

Eris Technology Corporation and Subsidiaries

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Six Months Ended
June 30, 2025 and 2024

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

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Independent Auditors' Review Report

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

Introduction

The consolidated balance sheets of Eris Technology Corporation and its subsidiaries as of June 30, 2025 and 2024, the consolidated comprehensive income statements for the periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024, and the consolidated statements of changes in equity and cash flows for the periods from January 1 to June 30, 2025 and 2024, and the notes to the consolidated financial statements (including a summary of significant accounting policies) have been reviewed and completed by us. The preparation of reasonably presented consolidated financial statements in accordance with the Financial Reporting Standards for Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," approved and promulgated by the Financial Supervisory Commission, is the responsibility of management. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on the audit results of this accountant, we have not found any circumstances in which the above-mentioned consolidated financial statements are not prepared in accordance with the Financial Reporting Standards for Securities Issuers and International Accounting Standard No. 34, "Interim Financial Reporting", which has been approved and promulgated by the Financial Supervisory Commission and has become effective, in all material respects, and which would result in an inability to adequately present the consolidated financial position of Dewei Technology Co., Ltd. and its subsidiaries as of June 30, 2025 and 2024, the consolidated financial performance from April 1 to June 30, 2025 and 2024, and the consolidated financial performance and consolidated cash flows from January 1 to June 30, 2025 and 2024.

Deloitte & Touche

Certified Public Accountant

Sabrina Liu

Approval number

of the Financial Supervisory Commission

the Jin Guan Zheng Shen Zi No. 1100356048

Certified Public Accountant

Jimmy Wu

Approval number

of the Financial Supervisory Commission

the Jin Guan Zheng Shen Zi No. 1010028123

July 29, 2025

Notice to Readers

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

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

Eris Technology Corporation and Subsidiaries
Consolidated Balance Sheets
As of June 30, 2025, and December 31 and June 30, 2024
(Reviewed only, not audited in accordance with Generally Accepted Auditing Standards)
(Expressed in Thousands of New Taiwan Dollars)

Code	Assets	June 30, 2025		December 31, 2024		June 30, 2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
1100	Current assets						
1110	Cash (Note 6)	\$ 510,976	11	\$ 919,532	18	\$ 884,877	18
1110	Financial assets at fair value through profit or loss - current (Note 7)	-	-	2,501	-	1,224	-
1136	Financial assets at amortized cost - current (Note 8 and 29)	60,323	1	56,823	1	71,351	2
1150	Notes receivable (Note 9 and 19)	2,100	-	1,690	-	2,789	-
1170	Trade receivables, net (Note 9 and 19)	293,445	6	289,379	6	264,592	5
1180	Trade receivables from related parties (Note 9, 19 and 28)	281,554	6	418,915	8	386,594	8
1200	Other receivables (Note 28)	13,058	-	18,139	1	115,825	2
130X	Inventories, net (Note 10)	491,962	11	538,603	11	458,706	9
1470	Other current assets	20,585	1	12,759	-	54,506	1
11XX	Total current assets	<u>1,674,003</u>	<u>36</u>	<u>2,258,341</u>	<u>45</u>	<u>2,240,464</u>	<u>45</u>
1535	Non-current assets						
1600	Financial assets at amortized cost - non-current (Note 8 and 29)	18,177	1	14,133	-	14,093	-
1755	Property, plant and equipment (Note 12, 29 and 30)	2,356,108	51	2,093,999	42	2,068,100	42
1805	Right-of-use assets (Note 13)	153,195	3	161,298	3	173,226	4
1821	Goodwill (Note 14)	58,728	1	58,728	1	58,728	1
1840	Other intangible assets (Note 15)	59,829	1	59,936	1	58,288	1
1915	Deferred tax assets (Note 4 and 21)	211,623	5	234,967	5	230,730	5
1920	Prepayments for equipment (Note 30)	40,574	1	110,101	2	89,671	2
1990	Refundable deposits	7,905	-	8,076	-	8,392	-
15XX	Other non-current assets	<u>16,364</u>	<u>1</u>	<u>20,057</u>	<u>1</u>	<u>15,166</u>	<u>-</u>
15XX	Total non-current assets	<u>2,922,503</u>	<u>64</u>	<u>2,761,295</u>	<u>55</u>	<u>2,716,394</u>	<u>55</u>
1XXX	Total assets	<u>\$ 4,596,506</u>	<u>100</u>	<u>\$ 5,019,636</u>	<u>100</u>	<u>\$ 4,956,858</u>	<u>100</u>
Code	Liabilities and equity						
2100	Current liabilities						
2120	Short-term borrowings (Note 16 and 29)	\$ 450,000	10	\$ 590,000	12	\$ 344,950	7
2170	Financial liabilities at fair value through profit or loss - current (Note 7)	1,890	-	1,715	-	750	-
2180	Trade payables	245,116	5	323,308	6	290,345	6
2200	Trade payables - related parties (Note 28)	21,600	-	10,451	-	19,966	-
2220	Other payables (Note 17)	487,548	11	249,232	5	473,768	10
2230	Other payables - related parties (Note 28)	-	-	-	-	22,386	-
2280	Current tax liabilities (Note 4 and 21)	7,160	-	28,252	1	10,032	-
2320	Lease liabilities - current (Note 13 and 28)	19,683	-	19,389	-	20,239	-
2399	Long-term liabilities due within one year (Note 16 and 29)	36,044	1	35,919	1	43,654	1
21XX	Other current liabilities (Note 19)	<u>36,195</u>	<u>1</u>	<u>24,195</u>	<u>1</u>	<u>32,941</u>	<u>1</u>
21XX	Total current liabilities	<u>1,305,236</u>	<u>28</u>	<u>1,282,461</u>	<u>26</u>	<u>1,259,031</u>	<u>25</u>
2540	Non-current liabilities						
2570	Long-term borrowings (Note 16 and 29)	718,261	16	636,316	13	616,909	13
2580	Deferred tax liabilities (Note 4 and 21)	19,503	-	21,333	-	20,819	-
2645	Lease liabilities - non-current (Note 13 and 28)	135,131	3	142,853	3	153,197	3
25XX	Deposit Margin	<u>12</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>12</u>	<u>-</u>
25XX	Total non-current liabilities	<u>872,907</u>	<u>19</u>	<u>800,514</u>	<u>16</u>	<u>790,937</u>	<u>16</u>
2XXX	Total liabilities	<u>2,178,143</u>	<u>47</u>	<u>2,082,975</u>	<u>42</u>	<u>2,049,968</u>	<u>41</u>
3100	Equity attributable to owners of the Company (Note 18 and 32)						
3100	Capital						
3200	Total share capital	<u>547,039</u>	<u>12</u>	<u>547,039</u>	<u>11</u>	<u>547,039</u>	<u>11</u>
3200	Capital surplus	<u>1,517,949</u>	<u>33</u>	<u>1,517,949</u>	<u>30</u>	<u>1,490,683</u>	<u>30</u>
3310	Retained earnings						
3320	Legal reserve	220,530	5	176,501	4	176,501	4
3320	Special reserve	686	-	2,598	-	2,598	-
3350	Unappropriated earnings	<u>328,681</u>	<u>7</u>	<u>618,133</u>	<u>12</u>	<u>401,778</u>	<u>8</u>
3300	Total retained earnings	<u>549,897</u>	<u>12</u>	<u>797,232</u>	<u>16</u>	<u>580,877</u>	<u>12</u>
3400	Other equity	(<u>5,646</u>)	<u>-</u>	(<u>686</u>)	<u>-</u>	(<u>1,113</u>)	<u>-</u>
3500	Treasury Stock	(<u>255,183</u>)	<u>(6)</u>	-	-	-	-
31XX	Total equity owners of the Company	<u>2,354,056</u>	<u>51</u>	<u>2,861,534</u>	<u>57</u>	<u>2,617,486</u>	<u>53</u>
36XX	Non-controlling interests	<u>64,307</u>	<u>2</u>	<u>75,127</u>	<u>1</u>	<u>289,404</u>	<u>6</u>
3XXX	Total equity	<u>2,418,363</u>	<u>53</u>	<u>2,936,661</u>	<u>58</u>	<u>2,906,890</u>	<u>59</u>
	Total liabilities and equity	<u>\$ 4,596,506</u>	<u>100</u>	<u>\$ 5,019,636</u>	<u>100</u>	<u>\$ 4,956,858</u>	<u>100</u>

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

Eris Technology Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three months and six months ended June 30, 2025 and 2024
(Reviewed only, not audited in accordance with Generally Accepted Auditing Standards)
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share are stated in NT\$)

