

Eris Technology Corporation and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report For the Three Months Ended March 31, 2025 and 2024

Address: 6F, No. 17, Ln. 155, Sec. 3, Beishen Rd., Shenkeng Dist., New Taipei City
Tel: (02)26620011

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.

Table of Contents

<u>Item</u>	<u>Page</u>	<u>Number of Notes to Financial Statements</u>
1. Cover	1	-
2. Table of Contents	2	-
3. Independent Auditors' Report	3	-
4. Consolidated Balance Sheets	4	-
5. Consolidated Statement of Comprehensive Income	5~6	-
6. Consolidated Statement of Changes in Equity	7	-
7. Consolidated Statements of Cash Flows	8~9	-
8. Notes to Consolidated Financial Statements		
a. Company History	10	1
b. Date and Procedures of Authorization of Financial Statements	10	2
c. Application of New and Amended Standards and Interpretations	10~11	3
d. Summary of Significant Accounting Policies	12~13	4
e. The Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions	13	5
f. Details of Significant Accounts	13~34	6~27
g. Related Party Transactions	34~36	28
h. Pledged Assets	36	29
i. Significant Contingent Liabilities and Unrecognized Contract Commitments	36	30
j. Significant Disaster Loss	-	-
k. Significant Events after the Balance Sheet Date	-	-
l. Information on foreign currency financial assets and liabilities with significant impact	36~38	31
m. Others	38~40	32
n. Supplementary Disclosures		
1) Information on Significant Transactions	40, 42~44	33
2) Information on Invested Companies	40,45	33
3) Information on Investments in Mainland China	40~41, 46~47	33
o. Segment Information	41	34

Independent Auditors' Report

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

Introduction

The consolidated balance sheets of Eris Technology Corporation and its subsidiaries as of March 31, 2025 and the restated March 31, 2024, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the three-month periods then ended, as well as the notes to the consolidated financial statements (including a summary of significant accounting policies), have been reviewed by us.

The preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 “Interim Financial Reporting,” as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, are the responsibility of the management. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Eris Technology Corporation and its subsidiaries as of March 31, 2025 and the restated March 31, 2024, and their consolidated financial performance and consolidated cash flows for the three-month periods then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 “Interim Financial Reporting,” as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Emphasis of Matter

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 first quarter of 2025, it should be deemed to have been consolidated from the beginning. Therefore, when Eris Technology Corporation prepared the consolidated financial statements for the first quarter of 2025, it has restated retrospectively the 2024 and Consolidated Financial Statements for the first Quarter of 2024.

Deloitte & Touche
Certified Public Accountant
Sabrina Liu

Certified Public Accountant
Jimmy Wu

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

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

April 28, 2025

Eris Technology Corp. and Subsidiaries
Consolidated Balance Sheets
As of March 31, 2025, and December 31 and March 31, 2024
Unit: NT\$ Thousands

Code	Assets	March 31, 2025		December 31, 2024		March 31, 2024 (Restated)	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash (Note 6)	\$ 1,037,897	20	\$ 919,532	18	\$ 618,200	14
1110	Financial assets at fair value through profit or loss – current (Notes 7)	3,779	-	2,501	-	454	-
1136	Financial assets at amortized cost - current (Note 8 and 29)	57,273	1	56,823	1	67,699	2
1150	Notes receivable (Note 9 and 19)	935	-	1,690	-	3,146	-
1170	Trade receivables, net (Note 9 and 19)	278,764	6	289,379	6	258,585	6
1180	Trade receivables from related parties (Note 9, 19 and 28)	274,310	5	418,915	8	407,492	9
1200	Other receivables (Note 28)	15,258	-	18,139	1	22,977	-
130X	Inventories (Note 10)	585,841	12	538,603	11	468,693	11
1470	Prepayments and other current assets	20,341	-	12,759	-	8,229	-
11XX	Total current assets	<u>2,274,398</u>	<u>44</u>	<u>2,258,341</u>	<u>45</u>	<u>1,855,475</u>	<u>42</u>
	Non-current assets						
1540	Financial assets at amortized cost - non-current (Note 8 and 29)	14,133	-	14,133	-	14,057	-
1600	Property, plant and equipment (Note 12 and 29)	2,212,999	43	2,093,999	42	2,073,546	47
1755	Right-of-use assets (Note 13)	155,436	3	161,298	3	7,007	-
1805	Goodwill (Note 14)	58,728	1	58,728	1	58,728	2
1821	Intangible assets (Note 15)	59,949	1	59,936	1	58,350	1
1840	Deferred tax assets (Note 4 and 21)	231,509	5	234,967	5	224,296	5
1915	Prepayments for equipment (Note 30)	99,436	2	110,101	2	68,091	2
1920	Refundable deposits	7,924	-	8,076	-	4,397	-
1990	Other non-current assets	19,194	1	20,057	1	16,750	1
15XX	Total non-current assets	<u>2,859,308</u>	<u>56</u>	<u>2,761,295</u>	<u>55</u>	<u>2,525,222</u>	<u>58</u>
1XXX	Total assets	<u>\$ 5,133,706</u>	<u>100</u>	<u>\$ 5,019,636</u>	<u>100</u>	<u>\$ 4,380,697</u>	<u>100</u>
	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Note 16 and 29)	\$ 590,000	11	\$ 590,000	12	\$ 675,000	16
2120	Financial liabilities at fair value through profit or loss - current (Note 7)	1,425	-	1,715	-	494	-
2150	Notes payable	-	-	-	-	3	-
2170	Trade payables	273,507	5	323,308	6	268,215	6
2180	Trade payables from related parties (Note 28)	15,115	-	10,451	-	17,503	-
2200	Other payables (Note 17)	195,717	4	249,232	5	185,755	4
2220	Other Trade payables from related parties (Note 28)	138,524	3	-	-	-	-
2230	Current tax liabilities (Note 4 and 21)	32,766	1	28,252	1	17,342	-
2280	Lease liabilities - current (Note 13 and 28)	18,323	-	19,389	-	4,488	-
2320	Long-term liabilities due within one year (Note 16 and 29)	35,981	1	35,919	1	40,635	1
2399	Other current liabilities (Note 19)	30,394	1	24,195	1	22,341	1
21XX	Total current liabilities	<u>1,331,752</u>	<u>26</u>	<u>1,282,461</u>	<u>26</u>	<u>1,231,776</u>	<u>28</u>
	Non-current liabilities						
2540	Long-term borrowings (Note 16 and 29)	627,294	12	636,316	13	628,375	14
2570	Deferred tax liabilities (Note 4 and 21)	21,135	-	21,333	-	20,675	1
2580	Lease liabilities - non-current (Note 13 and 28)	138,396	3	142,853	3	2,598	-
2645	Deposit Margin	12	-	12	-	12	-
25XX	Total non-current liabilities	<u>786,837</u>	<u>15</u>	<u>800,514</u>	<u>16</u>	<u>651,660</u>	<u>15</u>
2XXX	Total liabilities	<u>2,118,589</u>	<u>41</u>	<u>2,082,975</u>	<u>42</u>	<u>1,883,436</u>	<u>43</u>
	Equity attributable to owners of the Company (Note 18)						
3100	Share Capital	547,039	11	547,039	11	502,039	11
3200	Capital surplus	1,517,949	29	1,517,949	30	402,511	9
	Retained earnings						
3310	Legal reserve	176,501	3	176,501	4	142,722	3
3320	Special reserve	2,598	-	2,598	-	1,617	-
3350	Unappropriated earnings	692,044	14	618,133	12	629,343	15
3300	Total retained earnings	871,143	17	797,232	16	773,682	18
3400	Other equity	531	-	(686)	-	(1,576)	-
31XX	Total equity attributable to owners of parent	<u>2,936,662</u>	<u>57</u>	<u>2,861,534</u>	<u>57</u>	<u>1,676,656</u>	<u>38</u>
35XX	Prior interest under joint control	-	-	-	-	600,483	14
36XX	Non-controlling interests	78,455	2	75,127	1	220,122	5
3XXX	Total equity	<u>3,015,117</u>	<u>59</u>	<u>2,936,661</u>	<u>58</u>	<u>2,497,261</u>	<u>57</u>
	Total liabilities and equity	<u>\$ 5,133,706</u>	<u>100</u>	<u>\$ 5,019,636</u>	<u>100</u>	<u>\$ 4,380,697</u>	<u>100</u>

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

Eris Technology Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income For the three months ended March 31, 2025 and 2024

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

Unit: NTS Thousands, Except for Earnings Per Share In NTS

Code		Three Months Ended March 31, 2025		Three Months Ended March 31, 2024 (Restated)	
		Amount	%	Amount	%
	Operating revenue (Note 19 and 28)				
4110	Sales	\$ 636,700	102	\$ 706,857	101
4170	Less: Sales return and allowance	(11,440)	(2)	(6,463)	(1)
4000	Net operating revenue	625,260	100	700,394	100
5000	Operating costs (Note 10 、20 and 28)	387,889	62	542,264	77
5900	Gross Profit	237,371	38	158,130	23
	Operating expenses (Note 9 and 20)				
6100	Selling and marketing expenses	26,110	4	24,336	4
6200	General and administrative expenses	62,893	10	77,612	11
6300	Research and development expenses	69,393	11	38,025	5
6450	Expected credit impairment losses	-	-	344	-
6000	Total operating expenses	158,396	25	140,317	20
6900	Net operating income	78,975	13	17,813	3
	Non-operating income and expenses				
7100	Interest income	1,510	-	1,449	-
7190	Other income	36	-	290	-
7210	Gains on disposal of property, plant and equipment	19	-	50	-
7230	Foreign exchange gain (loss) (Note20)	9,299	2	27,236	4
7235	Net gain (loss) on financial instruments at fair value through profit or loss	1,795	-	(147)	-
7510	Interest expense (Note28)	(6,984)	(1)	(7,312)	(1)
7000	Total non-operating income and expenses	5,675	1	21,566	3

(Continued on the next page)

