

# Eris Technology Corporation and Subsidiaries

## Consolidated Financial Statements

With Independent Auditors' Review Report

For the Nine Months Ended  
September 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 September 30, 2025 and 2024, the consolidated comprehensive income statements for the periods from July 1 to September 30, 2025 and 2024, and from January 1 to September 30, 2025 and 2024, and the consolidated statements of changes in equity and cash flows for the periods from January 1 to September 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 Eris Technology Corporation and its subsidiaries as of September 30, 2025 and 2024, the consolidated financial performance from July 1 to September 30, 2025 and 2024, and the consolidated financial performance and consolidated cash flows from January 1 to September 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

October 30, 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. e-language independent auditors' report and consolidated financial statements shall prevail.

**Eris Technology Corporation and Subsidiaries**

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

Code	Assets	September 30, 2025		December 31, 2024		September 30, 2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current assets						
1100	Cash (Note 6)	\$ 525,485	11	\$ 919,532	18	\$ 847,682	17
1110	Financial assets at fair value through profit or loss - current (Note 7)	-	-	2,501	-	840	-
1136	Financial assets at amortized cost - current (Note 8 and 29)	56,673	1	56,823	1	71,920	2
1150	Notes receivable (Note 9 and 19)	1,619	-	1,690	-	1,343	-
1170	Trade receivables, net (Note 9 and 19)	302,806	7	289,379	6	286,711	6
1180	Trade receivables from related parties (Note 9, 19 and 28)	342,842	8	418,915	8	401,090	8
1200	Other receivables (Note 28)	15,175	-	18,139	1	25,145	-
130X	Inventories, net (Note 10)	494,828	11	538,603	11	515,120	11
1470	Other current assets	15,222	-	12,759	-	19,732	-
11XX	Total current assets	1,754,650	38	2,258,341	45	2,169,583	44
	Non-current assets						
1535	Financial assets at amortized cost - non-current (Note 8 and 29)	18,177	1	14,133	-	14,093	-
1600	Property, plant and equipment (Note 12, 28 and 29)	2,350,894	51	2,093,999	42	2,089,406	43
1755	Right-of-use assets (Note 13 and 28)	143,578	3	161,298	3	166,737	4
1805	Goodwill (Note 14)	58,728	1	58,728	1	58,728	1
1821	Intangible assets (Note 15)	60,953	1	59,936	1	58,559	1
1840	Deferred tax assets (Note 4 and 21)	199,304	4	234,967	5	236,387	5
1915	Prepayments for equipment (Note 30)	24,545	1	110,101	2	86,149	2
1920	Refundable deposits	7,917	-	8,076	-	8,397	-
1990	Other non-current assets	10,666	-	20,057	1	17,330	-
15XX	Total non-current assets	2,874,762	62	2,761,295	55	2,735,786	56
1XXX	Total assets	\$ 4,629,412	100	\$ 5,019,636	100	\$ 4,905,369	100
	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Note 16 and 29)	\$ 658,396	14	\$ 590,000	12	\$ 615,000	13
2120	Financial liabilities at fair value through profit or loss - current (Note 7)	468	-	1,715	-	620	-
2170	Trade payables	288,510	6	323,308	6	299,282	6
2180	Trade payables - related parties (Note 28)	22,451	1	10,451	-	6,286	-
2200	Other payables (Note 17 and 28)	228,302	5	249,232	5	212,448	4
2230	Current tax liabilities (Note 4 and 21)	2,403	-	28,252	1	18,602	-
2280	Lease liabilities - current (Note 13 and 28)	18,624	-	19,389	-	21,117	-
2320	Long-term liabilities due within one year (Note 16 and 29)	136,109	3	35,919	1	45,745	1
2399	Other current liabilities (Note 19)	37,829	1	24,195	1	32,399	1
21XX	Total current liabilities	1,393,092	30	1,282,461	26	1,251,499	25
	Non-current liabilities						
2540	Long-term borrowings (Note 16 and 29)	609,211	13	636,316	13	655,431	13
2570	Deferred tax liabilities (Note 4 and 21)	20,201	-	21,333	-	20,456	1
2580	Lease liabilities - non-current (Note 13 and 28)	126,828	3	142,853	3	146,202	3
2645	Deposit Margin	12	-	12	-	12	-
25XX	Total non-current liabilities	756,252	16	800,514	16	822,101	17
2XXX	Total liabilities	2,149,344	46	2,082,975	42	2,073,600	42
	Equity attributable to owners of the Company (Note 18 and 24)						
	Capital						
3100	Common stock capital	530,579	11	547,039	11	547,039	11
3200	Capital surplus	1,473,611	32	1,517,949	30	1,517,949	31
	Retained earnings						
3310	Legal reserve	220,530	5	176,501	4	176,501	4
3320	Special reserve	686	-	2,598	-	2,598	-
3350	Unappropriated earnings	190,616	4	618,133	12	516,549	10
3300	Total retained earnings	411,832	9	797,232	16	695,648	14
3400	Other equity	( 3,364 )	-	( 686 )	-	( 130 )	-
31XX	Total equity owners of the Company	2,412,658	52	2,861,534	57	2,760,506	56
36XX	Non-controlling interests	67,410	2	75,127	1	71,263	2
3XXX	Total equity	2,480,068	54	2,936,661	58	2,831,769	58
	Total liabilities and equity	\$ 4,629,412	100	\$ 5,019,636	100	\$ 4,905,369	100