Code		For the three months ended June 30, 2025		For the three months ended June 30, 2024		For the six months ended June 30, 2025		For the six months ended June 30, 2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Operating revenue (Note 19 and 28)								
4110	Sales	\$ 658,453	102	\$ 769,103	101	\$ 1,295,153	102	\$ 1,475,960	101
4170	Less: Sales return and allowance	(15,269)	(2)	(8,363)	(1)	(26,709)	(2)	(14,826)	(1)
4000	Net operating revenue	643,184	100	760,740	100	1,268,444	100	1,461,134	100
5000	Operating costs (Note 10、20 and 28)	433,451	68	522,089	69	821,340	65	1,064,353	73
5900	Gross Profit	209,733	32	238,651	31	447,104	35	396,781	27
	Operating expenses (Note 9 and 20)								
6100	Selling and Marketing expenses	25,729	4	74,435	10	51,839	4	128,144	9
6200	General and Administrative expenses	62,084	9	55,897	7	124,977	10	104,137	7
6300	Research and Development expenses	102,346	16	53,243	7	171,739	13	91,268	6
6450	Expected credit loss (profit)	(2,000)	-	5	-	(2,000)	-	349	-
6000	Total operating expenses	188,159	29	183,580	24	346,555	27	323,898	22
6900	Net operating income	21,574	3	55,071	7	100,549	8	72,883	5
	Non-operating income and expenses								
7100	Interest income	2,516	1	2,813	-	4,026	-	4,263	-
7190	Other income	89	-	4,000	1	125	-	4,290	-
7210	Gains on disposal of property, plant and equipment	1,144	-	-	-	1,163	-	50	-
7230	Foreign currency exchange gain-net (Note 20)	(62,799)	(10)	11,146	2	(53,500)	(4)	38,382	3
7235	Net profit (loss) of financial instruments at fair value through profit or loss (Note 7)	(5,319)	(1)	350	-	(3,524)	-	203	-
7510	Interest expense	(7,569)	(1)	(7,091)	(1)	(14,553)	(1)	(14,403)	(1)
7000	Total non-operating income and expenses	(71,938)	(11)	11,218	2	(66,263)	(5)	32,785	2
7900	Net profit (loss) before income tax	(50,364)	(8)	66,289	9	34,286	3	105,668	7
7950	Income tax benefit (Notes 4 and 21)	2,490	1	5,739	1	(4,921)	(1)	9,330	1
8200	Net profit (loss) for the period	(47,874)	(7)	72,028	10	29,365	2	114,998	8
	Other comprehensive income (loss)								
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translating the financial statements of foreign operations	(7,722)	(1)	579	-	(6,201)	-	1,856	-
8399	Income tax relating to items that may be reclassified subsequently to other comprehensive income (Note 4 and 21)	1,545	-	(116)	-	1,241	-	(371)	-
8300	Other comprehensive income (loss) for the period, net of income tax	(6,177)	(1)	463	-	(4,960)	-	1,485	-
8500	Total comprehensive income for the period	(\$ 54,051)	(8)	\$ 72,491	10	\$ 24,405	2	\$ 116,483	8
	Net profit is attributed to:								
8610	parent company owner	(47,726)	(7)	\$ 128,027	17	26,185	2	\$ 223,937	15
8615	Preceding interest under joint control	-	-	(61,553)	(8)	-	-	(121,585)	(8)
8620	non-controlling interests	(148)	-	5,554	-	3,180	-	12,646	1
8600		(\$ 47,874)	(7)	\$ 72,028	9	\$ 29,365	2	\$ 114,998	8
	Net profit is attributed to:								
8710	parent company owner	(53,903)	(8)	\$ 128,490	17	21,225	2	\$ 225,422	15
8715	Preceding interest under joint control	-	-	(61,553)	(8)	-	-	(121,585)	(8)
8720	non-controlling interests	(148)	-	5,554	1	3,180	-	12,646	1
8700		(\$ 54,051)	(8)	\$ 72,491	10	\$ 24,405	2	\$ 116,483	8
	Earnings per share (Note 22)								
9710	Basic	(\$ 0.89)		\$ 2.48		\$ 0.48		\$ 4.40	
9810	Diluted	(\$ 0.89)		\$ 2.48		\$ 0.48		\$ 4.40	

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 six months ended June 30, 2025 and 2024
(Reviewed only, not audited in accordance with Generally Accepted Auditing Standards)
(Expressed in Thousands of New Taiwan Dollars)

Code	Equity attributable to the owners of the company (Notes 18 and 32)													
	<u>Other equity</u>													
	Capital				Retained earnings				Exchange differences on translating the financial statements of foreign operations			Preceding interest under joint control (Notes 4 and 32)		
	Ordinary shares (Thousand shares)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	(\$ 2,598)	Treasury Stock	Total	\$ 1,579,724	\$ 634,813	\$ -	\$ 2,214,537
A1	Balance as of January 1, 2024	50,204	\$ 502,039	\$ 402,511	\$ 142,722	\$ 1,617	\$ 533,433	\$ 677,772	\$ -	\$ -	\$ 1,579,724	\$ 634,813	\$ -	\$ 2,214,537
	Appropriation of 2023 earnings													
B1	Legal reserve													
B3	Special surplus reserve													
B5	Cash dividends													
E1	Cash capital increase issuance	4,500	45,000	1,071,900							1,116,900			1,116,900
D1	Net profit for the six months ended June 30, 2024							223,937	223,937		223,937	(121,585)	12,646	114,998
D3	Other comprehensive income/(loss) for the six months ended June 30, 2024 after tax										1,485			1,485
D5	Total comprehensive income/(loss) for the six months ended June 30, 2024						223,937	223,937	1,485		225,422	(121,585)	12,646	116,483
T1	Investment of predecessor interests under joint control												163,280	
H3	Organizational restructuring						(47,312)	(47,312)			(47,312)	(676,508)		(723,820)
M7	Changes in ownership interests in subsidiaries			16,272							16,272		(16,272)	
O1	Increase in non-controlling interests												293,030	293,030
Z1	Balance as of June 30, 2024	54,704	\$ 547,039	\$ 1,490,683	\$ 176,501	\$ 2,598	\$ 401,778	\$ 580,877	(\$ 1,113)	\$ -	\$ 2,617,486	\$ -	\$ 289,404	\$ 2,906,890
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
	Appropriation of 2024 earnings													
B1	Legal reserve						44,029		(44,029)					
B3	Special surplus reserve							(1,912)	1,912					
B5	Cash dividends							(273,520)	(273,520)		(273,520)		(14,000)	(287,520)
							44,029	(1,912)	(315,637)	(273,520)		(273,520)	(14,000)	(287,520)
D1	Net profit for the six months ended June 30, 2025							26,185	26,185				3,180	29,365
D3	Other comprehensive income/(loss) for the six months ended June 30, 2025 after tax										(4,960)		(4,960)	(4,960)
D5	Total comprehensive income/(loss) for the six months ended June 30, 2025						26,185	26,185	(4,960)				3,180	24,405
L1	Amount of treasury stocks purchased										(255,183)	(255,183)		(255,183)
Z1	Balance as of June 30, 2025	54,704	\$ 547,039	\$ 1,517,949	\$ 220,530	\$ 686	\$ 328,681	\$ 549,897	(\$ 5,646)	(\$ 255,183)	\$ 2,354,056	\$ -	\$ 64,307	\$ 2,418,363

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

Eris Technology Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the six months ended June 30, 2025 and 2024
(Reviewed only, not audited in accordance with Generally Accepted Auditing Standards)
(Expressed in Thousands of New Taiwan Dollars)

Code		For the six months ended June 30, 2025	For the six months ended June 30, 2024
	Cash flows from operating activities		
A10000	Net Profit before tax for the period	\$ 34,286	\$ 105,668
A20010	Adjustments for:		
A20100	Depreciation expenses	105,443	112,190
A20200	Amortization expenses	18,331	13,051
A20300	Expected credit loss (profit)	(2,000)	349
A20400	Net (gain)/loss on financial instruments at fair value through profit or loss	2,218	(652)
A20900	Interest expense	14,553	14,403
A21200	Interest income	(4,026)	(4,263)
A22500	Gains on disposal of property, plant and equipment	(1,163)	(50)
A23800	Write-downs of inventories	4,000	5,400
A24100	Unrealized (gain)/loss on foreign currency exchange	37,622	(17,429)
A30000	Net changes in operating assets and liabilities		
A31115	Financial liabilities measured at fair value through profit or loss	458	517
A31130	Notes receivable	(410)	(787)
A31150	Trade receivables	(21,423)	10,023
A31160	Trade receivables - related parties	131,368	(112,915)
A31180	Other receivables	5,081	(1,773)
A31200	Inventories	42,641	52,818
A31240	Prepayments and other current assets	(3,644)	(44,072)
A32130	Notes payables	-	(2,347)
A32150	Trade payables	(86,376)	5,140
A32160	Trade payables - related parties	10,047	(6,651)
A32180	Other payables	(34,733)	32,473
A32230	Other current liabilities	<u>12,000</u>	<u>12,131</u>
A33000	Cash generated from operations	264,273	173,224
A33100	Interest received	4,036	4,154
A33300	Interest paid	(14,734)	(14,079)
A33500	Income tax paid	(7,524)	(7,924)
AAAA	Net cash generated from operating activities	<u>246,051</u>	<u>155,375</u>