(Continued from the previous page)

Code		Three Months Ended March 31, 2025		Three Months Ended March 31, 2024 (Restated)	
		Amount	%	Amount	%
7900	Net profit before income tax	\$ 84,650	14	\$ 39,379	6
7950	Income tax expenses (Notes 4 and 21)	(7,411)	(1)	3,591	-
8200	Net profit for the period	<u>77,239</u>	<u>13</u>	<u>42,970</u>	<u>6</u>
	Other comprehensive gains and losses				
8361	Exchange differences on translating the financial statements of foreign operations	1,521	-	1,277	-
8399	Income taxes related to components of other comprehensive income that will be reclassified to profit and loss (Note 4 and 21)	(304)	-	(255)	-
8300	Other comprehensive income/(loss) for the period (after net income tax)	<u>1,217</u>	<u>-</u>	<u>1,022</u>	<u>-</u>
8500	Total comprehensive income for the period	<u>\$ 78,456</u>	<u>13</u>	<u>\$ 43,992</u>	<u>6</u>
	Net Profit attributable to :				
8610	Owners of parent	\$ 73,911	12	\$ 95,910	14
8615	Preceding interest under joint control	-	-	(60,032)	(9)
8620	Non-controlling interests	<u>3,328</u>	<u>1</u>	<u>7,092</u>	<u>1</u>
8600		<u>\$ 77,239</u>	<u>13</u>	<u>\$ 42,970</u>	<u>6</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 75,128	12	\$ 96,932	14
8715	Preceding interest under joint control	-	-	(60,032)	(9)
8720	Non-controlling interests	<u>3,328</u>	<u>1</u>	<u>7,092</u>	<u>1</u>
8700		<u>\$ 78,456</u>	<u>13</u>	<u>\$ 43,992</u>	<u>6</u>
	Earnings per share (Note 22)				
9710	Basic	<u>\$ 1.35</u>		<u>\$ 1.91</u>	
9810	Diluted	<u>\$ 1.35</u>		<u>\$ 1.91</u>	

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 three months ended March 31, 2025 and 2024
(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)													
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, 2024	50,204	\$ 502,039	\$ 402,511	\$ 142,722	\$ 1,617	\$ 533,433	\$ 677,772	(\$ 2,598)	\$1,579,724	\$ 634,813	\$ -	\$2,214,537
D1	Net profit for the three months ended March 31, 2024	-	-	-	-	-	95,910	95,910	-	95,910	(60,032)	7,092	42,970
D3	Other comprehensive income/(loss) for the three months ended March 31, 2024 after tax	-	-	-	-	-	-	-	1,022	1,022	-	-	1,022
D5	Total comprehensive income/(loss) for the three months ended March 31, 2024	-	-	-	-	-	95,910	95,910	1,022	96,932	(60,032)	7,092	43,992
T1	Investment of predecessor interests under joint control	-	-	-	-	-	-	-	-	-	25,702	-	25,702
O1	Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	213,030	213,030
Z1	Balance as of March 31, 2024	<u>50,204</u>	<u>\$ 502,039</u>	<u>\$ 402,511</u>	<u>\$ 142,722</u>	<u>\$ 1,617</u>	<u>\$ 629,343</u>	<u>\$ 773,682</u>	(<u>\$ 1,576</u>)	<u>\$1,676,656</u>	<u>\$ 600,483</u>	<u>\$ 220,122</u>	<u>\$2,497,261</u>
A1	Balance as of January 1, 2025	54,704	\$ 547,039	\$1,517,949	\$ 176,501	\$ 2,598	\$ 618,133	\$ 797,232	(\$ 686)	\$2,861,534	\$ -	\$ 75,127	\$2,936,661
D1	Net profit for the three months ended March 31, 2025	-	-	-	-	-	73,911	73,911	-	73,911	-	3,328	77,239
D3	Other comprehensive income/(loss) for the three months ended March 31, 2025 after tax	-	-	-	-	-	-	-	1,217	1,217	-	-	1,217
D5	Total comprehensive income/(loss) for the three months ended March 31, 2025	-	-	-	-	-	73,911	73,911	1,217	75,128	-	3,328	78,456
Z1	Balance as of March 31, 2025	<u>54,704</u>	<u>\$ 547,039</u>	<u>\$1,517,949</u>	<u>\$ 176,501</u>	<u>\$ 2,598</u>	<u>\$ 692,044</u>	<u>\$ 871,143</u>	<u>\$ 531</u>	<u>\$2,936,662</u>	<u>\$ -</u>	<u>\$ 78,455</u>	<u>\$3,015,117</u>

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

Eris Technology Corp. and Subsidiaries

Consolidated Statements of Cash Flows

For the three months ended March 31, 2025 and 2024

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

Unit: NT\$ Thousands

Code		Three Months Ended March 31, 2025	Three Months Ended March 31, 2024 (Restated)
	Cash flows from operating activities		
A10000	Net Profit before tax for the period	\$ 84,650	\$ 39,379
A20010	Adjustments for:		
A20100	Depreciation expenses	51,036	55,045
A20200	Amortization expenses	8,813	7,425
A20300	Expected credit loss	-	344
A20400	Net (gain)/loss on financial instruments at fair value through profit or loss	(1,568)	379
A20900	Interest expense	6,984	7,312
A21200	Interest income	(1,510)	(1,449)
A22500	Gains on disposal of property, plant and equipment	(19)	(50)
A24100	Unrealized gain on foreign currency exchange	(4,513)	(22,687)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	755	(1,144)
A31150	Trade receivables	10,708	18,690
A31160	Trade receivables from related parties	148,693	(30,730)
A31180	Other receivables	2,896	(7,764)
A31200	Inventories	(47,238)	48,231
A31240	Prepayments and other current assets	(6,927)	2,743
A32130	Notes payables	-	(2,344)
A32150	Trade payables	(49,741)	(18,288)
A32160	Trade payables from related parties	4,462	(9,091)
A32180	Other payables	(52,207)	(28,076)
A32230	Other current liabilities	<u>6,199</u>	<u>1,532</u>
A33000	Cash generated from operations	161,473	59,457
A33100	Interest received	766	803
A33300	Interest paid	(7,110)	(7,174)
A33500	Income tax received (paid)	<u>59</u>	(<u>91</u>)
AAAA	Net cash generated from operating activities	<u>155,188</u>	<u>52,995</u>

(Continued on the next page)

(Continued from the previous page)

Code		Three Months Ended March 31, 2025	Three Months Ended March 31, 2024 (Restated)
	Cash flows from investing activities		
B00040	Acquiring financial assets measured at amortized cost	\$ -	(\$ 4,000)
B02200	Net cash outflow from business combination	-	(39,222)
B02700	Acquisition of property, plant and equipment	(3,817)	(19,850)
B02800	Proceeds from disposal of property, plant and equipment	19	2,715
B03800	Decrease in refundable deposits	152	-
B04500	Payments for intangible assets	-	(822)
B06700	Increase in other non-current assets	(5,760)	(4,925)
B07100	Increase in prepayments for equipment	(14,454)	(5,416)
BBBB	Net cash used in investing activities	(23,860)	(71,520)
	Cash flows from financing activities		
C00100	Increase in short-term loans	-	40,000
C01600	long-term loans	100,000	100,000
C01700	Repayments of long-term borrowings	(108,960)	(108,911)
C04020	Repayments of principal portion of lease liabilities	(5,529)	(2,435)
C09900	Contribution of predecessor interests under common control	-	25,702
CCCC	Net cash generated from/(used in) financing activities	(14,489)	54,356
DDDD	Effect of exchange rate changes on cash	1,526	1,210
EEEE	Increase in cash	118,365	37,041
E00100	Cash at the beginning of the period	919,532	581,159
E00200	Cash at the ending of the period	\$ 1,037,897	\$ 618,200

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

Eris Technology Corp. and Subsidiaries

Notes to Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

**(Reviewed only, not audited in accordance with Generally Accepted Auditing Standards)
(Amount in NTS Thousands, Unless Specified Otherwise)**

1. Company History

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

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

In August 2012, Diodes International B.V. (Diodes B.V.) became the parent company of the Company after its shareholding exceeded 50%. In January 2019, Diodes Holding B.V. merged with Diodes B.V. and assumed all of its rights and obligations. The related procedures were completed in August 2019. In January 2021, Diodes Holding B.V. was acquired by Diodes Holdings UK Limited, which also assumed all of its rights and obligations. As of March 31, 2025, Diodes Holdings UK Limited held 51.04% of the Company’s shares. The Company’s ultimate parent company is Diodes Incorporated (“Diodes”). Diodes Incorporated and its subsidiaries are hereinafter referred to as the Diodes Group.

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

2. Date and Procedures of Authorization of Financial Statements

The consolidated financial statements were approved by the Company's Board of Directors on April 28, 2025.

3. Application of New and Amended Standards and Interpretations

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

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

- b. IFRSs endorsed by the Financial Supervisory Commission applicable in 2026

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 9 and IFRS 7: "Amendments to the Classification and Measurement of Financial Instruments" — Amendments to Application Guidance on Financial Asset Classification	January 1, 2026 (Note 1)

Note 1: The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted for annual periods beginning on or after 1 January 2025.

As of the date of approval and authorization for issuance of the consolidated financial statements, the Group has assessed that the above amendments to standards and interpretations are not expected to have a material impact on its financial position and financial performance.

- 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) Amendments to the application guidance on the declassification of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Involving Energy-Dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sales or Contributions 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 without Public Accountability: Disclosures"	January 1, 2027

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

IFRS 18 "Presentation and Disclosure of Financial Statements"

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

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

In addition to the above impacts, as of the date of issuance of this consolidated financial report, the combined company continues to evaluate the impact of the amendments to the above standards and interpretations on the financial position and financial performance. The relevant impacts will be disclosed when the assessment is completed.