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

**Eris Technology Corporation and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the three months and nine months ended September 30, 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 September 30, 2025		For the three months ended September 30, 2024		For the nine months ended September 30, 2025		For the nine months ended September 30, 2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Operating revenue (Note 19 and 28)								
4110	Sales	\$ 697,110	102	\$ 753,166	101	\$ 1,992,263	102	\$ 2,229,126	101
4170	Less: Sales return and allowance	( 11,621 )	( 2 )	( 9,066 )	( 1 )	( 38,330 )	( 2 )	( 23,892 )	( 1 )
4000	Net operating revenue	685,489	100	744,100	100	1,953,933	100	2,205,234	100
5000	Operating costs (Note 10, 20 and 28)	466,836	68	431,988	58	1,288,176	66	1,496,341	68
5900	Gross Profit	218,653	32	312,112	42	665,757	34	708,893	32
	Operating expenses (Note 20)								
6100	Selling and Marketing expenses	26,316	4	29,445	4	78,155	4	81,925	4
6200	General and Administrative expenses	66,313	10	70,978	10	191,290	10	250,779	11
6300	Research and Development expenses	70,647	10	62,054	8	242,386	12	153,322	7
6450	Expected credit impairment (reversal benefit) loss (Note 9)	-	-	-	-	( 2,000 )	-	349	-
6000	Total operating expenses	163,276	24	162,477	22	509,831	26	486,375	22
6900	Net operating income	55,377	8	149,635	20	155,926	8	222,518	10
	Non-operating income and expenses								
7100	Interest income	1,156	-	1,869	-	5,182	-	6,132	1
7190	Other income	1,710	-	32	-	1,835	-	4,322	-
7210	Gains (loss) on disposal of property, plant and equipment	( 74 )	-	( 61 )	-	1,089	-	( 11 )	-
7230	Foreign currency exchange gain-net (loss) (Note 20)	18,956	3	( 15,359 )	( 2 )	( 34,544 )	( 2 )	23,023	1
7235	Net profit (loss) of financial instruments at fair value through profit or loss (Note 7)	975	-	262	-	( 2,549 )	-	465	-
7510	Interest expense (Note 28)	( 7,587 )	( 1 )	( 6,552 )	( 1 )	( 22,140 )	( 1 )	( 20,955 )	( 1 )
7000	Total non-operating income and expenses	15,136	2	( 19,809 )	( 3 )	( 51,127 )	( 3 )	12,976	1
7900	Net profit before income tax	70,513	10	129,826	17	104,799	5	235,494	11
7950	Income tax (expense) benefit (Notes 4 and 21)	( 11,090 )	( 1 )	( 11,530 )	( 1 )	( 16,011 )	( 1 )	( 2,200 )	-
8200	Net profit for the period	59,423	9	118,296	16	88,788	4	233,294	11
	Other comprehensive income (loss)								
8361	Exchange differences on translating the financial statements of foreign operations	2,854	-	1,228	-	( 3,347 )	-	3,084	-
8399	Income tax relating to items that may be reclassified subsequently to other comprehensive income (Note 4 and 21)	( 572 )	-	( 245 )	-	669	-	( 616 )	-
8300	Other comprehensive income (loss) for the period, net of income tax	2,282	-	983	-	( 2,678 )	-	2,468	-
8500	Total comprehensive income for the period	\$ 61,705	9	\$ 119,279	16	\$ 86,110	11	\$ 235,762	11
	Net profit is attributed to:								
8610	parent company owner	\$ 56,320	8	\$ 114,771	15	\$ 82,505	4	\$ 338,708	15
8615	Preceding interest under joint control	-	-	-	-	-	-	( 121,585 )	( 5 )
8620	non-controlling interests	3,103	1	3,525	1	6,283	-	16,171	1
8600		\$ 59,423	9	\$ 118,296	16	\$ 88,788	4	\$ 233,294	11
	Net profit is attributed to:								
8710	parent company owner	\$ 58,602	9	\$ 115,754	16	\$ 79,827	4	\$ 341,176	15
8715	Preceding interest under joint control	-	-	-	-	-	-	( 121,585 )	( 5 )
8720	non-controlling interests	3,103	-	3,525	-	6,283	-	16,171	1
8700		\$ 61,705	9	\$ 119,279	16	\$ 86,110	4	\$ 235,762	11
	Earnings per share (Note 22)								
9710	Basic	\$ 1.06		\$ 2.10		\$ 1.53		\$ 6.49	
9810	Diluted	\$ 1.06		\$ 2.10		\$ 1.53		\$ 6.49	

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

**Eris Technology Corporation and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the nine months ended September 30, 2025 and 2024**  
**(Reviewed only, not audited in accordance with Generally Accepted Auditing Standards)**  
**(Expressed in Thousands of New Taiwan Dollars)**

		Equity attributable to the owners of the company (Notes 18, 24 and 32)												
		Capital		Retained earnings				Other equity				Preceding interest under joint control Notes 4 and 32 )	non-controlling interests	Total equity
Code		Ordinary shares (Thousand shares)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations	Treasury Stock	Total			
A1	Balance as of January 1, 2024	50,204	\$ 502,039	\$ 402,511	\$ 142,722	\$ 1,617	\$ 533,433	\$ 677,772	( \$ 2,598 )	\$ -	\$ 1,579,724	\$ 634,813	\$ -	\$ 2,214,537
	Appropriation of 2023 earnings													
B1	Legal reserve	-	-	-	33,779	-	( 33,779 )	-	-	-	-	-	-	-
B3	Special surplus reserve	-	-	-	-	981	( 981 )	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	( 273,520 )	( 273,520 )	-	-	( 273,520 )	-	-	( 273,520 )
		-	-	-	33,779	981	( 308,280 )	( 273,520 )	-	-	( 273,520 )	-	-	( 273,520 )
E1	Cash capital increase issuance	4,500	45,000	1,071,900	-	-	-	-	-	-	1,116,900	-	-	1,116,900
D1	Net profit for the nine months ended September 30, 2024	-	-	-	-	-	338,708	338,708	-	-	338,708	( 121,585 )	16,171	233,294
D3	Other comprehensive income (loss) for the nine months ended September 30, 2024 after tax	-	-	-	-	-	-	-	2,468	-	2,468	-	-	2,468
D5	Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	338,708	338,708	2,468	-	341,176	( 121,585 )	16,171	235,762
T1	Investment of predecessor interests under joint control	-	-	-	-	-	-	-	-	-	-	163,280	-	163,280
H3	Organizational restructuring	-	-	-	-	-	( 47,312 )	( 47,312 )	-	-	( 47,312 )	( 676,508 )	-	( 723,820 )
M7	Changes in ownership interests in subsidiaries	-	-	43,538	-	-	-	-	-	-	43,538	-	( 43,538 )	-
O1	Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	98,630	98,630
Z1	Balance as of September 30, 2024	54,704	\$ 547,039	\$ 1,517,949	\$ 176,501	\$ 2,598	\$ 516,549	\$ 695,648	( \$ 130 )	\$ -	\$ 2,760,506	\$ -	\$ 71,263	\$ 2,831,769
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 nine months ended September 30, 2025	-	-	-	-	-	82,505	82,505	-	-	82,505	-	6,283	88,788
D3	Other comprehensive income (loss) for the nine months ended September, 2025 after tax	-	-	-	-	-	-	-	( 2,678 )	-	( 2,678 )	-	-	( 2,678 )
D5	Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	-	82,505	82,505	( 2,678 )	-	79,827	-	6,283	86,110
L1	Amount of treasury stocks purchased	-	-	-	-	-	-	-	-	( 255,183 )	( 255,183 )	-	-	( 255,183 )
L3	Cancellation of Treasury Stocks	( 1,646 )	( 16,460 )	( 44,338 )	-	-	( 194,385 )	( 194,385 )	-	255,183	-	-	-	-
Z1	Balance as of September 30, 2025	53,058	\$ 530,579	\$ 1,473,611	\$ 220,530	\$ 686	\$ 190,616	\$ 411,832	( \$ 3,364 )	\$ -	\$ 2,412,658	\$ -	\$ 67,410	\$ 2,480,068