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Code		For the six months ended June 30, 2025	For the six months ended June 30, 2024
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	(\$ 38,540)	(\$ 7,359)
B00050	Disposal of financial assets measured at amortized cost	28,106	30
B02200	Net cash outflow from business combination	-	(39,222)
B02700	Acquisition of property, plant and equipment	(149,701)	(74,866)
B02800	Proceeds from disposal of property, plant and equipment	1,284	2,715
B03800	Decrease in refundable deposits	171	-
B04500	Payments for intangible assets	(1,030)	(2,522)
B06700	Increase in other non-current assets	(10,382)	(11,255)
B07100	Increase in prepayments for equipment	(140,174)	(43,448)
BBBB	Net cash used in investing activities	(310,266)	(175,927)
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings	(140,000)	(290,050)
C01600	long-term borrowing	200,000	100,000
C01700	Repayments of long-term borrowings	(117,930)	(117,358)
C04020	Repayments of principal portion of lease liabilities	(11,017)	(6,100)
C04500	Cash dividend payments	(14,000)	-
C04600	Cash capital increase issuance	-	1,116,900
C04900	Purchase of treasury stock	(255,183)	-
C05400	Organizational restructuring payments	-	(723,820)
C05800	Increase in non-controlling interests	-	80,000
C09900	Investment of predecessor interests under joint control	-	<u>163,280</u>
CCCC	Net cash used in financing activities	(338,130)	<u>322,852</u>
DDDD	Effect of exchange rate changes on cash	(6,211)	<u>1,418</u>
EEEE	Net increase (decrease) in cash and cash equivalents during the period	(408,556)	303,718
E00100	Cash at the beginning of the period	<u>919,532</u>	<u>581,159</u>
E00200	Cash at the ending of the period	<u>\$ 510,976</u>	<u>\$ 884,877</u>

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

Eris Technology Corporation and Subsidiaries

Notes to Consolidated Financial Statements

For the six months ended June 30, 2025 and 2024

((Restated))

(Unless otherwise stated, in thousands of New Taiwan Dollars)

1. Company History

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

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

In August 2012, Diodes International B.V. (Diodes B.V.) became the parent company of the Company 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 June 30, 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 July 29, 2025.

3. Application of New and Revised Standards, Amended and Interpretations

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

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

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

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB
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
Amendments to IFRS 9 and IFRS 7, "Contracts Involving Energy-Reliant Electricity"	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023

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)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	To be determined
IFRS 18 "Presentation and Disclosure of Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries not publicly accountable: Disclosure"	January 1, 2027

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

IFRS 18 "Presentation and Disclosure of Financial Statements"

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

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

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

4. Summary of Significant Accounting Policies

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of Consolidation

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

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

Please refer to Note 11 and Tables 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.

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 1,439	\$ 1,403	\$ 1,147
Bank Checks and Demand Deposits	436,604	481,831	561,302
Foreign Currency Demand Deposits	57,933	376,298	322,428
Cash Equivalents (Investments with Original Maturities of Three Months or Less)			
Time Deposits	15,000	60,000	-
	<u>\$ 510,976</u>	<u>\$ 919,532</u>	<u>\$ 884,877</u>

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

	June 30, 2025	December 31, 2024	June 30, 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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets - current</u>			
Held for trading			
– Cross-currency swap contracts(a)	\$ -	\$ 2,501	\$ 1,224
<u>Financial liabilities - current</u>			
Held for trading			
– Cross-currency swap contracts(a)	\$ 1,245	\$ -	\$ -
– Forward foreign exchange contracts(b)	483	55	-
– Exchange rate options (c)	<u>\$ 162</u>	<u>\$ 1,660</u>	<u>\$ 750</u>
	<u>\$ 1,890</u>	<u>\$ 1,715</u>	<u>\$ 750</u>

(a) At the balance sheet date, outstanding forward foreign exchange contracts not applicable to hedge accounting were as follows:

June 30, 2025

Currency	Maturity Period	Contract Amount (In Thousands)
USD : NTD	October 2025	USD 1,000/NTD 30,940

December 31, 2024

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

June 30, 2024

Currency	Maturity Period	Contract Amount (In Thousands)
USD : NTD	From November 2024 to May 2025	USD 1,500/NTD 46,122

(b) At the balance sheet date, outstanding forward foreign exchange contracts not applicable to hedge accounting were as follows: (June 30, 2024: None)

June 30, 2025

	Currency	Maturity Period	Contract Amount (In Thousands)
Sales of forwarding foreign exchange	USD : NTD	August 2025	USD 500/NTD 14,763
Sales of forwarding foreign exchange	USD : NTD	August 2025	USD 500/NTD 14,585

December 31, 2024

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

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

June 30, 2025

Contract amount (NT\$ thousand)	Transaction type	Call/Sell	Maturity Period	Agreed exchange rate
USD 1,000	Call Option	Seller	August 2025	USD : TWD 33.82
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	July 2025	USD : TWD 30.00

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 33.70

June 30, 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

8. Financial assets at amortized cost

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Current</u>			
Un-Pledged bank deposits			
Time deposits with original maturity of more than 3 months	\$ 4,921	\$ -	\$ 19,470
Pledged bank deposits			
Time deposits with original maturity of more than 3 months	9,260	31,614	8,592
Restricted demand deposits	<u>46,142</u>	<u>25,209</u>	<u>43,289</u>
	<u>\$ 60,323</u>	<u>\$ 56,823</u>	<u>\$ 71,351</u>
<u>Non-current</u>			
Pledged bank deposits			
Restricted demand deposits	<u>\$ 18,177</u>	<u>\$ 14,133</u>	<u>\$ 14,093</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Time deposits with original maturity of more than 3 months	1.63%~4.90%	1.63%~5.10%	1.80%~4.35%
Restricted demand deposits	0.64%~0.73%	0.64%~0.73%	0.51%~0.60%

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

9. Notes Receivable and Trade Receivables

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Notes receivable</u>			
Measured at amortized cost			
Total carrying amount	<u>\$ 2,100</u>	<u>\$ 1,690</u>	<u>\$ 2,789</u>

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Trade receivables</u>			
Measured at amortized cost			
Total carrying amount	\$ 299,906	\$ 297,936	\$ 273,142
Less: loss allowance	(6,461)	(8,557)	(8,550)
Trade receivables, net	<u>\$ 293,445</u>	<u>\$ 289,379</u>	<u>\$ 264,592</u>
<u>Receivables from related parties</u>			
Measured at amortized cost			
Total carrying amount	<u>\$ 281,554</u>	<u>\$ 418,915</u>	<u>\$ 386,594</u>

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

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

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

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

June 30, 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	\$ 571,473	\$ 3,520	\$ 972	\$ 198	\$ 1,730	\$ 3,567	\$ 581,460
Loss allowance (lifetime expected credit losses)	(2,248)	(49)	(137)	(31)	(429)	(3,567)	(6,461)
Amortized cost	<u>\$ 569,225</u>	<u>\$ 3,471</u>	<u>\$ 835</u>	<u>\$ 167</u>	<u>\$ 1,301</u>	<u>\$ -</u>	<u>\$ 574,999</u>

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	<u>\$ 699,293</u>	<u>\$ 7,838</u>	<u>\$ 390</u>	<u>\$ 539</u>	<u>\$ 234</u>	<u>\$ -</u>	<u>\$ 708,294</u>

June 30, 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	\$ 652,719	\$ 4,844	\$ 1,272	\$ 139	\$ 143	\$ 619	\$ 659,736
Loss allowance (lifetime expected credit losses)	(7,266)	(273)	(214)	(110)	(68)	(619)	(8,550)
Amortized cost	<u>\$ 645,453</u>	<u>\$ 4,571</u>	<u>\$ 1,058</u>	<u>\$ 29</u>	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ 651,186</u>

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

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Beginning balance	\$ 8,557	\$ 3,565
Acquired from business combination	-	4,606
Impairment loss recognized (reversed) for the current period	(2,000)	349
Foreign exchange translation differences	(96)	30
Ending balance	<u>\$ 6,461</u>	<u>\$ 8,550</u>

10. Inventory

	June 30, 2025	December 31, 2024	June 30, 2024
Raw Material	\$ 170,861	\$ 286,226	\$ 258,587
Work in progress	242,780	180,479	105,061
Finished goods	26,213	23,128	28,767
Buy & Sell	52,108	48,770	66,291
	<u>\$ 491,962</u>	<u>\$ 538,603</u>	<u>\$ 458,706</u>

The nature of cost of goods sold is as follows:

	From April 1 to June 30, 2025	From April 1 to June 30, 2024	From January 1 to June 30, 2025	From January 1 to June 30, 2024
Cost of goods sold	\$ 429,451	\$ 516,689	\$ 817,340	\$ 1,058,953
Inventory write-down	4,000	5,400	4,000	5,400
	<u>\$ 433,451</u>	<u>\$ 522,089</u>	<u>\$ 821,340</u>	<u>\$ 1,064,353</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		
			June 30, 2025	December 31, 2024	June 30, 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%	96.1%
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 June 30, 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 June 30, 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