4. Summary of Significant Accounting Policies

a. Statement of compliance

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

b. Basis of preparation

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

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

- 1) Level 1 inputs refer to the quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date;
- 2) Level 2 inputs refer to the inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs refer to the unobservable inputs for an asset or liability.

c. Basis of Consolidation

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

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

Please refer to Note 11 and Tables 4 and 5 for details, shareholding ratio, and operations of subsidiaries.

d. Business combination under common control

In June 2024, the Group acquired a portion of the business of the Keelung Branch of Diodes International Co., Ltd., a company incorporated in Luxembourg based, for a cash consideration of NT\$723,820 thousand. As this transaction qualifies as a business combination under common control, the Group accounted for it using the book value method. The transaction was treated as a merger from the beginning of the period, and comparative information for prior periods has been restated accordingly. For related adjustments, please refer to Note 32.

e. Other significant accounting policies

Except to the following instructions, please refer to the summary of significant accounting policies in the 2024 Consolidated Financial Report.

Income Tax Expense

Income tax expense represents the total amount of current income tax and deferred income tax. For

interim periods, income tax is assessed on an annual basis, and the tax expense is calculated by applying the estimated average annual effective tax rate to the pre-tax income of the interim period.

5. Significant Accounting Judgments, Estimates, and Sources of Estimation Uncertainty

Please refer to the disclosures regarding significant accounting judgments, estimates, and the main sources of estimation uncertainty in the consolidated financial statements for the year 2024.

6. Cash

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 1,383	\$ 1,403	\$ 1,180
Bank Checks and Demand Deposits	562,255	481,831	338,275
Foreign Currency Demand Deposits	334,259	376,298	278,745
Cash Equivalents (Investments with Original Maturities of Three Months or Less)			
Time Deposits	140,000	60,000	-
	<u>\$1,037,897</u>	<u>\$ 919,532</u>	<u>\$ 618,200</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Demand Deposits	0.03%~0.80%	0.03%~0.80%	0.05%~1.45%
Time Deposits	1.47%	1.47%	-

7. Financial Instruments at Fair Value Through Profit or Loss

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial Asset - current</u>			
Held for trading			
–Cross-currency swap Contract (a)	<u>\$ 3,779</u>	<u>\$ 2,501</u>	<u>\$ 454</u>
<u>Financial liabilities - current</u>			
Held for trading			
–Forward foreign exchange contracts (b)	\$ 43	\$ 55	\$ 168
–Exchange rate options (c)	<u>1,382</u>	<u>1,660</u>	<u>326</u>
	<u>\$ 1,425</u>	<u>\$ 1,715</u>	<u>\$ 494</u>

- a. The Cross-currency swap contracts that have not adopted hedge accounting and are not yet matured as of the balance sheet date are as follows:

March 31, 2025

Currency	Maturity Period	Contract Amount (In Thousands)
USD : NTD	From May 2025 to October 2025	USD 2,000 / NTD 61,938

December 31, 2024

Currency	Maturity Period	Contract Amount (In Thousands)
USD : NTD	From May 2025 to October 2025	USD 2,000 / NTD 61,938

March 31, 2024

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

- b. The forward foreign exchange contracts that have not been designated as hedge accounting and are not yet matured as of the balance sheet date are as follows:

March 31, 2025

	Currency	Maturity Period	Notional Amount (In Thousands)
Sales of forwarding foreign exchange	USD : NTD	May 2025	USD 500/NTD 16,505

December 31, 2024

	Currency	Maturity Period	Notional Amount (In Thousands)
Sales of forwarding foreign exchange	USD : NTD	February 2025	USD 500/NTD 16,293

March 31, 2024

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

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

March 31, 2025

Contract amount (NT\$ thousand)	Transaction type	Call/Sell	Maturity Period	Agreed exchange rate
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	August 2025	USD : TWD 33.82
USD 1,000	Call Option	Seller	June 2025	USD : TWD 33.70
USD 1,000	Call Option	Seller	September 2025	USD : TWD 33.80
USD 1,000	Call Option	Seller	September 2025	USD : TWD 33.60
USD 1,000	Call Option	Seller	May 2025	USD : TWD 33.30

December 31, 2024

Contract amount (NT\$ thousand)	Transaction type	Call/Sell	Maturity Period	Agreed exchange rate
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	January 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
USD 1,000	Call Option	Seller	June 2025	USD : TWD 32.70

March 31, 2024

Contract amount (NT\$ thousand)	Transaction type	Call/Sell	Maturity Period	Agreed exchange rate
USD 1,000	Call Option	Seller	April 2024	USD : TWD 31.6
USD 1,000	Call Option	Seller	June 2024	USD : TWD 31.9

8. Financial assets at amortized cost

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Current</u>			
Unpledged bank deposits			
Time deposits with original maturity of more than 3 months	\$ -	\$ -	\$ 9,600
Pledged bank deposits			
Time deposits with original maturity of more than 3 months	32,064	31,614	14,902
Restricted demand deposits	<u>25,209</u>	<u>25,209</u>	<u>43,197</u>
	<u>\$ 57,273</u>	<u>\$ 56,823</u>	<u>\$ 67,699</u>
<u>Non-current</u>			
Pledged bank deposits			
Restricted demand deposits	<u>\$ 14,133</u>	<u>\$ 14,133</u>	<u>\$ 14,057</u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits with original maturity of more than 3 months	1.63%~5.10%	1.63%~5.10%	2.35%~4.70%
Restricted demand deposits	0.64%~0.73%	0.64%~0.73%	0.64%~0.73%

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

9. Notes Receivable and Trade Receivables

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Notes receivable</u>			
Measured at amortized cost			
Total carrying amount	<u>\$ 935</u>	<u>\$ 1,690</u>	<u>\$ 3,146</u>
<u>Trade receivables</u>			
Measured at amortized cost			
Total carrying amount	\$ 287,345	\$ 297,936	\$ 267,121
Less: loss allowance	(<u>8,581</u>)	(<u>8,557</u>)	(<u>8,536</u>)
Trade receivables, net	<u>\$ 278,764</u>	<u>\$ 289,379</u>	<u>\$ 258,585</u>
<u>Receivables from related parties</u>			
Measured at amortized cost			
Total carrying amount	<u>\$ 274,310</u>	<u>\$ 418,915</u>	<u>\$ 407,492</u>

The credit period of the consolidate company for commodity sales is about 30 days to 165 days. Since the credit period is short, no interest will be calculated.

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

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

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

March 31, 2025

	Not Overdue	1~30 days overdue	31~60 days overdue	61~90 days overdue	90~121 days overdue	More than 121 days overdue	Total
Total carrying amount	\$ 549,852	\$ 6,838	\$ 920	\$ 123	\$ 1,882	\$ 2,040	\$ 561,655
Loss allowance (lifetime expected credit losses)	(5,802)	(118)	(128)	(25)	(468)	(2,040)	(8,581)
Amortized cost	\$ 544,050	\$ 6,720	\$ 792	\$ 98	\$ 1,414	\$ -	\$ 553,074

December 31, 2024

	Not Overdue	1~30 days overdue	31~60 days overdue	61~90 days overdue	90~121 days overdue	More than 121 days overdue	Total
Total carrying amount	\$ 704,632	\$ 7,838	\$ 406	\$ 674	\$ 285	\$ 3,016	\$ 716,851
Loss allowance (lifetime expected credit losses)	(5,339)	-	(16)	(135)	(51)	(3,016)	(8,557)
Amortized cost	\$ 699,293	\$ 7,838	\$ 390	\$ 539	\$ 234	\$ -	\$ 708,294

March 31, 2024

	Not Overdue	1~30 days overdue	31~60 days overdue	61~90 days overdue	90~121 days overdue	More than 121 days overdue	Total
Total carrying amount	\$ 666,886	\$ 6,570	\$ 362	\$ 166	\$ -	\$ 629	\$ 674,613
Loss allowance (lifetime expected credit losses)	(7,769)	(104)	(25)	(9)	-	(629)	(8,536)
Amortized cost	\$ 659,117	\$ 6,466	\$ 337	\$ 157	\$ -	\$ -	\$ 666,077

The following is the information on changes in the allowance for doubtful accounts:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Beginning balance	\$ 8,557	\$ 3,565
Acquired from business combination	-	4,606
Provision for impairment losses in this period	-	344
Foreign exchange translation differences	24	21
Ending balance	\$ 8,581	\$ 8,536

10. Inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Raw Material	\$ 303,444	\$ 286,226	\$ 208,280
Work in progress	193,172	180,479	152,420
Finished goods	28,132	23,128	53,629
Buy & Sales	61,093	48,770	54,364
	<u>\$ 585,841</u>	<u>\$ 538,603</u>	<u>\$ 468,693</u>

The nature of cost of goods sold is as follows:

	March 31, 2025	March 31, 2024
Cost of goods sold	\$ 387,889	\$ 542,264
Provision for inventory write-down	-	-
	<u>\$ 387,889</u>	<u>\$ 542,264</u>

11. Subsidiaries

a. Subsidiaries included in the consolidated financial statements

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

Name of Investor	Name of Subsidiary	Nature of business	Percentage of Ownership		
			March 31, 2025	December 31, 2024	March 31, 2024
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%	96.1%	100%
The Company	Erishin Semiconductor Corporation ("Erishin")	Manufacturing of electronic components and wholesaling of electronic materials	100%	100%	100%
The Company	SeCos Corporation ("SeCos")	Manufacturing of electronic parts and components R&D, design and sales	40%	40%	40%
Yea Shin	SeCos Corporation ("SeCos")	Manufacturing of electronic parts and components R&D, design and sales	60%	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 March 31, 2025, the paid-in capital of Jie Cheng was US\$650 thousand.

For business expansion needs, the Company established Erishin Semiconductor Corporation in accordance with the resolution of the board of directors on July 5, 2023. The company's main business is the manufacturing of electronic parts and components and the wholesale of electronic materials. As of March 31, 2025, Erishin's paid-in capital was NT\$1,000 thousands.

