister company
Diodes Hong Kong Limited (Diodes (HK))	Sister company
Shanghai KaiHong Electronic Co., Ltd. (Kaihong Electronics)	Sister company
Shanghai KaiHong Technology Electronic Co., Ltd. (Kaihong Tech.)	Sister company
Lite-on Microelectronics Wuxi Co. Ltd. (Lite-on (Wuxi))	Sister company
Shanghai Seefull Electronic Co., Ltd. (Shanghai (SSEC))	Sister company

b. Operating revenue

Line Item	Related Party Category/Name	For the Three Months ended September 30, 2024	For the Three Months ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Sales	Sister company				
	Diodes (TW)	\$ 139,988	\$ 85,197	\$ 294,190	\$ 521,045
	Diodes (HK)	226,665	275,036	843,456	511,638
	Diodes (Hsinchu)	5,709	338	6,892	480
	Diodes (Chengdu)	5,229	274	5,290	352
	Lite-on (Wuxi)	50,752	36,231	165,911	58,696
	Shanghai (SSEC)	88,319	40,643	229,305	68,684
	Kaihong Electronics	211	3,834	6,501	9,297
	Kaihong Tech.	64	291	291	300
		<u>\$ 516,937</u>	<u>\$ 441,844</u>	<u>\$1,551,836</u>	<u>\$1,170,492</u>

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

c. Purchase

Line Item	Related Party Category/Name	For the Three Months ended September 30, 2024	For the Three Months ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Purchase	Sister company				
	Diodes (TW)	\$ 5,837	\$ -	\$ 8,054	\$ -
	Diodes (HK)	-	163	-	163
	Diodes (Hsinchu)	-	29,094	-	41,414
	Diodes (KL)	280	-	280	-
	Diodes (Chengdu)	12	-	12	-
	Shanghai (SSEC).	-	-	-	4
		<u>\$ 6,129</u>	<u>\$ 29,257</u>	<u>\$ 8,346</u>	<u>\$ 41,581</u>

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

d. Receivables from related parties

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Trade receivables from related parties	Sister company			
	Diodes (TW)	\$ 116,028	\$ 85,033	\$ 65,565
	Diodes (HK)	184,488	199,565	235,385
	Diodes (Hsinchu)	4,372	788	361
	Diodes (Chengdu)	5,161	263	279
	Lite-on (Wuxi)	40,469	36,464	37,110
	Shanghai (SSEC)	50,369	31,198	43,947
	Kaihong Electronics	140	2,666	3,889
	Kaihong Tech.	63	375	289
		<u>\$ 401,090</u>	<u>\$ 356,352</u>	<u>\$ 386,825</u>
Other Trade receivables	Sister company			
	Diodes (KL)	\$ 4,124	\$ -	\$ -
	Shanghai (SSEC)	18	-	-
	Diodes (Hsinchu)	-	463	-
		<u>\$ 4,142</u>	<u>\$ 463</u>	<u>\$ -</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 September 30, 2024, and December 31 and September 30, 2023.

e. Amounts payable to related parties

Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023
Payables from related parties	Sister company			
	Diodes (TW)	\$ 5,988	\$ 4,526	\$ -
	Diodes (Hsinchu)	-	22,068	29,595
	Diodes (KL)	286	-	-
	Diodes(Chengdu)	12	-	-
		<u>\$ 6,286</u>	<u>\$ 26,594</u>	<u>\$ 29,595</u>
Other payables - related parties	Sister company			
	Diodes (KL)	<u>\$ 151</u>	<u>\$ -</u>	<u>\$ -</u>

f. Rental agreement

Related Party Category/Name		For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023		
<u>Obtain right-of-use assets</u>					
Sister company					
Diodes (TW)		<u>\$ 161,444</u>	<u>\$ -</u>		
Line Item	Related Party Category/Name	September 30, 2024	December 31, 2023	September 30, 2023	
Lease liability	Sister company				
	Diodes (TW)	<u>\$ 156,567</u>	<u>\$ -</u>	<u>\$ -</u>	
Line Item	Related Party Category/Name	For the Three Months ended September 30, 2024	For the Three Months ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Interest expense	Sister company				
	Diodes (TW)	<u>\$ 789</u>	<u>\$ -</u>	<u>\$ 1,056</u>	<u>\$ -</u>