Six Months Ended June 30, 2025

	Land	Houses and buildings	Machinery Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	Construction in progress and equipment pending inspection	Total Cost
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	99,125	-	-	46,460	3,556	-	149,411
Dispose	-	(2,809)	(29,559)	-	(100)	(2,240)	-	(34,708)
Internal transfer	-	-	53,902	-	19,185	4,056	129,446	206,589
Effect of exchange rate	-	-	-	(161)	-	(92)	-	(253)
Balance as of June 30, 2025	<u>\$ 593,991</u>	<u>\$ 544,737</u>	<u>\$ 2,208,454</u>	<u>\$ 21,451</u>	<u>\$ 472,609</u>	<u>\$ 39,663</u>	<u>\$ 129,446</u>	<u>\$ 4,010,351</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	-	14,359	62,219	892	13,561	2,719	-	93,750
Dispose	-	(2,809)	(29,438)	-	(100)	(2,240)	-	(34,587)
Effect of exchange rate	-	-	-	(152)	-	(81)	-	(233)
Balance as of June 30, 2025	<u>\$ -</u>	<u>\$ 160,357</u>	<u>\$ 1,262,304</u>	<u>\$ 14,883</u>	<u>\$ 202,978</u>	<u>\$ 13,721</u>	<u>\$ -</u>	<u>\$ 1,654,243</u>
Net as of June 30, 2025	<u>\$ 593,991</u>	<u>\$ 384,380</u>	<u>\$ 946,150</u>	<u>\$ 6,568</u>	<u>\$ 269,631</u>	<u>\$ 25,942</u>	<u>\$ 129,446</u>	<u>\$ 2,356,108</u>

Six Months Ended June 30, 2024

	Land	Houses and buildings	Machinery Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	Total Cost
Cost							
Balance as of January 1, 2024	\$ 574,129	\$ 914,890	\$ 1,998,927	\$ 15,377	\$ 304	\$ 15,423	\$ 3,519,050
Acquired from business combination (Note 23)	19,862	17,405	16,560	9,768	-	2,311	65,906
Increase	-	9,865	50,148	5,008	1,027	1,419	67,467
Dispose	-	(23,349)	(16,566)	(6,255)	(205)	-	(46,375)
Internal transfer	-	(382,657)	39,053	2,039	385,100	509	44,044
Effect of exchange rate	-	-	-	49	-	27	76
Balance as of June 30, 2024	<u>\$ 593,991</u>	<u>\$ 536,154</u>	<u>\$ 2,088,122</u>	<u>\$ 25,986</u>	<u>\$ 386,226</u>	<u>\$ 19,689</u>	<u>\$ 3,650,168</u>
Accumulated depreciation							
Balance as of January 1, 2024	\$ -	\$ 313,668	\$ 1,159,105	\$ 12,576	\$ 266	\$ 11,051	\$ 1,496,666
Acquired from business combination (Note 23)	-	1,808	13,553	6,032	-	1,686	23,079
Depreciation expense	-	29,384	72,846	1,049	1,752	931	105,962
Dispose	-	(23,349)	(16,566)	(3,590)	(205)	-	(43,710)
Internal transfer	-	(177,472)	-	-	177,472	-	-
Effect of exchange rate	-	-	-	46	-	25	71
Balance as of June 30, 2024	<u>\$ -</u>	<u>\$ 144,039</u>	<u>\$ 1,228,938</u>	<u>\$ 16,113</u>	<u>\$ 179,285</u>	<u>\$ 13,693</u>	<u>\$ 1,582,068</u>
Net as of June 30, 2024	<u>\$ 593,991</u>	<u>\$ 392,115</u>	<u>\$ 859,184</u>	<u>\$ 9,873</u>	<u>\$ 206,941</u>	<u>\$ 5,996</u>	<u>\$ 2,068,100</u>

The Group did not process any assessment for impairment due to no signs of impairment for the six months ended June 30, 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 to 50 years
Building improvement	5 to 15 years
Machinery Equipment	2 to 15 years
Transportation Equipment	5 years
Leasehold Improvements	10 to 15 years
Other Equipment	3 to 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

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount of right-of-use assets			
Buildings	<u>\$ 153,195</u>	<u>\$ 161,298</u>	<u>\$ 173,226</u>
	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025
Additions on right-of-use assets	<u>\$ 1,798</u>	<u>\$ -</u>	<u>\$ 3,591</u>
	For the Six Months Ended June 30, 2024		
Depreciation expense of right-of-use assets			
Buildings	<u>\$ 5,826</u>	<u>\$ 3,794</u>	<u>\$ 11,693</u>

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Carrying amount of lease liabilities			
Current	<u>\$ 19,683</u>	<u>\$ 19,389</u>	<u>\$ 20,239</u>
Non-current	<u>\$ 135,131</u>	<u>\$ 142,853</u>	<u>\$ 153,197</u>

Intervals of discount rates for lease liabilities were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Buildings	1.00% ~ 2.71%	1.00% ~ 2.71%	1.00% ~ 1.80%

c. Other lease information

	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
short term rental fees	<u>\$ 47</u>	<u>\$ 66</u>	<u>\$ 80</u>	<u>\$ 163</u>
Low value asset leasing expenses	<u>\$ 15</u>	<u>\$ 16</u>	<u>\$ 31</u>	<u>\$ 32</u>
Total cash outflow for leases	<u>\$ 6,371</u>	<u>\$ 3,996</u>	<u>\$ 12,684</u>	<u>\$ 6,599</u>

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

14. Goodwill

	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Opening balance	\$ 58,728	\$ 24,070
This period was obtained from a business merger (Note 23)	-	34,658
Ending net amount	<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 June 30, 2025 and 2024.

15. Intangible Assets

	Six Months Ended June 30, 2025		
	Computer Software	Customer Relationship	Total
<u>Cost</u>			
Balance as of January 1, 2025	\$ 34,672	\$ 40,513	\$ 75,185
Acquired separately	1,030	-	1,030
Disposal	(2,727)	-	(2,727)
Internal transfer	<u>3,112</u>	<u>-</u>	<u>3,112</u>
Balance as of June 30, 2025	<u>\$ 36,087</u>	<u>\$ 40,513</u>	<u>\$ 76,600</u>
<u>Cumulative Amortization and Impairment</u>			
Balance as of January 1, 2025	\$ 12,025	\$ 3,224	\$ 15,249
Depreciation expense	2,695	1,554	4,249
Disposal	(2,727)	-	(2,727)
Balance as of June 30, 2025	<u>\$ 11,993</u>	<u>\$ 4,778</u>	<u>\$ 16,771</u>
Net Amount as of June 30, 2025	<u>\$ 24,094</u>	<u>\$ 35,735</u>	<u>\$ 59,829</u>
	Six Months Ended June 30, 2024		
	Patent	Computer Software	Customer Relationship
<u>Cost</u>			
Balance as of January 1, 2024	\$ 617	\$ 22,025	\$ -
Acquired from business combination (Note 23)	-	5,206	40,513
Acquired separately	-	2,522	-
Disposal	(617)	(84)	-
Balance as of June 30, 2024	<u>\$ -</u>	<u>\$ 29,669</u>	<u>\$ 40,513</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2024	\$ 617	\$ 7,945	\$ -
Amortization expenses	-	2,337	1,696
Disposal	(617)	(84)	-
Balance as of June 30, 2024	<u>\$ -</u>	<u>\$ 10,198</u>	<u>\$ 1,696</u>
Net balance as of June 30, 2024	<u>\$ -</u>	<u>\$ 19,471</u>	<u>\$ 38,817</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

1) Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Secured loans</u>			
Bank loans	\$ 300,000	\$ 300,000	\$ 121,250
<u>Unsecured loans</u>			
Line of credit loans	<u>150,000</u>	<u>290,000</u>	<u>223,700</u>
	<u>\$ 450,000</u>	<u>\$ 590,000</u>	<u>\$ 344,950</u>

The interest rates of bank revolving borrowings on June 30, 2025 and December 31 and June 30, 2024 were 1.80%~2.55%, 1.80%~2.09% and 1.80%~2.72%, respectively.

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

2) Long-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Secured loans</u>			
Bank loans (1)	\$ 49,357	\$ 52,198	\$ 55,473
Bank loans (2)	369,138	380,324	391,510
Bank loans (3)	100,000	100,000	50,000
Bank loans (4)	31,879	34,860	37,814
Bank loans (5)	-	-	4,000
Bank loans (6)	70,000	-	-
<u>Non-Secured loans</u>			
Bank loans (7)	3,931	4,853	5,766
Bank loans (8)	100,000	100,000	100,000
Bank loans (9)	-	-	16,000
Bank loans (10)	<u>30,000</u>	<u>-</u>	<u>-</u>
	<u>754,305</u>	<u>672,235</u>	<u>660,563</u>
Less: listed as portion matured in 1 year	(<u>36,044</u>)	(<u>35,919</u>)	(<u>43,654</u>)
Long-term borrowings	<u>\$ 718,261</u>	<u>\$ 636,316</u>	<u>\$ 616,909</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 rate was 1.9313% as of June 30, 2025, December 31 and June 30, 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 2.03%, 2.09% and 1.95% as of June 30, 2025, December 31 and June 30 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. The effective annual interest rate were 1.9366% as of June 30, 2025, December 31 and June 30, 2024, respectively.
- 4) The bank loan of NT\$49,000 thousand was obtained by the Group on July 1, 2020, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by the floating interest rate of one-month time savings deposit plus 0.08%, which should not be lower than 0.90%, and a grace period of two year to be averagely repaid after the period for the principal and the interests. The

maturity date of the loan was June 30, 2030. The effective interest rate was 1.80% as of June 30, 2025, December 31 and June 30 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 June 30, 2024 was 0.50%.
- 6) The Group obtained a bank loan of NT\$70,000 thousand at the end of April 11, 2025, the loan is secured by the consolidated company's own land and buildings. Interest is calculated at a fixed annual rate of 2.0% within one month from the drawdown date and is payable monthly. The principal is repayable in full at maturity, which is on April 11, 2027. The effective annual interest rate as of June 30, 2025, was 2.03%.
- 7) The bank loan of NT\$11,000 thousand was obtained by the Group on July 1, 2020, with an interest rate of the loan calculated by the floating interest rate of one-month time savings deposit plus 0.08%, which should not be lower than 0.98%, and a grace period of one year to be averaged 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% as of June 30, 2025, December 31 and June 30 2024, respectively.
- 8) 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 June 30, 2025, December 31 and June 30, 2024, were 2.01%, 2.09%, and 1.92%, respectively.
- 9) 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 June 30, 2024 was 0.50%.
- 10) The bank loan of NT\$30,000 thousand was obtained by the Group on April 11, 2025, which interest is calculated at a fixed annual rate of 2.0% within one month from the drawdown date and is payable monthly. The principal is repayable in full at maturity, which is on April 11, 2027. The effective annual interest rate as of June 30, 2025, was 2.03%, respectively.