In order to expand its scale of operations, the Group resolved in a board meeting on December 20, 2023 to acquire 7,200 thousand issued common shares of SeCos from its shareholders at a price of NT\$25 per share, totaling NT\$180,000 thousand. This represents a 40% ownership stake. The related equity transfer transaction was completed on January 2, 2024. Please refer to Notes 23 for further details. The Company determined that it has substantive power over the relevant activities of SeCos and therefore classified it as a subsidiary.

In addition, in September 2024, Yea Shin Company acquired the remaining 60% of the outstanding shares of SeCos, amounting to 10,800 thousand shares, for a total consideration of NT\$194,400 thousand.

In June 2024, Yea Shin Company conducted a capital increase through cash injection. The Company subscribed to 20,000 thousand shares for NT\$800,000 thousand. Due to employee participation in the cash capital increase, the ownership percentage was diluted to 96.1%.

12. Property, Plant and Equipment

	Three Months Ended March 31, 2025						Total Cost
	Land	Houses and buildings	Machinery Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	
Cost							
Balance as of January 1, 2025	\$ 593,991	\$ 547,276	\$ 2,084,986	\$ 21,612	\$ 407,064	\$ 34,383	\$ 3,689,312
Increase	-	270	93,375	-	45,409	2,105	141,159
Disposal	-	(937)	(12,265)	-	(100)	-	(13,302)
Internal transfer	-	-	5,150	-	16,382	1,476	23,008
Effect of exchange rate	-	-	-	39	-	18	57
March 31, 2025 Ending balance	<u>\$ 593,991</u>	<u>\$ 546,609</u>	<u>\$ 2,171,246</u>	<u>\$ 21,651</u>	<u>\$ 468,755</u>	<u>\$ 37,982</u>	<u>\$ 3,840,234</u>
Accumulated depreciation							
Balance as of January 1, 2025	\$ -	\$ 148,807	\$ 1,229,523	\$ 14,143	\$ 189,517	\$ 13,323	\$ 1,595,313
Depreciation expense	-	7,059	30,065	469	6,308	1,268	45,169
Disposal	-	(937)	(12,265)	-	(100)	-	(13,302)
Effect of exchange rate	-	-	-	37	-	18	55
March 31, 2025 Ending balance	<u>\$ -</u>	<u>\$ 154,929</u>	<u>\$ 1,247,323</u>	<u>\$ 14,649</u>	<u>\$ 195,725</u>	<u>\$ 14,609</u>	<u>\$ 1,627,235</u>
March 31, 2025 Net balance	<u>\$ 593,991</u>	<u>\$ 391,680</u>	<u>\$ 923,923</u>	<u>\$ 7,002</u>	<u>\$ 273,030</u>	<u>\$ 23,373</u>	<u>\$ 2,212,999</u>
	Three Months Ended March 31, 2024						Total Cost
	Land	Houses and buildings	Machinery Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	
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	15,597	3,007	3,736	-	625	42,827
Increase	-	6,683	23,830	4,994	-	507	36,014
Disposal	-	(14,345)	(16,566)	(6,255)	(205)	-	(37,371)
Internal transfer	-	-	27,220	-	-	372	27,592
Effect of exchange rate	-	-	-	34	-	18	52
March 31, 2024 Ending balance	<u>\$ 593,991</u>	<u>\$ 922,825</u>	<u>\$ 2,036,418</u>	<u>\$ 17,886</u>	<u>\$ 99</u>	<u>\$ 16,945</u>	<u>\$ 3,588,164</u>
Accumulated depreciation							
Balance as of January 1, 2024	\$ -	\$ 313,668	\$ 1,159,105	\$ 12,576	\$ 266	\$ 11,051	\$ 1,496,666
Depreciation expense	-	14,930	36,688	532	5	456	52,611
Disposal	-	(14,345)	(16,566)	(3,590)	(205)	-	(34,706)
Effect of exchange rate	-	-	-	32	-	15	47
March 31, 2024 Ending balance	<u>\$ -</u>	<u>\$ 314,253</u>	<u>\$ 1,179,227</u>	<u>\$ 9,550</u>	<u>\$ 66</u>	<u>\$ 11,522</u>	<u>\$ 1,514,618</u>
March 31, 2024 Net balance	<u>\$ 593,991</u>	<u>\$ 608,572</u>	<u>\$ 857,191</u>	<u>\$ 8,336</u>	<u>\$ 33</u>	<u>\$ 5,423</u>	<u>\$ 2,073,546</u>

The Group did not process any assessment for impairment due to no signs of impairment for the three months ended March 31, 2025 and 2024.

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

Houses and buildings	
Main buildings of the office	35 ~ 50 years
Building improvement	5 ~ 15 years
Machinery Equipment	2 ~ 15 years
Transportation Equipment	5 years
Leasehold Improvements	10 ~ 15 years
Other Equipment	3 ~ 10 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

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of right-of-use assets			
Buildings	<u>\$ 155,436</u>	<u>\$ 161,298</u>	<u>\$ 7,007</u>

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Depreciation expense of right-of-use assets		
Buildings	<u>\$ 5,867</u>	<u>\$ 2,434</u>

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount of lease liabilities			
Current	<u>\$ 15,453</u>	<u>\$ 19,389</u>	<u>\$ 4,488</u>
Non-current	<u>\$ 141,266</u>	<u>\$ 142,853</u>	<u>\$ 2,598</u>

Intervals of discount rates for lease liabilities were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Buildings	1.00%~2.71%	1.00%~2.71%	1.00%~1.80%

c. Other lease information

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Short term lease fees	<u>\$ 33</u>	<u>\$ 97</u>
Low value asset leasing expenses	<u>\$ 16</u>	<u>\$ 16</u>
Total cash outflow for leases	<u>\$ 6,313</u>	<u>\$ 2,563</u>

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

14. Goodwill

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Beginning Balance	\$ 58,728	\$ 24,070
Acquired from business combination (Note 23)	<u>-</u>	<u>34,658</u>
Ending Balance	<u>\$ 58,728</u>	<u>\$ 58,728</u>

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

The acquisition of SeCos by the Group in January 2024, resulting in related goodwill of NT\$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 March 31, 2025 and 2024.

15. Other Intangible Assets

	Three Months Ended March 31, 2025		
	Computer Software	Customer Relationship	Total
<u>Cost</u>			
Balance as of January 1, 2025	\$ 34,672	\$ 40,513	\$ 75,185
Disposal	(2,727)	-	(2,727)
Internal transfer	2,111	-	2,111
Balance as of March 31, 2025	<u>\$ 34,056</u>	<u>\$ 40,513</u>	<u>\$ 74,569</u>
<u>Cumulative Amortization and Impairment</u>			
Balance as of January 1, 2025	\$ 12,025	\$ 3,224	\$ 15,249
Depreciation expense	1,345	753	2,098
Disposal	(2,727)	-	(2,727)
Balance as of March 31, 2025	<u>\$ 10,643</u>	<u>\$ 3,977</u>	<u>\$ 14,620</u>
Net Amount as of March 31, 2025	<u>\$ 23,413</u>	<u>\$ 36,536</u>	<u>\$ 59,949</u>

	Three Months Ended March 31, 2024			
	Patent	Computer Software	Customer Relationship	Total
<u>Cost</u>				
Balance as of January 1, 2024	\$ 617	\$ 22,025	\$ -	\$ 22,642
Acquired from business combination (Note 23)	-	5,206	40,513	45,719
Obtained separately	-	822	-	822
Disposal	(617)	-	-	(617)
Balance as of March 31, 2024	<u>\$ -</u>	<u>\$ 28,053</u>	<u>\$ 40,513</u>	<u>\$ 68,566</u>
<u>Accumulated amortization and impairment</u>				
Balance as of January 1, 2024	\$ 617	\$ 7,945	\$ -	\$ 8,562
Amortization expenses	-	1,158	1,113	2,271
Disposal	(617)	-	-	(617)
Balance as of March 31, 2024	<u>\$ -</u>	<u>\$ 9,103</u>	<u>\$ 1,113</u>	<u>\$ 10,216</u>
Net balance as of March 31, 2024	<u>\$ -</u>	<u>\$ 18,950</u>	<u>\$ 39,400</u>	<u>\$ 58,350</u>

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

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

16. Borrowings

a. Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured loans</u>			
Bank loans	\$ 300,000	\$ 300,000	\$ 323,500
<u>Unsecured loans</u>			
Line of credit loans	<u>290,000</u>	<u>290,000</u>	<u>351,500</u>
	<u>\$ 590,000</u>	<u>\$ 590,000</u>	<u>\$ 675,000</u>

The interest rates on bank revolving loans were 1.80%~2.04%, 1.80%~2.09%, and 1.68%~2.90% per annum as of March 31, 2025, December 31 and March 31, 2024, respectively.

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

b. Long-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Secured loans</u>			
Bank loans (1)	\$ 50,778	\$ 52,198	\$ 56,402
Bank loans (2)	374,731	380,324	397,103
Bank loans (3)	100,000	100,000	50,000
Bank loans (4)	33,373	34,860	39,285
Bank loans (5)	-	-	4,000
<u>Non-Secured loans</u>			
Bank loans (6)	4,393	4,853	6,220
Bank loans (7)	100,000	100,000	100,000
Bank loans (8)	-	-	16,000
	<u>663,275</u>	<u>672,235</u>	<u>669,010</u>
Less: listed as portion matured in 1 year	(<u>35,981</u>)	(<u>35,919</u>)	(<u>40,635</u>)
Long-term borrowings	<u>\$ 627,294</u>	<u>\$ 636,316</u>	<u>\$ 628,375</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% as of March 31, 2025, December 31 and March 31 2024, 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 2.00%、2.09% and 1.83% as of March 31, 2025, December 31 and March 31 2024, respectively.
- 3) The bank loan of NT\$50,000 thousand was obtained by the Group on September 28, 2023. The bank loan was secured by the Group own land and buildings as a mortgage guarantee. The loan interest rate is based on the two-year fixed deposit mobile interest rate plus 0.082% mobile interest calculation. The principal shall be paid off once upon maturity. In September 2024, the loan was renewed and an additional NT\$50,000 thousand was borrowed, with the new maturity date set for September 26, 2026. As of March 31, 2025, December 31, 2024, and March 31, 2024, the effective annual interest rates were 1.9366%, 1.9366%, and 1.9366%, respectively.
- 4) The bank loan of NT\$49,000 thousand was obtained by the Group on July 1, 2020, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by the floating interest rate of one-month time savings deposit plus 0.08%, which should not be lower than 0.90%, and a grace period of two year to be averagely repaid after the period for the principal and the interests. The maturity date of the loan was June 30, 2030. The effective interest rates were 1.80%, 1.80% and 1.68% as of March 31 2025, December 31 and March 31 2024, 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. It was fully repaid in October 2024. The effective annual interest rate as of March 31, 2024 was 0.50%.