The consolidate company will lease the factory building from the brother company in June 2024. The lease period is 10 years. The rent is negotiated with reference to market conditions. According to the lease, monthly payments of NT\$1,483 thousand are required.

g. Remuneration to the major management

	For the Three Months ended September 30, 2024	For the Three Months ended September 30, 2023	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Short-term employee benefits	\$ 4,257	\$ 3,808	\$ 17,006	\$ 16,704
Post-employment benefits	<u>27</u>	<u>27</u>	<u>81</u>	<u>81</u>
	<u>\$ 4,284</u>	<u>\$ 3,835</u>	<u>\$ 17,087</u>	<u>\$ 16,785</u>

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

29. Pledged Assets

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

	September 30, 2024	December 31, 2023	September 30, 2023	Nature
Bank time deposits (classified as financial assets at amortized cost)	\$ 11,770	\$ 14,416	\$ 14,991	endorsements/guarantees and short-term borrowings
Bank demand deposits (classified as financial assets at amortized cost)	55,253	52,248	42,156	Short-term and long- term borrowings
Property and plant	<u>893,345</u>	<u>886,377</u>	<u>888,211</u>	Short-term and long- term borrowings
	<u>\$ 960,368</u>	<u>\$ 953,041</u>	<u>\$ 945,358</u>	

30. 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Amount of Contract Commitments	<u>\$ 161,657</u>	<u>\$ 138,577</u>	<u>\$ 145,639</u>
Amount Paid (classified as prepayments for equipment)	<u>\$ 86,149</u>	<u>\$ 88,106</u>	<u>\$ 89,805</u>

31. 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

September 30, 2024				
	Foreign Currency	Exchange rate (\$)	Functional Currency	NTD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 34,142	31.6500 (USD:NTD)	\$ 1,080,594	\$ 1,080,594
USD	543	6.9976 (USD:RMB)	3,800	17,187
RMB	1,419	4.5230 (RMB:NTD)	6,418	6,418
EUR	306	35.3800 (EUR:NTD)	10,826	10,826
<u>Non-monetary items</u>				
<u>Derivatives</u>				
USD	1,500	31.6500 (USD:NTD)	47,475	47,475
<u>Investments accounted for using the equity method</u>				
USD	2,247	31.6500 (USD:NTD)	71,109	71,109
RMB	15,774	0.1429 (RMB:USD)	2,254	71,347
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	12,311	31.6500 (USD:NTD)	389,643	389,643
<u>Non-monetary items</u>				
<u>Derivatives</u>				
USD	5,000	31.6500 (USD:NTD)	158,250	158,250

December 31, 2023				
	Foreign Currency	Exchange rate (\$)	Functional Currency	NTD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 12,960	30.7050 (USD:NTD)	\$ 397,937	\$ 397,937
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
<u>Investments accounted for using the equity method</u>				
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	9,157	30.7050 (USD:NTD)	281,166	281,166

September 30, 2023

	Foreign Currency	Exchange rate (\$)	Functional Currency	NTD
Financial assets				
<u>Monetary items</u>				
USD	\$ 18,229	32.27 (USD:NTD)	\$ 588,250	\$ 588,250
USD	369	7.31 (USD:RMB)	2,697	11,907
RMB	1,407	4.42 (RMB:NTD)	6,212	6,212
EUR	331	33.91 (EUR:NTD)	11,224	11,224
<u>Non-monetary items</u>				
Derivatives				
USD	2,000	32.27 (USD:NTD)	64,540	64,540
Investments accounted for using the equity method				
USD	2,089	32.27 (USD:NTD)	67,422	67,422
RMB	15,441	0.14 (RMB:USD)	2,113	68,171
Financial liabilities				
<u>Monetary items</u>				
USD	11,309	32.27 (USD:NTD)	364,941	364,941
<u>Non-monetary items</u>				
Derivatives				
USD	2,000	32.27 (USD:NTD)	64,540	64,540