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

17. Other Payables

	June 30, 2025	December 31, 2024	June 30, 2024
Cash dividend payable	\$ 273,520	\$ -	\$ 273,520
Salary and bonus payable	71,815	100,459	71,806
Payables for water, electricity, and gas	13,845	14,443	15,915
Processing fees payable	8,914	16,580	17,007
Equipment fees payable	5,488	5,778	9,983
Other	<u>113,966</u>	<u>111,972</u>	<u>85,537</u>
	<u>\$ 487,548</u>	<u>\$ 249,232</u>	<u>\$ 473,768</u>

18. Equity

a. Share capital

	June 30, 2025	December 31, 2024	June 30, 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>54,704</u>
Share capital issued	<u>\$ 547,039</u>	<u>\$ 547,039</u>	<u>\$ 547,039</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. The declaration is effective, and the cash capital increase raise 4,500 thousand shares with an issuance price of NT\$248.9 per share, and April 28, 2024 had the base date for the cash capital increase and subscription. The expenditure for the cash capital increase and the issuance of new shares of NT\$ 3,150 thousand was a necessary issuance cost and was used as a deduction from the capital reserve for the issuance premium.

b. Capital surplus

	June 30, 2025	December 31, 2024	June 30, 2024
Issuance of shares at a premium	\$ 1,473,562	\$ 1,473,562	\$ 1,473,562
Recognition of changes in all equity interests in subsidiaries	43,538	43,538	16,272
Others	849	849	849
	<u>\$ 1,517,949</u>	<u>\$ 1,517,949</u>	<u>\$ 1,490,683</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.

On May 28, 2025 and June 28, 2024, the company held general shareholders' meetings, and the resolutions were passed respectively to approve the 2024 and 2023 annual profit distribution proposals 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 of) appropriation to special surplus 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>

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

d. Treasury Stock

The Company resolved at the extraordinary board meeting on April 10, 2025, to repurchase treasury shares with the purpose of maintaining the Company's credibility and protecting shareholders' rights and interests. The repurchase period was set from April 11, 2025, to June 9, 2025. The planned number of shares to be repurchased was 3,000,000, with a price range of NT\$110 to NT\$182 per share. If the price falls below the lower limit of the price range, the Company will continue repurchasing. During the repurchase period, the Company repurchased a total of 1,646,000 shares, with a total repurchase amount of NT\$255,183 thousand.

19. Revenue

	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Revenue from contracts with customers				
Revenue from the sale of goods	<u>\$ 643,184</u>	<u>\$ 760,740</u>	<u>\$ 1,268,444</u>	<u>\$ 1,461,134</u>

Contract balances

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Notes and trade receivables	<u>\$ 577,099</u>	<u>\$ 709,984</u>	<u>\$ 653,975</u>	<u>\$ 459,407</u>
Contract liabilities (included in other current liability)				
Sales of goods	<u>\$ 1,702</u>	<u>\$ 3,538</u>	<u>\$ 1,627</u>	<u>\$ 719</u>

20. Net Profit

Additional information on the net profit includes the following items:

a. Depreciation and amortization

	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Property, plant and equipment	<u>\$ 48,581</u>	<u>\$ 53,351</u>	<u>\$ 93,750</u>	<u>\$ 105,962</u>
Right-of-use assets	<u>5,826</u>	<u>3,794</u>	<u>11,693</u>	<u>6,228</u>
Unamortized expenses	<u>7,367</u>	<u>4,031</u>	<u>14,082</u>	<u>9,018</u>
Intangible assets	<u>2,151</u>	<u>1,596</u>	<u>4,249</u>	<u>4,033</u>
	<u>\$ 63,925</u>	<u>\$ 62,772</u>	<u>\$ 123,774</u>	<u>\$ 125,241</u>

	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Depreciation expenses summarized by function				
Operating costs	\$ 25,884	\$ 29,358	\$ 53,020	\$ 55,944
Operating expenses	<u>28,523</u>	<u>27,787</u>	<u>52,423</u>	<u>56,246</u>
	<u><u>\$ 54,407</u></u>	<u><u>\$ 57,145</u></u>	<u><u>\$ 105,443</u></u>	<u><u>\$ 112,190</u></u>

Amortization expenses summarized by function	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Operating costs	\$ 4,361	\$ 3,672	\$ 8,589	\$ 7,983
Operating expenses				
Sales expenses	1,048	98	2,048	1,845
Management expenses	810	1,051	1,637	1,632
R&D expenses	<u>3,299</u>	<u>806</u>	<u>6,057</u>	<u>1,591</u>
	<u><u>\$ 9,518</u></u>	<u><u>\$ 5,627</u></u>	<u><u>\$ 18,331</u></u>	<u><u>\$ 13,051</u></u>

b. Gains or losses on foreign currency exchange

	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Total foreign exchange gains	\$ 9,928	\$ 24,805	\$ 22,601	\$ 54,792
Total foreign exchange losses	(72,727)	(13,659)	(76,101)	(16,410)
Net balance	<u>(\$ 62,799)</u>	<u>\$ 11,146</u>	<u>(\$ 53,500)</u>	<u>\$ 38,382</u>

c. Employee benefits expense

	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Post-employment benefits				
Defined benefit plans	\$ 3,627	\$ 4,471	\$ 7,389	\$ 9,447
Salaries and bonus	<u>97,647</u>	<u>127,122</u>	<u>205,823</u>	<u>263,036</u>
	<u><u>\$ 101,274</u></u>	<u><u>\$ 131,593</u></u>	<u><u>\$ 213,212</u></u>	<u><u>\$ 272,483</u></u>

Summarized by function

Operating costs	\$ 42,003	\$ 65,232	\$ 85,522	\$ 145,760
Operating expenses	<u>59,271</u>	<u>66,361</u>	<u>127,690</u>	<u>126,723</u>
	<u><u>\$ 101,274</u></u>	<u><u>\$ 131,593</u></u>	<u><u>\$ 213,212</u></u>	<u><u>\$ 272,483</u></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 (including that for frontline employees) for the year 2025 and for the period from January 1 to June 30, 2024, is as follows:

Accrual rate

	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Employees' compensation	2.5%	1.8%

Amount of Cash

	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Employees' compensation	(\$ 600)	\$ 3,000	\$ 200	\$ 4,200

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:

	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Current income tax				
In respect of the current year	(\$ 2,668)	(\$ 6,526)	(\$ 7,123)	(\$ 11,541)
Adjustments for prior years	24,956	5,857	24,956	5,857
	22,288	(669)	17,833	(5,684)
Deferred income tax				
In respect of the current year	12,826	6,408	9,870	15,014
Adjustments for prior years	(32,624)	-	(32,624)	-
	(19,798)	6,408	(22,754)	15,014
Income tax (expense) benefit recognized in profit or loss	\$ 2,490	\$ 5,739	(\$ 4,921)	\$ 9,330

b. Income tax recognized in other comprehensive income

	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Deferred income tax				
Derived from this period				
- Translations of foreign operations	\$ 1,545	(\$ 116)	\$ 1,241	(\$ 371)

c. Income tax assessments

The income tax declaration cases of the Company, Yea Shin and SeCos for the year ending 2023 have been approved by the tax collection authority.

22. Earnings per Share

Unit: per share/NTD

	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Basic earnings per share	(\$ 0.89)	\$ 2.48	\$ 0.48	\$ 4.40
Diluted earnings per share	(\$ 0.89)	\$ 2.48	\$ 0.48	\$ 4.40

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

	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Net profit attributable to the owners of the company used to calculate basic and diluted earnings per share	(\$ 47,726)	\$ 128,027	\$ 26,185	\$ 223,937

Number of shares

Unit: Thousand shares	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Weighted average number of common shares used to calculate basic earnings per share	53,790	51,589	54,245	50,896
Effect of potentially dilutive ordinary shares				
Employees' compensation	—	12	13	24
Weighted average number of common shares used to calculate diluted earnings per share	<u>53,790</u>	<u>51,601</u>	<u>54,258</u>	<u>50,920</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.

Employee compensation of the consolidated company was excluded from the calculation of diluted loss per share for the period from April 1 to June 30, 2025, as it had an anti-dilutive effect.