- 6) 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%, 1.80% and 1.68% as of March 31, 2025, December 31 and March 31, 2024, respectively.
- 7) The bank loan of NT\$100,000 thousand was obtained by the Group on March 27, 2024. The interest rate on the bank loan is based on the 3-month TAIBOR plus a 0.5% floating spread. Interest is paid monthly, and the principal is repaid in full at maturity. The original maturity date of the loan was March 27, 2026, but the loan was refinanced in March 2025. After refinancing, the new maturity date is March 26, 2027. The effective annual interest rates as of March 31, 2025, December 31, 2024, and March 31, 2024, were 2.00%, 2.09%, and 1.80%, respectively.
- 8) 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 loan was fully repaid in October 2024. The effective annual interest rate as of March 31, 2024 was 0.50%.

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

17. Other Payables

	March 31, 2025	December 31, 2024	March 31, 2024
Salary and bonus payable	\$ 70,934	\$ 100,459	\$ 54,287
Utility fees payable	12,189	14,443	4,872
Processing fees payable	12,167	16,580	14,761
Equipment fees payable	4,595	5,778	38,274
Other	<u>95,832</u>	<u>111,972</u>	<u>73,561</u>
	<u>\$ 195,717</u>	<u>\$ 249,232</u>	<u>\$ 185,755</u>

18. Equity

a. Share capital

	March 31, 2025	December 31, 2024	March 31, 2024
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>54,704</u>	<u>50,204</u>
Share capital issued	<u>\$ 547,039</u>	<u>\$ 547,039</u>	<u>\$ 502,039</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. And that, April 28, 2024, was set as the record date for the cash capital increase. A total of 4.5 million shares were issued at NT\$248.9 per share. The issuance cost of NT\$3.15 million incurred for this capital increase is considered a necessary issuance expense and is therefore recorded as a deduction from the capital surplus derived from the share premium.

b. Capital surplus

	March 31, 2025	December 31, 2024	March 31, 2024
Issuance of shares at a premium	\$ 1,473,562	\$ 1,473,562	\$ 401,662
Recognition of changes in all equity interests in subsidiaries	43,538	43,538	-
Others	<u>849</u>	<u>849</u>	<u>849</u>
	<u>\$ 1,517,949</u>	<u>\$ 1,517,949</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 ownership interests in subsidiaries were mainly due to the equity adjustment arising from not subscribing to the capital increase of YeaShin Tech. in proportion to the shareholding ratio, and from YeaShin Technology's acquisition of the remaining 60% outstanding shares of SeCos. For details of the related transactions, please refer to Note 24.

c. Retained earnings and dividends policy

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

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

The Board of Directors of the Company held a meeting on February 25, 2025, and the Annual General Shareholders' Meeting was held on June 28, 2024, during which the proposed and approved earnings distribution plans for the fiscal years 2024 and 2023, respectively, were as follows:

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Legal reserve	<u>\$ 44,029</u>	<u>\$ 33,779</u>
(Reversal) appropriation of special earnings reserve	<u>(\$ 1,912)</u>	<u>\$ 981</u>
Cash dividends	<u>\$ 273,520</u>	<u>\$ 273,520</u>
Cash Dividends Per Share (\$)	<u>\$ 5.0</u>	<u>\$ 5.0</u>

The earnings distribution plan for the fiscal year 2024 is pending approval at the shareholders' meeting scheduled to be held on May 28, 2025.

d. Treasury Stock

On April 10, 2025, the Company's interim Board of Directors resolved to repurchase treasury shares for the purpose of maintaining the Company's credit and protecting shareholders' equity. The repurchase period is set from April 11, 2025, to June 9, 2025, with a planned repurchase of 3,000,000 shares. The repurchase price range is between NT\$110 and NT\$182. The Company will continue to

repurchase shares even if the market price falls below the lower limit of the price range. As of April 28, 2025, the Company had repurchased 420,000 shares, totaling NT\$62.079 million.

19. Revenue

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024		
Revenue from contracts with customers				
Revenue from the sale of goods	<u>\$ 625,260</u>	<u>\$ 700,394</u>		
<u>Contract balances</u>				
	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Notes and trade receivables (Note 9)	<u>\$ 554,009</u>	<u>\$ 709,984</u>	<u>\$ 669,223</u>	<u>\$ 459,407</u>
Contract liabilities (included in other current liability)				
Sales of goods	<u>\$ 2,006</u>	<u>\$ 3,538</u>	<u>\$ 1,805</u>	<u>\$ 719</u>

20. Net Profit

Additional information on the net profit includes the following items:

a. Depreciation and amortization

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Property, plant and equipment	\$ 45,169	\$ 52,611
Right-of-use assets	5,867	2,434
Unamortized expenses	6,715	5,154
Intangible assets	<u>2,098</u>	<u>2,271</u>
	<u>\$ 59,849</u>	<u>\$ 62,470</u>
Depreciation expenses summarized by function		
Operating costs	\$ 27,136	\$ 26,586
Operating expenses	<u>23,900</u>	<u>28,459</u>
	<u>\$ 51,036</u>	<u>\$ 55,045</u>
Amortization expenses summarized by function		
Operating costs	\$ 4,228	\$ 4,312
Operating expenses		
Marketing expense	1,000	1,747
Management expense	827	581
R&D expenses	<u>2,758</u>	<u>785</u>
	<u>\$ 8,813</u>	<u>\$ 7,425</u>

b. Gains or losses on foreign currency exchange

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Total foreign exchange gains	\$ 12,673	\$ 30,023
Total foreign exchange losses	(<u>3,374</u>)	(<u>2,787</u>)
Net balance	<u>\$ 9,299</u>	<u>\$ 27,236</u>

c. Employee benefits expense

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Post-employment benefits		
Defined benefit plans	\$ 3,762	\$ 4,996
Salaries and bonus	<u>108,176</u>	<u>118,852</u>
	<u>\$ 111,938</u>	<u>\$ 123,848</u>
Summarized by function		
Operating costs	\$ 43,519	\$ 63,400
Operating expenses	<u>68,419</u>	<u>60,448</u>
	<u>\$ 111,938</u>	<u>\$ 123,848</u>

d. Employees' compensation

In accordance with the Company's Articles of Incorporation, 1% to 5% of the annual pre-tax profit, before deducting employee compensation, is allocated as employee compensation. Pursuant to the amended Securities and Exchange Act in August 2024, the Company plans to revise its Articles of Incorporation, subject to approval at the 2025 shareholders' meeting, to specify that 30% to 60% of the allocated employee compensation shall be distributed to frontline employees. The estimated employee compensation for the year 2025 and for the period from January 1 to March 31, 2024, is as follows:

Accrual rate

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Employees' compensation	1.1%	1.2%

Amount of Cash

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Employees' compensation	<u>\$ 800</u>	<u>\$ 1,200</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 February 25, 2025 and April 30, 2024 to approve the employees' compensation for years ended December 31, 2024 and 2023 as follows:

Amount of Cash

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023
Employees' compensation	\$ 8,000	\$ 5,800

The actual amounts distributed as employee compensation for the fiscal years 2024 and 2023 were consistent with the amounts recognized in the consolidated financial statements for the respective years.

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

21. Income Tax

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Current income tax		
In respect of the period	(\$ 4,455)	(\$ 5,015)
Deferred income tax		
In respect of the period	(<u>2,956</u>)	<u>8,606</u>
Income tax recognized in profit or loss	(<u>\$ 7,411</u>)	<u>\$ 3,591</u>

b. Income tax recognized in other comprehensive income

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
<u>Deferred income tax</u>		
Derived from this period		
- Translations of foreign operations	(<u>\$ 304</u>)	(<u>\$ 255</u>)
Income tax recognized in other comprehensive income(Loss)	(<u>\$ 304</u>)	(<u>\$ 255</u>)

c. Income tax assessments

The profit-seeking enterprise income tax filing case of the Company has been approved by the tax authority through the year ended December 31, 2022; The profit-seeking enterprise income tax filing case of the subsidiary, Yea Shin and SeCos have been approved by the tax authority through the year ended December 31, 2023.

22. Earnings per Share

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Basic earnings per share	<u>\$ 1.35</u>	<u>\$ 1.91</u>
Diluted earnings per share	<u>\$ 1.35</u>	<u>\$ 1.91</u>

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

Net profit attributable to shareholders of the parent company

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Used to calculate net profit per diluted earnings per share	<u>\$ 73,911</u>	<u>\$ 95,910</u>

Number of shares

	Unit: thousand shares	
	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Weighted average number of common shares used to calculate basic earnings per share	54,704	50,204
Impact of potentially dilutive common shares:		
Employee compensation	<u>28</u>	<u>28</u>
Weighted average number of common shares used to calculate diluted earnings per share	<u>54,732</u>	<u>50,232</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. Business Combination

a. Acquisition of subsidiaries

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

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

If the measurement of identifiable assets acquired and liabilities assumed in a business combination is not yet completed, provisional amounts are recognized as of the balance sheet date. Subsequent adjustments to those amounts or recognition of additional assets or liabilities may be made during the measurement period to reflect new information about facts and circumstances that existed as of the acquisition date.