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

					Unit: NT\$ Thousands, Except for Exchange Rate				
			Three Months Ended September 30, 2024				Three Months Ended September 30, 2023		
			Net Foreign				Net Foreign		
			Exchange Gains				Exchange Gains		
Foreign Currency	Exchange Rate		(Losses)		Exchange Rate		(Losses)		
USD	31.301 (USD:NTD)		(\$ 15,073)		31.68 (USD:NTD)		\$ 13,043		
USD	7.172 (USD:RMB)		(123)		7.17 (USD:RMB)		(113)		
Others			(163)				(286)		
			(\$ 15,359)				\$ 12,644		
			Nine Months Ended September 30, 2024				Nine Months Ended September 30, 2023		
			Net Foreign				Net Foreign		
			Exchange Gains				Exchange Gains		
Foreign Currency	Exchange Rate		(Losses)		Exchange Rate		(Losses)		
USD	32.03 (USD:NTD)		\$ 22,893		31.49 (USD:NTD)		\$ 16,146		
USD	7.21 (USD:RMB)		141		7.31 (USD:RMB)		446		
Others			(11)				515		
			\$ 23,023				\$ 17,107		

32. Business combination under common control

In order to expand the scale of operations, the merged company acquired the wafer business split from the Keelung Branch of its sister company Luxembourg Diodes International Co., Ltd. in June 2024 for a cash consideration of NT\$723,820 thousand. The transaction consideration was based on the underlying assets and liabilities on the base date of the split. The operating value is determined by adding the operating premium agreed upon by both parties. Since this transaction is a business combination under common control, it should be regarded as a merger from the beginning and the comparative financial statements should be restated retrospectively. However, the financial information of this business is before May 1, 2023. The system is integrated into other businesses and does not have independent accounting books. As a result, it is impossible to reasonably allocate relevant financial information in practice. Therefore, the financial

statements for the comparative period will be restated retrospectively starting from May 1, 2023.

a. Net assets and transfer prices on acquisition date

	Wafer Business
Current Asset	
Accounts receivable	\$ 129,207
Inventories	150,075
Non-Current Asset	
Equipment	473,128
Intangibles	74
Current Liabilities	
Accounts payable and other payables	(75,976)
Book value of net assets acquired	676,508
The operating premium agreed upon by both parties	47,312
Transfer Prices	<u>\$ 723,820</u>

The excess of the transfer consideration paid by the Company over the book value is adjusted to reduce retained earnings.

b. The impact of retrospective restatement on the 2023 financial statements

Impact of assets, liabilities and equity items on December 31, 2023

Items	Amount before restatement	Retroactive restatement amount	Amount after restatement
<u>Assets</u>			
Accounts receivable	\$ 72,525	\$ 29,577	\$ 102,102
Accounts receivable—Related Parties	278,311	78,041	356,352
Inventories	237,732	174,834	412,566
Property, Plant and Equipment	1,539,827	482,557	2,022,384
Other intangible assets	13,997	83	14,080
<u>Liabilities</u>			
Accounts payable	146,170	89,706	235,876
Accounts payable—Related Parties	4,526	22,068	26,594
Other payables	150,407	18,505	168,912
<u>Equity</u>			
Preceding interest under joint control	-	634,813	634,813

Impact of assets, liabilities and equity items on September 30, 2023

Items	Amount before restatement	Retroactive restatement amount	Amount after restatement
<u>Assets</u>			
Accounts receivable	\$ 78,136	\$ 45,688	\$ 123,824
Accounts receivable—Related Parties	291,516	95,309	386,825
Inventories	221,003	153,848	374,851
Property, Plant and Equipment	1,555,401	441,018	1,996,419
Other intangible assets	14,789	88	14,877
<u>Liabilities</u>			
Accounts payable	142,322	85,401	227,723
Accounts payable—Related Parties	-	29,595	29,595
Other payables	144,509	7,167	151,676