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

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

Code		For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
	Cash flows from operating activities		
A10000	Net Profit before tax for the period	\$ 104,799	\$ 235,494
A20010	Adjustments for:		
A20100	Depreciation expenses	161,856	163,241
A20200	Amortization expenses	27,100	20,303
A20300	Expected credit impairment (reversal profit) loss	( 2,000 )	349
A20400	Financial instruments at fair value through profit loss (Gain)	796	( 880 )
A20900	Interest expense	22,140	20,955
A21200	Interest income	( 5,182 )	( 6,132 )
A22500	Disposal of property, plant and equipment loss (Gain)	( 1,089 )	11
A23800	Write-downs of inventories and sluggish losses (Reversal)	8,000	( 24,567 )
A24100	Unrealized foreign exchange losses (profits)	7,849	( 16,105 )
A30000	Net changes in operating assets and liabilities		
A31115	Financial instruments measured at fair value through profit or loss	458	999
A31130	Notes receivable	71	659
A31150	Trade receivables	( 12,690 )	( 14,343 )
A31160	Trade receivables from related parties	75,002	( 125,747 )
A31180	Other receivables	2,964	88,907
A31200	Inventories	( 12,473 )	26,371
A31240	Prepayments and other current assets	( 1,528 )	( 8,483 )
A32130	Notes payables	-	( 2,347 )
A32150	Trade payables	( 36,810 )	13,866
A32160	Trade payables - related parties	11,502	( 20,304 )
A32180	Other payables	( 26,984 )	24,276
A32230	Other current liabilities	13,634	11,589
A33000	Cash generated from operations	337,415	388,112
A33100	Interest received	4,312	5,208
A33300	Interest paid	( 21,871 )	( 19,626 )
A33500	Income tax paid	( 6,799 )	( 17,377 )
AAAA	Net cash generated from operating activities	<u>313,057</u>	<u>356,317</u>

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Code		For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	(\$ 40,534)	(\$ 25,637)
B00050	Disposal of financial assets measured at amortized cost	33,966	17,161
B02200	Net cash outflow from business combination	-	( 39,222)
B02700	Acquisition of property, plant and equipment	( 116,252)	( 118,645)
B02800	Proceeds from disposal of property, plant and equipment	1,990	7,348
B04500	Payments for intangible assets	( 1,042)	( 4,917)
B06700	Increase in other non-current assets	( 11,162)	( 18,534)
B03800	Decrease in margin deposits	159	-
B07100	Increase in prepayments for equipment	( <u>152,741</u> )	( <u>70,024</u> )
BBBB	Net cash used in investing activities	( <u>285,616</u> )	( <u>252,470</u> )
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings increase (decrease)	68,116	( 20,000)
C01600	long-term borrowing	200,000	200,000
C01700	Repayments of long-term borrowings	( 126,915)	( 176,745)
C04020	Repayments of principal portion of lease liabilities	( 16,627)	( 12,240)
C04500	Paid cash dividends	( 287,520)	( 273,520)
C04600	Cash capital increase issuance	-	1,116,900
C04900	Purchase of Treasury Stocks	( 255,183)	-
C05800	Increase in non-controlling	-	( 194,400)
C05800	Decrease in non-controlling	-	80,000
C05400	Organizational restructuring payments	-	( 723,820)
C09900	Investment of predecessor interests under joint control	<u>-</u>	<u>163,280</u>
CCCC	Net cash generated from /used in financing activities	( <u>418,129</u> )	<u>159,455</u>
DDDD	Effect of exchange rate changes on cash	( <u>3,359</u> )	<u>3,221</u>
EEEE	Increase (Decrease) in cash	( 394,047)	266,523
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>\$ 525,485</u>	<u>\$ 847,682</u>

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



# Eris Technology Corporation and Subsidiaries

## Notes to Consolidated Financial Statements

For the nine months ended September 30, 2025 and 2024

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

### 1. Company History

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

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

In August 2012, Diodes International B.V. (Diodes B.V.) became the parent company of the Company 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 September 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 October 30, 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. IFRS accounting standards approved 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" (including the 2020 and 2021 amendments)	January 1, 2023

As of the date of this consolidated financial statement, the consolidated company continues to assess the impact of the revisions on its financial position and financial performance, and the relevant impacts will be disclosed upon completion of the assessment.

- 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 (Note 2)
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.

Note 2: On September 25, 2025, the Financial Supervisory Commission (FSC) announced that Taiwanese companies should adopt IFRS 18 from January 1, 2028. Companies may also choose to adopt IFRS 18 earlier if the FSC approves it.