The acquiring company completed the measurement in the second quarter of 2024 and made retrospective adjustments as follows: an increase of NT\$22,910 thousand in property, plant and equipment; an increase of NT\$12,282 thousand in goodwill; a decrease of NT\$45,648 thousand in intangible assets; a decrease of NT\$6,676 thousand in deferred income tax liabilities; and a decrease of NT\$3,780 thousand in non-controlling interests. As a result, the comparative period information has been retrospectively adjusted. For details of the adjustments, please refer to Note 32.

b. Transfer Price

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

c. Assets acquired and liabilities assumed on acquisition date

	SeCos
Current Assets	
Cash	\$ 140,778
Financial assets measured at amortized cost	1,008
Notes receivable, accounts receivable and other receivables	176,503
Inventory	104,359
Other current assets	454
Non-current assets	
Property, plant and equipment	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 : NA

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 Paid	(\$ 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 March 31, 2025 and 2024:

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Increase in property, plant and equipment	\$ 141,159	\$ 36,014
Other payables	(137,342)	(16,164)
Amount of cash paid to purchase property, plant and equipment	<u>\$ 3,817</u>	<u>\$ 19,850</u>

b. Changes in liabilities from financing activities

	January 1 2025	Cash Flow	Non-cash changes Acquisition of subsidiaries	Others	March 31 2025
Short-term Loan	\$ 590,000	\$ -	\$ -	\$ -	\$ 590,000
Long-term Loan	672,235	(8,960)	-	-	663,275
Lease liability	<u>162,242</u>	<u>(5,529)</u>	<u>-</u>	<u>6</u>	<u>156,719</u>
	<u>\$ 1,424,477</u>	<u>(\$ 14,489)</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 1,409,994</u>

	January 1 2024	Cash Flow	Non-Cash Changes Acquisition of subsidiaries	Others	March 31 2024
Short-term Loan	\$ 600,000	\$ 40,000	\$ 35,000	\$ -	\$ 675,000
Long-term Loan	657,921	(8,911)	20,000	-	669,010
Lease liability	<u>6,385</u>	<u>(2,435)</u>	<u>3,131</u>	<u>5</u>	<u>7,086</u>
	<u>\$ 1,264,306</u>	<u>\$ 28,654</u>	<u>\$ 58,131</u>	<u>\$ 5</u>	<u>\$ 1,351,096</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

March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 3,779	\$ -	\$ 3,779
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 1,425	\$ -	\$ 1,425

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 2,501	\$ -	\$ 2,501
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 1,715	\$ -	\$ 1,715

March 31, 2024

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

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2025 and 2024.

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

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

b. Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$ 1,674,550	\$ 1,725,144	\$ 1,381,047
Measured at fair value through profit or loss			
Held for trading	3,779	2,501	454
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	1,797,337	1,735,148	1,752,522
Measured at fair value through profit or loss			
Held for trading	1,425	1,715	494

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, debt instrument investments, notes receivable, accounts receivable, other receivables, and refundable deposits.

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

c. Financial risk management objectives and policies

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

1) Market risk

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

i. Foreign exchange risk

The Group's sales and purchase transactions are denominated in foreign currency; as a consequence, the Group is exposed to the risk of fluctuation in the exchange rate. In order to avoid the decrease in the value of foreign currency assets and fluctuations in future cash flows due to changes in exchange rates, the Group has taken into account the risk of the net position of foreign currencies by analyzing factors, such as the amount of payments received and paid for foreign currency assets and foreign currency liabilities and the maturity period, and it also avoids the related risk of exchange rates by methods of cross-currency swap contracts, forward

foreign exchange contracts, exchange rate option, borrowings in foreign currency, and so on. Internal auditors continuously review the conformity to policies and risk exposure limits. The application of cross-currency swap contracts and forward foreign exchange contracts by the Group is governed by the policies approved by the Board of Directors, and the Group does not enter into transactions of cross-currency swap contracts and forward foreign exchange contracts for speculative purposes.

Please refer to Note 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. When the functional currency of the consolidated entity appreciates/depreciates by 1% against the U.S. dollar, the consolidated company's pre-tax net income for the periods from January 1 to March 31, 2025, and 2024 would decrease/increase by NT\$3,690 thousand and NT\$5,125 thousand, respectively.

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:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
— Financial assets	\$ 172,064	\$ 31,614	\$ 24,502
— Financial liabilities	156,719	162,242	7,086
Cash flow interest rate risk			
— Financial assets	935,156	957,372	674,174
— Financial liabilities	1,253,275	1,262,235	1,344,010

Fixed-rate financial assets/liabilities held by the Group are measured at amortized cost and are therefore excluded from the analysis; the methods for the analysis of floating-rate financial assets/liabilities assume that the amounts of assets/liabilities outstanding at the balance sheet date were outstanding for the whole reporting period. An increase/decrease of 0.25% in market interest rates is used as a reasonable risk assessment for reporting changes in interest rates to the management by the Group. With all other variables remaining unchanged, an increase/decrease of 0.25% in market interest rates will lead to a decrease of \$199 thousand and \$331 thousand on the Group's net profit after tax for the three months ended March 31, 2025 and 2024, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group adopted a policy of only dealing with creditworthy

counterparties as a means of mitigating the risk of financial loss from defaults, and the exposure to credit risk and the credit ratings of its counterparties were continuously monitored. At the balance sheet date, the Group's maximum amount of exposure to credit risk approximated the carrying amount of its financial assets.

The Group's credit risk of trade receivable is concentrated on the Group's top customer, the Diodes Group, which is also the parent company, accounting for 49%, 59%, and 60% of the total trade receivable from the above-mentioned customer as of March 31, 2025, December 31 and March 31, 2024, respectively. However, it belongs to associates transactions which should not result in credit risk.

3) Liquidity risk

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

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

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

March 31, 2025

	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		\$ 622,863	\$ -	\$ -	\$ -	\$ -
Lease liabilities	1.98%	5,832	16,448	19,622	50,184	74,165
Floating-rate instruments	1.96%	<u>503,091</u>	<u>134,199</u>	<u>244,416</u>	<u>380,733</u>	<u>23,843</u>
		<u>\$1,131,786</u>	<u>\$ 150,647</u>	<u>\$ 264,038</u>	<u>\$ 430,917</u>	<u>\$ 98,008</u>

December 31, 2024

	Weighted Average Effective Rate (%)	Payment on Sight or Less than 3 Month	3 Months to 1 Year	1 to 2 Year(s)	2 to 5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>						
Non-interest bearing liabilities		\$ 582,991	\$ -	\$ -	\$ -	\$ -
Lease liabilities	1.49%	6,338	16,056	22,726	47,543	78,615
Floating-rate instruments	2.00%	<u>604,931</u>	<u>36,949</u>	<u>246,607</u>	<u>392,030</u>	<u>27,139</u>
		<u>\$1,194,260</u>	<u>\$ 53,005</u>	<u>\$ 269,333</u>	<u>\$ 439,573</u>	<u>\$ 105,754</u>

March 31, 2024

	Weighted Average Effective Rate (%)	Payment on Sight or Less than 3 Month	3 Months to 1 Year	1 to 2 Year(s)	2 to 5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>						
Non-interest bearing liabilities		\$ 471,476	\$ -	\$ -	\$ -	\$ -
Lease liabilities	1.07%	1,700	2,835	1,814	802	-
Floating-rate instruments	1.80%	<u>620,110</u>	<u>110,741</u>	<u>556,445</u>	<u>53,110</u>	<u>28,513</u>
		<u>\$1,093,286</u>	<u>\$ 113,576</u>	<u>\$ 558,259</u>	<u>\$ 53,912</u>	<u>\$ 28,513</u>

ii. Financing facilities

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

	March 31, 2025	December 31, 2024	March 31, 2024
Secured bank financing facilities:			
— Amount used	\$ 1,253,275	\$ 1,262,235	\$ 1,344,010
— Amount unused	<u>700,000</u>	<u>600,000</u>	<u>521,400</u>
	<u>\$ 1,953,275</u>	<u>\$ 1,862,235</u>	<u>\$ 1,865,410</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	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Sales	Sister company		
	Diodes (HK)	\$ 198,495	\$ 303,515
	Diodes (TW)	108,683	60,190
	Diodes (Hsinchu)	3,997	497
	Diodes (Chengdu)	5,190	44
	Lite-on (Wuxi)	55,472	59,631
	Shanghai (SSEC)	30,733	56,105
	Kaihong Electronics	393	4,792
	Kaihong Tech.	<u>-</u>	<u>199</u>
		<u>\$ 402,963</u>	<u>\$ 484,973</u>

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

c. Purchase

Related Party Category/Name	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Sister company		
Diodes (TW)	\$ 2,249	\$ -
Diodes (Hsinchu)	<u>11,675</u>	<u>24,240</u>
	<u>\$ 13,924</u>	<u>\$ 24,240</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

List Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Trade receivables from related parties	Sister company			
	Diodes (TW)	\$ 73,044	\$ 108,771	\$ 45,429
	Diodes (HK)	136,374	218,291	278,974
	Diodes (Hsinchu)	3,407	3,540	532
	Diodes (Chengdu)	4,517	4,038	45
	Lite-on (Wuxi)	33,275	62,783	46,135
	Shanghai (SSEC)	23,486	20,573	32,389
	Kaihong Electronics	207	830	3,830
	Kaihong Tech.	<u>-</u>	<u>89</u>	<u>158</u>
		<u>\$ 274,310</u>	<u>\$ 418,915</u>	<u>\$ 407,492</u>
Other Trade receivables	Sister company			
	Diodes (TW)	\$ 141	\$ 926	\$ -
	Diodes (KL)	<u>-</u>	<u>131</u>	<u>-</u>
		<u>\$ 141</u>	<u>\$ 1,057</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 March 31, 2025, and December 31 and March 31, 2024.