Items	Amount before restatement	Retroactive restatement amount	Amount after restatement
<u>Assets</u>			
<u>Equity</u>			
Preceding interest under joint control	-	613,788	613,788

Impact of Consolidated Profit and Loss Items

Items	For the Three Months ended September 30, 2023		
	Amount before restatement	Retroactive restatement amount	Amount after restatement
Revenues	\$ 434,320	\$ 111,609	\$ 545,929
Cost of Goods sold	(269,113)	(191,974)	(461,087)
Gross Profit	165,207	(80,365)	84,842
Operating Expense	(90,851)	(37,936)	(128,787)
Non-operating income and expenses	7,668	2,712	10,380
Income tax benefits	6,706	2	6,708
Net profit for this period	88,730	(115,587)	(26,857)
Total comprehensive profit and loss for the period	<u>\$ 90,319</u>	<u>(\$ 115,587)</u>	<u>(\$ 25,268)</u>

Items	For the Nine Months ended June 30, 2023		
	Amount before restatement	Retroactive restatement amount	Amount after restatement
Revenues	\$ 1,308,187	\$ 168,122	\$ 1,476,309
Cost of Goods sold	(825,645)	(320,347)	(1,145,992)
Gross Profit	482,542	(152,225)	330,317
Operating Expense	(252,787)	(57,873)	(310,660)
Non-operating income and expenses	5,521	3,638	9,159
Income tax benefits	29,089	2	29,091
Net profit for this period	264,365	(206,458)	57,907
Total comprehensive profit and loss for the period	<u>\$ 264,451</u>	<u>(\$ 206,458)</u>	<u>\$ 57,993</u>

The amount of retrospective adjustment is the operating performance of Diodes Keelung Branch's wafer business in the first three quarters of 2023. The merged company retrospectively adjusted the financial statements for the third quarter of 2023, resulting in an increase in operating income of NT\$168,122 thousand in the first three quarters of 2023 and a decrease in gross income profit of NT\$152,225 thousand (the gross margin dropped from 37% to 22%), the net profit after tax decreased by NT\$206,458 thousand; the revenues in the third quarter of 2023 increased by NT\$111,609 thousand, and the gross income profit decreased by NT\$80,365 thousand (the gross margin dropped from 38% to 16%), the net profit after tax decreased by NT\$115,587 thousand.

c. The impact of retrospective restatement on the 2024 financial statements

Impact of Consolidated Profit and Loss Items (July 1 to September 30, 2024: None)

Items	For the Three Months ended September 30, 2024		
	Amount before restatement	Retroactive restatement amount	Amount after restatement
Revenues	\$ 1,936,089	\$ 269,145	\$ 2,205,234
Cost of Goods sold	(1,177,066)	(319,275)	(1,496,341)
Gross Profit	759,023	(50,130)	708,893
Operating Expense	(410,692)	(75,683)	(486,375)
Non-operating income and expenses	8,748	4,228	12,976
Income tax loss	(2,200)	-	(2,200)
Net profit for this period	354,879	(121,585)	233,294
Total comprehensive profit and loss for the period	\$ 357,347	(\$ 121,585)	\$ 235,762

The amount of retrospective adjustment is the operating performance of Diodes Taiwan S.A R.L., Keelung Branch wafer business from January to May 2024. The merged company retrospectively adjusted the financial statements for the third quarter of 2024, resulting in an increase in revenues of NT\$269,145 thousand and a decrease in gross profit in the first third quarter of 2024 NT\$50,130 thousand (the gross margin dropped from 39% to 32%), and the net profit after tax decreased by NT\$121,585 thousand.