#### 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 and Cash Equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	\$ 1,602	\$ 1,403	\$ 1,267
Bank Checks and Demand Deposits	312,517	481,831	442,926
Foreign Currency Demand Deposits	171,366	376,298	403,489
Cash Equivalents (Investments with Original Maturities of Three Months or Less)			
Time Deposits	40,000	60,000	-
	<u>\$ 525,485</u>	<u>\$ 919,532</u>	<u>\$ 847,682</u>

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

	September 30, 2025	December 31, 2024	September 30, 2024
Demand deposits	0.01%~0.73%	0.03%~0.80%	0.03%~1.45%
Time Deposits	1.47%	1.47%	-

## 7. Financial Instruments at Fair Value through Profit or Loss

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets - current</u>			
Held for trading			
– Cross-currency swap contracts(a)	<u>\$ -</u>	<u>\$ 2,501</u>	<u>\$ 840</u>
<u>Financial liabilities - current</u>			
Held for trading			
– Cross-currency swap contracts(a)	\$ 468	\$ -	\$ -
– Forward foreign exchange contracts(b)	-	55	-
– Exchange rate options (c)	<u>-</u>	<u>1,660</u>	<u>620</u>
	<u>\$ 468</u>	<u>\$ 1,715</u>	<u>\$ 620</u>

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

### September 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

### September 30, 2024

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

(b) At the balance sheet date, outstanding forward foreign exchange contracts not applicable to hedge accounting were as follows: (September 30, 2025 & September 30, 2024: None)

December 31, 2024

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

- c. The exchange rate option contracts that have not expired on the balance sheet date are as follows : (September 30, 2025 : None)

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

September 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
USD 1,000	Call Option	Seller	June 2025	USD : TWD 33.50
USD 1,000	Call Option	Seller	August 2025	USD : TWD 33.82
USD 1,000	Call Option	Seller	Feb. 2025	USD : TWD 32.60

**8. Financial assets at amortized cost**

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Current</u>			
Un-Pledged bank deposits			
Time deposits with original maturity of more than 3 months	\$ 5,137	\$ -	\$ 18,990
Pledged bank deposits			
Time deposits with original maturity of more than 3 months	3,400	31,614	11,770
Restricted demand deposits	48,136	25,209	41,160
	<u>\$ 56,673</u>	<u>\$ 56,823</u>	<u>\$ 71,920</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:

	September 30, 2025	December 31, 2024	September 30, 2024
Time deposits with original maturity of more than 3 months	0.67%~1.63%	1.63%~5.10%	1.17%~5.10%
Restricted demand deposits	0.33%~0.73%	0.64%~0.73%	0.64%~0.73%

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

## 9. Notes Receivable and Trade Receivables

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Notes receivable</u>			
Measured at amortized cost			
Total carrying amount	\$ 1,619	\$ 1,690	\$ 1,343
<u>Trade receivables</u>			
Measured at amortized cost			
Total carrying amount	\$ 309,312	\$ 297,936	\$ 295,280
Less: loss allowance	( 6,506 )	( 8,557 )	( 8,569 )
Trade receivables, net	\$ 302,806	\$ 289,379	\$ 286,711
<u>Receivables from related parties</u>			
Measured at amortized cost			
Total carrying amount	\$ 342,842	\$ 418,915	\$ 401,090

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:

### September 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	\$ 641,666	\$ 6,642	\$ 1,203	\$ 590	\$ 2	\$ 2,051	\$ 652,154
Loss allowance (lifetime expected credit losses)	( 3,861 )	( 106 )	( 350 )	( 137 )	( 1 )	( 2,051 )	( 6,506 )
Amortized cost	\$ 637,805	\$ 6,536	\$ 853	\$ 453	\$ 1	\$ -	\$ 645,648

### December 31, 2024

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

## September 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	\$ 685,383	\$ 6,115	\$ 1,567	\$ 1,372	\$ 591	\$ 1,342	\$ 696,370
Loss allowance (lifetime expected credit losses)	( 5,567)	( 438)	( 389)	( 308)	( 525)	( 1,342)	( 8,569)
Amortized cost	<u>\$ 679,816</u>	<u>\$ 5,677</u>	<u>\$ 1,178</u>	<u>\$ 1,064</u>	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 687,801</u>

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

	Nine Months Ended September 30, 2025	Nine Months Ended September 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	( 51)	49
Ending balance	<u>\$ 6,506</u>	<u>\$ 8,569</u>

## 10. Inventory

	September 30, 2025	December 31, 2024	September 30, 2024
Raw Material	\$ 210,698	\$ 286,226	\$ 305,683
Work in progress	181,997	180,479	137,792
Finished goods	26,743	23,128	18,279
Buy & Sell	<u>75,390</u>	<u>48,770</u>	<u>53,366</u>
	<u>\$ 494,828</u>	<u>\$ 538,603</u>	<u>\$ 515,120</u>

The nature of cost of goods sold is as follows:

	From July 1 to Sep. 30, 2025	From July 1 to Sep. 30, 2024	From January 1 to Sep. 30, 2025	From January 1 to Sep. 30, 2024
Cost of goods sold	\$ 462,836	\$ 461,955	\$ 1,280,176	\$ 1,520,908
Recognition (Reversal) of Inventory Write-down Loss	<u>4,000</u>	<u>( 29,967 )</u>	<u>8,000</u>	<u>( 24,567 )</u>
	<u>\$ 466,836</u>	<u>\$ 431,988</u>	<u>\$ 1,288,176</u>	<u>\$ 1,496,341</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		
			Sep.30, 2025	December 31, 2024	Sep. 30, 2024
The Company	Keep High Limited ("Keep High")	Holding of investments	100%	100%	100%
The Company	YeaShin 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%

Name of Investor	Name of Subsidiary	Nature of business	Percentage of Ownership		
			Sep.30, 2025	December 31, 2024	Sep. 30, 2024
Yea Shin	SeCos Corporation (“SeCos”)	Manufacturing of electronic parts and components R&D, design and sales	60%	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 September 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 September 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