e. Amounts payable to related parties

Line Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Payables from related parties	Sister company			
	Diodes (TW)	\$ 2,389	\$ 5,023	\$ 1,142
	Diodes (KL)	300	296	-
	Diodes (Hsinchu)	<u>12,426</u>	<u>5,132</u>	<u>16,361</u>
		<u>\$ 15,115</u>	<u>\$ 10,451</u>	<u>\$ 17,503</u>
Other payables - related parties	Sister company			
	Diodes (KL)	<u>\$ 138,524</u>	<u>\$ -</u>	<u>\$ -</u>

f. Property, plant and equipment acquired

Related Party Category / Name	Acquisition Price	
	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Sister company		
Diodes (KL)	<u>\$ 130,928</u>	<u>\$ -</u>

g. Rental agreement

Line Item	Related Party Category/Name	March 31, 2025	December 31, 2024	March 31, 2024
Lease liability	Sister company			
	Diodes (TW)	<u>\$ 149,191</u>	<u>\$ 152,888</u>	<u>\$ -</u>

Related Party Category / Name	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
<u>Interest Expense</u>		
Sister company		
Diodes (KL)	\$ 752	\$ -

The consolidated company leased a factory from a related company in June 2024 for a lease term of 10 years. The rental was negotiated based on market rates. In accordance with the lease agreement, a refundable deposit of NT\$2,967 thousand was paid, and the monthly rental expense is NT\$1,483 thousand.

h. Remuneration to the major management

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
Short-term employee benefits	\$ 7,500	\$ 7,874
Post-employment benefits	27	27
	<u>\$ 7,527</u>	<u>\$ 7,901</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:

	March 31, 2025	December 31, 2024	March 31, 2024	Nature
Bank time deposits (classified as financial assets at amortized cost)	\$ 32,064	\$ 31,614	\$ 14,902	endorsements/guarantees and short-term borrowings
Bank demand deposits (classified as financial assets at amortized cost)	39,342	39,342	57,254	Short-term and long-term borrowings
Property and plant	877,208	879,041	897,066	Short-term and long-term borrowings
	<u>\$ 948,614</u>	<u>\$ 949,997</u>	<u>\$ 969,222</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:

	March 31, 2025	December 31, 2024	March 31, 2024
Amount of Contract Commitments	<u>\$ 212,619</u>	<u>\$ 292,633</u>	<u>\$ 117,116</u>
Amount Paid (classified as prepayments for equipment)	<u>\$ 99,436</u>	<u>\$ 110,101</u>	<u>\$ 68,091</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

March 31, 2025				
	Foreign Currency	Exchange rate (\$)	Functional Currency	NTD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 21,291	33.2050 (USD:NTD)	\$ 706,968	\$ 706,968
USD	521	7.2611 (USD:RMB)	3,783	17,300
RMB	1,421	4.5730 (RMB:NTD)	6,498	6,498
EUR	191	35.9700 (EUR:NTD)	6,870	6,870
<u>Non-monetary items</u>				
<u>Derivatives</u>				
USD	2,000	33.2050 (USD:NTD)	66,410	66,410
<u>Investments accounted for using the equity method</u>				
USD	2,202	33.2050 (USD:NTD)	73,122	73,122
RMB	16,061	0.1375(RMB:USD)	2,212	73,447
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	5,200	33.2050 (USD:NTD)	\$ 172,666	\$ 172,666
<u>Non-monetary items</u>				
<u>Derivatives</u>				
USD	7,500	33.2050 (USD:NTD)	249,038	249,038
December 31, 2024				
	Foreign Currency	Exchange rate (\$)	Functional Currency	NTD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 16,354	32.7850 (USD:NTD)	\$ 536,166	\$ 536,166
USD	270	7.3213(USD:RMB)	1,977	8,852
RMB	1,421	4.4780 (RMB:NTD)	6,363	6,363
EUR	369	34.1400 (EUR:NTD)	12,598	12,598
<u>Non-monetary items</u>				
<u>Derivatives</u>				
USD	2,000	32.7850 (USD:NTD)	65,570	65,570
<u>Investments accounted for using the equity method</u>				
USD	2,169	32.7850 (USD:NTD)	71,099	71,099
RMB	15,936	0.1366 (RMB:USD)	2,177	71,362
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	8,958	32.7850 (USD:NTD)	293,688	293,688
<u>Non-monetary items</u>				
<u>Derivatives</u>				
USD	6,500	32.7850 (USD:NTD)	213,103	213,103

March 31, 2024				
	Foreign Currency	Exchange rate (\$)	Functional Currency	NTD
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 27,246	32.0000 (USD:NTD)	\$ 871,872	\$ 871,872
USD	426	7.2595 (USD:RMB)	3,093	13,634
RMB	13,825	4.4080 (RMB:NTD)	60,942	60,942
EUR	132	34.4600 (EUR:NTD)	4,549	4,549
<u>Non-monetary items</u>				
<u>Derivatives</u>				
USD	500	32.0000 (USD:NTD)	16,000	16,000
<u>Investments accounted for using the equity method</u>				
USD	2,161	32.0000 (USD:NTD)	69,166	69,166
RMB	15,791	0.1378(RMB:USD)	2,175	69,609
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	10,656	32.0000 (USD:NTD)	\$ 340,992	\$ 340,992
<u>Non-monetary items</u>				
<u>Derivatives</u>				
USD	1,500	32.0000 (USD:NTD)	48,000	48,000

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

Unit: NT\$ Thousands, Except for Exchange Rate				
Foreign Currency	Three Months Ended March 31, 2025		Three Months Ended March 31, 2024	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	32.995 (USD:NTD)	\$ 8,770	31.353 (USD:NTD)	\$ 26,425
USD	7.291 (USD:RMB)	(25)	7.718 (USD:RMB)	29
EUR	35.970 (EUR:NTD)	306	36.460 (EUR:NTD)	530
Others		248		252
		<u>\$ 9,299</u>		<u>\$ 27,236</u>

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. Impact of Retrospective Restatement on the Financial Statements for the Period from January 1 to March 31, 2024

Impact on Assets, Liabilities, and Equity Items

March 31, 2024				
Items	Amount before restatement	Adjustment Amounts from Business Combinations under Common Control	SeCos Acquisition – Business Combination Adjustments Amount (Note 23)	Amount after restatement
<u>Assets</u>				
Accounts receivable	\$ 235,506	\$ 23,079	\$ -	\$ 258,585
Accounts receivable – Related Parties	321,527	85,965	-	407,492
Inventories	303,056	165,637	-	468,693
Property, Plant and Equipment	1,578,221	472,415	22,910	2,073,546
Goodwill	46,446	-	12,282	58,728
Intangible assets	103,921	77	(45,648)	58,350
<u>Liabilities</u>				
Accounts payable	174,307	93,908	-	268,215
Accounts payable – Related Parties	1,142	16,361	-	17,503
Other payables	149,334	36,421	-	185,755
Deferred Income Tax Liabilities	27,351	-	(6,676)	20,675
<u>Equity</u>				
Preceding interest under joint control	-	600,483	-	600,483
Non-controlling Interests	223,902		(3,780)	220,122

Impact of Consolidated Profit and Loss Items

Items	For the Three Months ended March 31, 2024		
	Amount before restatement	Retroactive restatement amount	Amount after restatement
Revenues	\$ 544,918	\$ 155,476	\$ 700,394
Cost of Goods sold	(353,325)	(188,939)	(542,264)
Gross Profit	191,593	(33,463)	158,130
Operating Expense	(110,931)	(29,386)	(140,317)
Non-operating income and expenses	18,749	2,817	21,566
Income tax benefits	3,591	-	3,591
Net profit for this period	<u>\$ 103,002</u>	<u>(\$ 60,032)</u>	<u>\$ 42,970</u>
Total comprehensive profit and loss for the period	<u>\$ 104,024</u>	<u>(\$ 60,032)</u>	<u>\$ 43,992</u>

The amount of retrospective adjustment is the operating performance of Diodes Keelung Branch's wafer business that the operating performance from January to March 2024, the consolidated company retrospectively adjusted the financial statements for the first quarter of 2024, resulting in an increase in operating revenue of NT\$155,476 thousand, a decrease in gross profit of NT\$33,463 thousand (with gross margin declining from 35% to 23%), and a decrease in net profit after tax of NT\$60,032 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) Purchases or sales with related parties amounting to NT\$100 million or 20% of paid-in capital or more: Please refer to Attached Table 1.
 - 5) Receivables from related parties amounting to NT\$100 million or 20% of paid-in capital or more: Please refer to Attached Table 2.
 - 6) Other: Business relations and important transactions and amounts between parent and subsidiary companies and between subsidiaries: Please refer to Attached Table 3.
- b. Intercompany relationships and significant intercompany transactions: Please refer to Attached Table 4.
- 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 5.
 - 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 6.
 - i. Purchase amount and percentage and closing balance and percentage of related payables.
 - ii. Sales amount and percentage and closing balance and percentage of related receivables.

- iii. The amount of property transactions and the amount of profits and losses generated therefrom.
- iv. Ending balance of bill endorsement or collateral provided and its purpose.
- v. The maximum balance of financial financing, the ending balance, the interest rate range and the total interest for the current period.
- vi. 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.

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.