33. 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 Attached 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 Attached Table 2.
- 8) Receivables from related parties amounting to NT\$100 million or 20% of paid-in capital or more: Please refer to Attached 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 Attached Table 4.

b. Intercompany relationships and significant intercompany transactions: Please refer to Attached Table 5.

c. Information on investments in Mainland China:

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Please refer to Attached Table 6.
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: Please refer to Attached Table 7.
 - (1) Purchase amount and percentage and closing balance and percentage of related payables.
 - (2) Sales amount and percentage and closing balance and percentage of related receivables.
 - (3) The amount of property transactions and the amount of profits and losses generated therefrom.
 - (4) Ending balance of bill endorsement or collateral provided and its purpose.
 - (5) The maximum balance of financial financing, the ending balance, the interest rate range and the total interest for the current period.
 - (6) Other transactions that have a significant impact on current profits and losses or financial status, such as the provision or receipt of labor services, etc.

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

34. 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.

For the Nine Months Ended September 30, 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	\$ 1,298,810	\$ 563,857	\$ 342,567	\$ -	\$ 2,205,234
Inter-segment revenue	<u>36,597</u>	<u>760,284</u>	<u>1,190</u>	(<u>798,071</u>)	<u>-</u>
Segment revenue	<u>\$ 1,335,407</u>	<u>\$ 1,324,141</u>	<u>\$ 343,757</u>	(<u>\$ 798,071</u>)	<u>\$ 2,205,234</u>
Segment income	<u>\$ 339,125</u>	<u>\$ 185,317</u>	<u>\$ 18,812</u>	(<u>\$ 309,960</u>)	<u>\$ 233,294</u>
Segment assets	<u>\$ 4,554,500</u>	<u>\$ 2,321,192</u>	<u>\$ 568,695</u>	(<u>\$ 2,539,018</u>)	<u>\$ 4,905,369</u>
Segment liabilities	<u>\$ 1,722,648</u>	<u>\$ 476,760</u>	<u>\$ 157,080</u>	(<u>\$ 282,888</u>)	<u>\$ 2,073,600</u>

For the Nine Months Ended September 30, 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	\$ 1,230,972	\$ 245,337	\$ -	\$ 1,476,309
Inter-segment revenue	<u>17,929</u>	<u>550,859</u>	(<u>568,788</u>)	<u>-</u>
Segment revenue	<u>\$ 1,248,901</u>	<u>\$ 796,196</u>	(<u>\$ 568,788</u>)	<u>\$ 1,476,309</u>
Segment income	<u>\$ 268,076</u>	(<u>\$ 1,698</u>)	(<u>\$ 208,473</u>)	<u>\$ 57,905</u>
Segment assets	<u>\$ 3,099,054</u>	<u>\$ 1,477,666</u>	(<u>\$ 903,255</u>)	<u>\$ 3,673,465</u>
Segment liabilities	<u>\$ 1,523,520</u>	<u>\$ 260,261</u>	(<u>\$ 231,468</u>)	<u>\$ 1,552,313</u>

TABLE 1

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
ERIS TECHNOLOGY CORPORATION 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 Nine months ended September 30, 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	\$ 186,620
			Tsaixing international co., ltd.	-	-	-	1,088	27,199	-	-	-	-	-	-
			Rayixin International Co., Ltd.	-	-	-	3,500	87,501	-	-	-	-	-	-
			Natural person	-	-	-	1,512	37,800	-	-	-	-	-	-
	Yea Shin Technology Co., Ltd.	Investments using the equity method	Yea Shin Technology Co., Ltd.	Subsidiary	29,342	681,746	20,000	800,000	-	-	-	-	49,342	1,777,006
Yea Shin Technology Co., Ltd.	Common Stock Yea Shin Technology Co., Ltd.	Investments using the equity method	Dai- Kang International Business Co., Ltd.	-	-	-	2,404	43,272	-	-	-	-	10,800	224,954
			Natural person	-	-	-	8,396	151,128	-	-	-	-	-	-

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.