23. Business Combination

a. Acquisition of subsidiaries

	Major operating activities	Acquisition date	Voting ownership interest/acquisition ratio	Transfer
				Price
SeCos	Electronic parts and components R&D, design and sales	January 2, 2024	40%	\$ 180,000

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

b. Transfer Price

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

c. Assets acquired and liabilities assumed on acquisition date

	SeCos
Current Assets	
Cash	\$ 140,778
Financial assets measured at amortized cost	1,008
Notes receivable, accounts receivable and other receivables	176,503
Inventory	104,359
Other current assets	454
Non-current assets	
Property, plant and equipment	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><u>\$ 39,222</u></u>

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

24. Equity Transactions with Non-controlling Interests

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

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

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

	Yea Shin Technology	SeCos
Consideration paid	(\$ 800,000)	(\$ 194,400)
Amount of non-controlling interests derecognized based on the carrying amount of the subsidiary's net assets and the relative change in ownership interest	<u><u>816,272</u></u>	<u><u>221,666</u></u>
Equity transaction difference	<u><u>\$ 16,272</u></u>	<u><u>\$ 27,266</u></u>

	Yea Shin Technology	SeCos	Total
<u><u>Equity transaction difference adjustment account difference</u></u>			
Capital surplus – Changes in ownership interests in subsidiaries	<u><u>\$ 16,272</u></u>	<u><u>\$ 27,266</u></u>	<u><u>\$ 43,538</u></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 June 30, 2025 and 2024:

	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Increase in property, plant and equipment	\$ 149,411	\$ 67,467
Other payables	<u><u>290</u></u>	<u><u>7,399</u></u>
Amount of cash paid to purchase property, plant and equipment	<u><u>\$ 149,701</u></u>	<u><u>\$ 74,866</u></u>

b. Changes in liabilities from financing activities

	Non-cash changes					June 30 2025
	January 1 2025	Cash Flow	New lease	Acquisition of subsidiaries	Others	
Short-term Loan	\$ 590,000	(\$ 140,000)	\$ -	\$ -	\$ -	\$ 450,000
Long-term Loan	672,235	82,070	-	-	-	754,305
Lease liability	<u><u>162,242</u></u>	<u><u>(11,017)</u></u>	<u><u>3,591</u></u>	<u><u>-</u></u>	<u><u>(2)</u></u>	<u><u>154,814</u></u>
	<u><u>\$ 1,424,477</u></u>	<u><u>(\$ 68,947)</u></u>	<u><u>\$ 3,591</u></u>	<u><u>\$ -</u></u>	<u><u>(\$ 2)</u></u>	<u><u>\$ 1,359,119</u></u>

	Non-cash changes					June 30 2024	
	Acquisition of subsidiaries						
	January 1 2024	Cash Flow	New lease	Others			
Short-term Loan	\$ 600,000	(\$ 290,050)	\$ -	\$ 35,000	\$ -	\$ 344,950	
Long-term Loan	657,921	(17,358)	-	20,000	-	660,563	
Lease liability	6,385	(6,100)	169,992	3,131	28	173,436	
	<u>\$ 1,264,306</u>	<u>(\$ 313,508)</u>	<u>\$ 169,992</u>	<u>\$ 58,131</u>	<u>\$ 28</u>	<u>\$ 1,178,949</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

June 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 1,890	\$ -	\$ 1,890

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

Financial liabilities at fair value
through profit or loss

Derivatives	\$ -	\$ 1,715	\$ -	\$ 1,715
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June 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 1,224	\$ -	\$ 1,224
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 750	\$ -	\$ 750

There were no transfers between Levels 1 and 2 for the six months ended June 30, 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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$ 1,187,538	\$ 1,725,144	\$ 1,736,866
Measured at fair value through profit or loss			
Held for trading	-	2,501	1,224
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	1,879,768	1,735,148	1,732,507
Measured at fair value through profit or loss			
Held for trading	1,890	1,715	750

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 main market risks that the Group's is exposed to are the risk of changes in foreign currency exchange rates and the risk of changes in interest rates.

i. Foreign exchange risk

The Group's sales and purchase transactions are denominated in foreign currency; as a consequence, the Group is exposed to the risk of fluctuation in the exchange rate. In order to avoid the decrease in the value of foreign currency assets and fluctuations in future cash flows due to changes in exchange rates, the Group has taken into account the risk of the net position of foreign currencies by analyzing factors, such as the amount of payments received and paid for foreign currency assets and foreign currency liabilities and the maturity period, and it also avoids the related risk of exchange rates by methods of cross-currency swap contracts, forward foreign exchange contracts, 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. If the functional currency of the consolidated entities had strengthened/weakened by 1% against USD, the net profit after tax of the Group for the six months ended June 30, 2025 would decrease/increase by \$1,307 thousand; the net profit after tax of the Group for the six months ended June 30, 2024 would decrease/increase by \$4,902 thousand.

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

ii. Interest rate risk

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
– Financial assets	\$ 29,181	\$ 31,614	\$ 28,062
– Financial liabilities	254,814	162,242	173,436
Cash flow interest rate risk			
– Financial assets	558,456	957,372	941,012
– Financial liabilities	1,104,305	1,262,235	1,005,513

Fixed-rate financial assets/liabilities held by the Group are measured at amortized cost and are therefore excluded from the analysis; the methods for the analysis of floating-rate financial assets/liabilities assume that the amounts of assets/liabilities outstanding at the balance sheet date were outstanding for the whole reporting period. An increase/decrease of 0.25% in market interest rates is used as a reasonable risk assessment for reporting changes in interest rates to the management by the Group. With all other variables remaining unchanged, an increase/decrease of 0.25% in market interest rates will impact to a decrease / increase of \$537 thousand on the Group's net profit after tax for the six months ended June 30, 2025; It also, would impact to a decrease / increase of \$81 thousand on the Group's net profit after tax for the six months ended June 30, 2024, respectively.

2) Credit risk

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

The Group's credit risk of trade receivable is concentrated on the Group's top customer, the Diodes Group, which is also the parent company, accounting for 48%, 59%, and 64% of the total trade receivable from the above-mentioned customer as of June 30, 2025, and December 31 and June 30, 2024, respectively. Therefore, it belongs to associates transactions which should not result in credit risk.

3) Liquidity risk

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

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

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

June 30, 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	-	\$ 754,264	\$ -	\$ -	\$ -	\$ -
Lease liabilities	1.98%	6,573	17,856	19,257	50,178	69,715
Floating-rate instruments	1.98%	<u>323,828</u>	<u>179,255</u>	<u>348,085</u>	<u>370,111</u>	<u>20,539</u>
		<u>\$ 1,084,665</u>	<u>\$ 197,111</u>	<u>\$ 367,342</u>	<u>\$ 420,289</u>	<u>\$ 90,254</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>

June 30, 2024

	Weighted Average Effective Rate (%)	Payment on Sight or Less than 3 Month	3 Months to 1 Year	1 to 2 Year(s)	2 to 5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>						
Non-interest bearing liabilities		\$ 806,465	\$ -	\$ -	\$ -	\$ -
Lease liabilities	1.23%	6,946	17,896	19,339	50,567	87,769
Floating-rate instruments	1.94%	<u>233,233</u>	<u>164,450</u>	<u>551,828</u>	<u>49,041</u>	<u>26,833</u>
		<u><u>\$ 1,046,644</u></u>	<u><u>\$ 182,346</u></u>	<u><u>\$ 571,167</u></u>	<u><u>\$ 99,608</u></u>	<u><u>\$ 114,602</u></u>

ii. Financing facilities

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

	June 30, 2025	December 31, 2024	June 30, 2024
Secured bank financing facilities:			
— Amount used	\$ 1,204,305	\$ 1,262,235	\$ 1,005,513
— Amount unused	<u>540,000</u>	<u>600,000</u>	<u>771,540</u>
	<u><u>\$ 1,744,305</u></u>	<u><u>\$ 1,862,235</u></u>	<u><u>\$ 1,777,053</u></u>

28. Related Party Transactions

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

a. Related party name and category

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

b. Operating revenue

Line Item	Related Party Category/Name	For the Three Months ended	For the Three Months ended	For the Six Months Ended	For the Six Months Ended
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Sales	Sister company				
	Diodes (TW)	\$ 99,449	\$ 145,862	\$ 208,132	\$ 154,202
	Diodes (HK)	139,010	402,283	337,505	616,791
	Diodes (Hsinchu)	11,224	686	15,221	1,183
	Diodes (Chengdu)	5,714	17	10,904	61
	Lite-on (Wuxi)	91,982	55,528	147,454	115,159
	Shanghai (SSEC)	46,003	84,881	76,736	140,986
	Kaihong Electronics	2,199	1,498	2,592	6,290
	Kaihong Tech.	89	28	89	227
		<u><u>\$ 395,670</u></u>	<u><u>\$ 690,783</u></u>	<u><u>\$ 798,633</u></u>	<u><u>\$ 1,034,899</u></u>