Nine Months Ended September 30, 2025								
	Land	Houses and buildings	Machinery Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	Construction in progress and equipment pending inspection	Total Cost
<b>Cost</b>								
Balance as of January 1, 2025	\$ 593,991	\$ 547,276	\$ 2,084,986	\$ 21,612	\$ 407,064	\$ 34,383	\$ -	\$ 3,689,312
Increase	-	410	89,778	-	28,167	3,682	-	122,037
Dispose	-	( 5,017)	( 45,550)	( 590 )	( 100 )	( 2,440)	-	( 53,697)
Internal transfer	-	-	126,103	-	48,260	4,056	101,648	280,067
Effect of exchange rate	-	-	-	( 86 )	-	( 44)	-	( 130)
Balance as of Sep.30, 2025	<u>\$ 593,991</u>	<u>\$ 542,669</u>	<u>\$ 2,255,317</u>	<u>\$ 20,936</u>	<u>\$ 483,391</u>	<u>\$ 39,637</u>	<u>\$ 101,648</u>	<u>\$ 4,037,589</u>
<b>Accumulated depreciation</b>								
Balance as of January 1, 2025	\$ -	\$ 148,807	\$ 1,229,523	\$ 14,143	\$ 189,517	\$ 13,323	\$ -	\$ 1,595,313
Depreciation expense	-	21,607	95,921	1,316	21,263	4,191	-	144,298
Dispose	-	( 5,017)	( 44,659)	( 590)	( 100)	( 2,430)	-	( 52,796)
Effect of exchange rate	-	-	-	( 81)	-	( 39)	-	( 120)
Balance as of Sep. 30, 2025	<u>\$ -</u>	<u>\$ 165,397</u>	<u>\$ 1,280,785</u>	<u>\$ 14,788</u>	<u>\$ 210,680</u>	<u>\$ 15,045</u>	<u>\$ -</u>	<u>\$ 1,686,695</u>
Net as of Sep. 30, 2025	<u>\$ 593,991</u>	<u>\$ 377,272</u>	<u>\$ 974,532</u>	<u>\$ 6,148</u>	<u>\$ 272,711</u>	<u>\$ 24,592</u>	<u>\$ 101,648</u>	<u>\$ 2,350,894</u>



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

The Group did not process any assessment for impairment due to no signs of impairment for the nine months ended September 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	4 to 5 years
Leasehold Improvements	10 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

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amount of right-of-use assets			
Buildings	<u>\$ 143,578</u>	<u>\$ 161,298</u>	<u>\$ 166,737</u>
	For the Three Months ended September 30, 2025	For the Three Months ended September 30, 2024	For the Nine Months Ended September 30, 2025
Additions on right-of-use assets (Notes 28)			<u>\$ 3,670</u>
			<u>\$ 170,008</u>
Depreciation expense of right-of-use assets			
Buildings	<u>\$ 5,865</u>	<u>\$ 6,513</u>	<u>\$ 17,558</u>
			<u>\$ 12,741</u>

## b. Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amount of lease liabilities			
Current	\$ 18,624	\$ 19,389	\$ 21,117
Non-current	\$ 126,828	\$ 142,853	\$ 146,202

Intervals of discount rates for lease liabilities were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Buildings	1.00%~2.00%	1.00%~2.71%	1.00%~1.80%

## c. Other lease information

	For the Three Months ended September 30, 2025	For the Three Months ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
short term rental fees	\$ 105	\$ 67	\$ 185	\$ 230
Low value asset leasing expenses	\$ 16	\$ 15	\$ 47	\$ 47
Total cash outflow for leases	\$ 6,463	\$ 7,038	\$ 19,147	\$ 13,637

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

## 14. Goodwill

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

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 September 30, 2025 and 2024.

## 15. Intangible Assets

	Nine Months Ended September 30, 2025		
	Computer Software	Customer Relationship	Total
<u>Cost</u>			
Balance as of January 1, 2025	\$ 34,672	\$ 40,513	\$ 75,185
Acquired separately	1,042	-	1,042
Disposal	( 2,727)	-	( 2,727)
Internal transfer	6,478	-	6,478
Balance as of September 30, 2025	\$ 39,465	\$ 40,513	\$ 79,978
<u>Cumulative Amortization and Impairment</u>			
Balance as of January 1, 2025	\$ 12,025	\$ 3,224	\$ 15,249
Depreciation expense	4,173	2,330	6,503
Disposal	( 2,727)	-	( 2,727)
Balance as of September 30, 2025	\$ 13,471	\$ 5,554	\$ 19,025
Net Amount as of September 30, 2025	\$ 25,994	\$ 34,959	\$ 60,953

	Nine Months Ended September 30, 2024			
	Patent	Computer Software	Customer Relationship	Total
<u>Cost</u>				
Balance as of January 1, 2024	\$ 617	\$ 22,025	\$ -	\$ 22,642
Acquired from business combination ( Note 23 )	-	5,503	40,513	46,016
Acquired separately	-	4,917	-	4,917
Disposal	( 617 )	( 84 )	-	( 701 )
Balance as of September 30, 2024	<u>\$ -</u>	<u>\$ 32,361</u>	<u>\$ 40,513</u>	<u>\$ 72,874</u>
<u>Accumulated amortization and impairment</u>				
Balance as of January 1, 2024	\$ 617	\$ 7,945	\$ -	\$ 8,562
Acquired from business combination ( Note 23 )	-	297	-	297
Amortization expenses	-	3,613	2,544	6,157
Disposal	( 617 )	( 84 )	-	( 701 )
Balance as of September 30, 2024	<u>\$ -</u>	<u>\$ 11,771</u>	<u>\$ 2,544</u>	<u>\$ 14,315</u>
Net balance as of September 30, 2024	<u>\$ -</u>	<u>\$ 20,590</u>	<u>\$ 37,969</u>	<u>\$ 58,559</u>

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

Patent	10 years
Computer Software	3~15 years
Customer Relationship	13 years

## 16. Borrowings

### a. Short-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Secured loans</u>			
Bank loans	\$ 300,000	\$ 300,000	\$ 121,250
<u>Unsecured loans</u>			
Line of credit loans	330,000	290,000	493,750
Material purchase loan	28,396	-	-
	<u>\$ 658,396</u>	<u>\$ 590,000</u>	<u>\$ 615,000</u>

The interest rates of bank revolving borrowings on September 30, 2025 and December 31 and September 30, 2024 were 1.80%~5.27% , 1.80%~2.09% and 1.80%~2.72%, respectively.