TABLE 2

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

For the Nine Months ended September 30, 2024

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

Buyer (Seller)	Counterparty	Relationship	Transaction Details				Details and Reasons for Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases (Sales)	AMOUNT	Ratio of Total Purchases (Sales) (%)	Credit Period	Unit price	Credit Period	Balance	Ratio of Notes/Accounts Receivable (Payable) (%)	
Eris Technology Corp.	Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg)	Same as the Company's ultimate parent company	Sales	(\$ 262,024)	20.61%	Net 60 payment term	None	None	\$ 110,536	32.11%	-
Eris Technology Corp.	Diodes Hong Kong Limited	Same as the Company's ultimate parent company	Sales	(843,456)	66.35%	Net 60 payment term	None	None	184,488	53.60%	-
Eris Technology Corp.	Yea Shin Technology Co., Ltd.	The Company's subsidiary	Purchases	737,592	74.07%	Net 60 payment term	None	None	(255,312)	95.54%	Note 1
Yea Shin Technology Co., Ltd.	Shanghai Seefull Electronic Co., Ltd. (Shanghai (SSEC))	Same as the Company's ultimate parent company	Sales	(229,305)	21.68%	Net 60 payment term	None	None	50,369	12.12%	—
Yea Shin Technology Co., Ltd.	Lite-on Microelectronics Wuxi Co. Ltd	Same as the Company's ultimate parent company	Sales	(165,911)	15.69%	Net 60 payment term	None	None	40,469	9.74%	—

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

TABLE 3

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Receivables from Related Parties Amounting to NT\$100 Million or 20% of the Paid-in Capital or More
September 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company recording the receivables	Counterparty	Relationship	Balance Receivables from Related Parties	Turnover rate	Overdue Receivables from Related Parties		Amounts of Receivables from Related Parties Received in Subsequent Period (Note 1)	Amount of Loss Allowance
					AMOUNT	Actions Taken		
Eris Technology Corp.	Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg)	Same as the Company's ultimate parent company	\$ 110,536	3.69	\$ -	—	\$ 42,542	\$ -
Eris Technology Corp.	Diodes Hong Kong Limited	Same as the Company's ultimate parent company	184,488	5.86	-	—	68,134	-
Yea Shin Technology Co., Ltd.	Eris Technology Corp.	Parent company	255,312	3.91	-	—	91,705	-

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

TABLE 4

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Intercompany Relationships and Significant Intercompany Transactions

For the Nine Months ended September 30, 2024

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

No. (Note 1)	Company	Counterparty	Relationship with Investor (Note 2)	Transactions Details			
				Ledger Account	Amount (Note 4)	Transaction Term	Ratio of Consolidated Total Revenue or Total Assets (Note 3)
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Trade receivables	\$ 1,302	-	0.03%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Trade payables	3,637	-	0.07%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Sales	962	No significant difference from general customers	0.04%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Purchases	31,627	No significant difference from general customers	1.42%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Other operating expenses	223	No significant difference from general customers	0.01%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Trade receivables	5,771	-	0.12%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Trade payables	255,312	-	5.20%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Sales	13,899	No significant difference from general customers	0.62%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Purchases	737,592	No significant difference from general customers	33.09%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Processing fees	8,638	No significant difference from general customers	0.39%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Rental income	1,238	No significant difference from general customers	0.06%
0	Eris Technology Corp.	SeCos Corporation	1	Sales	17,119	No significant difference from general customers	0.77%
0	Eris Technology Corp.	SeCos Corporation	1	Trade receivables	5,842	-	0.12%
0	Eris Technology Corp.	SeCos Corporation	1	Trade payables	112	-	-
0	Eris Technology Corp.	SeCos Corporation	1	Purchases	1,190	No significant difference from general customers	0.05%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Sales	1,459	No significant difference from general customers	0.07%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Trade receivables	1,425	-	0.03%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Trade payables	2,782	-	0.06%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Purchases	5,579	No significant difference from general customers	0.25%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Other income	2,587	No significant difference from general customers	0.12%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Other receivables	931	-	0.02%
1	Yea Shin Technology Co., Ltd.	SeCos Corporation	3	Sales	14,504	No significant difference from general customers	0.65%
1	Yea Shin Technology Co., Ltd.	SeCos Corporation	3	Trade receivables	4,566	-	0.09%
1	SeCos Corporation	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Sales	335	No significant difference from general customers	0.02%
1	SeCos Corporation	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Trade receivables	335	-	-

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.