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

c. Purchase

Line Item	Related Party Category/Name	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Purchase	Sister company				
	Diodes (TW)	\$ 3,910	\$ 2,217	\$ 6,159	\$ 2,217
	Diodes (Hsinchu)	<u>17,265</u>	-	<u>28,940</u>	<u>24,240</u>
		<u>\$ 21,175</u>	<u>\$ 2,217</u>	<u>\$ 35,099</u>	<u>\$ 26,457</u>

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

d. Receivables from related parties

Line Item	Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Trade receivables from related parties	Sister company			
	Diodes (TW)	\$ 71,467	\$ 108,771	\$ 85,631
	Diodes (HK)	102,764	218,291	250,521
	Diodes (Hsinchu)	5,335	3,540	617
	Diodes (Chengdu)	5,632	4,038	-
	Lite-on (Wuxi)	61,326	62,783	19,814
	Shanghai (SSEC)	33,844	20,573	30,011
	Kaihong Electronics	1,099	830	-
	Kaihong Tech.	87	89	-
		<u>\$ 281,554</u>	<u>\$ 418,915</u>	<u>\$ 386,594</u>
Other Trade receivables	Sister company			
	Diodes (KL)	\$ -	\$ -	\$ 100,198
	Diodes (TW)	172	926	-
	Diodes (Hsinchu)	-	131	-
		<u>\$ 172</u>	<u>\$ 1,057</u>	<u>\$ 100,198</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 June 30, 2025, and December 31 and June 30, 2024.

e. Amounts payable to related parties

Line Item	Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Payables from related parties	Sister company			
	Diodes (TW)	\$ 4,362	\$ 5,023	\$ 3,202
	Diodes (KL)	-	296	-
	Diodes (Hsinchu)	<u>17,238</u>	<u>5,132</u>	<u>16,764</u>
		<u>\$ 21,600</u>	<u>\$ 10,451</u>	<u>\$ 19,966</u>
Other payables - related parties	Sister company			
	Diodes (TW)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,386</u>

f. Property, plant and equipment acquired

Related Party Category / Name	Acquisition Price	
	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Sister company		
Diodes (KL)	<u>\$ 130,928</u>	<u>\$ -</u>

g. Rental agreement

Line Item	Related Party Category/Name	June 30, 2025	December 31, 2024	June 30, 2024
Lease liability	Sister company			
	Diodes (TW)	<u>\$ 145,475</u>	<u>\$ 152,888</u>	<u>\$ 160,228</u>
Related Party Category / Name	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
<u>Interest Expense</u>				
Sister company				
	Diodes (TW)	<u>\$ 734</u>	<u>\$ 267</u>	<u>\$ 1,486</u>

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

	For the Three Months ended June 30, 2025	For the Three Months ended June 30, 2024	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Short-term employee benefits	\$ 3,576	\$ 4,875	\$ 11,076	\$ 12,749
Post-employment benefits	<u>27</u>	<u>27</u>	<u>54</u>	<u>54</u>
	<u>\$ 3,603</u>	<u>\$ 4,902</u>	<u>\$ 11,130</u>	<u>\$ 12,803</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:

	June 30, 2025	December 31, 2024	June 30, 2024	Nature
Bank time deposits (classified as financial assets at amortized cost)	\$ 9,260	\$ 31,614	\$ 8,592	endorsements/guarantees and short-term borrowings
Bank demand deposits (classified as financial assets at amortized cost)	64,319	39,342	57,382	Short-term and long-term borrowings
Property and plant	<u>875,374</u>	<u>879,041</u>	<u>895,206</u>	Short-term and long-term borrowings
	<u>\$ 948,953</u>	<u>\$ 949,997</u>	<u>\$ 961,180</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:

	June 30, 2025	December 31, 2024	June 30, 2024
Amount of Contract Commitments	<u>\$ 272,080</u>	<u>\$ 292,633</u>	<u>\$ 155,044</u>
Amount Paid (classified as prepayments for equipment)	<u>\$ 170,020</u>	<u>\$ 110,101</u>	<u>\$ 89,671</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				
June 30, 2025				
	Foreign Currency	Exchange rate (\$)	Functional Currency	NTD
Financial assets				
Monetary items				
USD	\$ 14,388	29.3000 (USD:NTD)	\$ 421,568	\$ 421,568
USD	293	7.2611 (USD:RMB)	2,128	8,706
RMB	1,426	4.0910 (RMB:NTD)	5,834	5,834
EUR	183	34.3500 (EUR:NTD)	6,286	6,286
Non-monetary items				
Derivatives				
USD	1,000	29.3000 (USD:NTD)	29,300	29,300
Investments accounted for using the equity method				
USD	2,239	29.3000 (USD:NTD)	65,612	65,612
RMB	16,081	0.1375 (RMB:USD)	2,245	65,786
Financial liabilities				
Monetary items				
USD	6,223	29.3000 (USD:NTD)	182,334	182,334
Non-monetary items				
Derivatives				
USD	5,000	29.3000 (USD:NTD)	146,500	146,500
December 31, 2024				
	Foreign Currency	Exchange rate (\$)	Functional Currency	NTD
Financial assets				
Monetary items				
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
Non-monetary items				
Derivatives				
USD	2,000	32.7850 (USD:NTD)	65,570	65,570
Investments accounted for using the equity method				
USD	2,169	32.7850 (USD:NTD)	71,099	71,099
RMB	15,936	0.1366 (RMB:USD)	2,177	71,362
Financial liabilities				
Monetary items				
USD	8,958	32.7850 (USD:NTD)	293,688	293,688
Non-monetary items				
Derivatives				
USD	6,500	32.7850 (USD:NTD)	213,103	213,103

June 30, 2024

Financial assets	Foreign Currency	Exchange rate (\$)	Functional Currency	NTD
<u>Monetary items</u>				
USD	\$ 24,861	32.4500 (USD:NTD)	\$ 806,739	\$ 806,739
USD	415	7.2723 (USD:RMB)	3,018	13,415
RMB	1,413	4.4450 (RMB:NTD)	6,281	6,281
EUR	206	34.7100 (EUR:NTD)	7,150	7,150
<u>Non-monetary items</u>				
Derivatives				
USD	1,500	32.4500 (USD:NTD)	48,675	48,675
Investments accounted for using the equity method				
USD	2,135	32.4500 (USD:NTD)	69,576	69,576
RMB	15,257	0.1375 (RMB:USD)	2,098	69,937
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	9,669	32.4500 (USD:NTD)	313,759	313,759
<u>Non-monetary items</u>				
Derivatives				
USD	2,000	32.4500 (USD:NTD)	64,900	64,900

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 June 30, 2025		Three Months Ended June 30, 2024	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
		(USD:NTD)	(USD:RMB)	(EUR:NTD)
USD	30.82 (USD:NTD)	(\$ 62,200)	32.27 (USD:NTD)	\$ 11,542
USD	7.19 (USD:RMB)	206	7.01 (USD:RMB)	235
EUR	35.16 (EUR:NTD)	(486)	34.59 (EUR:NTD)	(465)
Others		(319)		(166)
		(\$ 62,799)		\$ 11,146
Six Months Ended June 30, 2025				
Foreign Currency	Net Foreign Exchange Gains (Losses)		Six Months Ended June 30, 2024	
	Exchange Rate	(USD:NTD)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	31.04 (USD:NTD)	(\$ 53,430)	32.45 (USD:NTD)	\$ 37,966
USD	7.24 (USD:RMB)	181	7.27 (USD:RMB)	264
EUR	34.35 (EUR:NTD)	(180)	34.71 (EUR:NTD)	65
Others		(71)		87
		(\$ 53,500)		\$ 38,382

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.

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	<u>47,312</u>
Transfer Prices	<u><u>\$ 723,820</u></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 June 30, 2024

Impact of Consolidated Profit and Loss Items

Items	For the Three Months ended June 30, 2025		
	Amount before restatement	Retroactive restatement amount	Amount after restatement
Revenues	\$ 647,071	\$ 113,669	\$ 760,740
Cost of Goods sold	(391,753)	(130,336)	(522,089)
Gross Profit	255,318	(16,667)	238,651
Operating Expense	(137,284)	(46,296)	(183,580)
Non-operating income and expenses	9,808	1,410	11,218
Income tax benefits	5,739	-	5,739
Net profit for this period	<u>133,581</u>	(61,553)	<u>72,028</u>
Total comprehensive profit and loss for the period	<u><u>\$ 134,044</u></u>	(\$ 61,553)	<u><u>\$ 72,491</u></u>

Items	For the Six Months ended June 30, 2025		
	Amount before restatement	Retroactive restatement amount	Amount after restatement
Revenues	\$ 1,191,989	\$ 269,145	\$ 1,461,134
Cost of Goods sold	(745,078)	(319,275)	(1,064,353)
Gross Profit	446,911	(50,130)	396,781
Operating Expense	(248,215)	(75,683)	(323,898)
Non-operating income and expenses	28,557	4,228	32,785
Income tax benefits	9,330	-	9,330
Net profit for this period	<u>236,583</u>	(121,585)	<u>114,998</u>
Total comprehensive profit and loss for the period	<u><u>\$ 238,068</u></u>	(\$ 121,585)	<u><u>\$ 116,483</u></u>

The amount of retrospective adjustment is the operating performance of Diodes Taiwan S.A R.L., Keelung Branch wafer business from January to May 2024. The merged company retrospectively adjusted the financial statements for the second quarter of 2024, resulting in an increase in operating income of NT\$269,145 thousand and a decrease in operating gross profit in the first half of 2024 NT\$50,130 thousand (the gross profit margin dropped from 37% to 27%), and the net profit after tax

decreased by NT\$121,585 thousand; operating income in the second quarter of 2024 increased by NT\$113,669 thousand, and the operating gross profit decreased by NT\$16,667 thousand(the gross profit margin dropped from 39 % to 31%), and the net profit after tax decreased by NT\$61,553 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 Table2.
 - 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.