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

### b. Long-term borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Secured loans</u>			
Bank loans (1)	\$ 47,930	\$ 52,198	\$ 53,608
Bank loans (2)	363,545	380,324	385,917
Bank loans (3)	100,000	100,000	100,000
Bank loans (4)	30,378	34,860	36,340
Bank loans (5)	-	-	4,000
Bank loans (6)	70,000	-	-
<u>Non-Secured loans</u>			
Bank loans (7)	3,467	4,853	5,311
Bank loans (8)	100,000	100,000	100,000
Bank loans (9)	-	-	16,000
Bank loans (10)	30,000	-	-
	<u>745,320</u>	<u>672,235</u>	<u>701,176</u>
Less: listed as portion matured in 1 year	( 136,109 )	( 35,919 )	( 45,745 )
Long-term borrowings	<u>\$ 609,211</u>	<u>\$ 636,316</u>	<u>\$ 655,431</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 September 30, 2025, December 31 and September 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 2.02%, 2.09% and 1.97% as of September 30, 2025, December 31 and September 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 September 30, 2025, December 31 and September 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 September 30, 2025, December 31 and September 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 September 30, 2024 was 2.22%.
- 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 September 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 averagely repaid after the period for the principal and the interests. The maturity date of the loan was June 30, 2027. The effective interest rates were 1.80% as of September 30, 2025, December 31 and September 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 September 30, 2025, December 31 and September 30, 2024, were 2.01%, 2.09%, and 1.94%, 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 September 30, 2024 was 2.22%.

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 September 30, 2025, was 2.03%, respectively.

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

## 17. Other Payables

	September 30, 2025	December 31, 2024	September 30, 2024
Salary and bonus payable	\$ 98,507	\$ 100,459	\$ 80,237
Payables for water, electricity, and gas	14,493	14,443	15,256
Equipment fees payable	11,563	5,778	6,642
Processing fees payable	8,249	16,580	17,361
Other	<u>95,490</u>	<u>111,972</u>	<u>92,952</u>
	<u>\$ 228,302</u>	<u>\$ 249,232</u>	<u>\$ 212,448</u>

## 18. Equity

### a. Share capital

	September 30, 2025	December 31, 2024	September 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>53,058</u>	<u>54,704</u>	<u>54,704</u>
Share capital issued	<u>\$ 530,579</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.

On July 29, 2025, the Company's Board of Directors resolved to cancel 1,646,000 treasury shares, with August 15, 2025 as the base date for the capital reduction. The relevant statutory registration procedures are still in progress.

### b. Capital surplus

	September 30, 2025	December 31, 2024	September 30, 2024
Issuance of shares at a premium	\$ 1,429,224	\$ 1,473,562	\$ 1,473,562
Recognition of changes in all equity interests in subsidiaries	43,538	43,538	43,538
Others	<u>849</u>	<u>849</u>	<u>849</u>
	<u>\$ 1,473,611</u>	<u>\$ 1,517,949</u>	<u>\$ 1,517,949</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	\$ 44,029	\$ 33,779
(Reversal of) appropriation to special surplus reserve	( \$ 1,912 )	\$ 981
Cash dividends	\$ 273,520	\$ 273,520
Cash Dividends Per Share (\$)	\$ 5.0	\$ 5.0

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.

On July 29, 2025, the Company's Board of Directors resolved to cancel 1,646,000 treasury shares, with August 15, 2025 as the base date for the capital reduction. The relevant statutory registration procedures are still in progress.

## 19. Revenue

	For the Three Months ended September 30, 2025	For the Three Months ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Revenue from contracts with customers				
Revenue from the sale of goods	<u>\$ 685,489</u>	<u>\$ 744,100</u>	<u>\$ 1,953,933</u>	<u>\$ 2,205,234</u>

### Contract balances

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Notes and trade receivables	<u>\$ 647,267</u>	<u>\$ 709,984</u>	<u>\$ 689,144</u>	<u>\$ 459,407</u>
Contract liabilities (included in other current liability)				
Sales of goods	<u>\$ 1,712</u>	<u>\$ 3,538</u>	<u>\$ 1,461</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 September 30, 2025	For the Three Months ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Property, plant and equipment	\$ 50,548	\$ 44,538	\$ 144,298	\$ 150,500
Right-of-use assets	5,865	6,513	17,558	12,741
Unamortized expenses	6,515	5,128	20,597	14,146
Intangible assets	<u>2,254</u>	<u>2,124</u>	<u>6,503</u>	<u>6,157</u>
	<u>\$ 65,182</u>	<u>\$ 58,303</u>	<u>\$ 188,956</u>	<u>\$ 183,544</u>
Depreciation expenses summarized by function				
Operating costs	\$ 26,825	\$ 28,023	\$ 79,845	\$ 83,967
Operating expenses	<u>29,588</u>	<u>23,028</u>	<u>82,011</u>	<u>79,274</u>
	<u>\$ 56,413</u>	<u>\$ 51,051</u>	<u>\$ 161,856</u>	<u>\$ 163,241</u>
Amortization expenses summarized by function				
Operating costs	\$ 3,796	\$ 4,084	\$ 12,385	\$ 12,067
Operating expenses				
Sales expenses	1,041	1,070	3,089	2,915
Management expenses	892	788	2,529	2,420
R&D expenses	<u>3,040</u>	<u>1,310</u>	<u>9,097</u>	<u>2,901</u>
	<u>\$ 8,769</u>	<u>\$ 7,252</u>	<u>\$ 27,100</u>	<u>\$ 20,303</u>