TABLE 5

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Related Information on Name of Investee, Location, and So On

For the Nine Months ended September 30, 2024

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

Name of Investor	Name of Investee	Location	Principal Business Activities	Original Investment Amount (Note 1)		Ending Balance			Net Income (Loss) of the Investee for the Period (Note 2 and6)	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 (USD 670 thousand)	\$ 20,776 (USD 670 thousand)	N/A	100	\$ 71,109	\$ 418 (USD 13 thousand)	\$ 600 (Note 4)	Subsidiary
	Yea Shin Technology Co., Ltd.	Taiwan	Engaged in manufacturing of electronic components and wholesaling of electronic materials	1,181,078	381,078	49,342	96.1	1,777,006	303,372	298,850 (Note 4)	Subsidiary
	Erishin Semiconductor Corporation	Taiwan	Engaged in manufacturing of electronic components and wholesaling of electronic materials	1,000	1,000	100	100	1,003	1	1	Subsidiary
	SeCos Corporation	Taiwan	Engaged in manufacturing of electronic parts and components R&D, design and sales	180,000	-	7,200	40	186,620	18,812	6,621	Subsidiary
Yea Shin Technology Co., Ltd.	SeCos Corporation	Taiwan	Engaged in manufacturing of electronic parts and components R&D, design and sales	194,400		10,800	60	224,954	18,812	108	Subsidiary
Keep High Limited	Forever Eagle Incorporation	MAURITIUS	Holding of investments	20,473 (USD 660 thousand)	20,473 (USD 660 thousand)	N/A	100	71,347 (USD 2,254 thousand)	417 (USD 13 thousand)	417 (USD 13 thousand)	Sub-subsubsidiary

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.

TABLE 6

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Information on Investments in Mainland China

For the Nine Months ended September 30, 2024

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

Investee in Mainland China	Principal Business Activities	Paid-in Capital (Note 1)	Method of Investments	Accumulated Amount of Investments Remitted Outward from Taiwan at Beginning of Period (Note 1)	Amount of Investments Remitted or Repatriated for the Period		Accumulated Amount of Investments Remitted Outward from Taiwan at End of Period (Note 1)	Income (Loss) of the Investee for the Period	Shareholding Ratio of The Company's Direct or Indirect Investment	Investment Gain (Loss) Recognized for the Period (Note 2, 5 and 6)	Carrying Amount of Investments at End of Period (Note 6)	Accumulated Repatriation of Investment Income at End of Period
					Remitted	Repatriated						
Jie Cheng Electronic (Shanghai) Co., Ltd.	Wholesaling of electronic materials and international trading business	\$ 20,170 (USD 650 thousand)	Indirectly investment in Mainland China through companies registered in a third region	\$ 20,170 (USD650 thousand)	\$ -	\$ -	\$ 20,170 (USD 650 thousand)	\$ 417 (RMB 94 thousand)	100%	\$ 417 (RMB 94 thousand)	\$ 71,347	\$ -

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)	\$20,572 (USD 650 thousand)	\$1,656,303

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 September 30, 2024.

Note 4: The information was calculated as 60% of the Company’s net worth on September 30, 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.

TABLE 7

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Any of the Following Significant Transactions with Investee Companies in Mainland China, Either Directly or Indirectly through a Third Party, and Their Prices, Payment Terms, and Unrealized Gains or Losses, and Other Related Information
For the Nine Months ended September 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated 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	(\$ 2,756)	0.10%	None	None	\$ 3,062	0.33%	Note 1
Jie Cheng Electronic (Shanghai) Co., Ltd.	Purchases	37,206	2.07%	None	None	(6,419)	1.28%	Note 1
Jie Cheng Electronic (Shanghai) Co., Ltd	Other Income	(2,587)	-	None	None	931	4.45%	Note 1

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

TABLE 8

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)
ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Information on Major Shareholders
September 30, 2024

Name of Major Shareholders	Shares	
	Number of Shares Held	Shareholding Ratio
Yuanta Commercial Bank is entrusted with the custody of Diodes Holdings UK Limited Investment Account.	27,925,357	51.04%

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

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