Three Months Ended March 31, 2025

	Eris Technology and Jie Cheng	Yea Shin	SeCos	Adjustments and write-offs	Total
Revenue from external customers	\$ 349,578	\$ 158,697	\$ 116,985	\$ -	\$ 625,260
Inter-segment revenue	11,135	162,829	392	(174,356)	-
Segment revenue	<u>\$ 360,713</u>	<u>\$ 321,526</u>	<u>\$ 117,377</u>	<u>(\$ 174,356)</u>	<u>\$ 625,260</u>
Segment results	<u>\$ 74,476</u>	<u>\$ 72,674</u>	<u>\$ 15,251</u>	<u>(\$ 85,162)</u>	<u>\$ 77,239</u>
					\$
Segment assets	<u>\$4,647,442</u>	<u>\$2,566,949</u>	<u>\$ 467,408</u>	<u>(\$ 2,548,093)</u>	<u>\$5,133,706</u>
					\$
Segment liabilities	<u>\$1,637,333</u>	<u>\$ 556,910</u>	<u>\$ 114,135</u>	<u>(\$ 189,789)</u>	<u>\$2,118,589</u>

Three Months Ended March 31, 2024

	Eris Technology and Jie Cheng	Yea Shin	SeCos	Adjustments and write-offs	Total
Revenue from external customers	\$ 413,920	\$ 170,213	\$ 116,261	\$ -	\$ 700,394
Inter-segment revenue	7,796	228,499	712	(237,007)	-
Segment revenue	<u>\$ 421,716</u>	<u>\$ 398,712</u>	<u>\$ 116,973</u>	<u>(\$ 237,007)</u>	<u>\$ 700,394</u>
Segment results	<u>\$ 96,739</u>	<u>\$ 15,477</u>	<u>\$ 12,683</u>	<u>(\$ 81,929)</u>	<u>\$ 42,970</u>
		\$			\$
Segment assets	<u>\$3,440,707</u>	<u>1,615,867</u>	<u>\$ 477,382</u>	<u>(\$ 1,153,259)</u>	<u>\$4,380,697</u>
					\$
Segment liabilities	<u>\$1,694,100</u>	<u>\$ 284,686</u>	<u>\$ 159,059</u>	<u>(\$ 254,409)</u>	<u>\$1,883,436</u>

TABLE 1

Eris Technology Corp. and Subsidiaries

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

For the three months ended March 31, 2025

Buyer (Seller)	Counterparty	Relationship	Transaction Details				Details and Reasons for Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases (Sales)	Amount	Ratio of Total Purchases (Sales) (%)	Credit Period	Unit price	Credit Period	Balance	Ratio of Notes/Accounts Receivable (Payable) (%)	
Eris Technology Corp.	Diodes Hong Kong Limited	Same as the Company's ultimate parent company	Sales	(\$ 198,495)	57.57%	Net 60 payment term	None	None	\$ 136,374	57.87%	-
Eris Technology Corp.	Diodes Taiwan S.A R.L.,Taiwan Branch (Luxembourg)	Same as the Company's ultimate parent company	Sales	(108,683)	29.84%	Net 60 payment term	None	None	73,044	29.71%	-
Eris Technology Corp.	Yea Shin Technology Co., Ltd.	The Company's subsidiary	Purchases	160,702	60.93%	Net 60 payment term	None	None	(174,074)	77.83%	-

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

TABLE 2

Eris Technology Corp. and Subsidiaries
Receivables from Related Parties Amounting to NT\$100 Million or 20% of the Paid-in Capital or More
March 31, 2025

Company recording the receivables	Counterparty	Relationship	Balance Receivables from Related Parties	Turnover rate	Overdue Receivables from Related Parties		Amounts of Receivables from Related Parties Received in Subsequent Period (Note 1)	Amount of Loss Allowance
					Amount	Actions Taken		
Eris Technology Corp.	Diodes Hong Kong Limited	Same as the Company's ultimate parent company Parent company	\$ 136,374	4.48	\$ -	—	\$ 37,163	\$ -
Yea Shin Technology Co., Ltd.	Eris Technology Corp.		174,074	3.04	-	—	-	-

Note 1: Refers to the amount recovered as of the reporting date of the separate financial statements.

Eris Technology Corp. and Subsidiaries
Intercompany Relationships and Significant Intercompany Transactions
For the three months ended March 31, 2025

Unit: NT\$ Thousands

No.	Company	Counterparty	Relationship with Investor (Note 1)	Transactions Details			
				Ledger Account	Amount (Note 3)	Transaction Term	Ratio of Consolidated Total Revenue or Total Assets (Note 2)
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Trade receivables	\$ 1,260	-	0.02%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Trade payables	8,785	-	0.17%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Sales	468	No significant difference from general customers	0.07%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Purchases	16,573	No significant difference from general customers	2.60%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Other business revenue	14	No significant difference from general customers	-%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Trade receivables	46	-	-%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Trade payables	174,074	-	3.39%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Sale	2,173	No significant difference from general customers	0.34%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Purchases	160,702	No significant difference from general customers	25.24%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Processing fees	1,615	No significant difference from general customers	0.25%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Rental	286	No significant difference from general customers	0.04%
0	Eris Technology Corp.	SeCos Corporation	1	Sales	7,831	No significant difference from general customers	1.23%
0	Eris Technology Corp.	SeCos Corporation	1	Trade receivables	4,117	-	0.08%
0	Eris Technology Corp.	SeCos Corporation	1	Trade payables	599	-	0.01%
0	Eris Technology Corp.	SeCos Corporation	1	Purchases	390	No significant difference from general customers	0.06%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Sales	987	No significant difference from general customers	0.16%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Trade receivables	1,001	-	0.02%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Trade payables	1,142	-	0.02%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Purchases	1,131	No significant difference from general customers	0.18%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Other Income	888	No significant difference from general customers	0.14%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Other receivables	870	-	0.02%
1	Yea Shin Technology Co., Ltd.	SeCos Corporation	3	Sales	1,052	No significant difference from general customers	0.17%
1	Yea Shin Technology Co., Ltd.	SeCos Corporation	3	Trade receivables	1,105	-	0.02%
1	Yea Shin Technology Co., Ltd.	SeCos Corporation	3	Trade payables	26	-	-%
1	Yea Shin Technology Co., Ltd.	SeCos Corporation	3	Purchases	2	No significant difference from general customers	-%
1	SeCos Corporation	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Sales	1,100	No significant difference from general customers	0.17%
1	SeCos Corporation	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Trade receivables	1,112	-	0.02%

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 4

Eris Technology Corp. and Subsidiaries
Related Information on Name of Investee, Location, and So On
For the three months ended March 31, 2025

Unit: NT\$ Thousands, Unless Specified Otherwise											
Name of Investor	Name of Investee	Location	Principal Business Activities	Original Investment Amount (Note 1)		Ending Balance			Net Income (Loss) of the Investee for the Period (Note 2, 5 and 7)	Investment Profit (Loss) Recognized for the Period (Note 2, 5 and 7)	Note
				End of the Period	Year-end of the last year	Number of shares (in thousands)	Ratio (%)	Carrying Amount (Note 3)			
Eris Technology Corp.	Keep High Limited	Seychelles	Holding of investments	\$ 20,776 (USD670 thousand)	\$ 20,776 (USD 670 thousand)	N/A	100	\$ 73,122	\$ 565 (USD 17 thousand)	\$ 503 (Note 4)	Subsidiary
	Yea Shin Technology Co., Ltd.	Taiwan	Engaged in manufacturing of electronic components and wholesaling of electronic materials	1,181,078	1,181,078	49,342	96.1	1,937,878	72,674	72,107 (Note 4)	Subsidiary
	Erishin Semiconductor Corporation	Taiwan	Engaged in manufacturing of electronic components and wholesaling of electronic materials	1,000	1,000	100	100	1,007	-	-	Subsidiary
	Secos Corporation	Taiwan	Engaged in manufacturing of electronic parts and components R&D, design and sales	180,000	180,000	7,200	40	197,663	15,251	5,846	Subsidiary
Yea Shin Technology Co., Ltd.	Secos Corporation	Taiwan	Engaged in manufacturing of electronic parts and components R&D, design and sales	194,400	194,400	10,800	60	241,370	15,251	8,707	Subsidiary
Keep High Limited	Forever Eagle Incorporation	Mauritius	Holding of investments	20,473 (USD 660 thousand)	20,473 (USD 660thousand)	N/A	100	73,447 (USD 2,212 thousand)	565 (USD 17 thousand)	565 (USD 17 thousand)	Sub-subsidiary

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

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

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

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

Note 5: Please refer to Table 5 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 5

Eris Technology Corp. and Subsidiaries
Information on Investments in Mainland China
For the three months ended March 31, 2025

Unit: NT\$ Thousands, Unless Specified Otherwise

Investee in mainland China	Principal Business Activities	Paid-in Capital (Note 1)	Method of Investments	Accumulated Amount of Investments Remitted Outward from Taiwan at Beginning of Period (Note 1)	Amount of Investments Remitted or Repatriated for the Period		Accumulated Amount of Investments Remitted Outward from Taiwan at End of Period (Note 1)	Income (Loss) of the Investee for the Period	Shareholding Ratio of The Company's Direct or Indirect Investment	Investment Gain (Loss) Recognized for the Period (Note 2, 5 and 6)	Carrying Amount of Investments at End of Period(Note 6)	Accumulated Repatriation of Investment Income at End of Period
					Remitted	Repatriated						
Jie Cheng Electronic (Shanghai) Co., Ltd.	Wholesaling of electronic materials and international trading business	\$ 20,170 (USD 650 thousand)	Indirectly investment in Mainland China through companies registered in a third region	\$ 20,170 (USD 650 thousand)	\$ -	\$ -	\$ 20,170 (USD 650 thousand)	\$ 565 (RMB 125 thousand)	100%	\$ 565 (RMB 125 thousand)	\$ 73,447	\$ -

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)	\$21,583 (USD 650 thousand)	\$ 1,761,997

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

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

Note 3: Translation was based on the period-end exchange rate of USD on March 31, 2025.

Note 4: The information was calculated as 60% of the Company’s net worth on March 31, 2025.

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 6

Eris Technology Corp. and Subsidiaries

Any of the Following Significant Transactions with Investee Companies in Mainland China, Either Directly or Indirectly through a Third Party, and Their Prices, Payment Terms, and Unrealized Gains or Losses, and Other Related Information
For the three months ended March 31, 2025

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	(\$ 2,555)	0.40%	None	None	\$ 3,373	0.6%	Note
Jie Cheng Electronic (Shanghai) Co., Ltd.	Purchases	17,704	4.56%	None	None	(9,927)	3.44%	Note
Jie Cheng Electronic (Shanghai) Co., Ltd.	Others income	(888)	0.14%	None	None	870	0.02%	Note

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