For the Six Months Ended June 30, 2025

	Eris Technology and Jie Cheng	Yea Shin	SeCos	Adjustments and write-offs	Total
Revenue from external customers	\$ 655,661	\$ 369,567	\$ 243,216	\$ -	\$ 1,268,444
Inter-segment revenue	<u>23,507</u>	<u>255,395</u>	<u>691</u>	(<u>279,593</u>)	<u>-</u>
Segment revenue	<u>\$ 679,168</u>	<u>\$ 624,962</u>	<u>\$ 243,907</u>	(<u>\$ 279,593</u>)	<u>\$ 1,268,444</u>
Segment income	<u>\$ 26,805</u>	<u>\$ 72,544</u>	<u>\$ 13,958</u>	(<u>\$ 83,942</u>)	<u>\$ 29,365</u>
Segment assets	<u>\$ 4,186,598</u>	<u>\$ 2,059,080</u>	<u>\$ 382,158</u>	(<u>\$ 2,031,330</u>)	<u>\$ 4,596,506</u>
Segment liabilities	<u>\$ 1,766,758</u>	<u>\$ 408,567</u>	<u>\$ 120,179</u>	(<u>\$ 117,361</u>)	<u>\$ 2,178,143</u>

For the Six Months Ended June 30, 2024

	Eris Technology and Jie Cheng	Yea Shin	SeCos	Adjustments and write-offs	Total
Revenue from external customers	\$ 870,413	\$ 364,673	\$ 226,048	\$ -	\$ 1,461,134
Inter-segment revenue	<u>18,896</u>	<u>519,973</u>	<u>1,126</u>	(<u>539,995</u>)	<u>-</u>
Segment revenue	<u>\$ 889,309</u>	<u>\$ 884,646</u>	<u>\$ 227,174</u>	(<u>\$ 539,995</u>)	<u>\$ 1,461,134</u>
Segment income	<u>\$ 224,172</u>	<u>\$ 63,827</u>	<u>\$ 19,700</u>	(<u>\$ 192,701</u>)	<u>\$ 114,998</u>
Segment assets	<u>\$ 4,433,020</u>	<u>\$ 2,166,705</u>	<u>\$ 579,518</u>	(<u>\$ 2,222,385</u>)	<u>\$ 4,956,858</u>
Segment liabilities	<u>\$ 1,745,596</u>	<u>\$ 470,679</u>	<u>\$ 168,176</u>	(<u>\$ 334,483</u>)	<u>\$ 2,049,968</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 six months ended June 30, 2025

Unit: NT\$ Thousands

Buyer (Seller)	Counterparty	Relationship	Transaction Details				Details and Reasons for Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases (Sales)	Amount	Ratio of Total Purchases (Sales) (%)	Credit Period	Unit price	Credit Period	Balance	Ratio of Notes/Accounts Receivable (Payable) (%)	
Eris Technology Corp.	Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg)	Same as the Company's ultimate parent company	Sales	(\$ 208,133)	31.19%	Net 60 payment term	None	None	\$ 102,764	50.74%	-
Eris Technology Corp.	Diodes Hong Kong Limited	Same as the Company's ultimate parent company	Sales	(337,505)	52.35%	Net 60 payment term	None	None	71,467	35.09%	-
Eris Technology Corp.	Yea Shin Technology Co., Ltd.	The Company's subsidiary	Purchases	250,487	49.04%	Net 60 payment term	None	None	(107,516)	72.65%	Note1
Yea Shin Technology Co., Ltd.	Lite-on Microelectronics Wuxi Co. Ltd. (Lite-on (Wuxi))	Same as the Company's ultimate parent company	Sales	147,454	23.55%	Net 60 payment term	None	None	61,326	2.98%	-

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

Eris Technology Corp. and Subsidiaries
Receivables from Related Parties Amounting to NT\$100 Million or 20% of the Paid-in Capital or More
June 30, 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)	Unit: NT\$ Thousands Amount of Loss Allowance
					Amount	Actions Taken		
Eris Technology Corp.	Diodes Hong Kong Limited	Same as the Company's ultimate parent company	\$ 102,764	4.20	\$ -	—	\$ 37,626	\$ -
Yea Shin Technology Co., Ltd.	Eris Technology Corp.	Parent company	107,516	2.82	-	—	41,563	-

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

TABLE 3

Eris Technology Corp. and Subsidiaries
Intercompany Relationships and Significant Intercompany Transactions
For the six months ended June 30, 2025

Unit: NT\$ Thousands

No.	Company	Counterparty	Relationship with Investor (Note 1)	Transactions Details			Ratio of Consolidated Total Revenue or Total Assets (Note 2)
				Ledger Account	Amount (Note 3)	Transaction Term	
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Trade receivables	\$ 1,255	-	0.03%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Trade payables	380	-	0.01%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Sales	1,012	No significant difference from general customers	0.08%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Purchases	19,453	No significant difference from general customers	1.50%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Other business expenses	407	No significant difference from general customers	0.03%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Trade payables	107,516	-	2.34%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Sale	4,126	No significant difference from general customers	0.32%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Purchases	250,487	No significant difference from general customers	19.34%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Processing fees	3,070	No significant difference from general customers	0.24%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Rental	571	No significant difference from general customers	0.04%
0	Eris Technology Corp.	SeCos Corporation	1	Sales	17,203	No significant difference from general customers	1.33%
0	Eris Technology Corp.	SeCos Corporation	1	Trade receivables	6,202	-	0.13%
0	Eris Technology Corp.	SeCos Corporation	1	Trade payables	509	-	0.01%
0	Eris Technology Corp.	SeCos Corporation	1	Purchases	689	No significant difference from general customers	0.05%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Sales	2,754	No significant difference from general customers	0.21%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Trade receivables	1,696	-	0.04%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Trade payables	1,229	-	0.03%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Purchases	2,178	No significant difference from general customers	0.17%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Other Income	1,920	No significant difference from general customers	0.15%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Other receivables	1,019	-	0.02%
1	Yea Shin Technology Co., Ltd.	SeCos Corporation	3	Sales	1,750	No significant difference from general customers	0.14%
1	Yea Shin Technology Co., Ltd.	SeCos Corporation	3	Trade receivables	732	-	0.02%
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	3,040	No significant difference from general customers	0.23%
1	SeCos Corporation	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Trade receivables	2,098	-	0.05%

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 six months ended June 30, 2025

Name of Investor	Name of Investee	Location	Principal Business Activities	Original Investment Amount (Note 1)		Ending Balance			Net Income (Loss) of the Investee for the Period (Note 2 and 6)	Investment Profit (Loss) Recognized for the Period (Note 2 and 3)	Note
				End of the Period	Year-end of the last year	Number of shares (in thousands)	Ratio (%)	Carrying Amount (Note 3)			
Eris Technology Corp.	Keep High Limited	Seychelles	Holding of investments	\$ 20,776 (USD 670 thousand)	\$ 20,776 (USD 670 thousand)	N/A	100	\$ 65,142	\$ 620 (USD 20 thousand)	\$ 714 (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	1,593,623	72,544	73,248 (Note 4)	Subsidiary
	Erishin Semiconductor Corporation	Taiwan	Engaged in manufacturing of electronic components and wholesaling of electronic materials	1,000	1,000	100	100	1,010	3	3	Subsidiary
	SeCos Corporation	Taiwan	Engaged in manufacturing of electronic parts and components R&D, design and sales	180,000	180,000	7,200	40	160,829	13,958	5,012	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	186,185	13,958	7,521	Subsidiary
Keep High Limited	Forever Eagle Incorporation	Mauritius	Holding of investments	20,473 (USD 660 thousand)	20,473 (USD 660 thousand)	N/A	100	65,786 (USD 2,245 thousand)	620 (USD 20 thousand)	236 (USD 20 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 six months ended June 30, 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)	\$ 620 (RMB 145 thousand)	100%	\$ 620 (RMB 145 thousand)	\$ 65,786	\$ -

Accumulated Amount of Investments in Mainland China Remitted Outward from Taiwan at End of Period (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on the Amount of Investment in Mainland China Stipulated by Investment Commission, MOEA (Note 4)
\$20,170 (USD 650 thousand)	\$19,045 (USD 650 thousand)	\$1,412,434

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 June 30, 2025.

Note 4: The information was calculated as 60% of the Company's net worth on June 30, 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 six months ended June 30, 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	(\$ 6,806)	0.54%	None	None	\$ 5,049	0.86%	Note
Jie Cheng Electronic (Shanghai) Co., Ltd.	Purchases	21,631	4.12%	None	None	(1,609)	0.60%	Note
Jie Cheng Electronic (Shanghai) Co., Ltd.	Others income	(1,920)	-	None	None	1,019	10.98%	Note

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