### b. Gains or losses on foreign currency exchange

	For the Three Months ended September 30, 2025	For the Three Months ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Total foreign exchange gains	\$ 17,825	\$ 8,324	\$ 40,426	\$ 63,116
Total foreign exchange losses	<u>1,131</u>	<u>( 23,683 )</u>	<u>( 74,970 )</u>	<u>( 40,093 )</u>
Net balance	<u>\$ 18,956</u>	<u>( \$ 15,359 )</u>	<u>( \$ 34,544 )</u>	<u>\$ 23,023</u>

c. Employee benefits expense

	For the Three Months ended September 30, 2025	For the Three Months ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Post-employment benefits				
Defined benefit plans	\$ 3,588	\$ 3,900	\$ 10,977	\$ 13,380
Salaries and bonus	<u>107,215</u>	<u>119,837</u>	<u>313,038</u>	<u>385,003</u>
	<u>\$ 110,803</u>	<u>\$ 123,737</u>	<u>\$ 324,015</u>	<u>\$ 398,383</u>
Summarized by function				
Operating costs	\$ 49,009	\$ 52,443	\$ 134,531	\$ 200,978
Operating expenses	<u>61,794</u>	<u>71,294</u>	<u>189,484</u>	<u>197,405</u>
	<u>\$ 110,803</u>	<u>\$ 123,737</u>	<u>\$ 324,015</u>	<u>\$ 398,383</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 September 30, 2024, is as follows:

Accrual rate

	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Employees' compensation	3.3%	1.7%

Amount of Cash

	For the Three Months ended September 30, 2025	For the Three Months ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Employees' compensation	<u>\$ 1,700</u>	<u>\$ 1,600</u>	<u>\$ 1,900</u>	<u>\$ 5,800</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimates and adjusted in the next year.

The board of directors of the Company held on February 25, 2025 and April 30, 2024 to approve the employees' compensation for years ended December 31, 2024 and 2023 as follows:

Amount of Cash

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

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

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



## 21. Income Tax

### a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Three Months ended September 30, 2025	For the Three Months ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Current income tax				
In respect of the current year	(\$ 1,547)	(\$ 17,794)	(\$ 8,670)	(\$ 29,335)
Adjustments for prior years	<u>2,903</u>	<u>-</u>	<u>27,859</u>	<u>5,857</u>
	<u>1,356</u>	<u>( 17,794)</u>	<u>19,189</u>	<u>( 23,478)</u>
Deferred income tax				
In respect of the current year	( 12,446)	6,264	( 2,576)	21,278
Adjustments for prior years	<u>-</u>	<u>-</u>	<u>( 32,624)</u>	<u>-</u>
	<u>( 12,446)</u>	<u>6,264</u>	<u>( 35,200)</u>	<u>21,278</u>
Income tax (expense) benefit recognized in profit or loss	<u>(\$ 11,090)</u>	<u>(\$ 11,530)</u>	<u>(\$ 16,011)</u>	<u>(\$ 2,200)</u>

### b. Income tax recognized in other comprehensive income

	For the Three Months ended September 30, 2025	For the Three Months ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
<u>Deferred income tax</u>				
Derived from this period				
- Translations of foreign operations	<u>(\$ 572)</u>	<u>(\$ 245)</u>	<u>\$ 669</u>	<u>(\$ 616)</u>

### 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 September 30, 2025	For the Three Months ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Basic earnings per share	<u>\$ 1.06</u>	<u>\$ 2.10</u>	<u>\$ 1.53</u>	<u>\$ 6.49</u>
Diluted earnings per share	<u>\$ 1.06</u>	<u>\$ 2.10</u>	<u>\$ 1.53</u>	<u>\$ 6.49</u>

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

Net profit attributable to shareholders of the parent company

	For the Three Months ended September 30, 2025	For the Three Months ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Net profit attributable to the owners of the company used to calculate basic and diluted earnings per share	<u>\$ 56,320</u>	<u>\$ 114,771</u>	<u>\$ 82,505</u>	<u>\$ 338,708</u>

Number of shares

Unit: Thousand shares	For the Three Months ended September 30, 2025	For the Three Months ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Weighted average number of common shares used to calculate basic earnings per share	53,058	54,704	53,845	52,175
Effect of potentially dilutive ordinary shares				
Employees' compensation	<u>13</u>	<u>21</u>	<u>21</u>	<u>29</u>
Weighted average number of common shares used to calculate diluted earnings per share	<u>53,071</u>	<u>54,725</u>	<u>53,866</u>	<u>52,204</u>

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

## 23. Business Combination

### a. Acquisition of subsidiaries

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

The 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

Cash	<u>SeCos</u> <u>\$ 180,000</u>
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c. Assets acquired and liabilities assumed on acquisition date

	SeCos
Current Assets	
Cash	\$ 140,778
Financial assets measured at amortized cost	1,008
Notes receivable, accounts receivable and other receivables	176,503
Inventory	104,359
Other current assets	454
Non-current assets	
Property, plant and equipment	42,827
Right-of-use assets	3,127
Intangible assets	45,719
Deferred tax assets	11,033
Prepaid equipment payment	2,161
Refundable deposits	644
Current liabilities	
Short-term loan	( 35,000 )
Notes payable, accounts payable and other payables	( 77,412 )
Income tax liabilities for the current period	( 8,162 )
Lease liability – current	( 3,131 )
Long-term borrowings due within one year	( 2,454 )
Other current liabilities	( 16,013 )
Non-current liabilities	
Long term loan	( 17,546 )
Deferred income tax liabilities	( 10,523 )
	<u>\$ 358,372</u>

d. Non-controlling equity

The non-controlling interest in SeCos (60% ownership interest) is measured based on the fair value of the non-controlling interest on the acquisition date of NT\$213,030 thousand. This fair value is based on the acquisition price of NT\$25 per share and also takes into account the controlling rights after a discount of 21.1%, the price is estimated to be NT\$19.725.

e. Goodwill arising from acquisitions

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

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

f. Net cash outflow from acquired subsidiaries

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

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

## 24. Equity Transactions with Non-controlling Interests

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

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

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

	Yea Shin 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	816,272	221,666
Equity transaction difference	<u>\$ 16,272</u>	<u>\$ 27,266</u>

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

## 25. Cash Flow Information

### a. Non-cash transactions

In addition to what has been disclosed in other notes, the consolidated company conducted the following non-cash transaction investment activities from January 1 to September 30, 2025 and 2024:

	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Increase in property, plant and equipment	\$ 122,037	\$ 107,905
Other payables	( 5,785 )	10,740
Amount of cash paid to purchase property, plant and equipment	<u>\$ 116,252</u>	<u>\$ 118,645</u>
Decrease in prepaid equipment costs	( \$ 85,556 )	( \$ 1,957 )
Internal transfers (Notes 12 and 15)	238,297	74,142
Acquisition through business combination (Notes 23)	-	( 2,161 )
Cash paid for prepaid equipment costs	<u>\$ 152,741</u>	<u>\$ 70,024</u>

b. Changes in liabilities from financing activities

	Non-cash changes					September 30 2025
	January 1 2025	Cash Flow	New lease	Financial costs	Others	
Short-term Loan	\$ 590,000	\$ 68,116	\$ -	\$ -	\$ 280	\$ 658,396
Long-term Loan	672,235	73,085	-	-	-	745,320
Lease liability	162,242	( 18,915)	3,670	2,288	( 3,833)	145,452
	<u>\$ 1,424,477</u>	<u>\$ 122,286</u>	<u>\$ 3,670</u>	<u>\$ 2,288</u>	<u>(\$ 3,553)</u>	<u>\$ 1,549,168</u>

	Non-cash changes						September 30 2024
	January 1 2024	Cash Flow	New lease	Financial costs	Acquisition of subsidiaries	Others	
Short-term Loan	\$ 600,000	( \$ 20,000)	\$ -	\$ -	\$ 35,000	\$ -	\$ 615,000
Long-term Loan	657,921	23,255	-	-	20,000	-	701,176
Lease liability	6,385	( 13,360)	170,008	1,120	3,131	35	167,319
	<u>\$ 1,264,306</u>	<u>( \$ 10,105)</u>	<u>\$ 170,008</u>	<u>\$ 1,120</u>	<u>\$ 58,131</u>	<u>\$ 35</u>	<u>\$ 1,483,495</u>

## 26. Capital Risk Management

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

## 27. Financial Instruments

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

1) Fair value hierarchy

September 30, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives	<u>\$ -</u>	<u>\$ 468</u>	<u>\$ -</u>	<u>\$ 468</u>

December 31, 2024

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

Financial liabilities at fair value through profit or loss

Derivatives	<u>\$ -</u>	<u>\$ 1,715</u>	<u>\$ -</u>	<u>\$ 1,715</u>
-------------	-------------	-----------------	-------------	-----------------

September 30, 2024

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

There were no transfers between Levels 1 and 2 for the nine months ended September 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

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets</u>			
Financial assets at amortized cost (Note 1)	\$ 1,259,078	\$ 1,725,144	\$ 1,638,689
Measured at fair value through profit or loss	-	2,501	840
Held for trading			
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	1,838,494	1,735,148	1,745,781
Measured at fair value through profit or loss			
Held for trading	468	1,715	620

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 nine months ended September 30, 2025 would decrease/increase by \$3,861 thousand; the net profit after tax of the Group for the nine months ended September 30, 2024 would decrease/increase by \$5,974 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:

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value interest rate risk			
— Financial assets	\$ 48,537	\$ 31,614	\$ 30,760
— Financial liabilities	245,452	162,242	167,319
Cash flow interest rate risk			
— Financial assets	549,796	957,372	901,567
— Financial liabilities	1,303,716	1,262,235	1,316,176

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 \$1,414 thousand on the Group's net profit after tax for the nine months ended September 30,

2025; It also, would impact to a decrease / increase of \$777 thousand on the Group's net profit after tax for the nine months ended September 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 53%, 59%, and 58% of the total trade receivable from the above-mentioned customer as of September 30, 2025, and December 31 and September 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.

#### September 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		\$ 539,263	\$ -	\$ -	\$ -	\$ -
Lease liabilities	1.99%	5,822	15,487	18,016	48,199	65,265
Floating-rate instruments	2.04%	532,216	277,240	144,948	361,607	18,327
Fixed interest rate	2.03%	508	1,523	101,172	-	-
		<u>\$ 1,077,809</u>	<u>\$ 294,250</u>	<u>\$ 264,136</u>	<u>\$ 409,806</u>	<u>\$ 83,592</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%	604,931	36,949	246,607	392,030	27,139
		<u>\$1,194,260</u>	<u>\$ 53,005</u>	<u>\$ 269,333</u>	<u>\$ 439,573</u>	<u>\$ 105,754</u>



## September 30, 2024

	Weighted Average Effective Rate (%)	Payment on Sight or Less than 3 Month	3 Months to 1 Year	1 to 2 Year(s)	2 to 5 Years	Over 5 Years
<u>Non-derivative</u>						
<u>financial liabilities</u>						
Non-interest bearing						
liabilities		\$ 518,016	\$ -	\$ -	\$ -	\$ -
Lease liabilities	1.23%	6,308	17,016	19,102	50,502	83,065
Floating-rate	1.94%					
instruments		<u>390,825</u>	<u>285,375</u>	<u>257,511</u>	<u>393,092</u>	<u>30,462</u>
		<u>\$ 915,149</u>	<u>\$ 302,391</u>	<u>\$ 276,613</u>	<u>\$ 443,594</u>	<u>\$ 113,527</u>

## ii. Financing facilities

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

	September 30, 2025	December 31, 2024	September 30, 2024
Secured bank financing facilities:			
— Amount used	\$ 1,403,716	\$ 1,262,235	\$ 1,316,176
— Amount unused	<u>601,604</u>	<u>600,000</u>	<u>551,330</u>
	<u>\$ 2,005,320</u>	<u>\$ 1,862,235</u>	<u>\$ 1,867,506</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
BCD Shanghai Micro-Electronics Limited (BCD)	Sister company

### b. Operating revenue

Line Item	Related Party Category/Name	For the Three Months ended September 30, 2025	For the Three Months ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Sales	Sister company				
	Diodes (TW)	\$ 126,896	\$ 139,988	\$ 335,028	\$ 294,190
	Diodes (HK)	124,133	226,665	461,638	843,456
	Diodes (Hsinchu)	8,481	5,709	23,702	6,892
	Diodes (Chengdu)	10,650	5,229	21,554	5,290
	Lite-on (Wuxi)	101,371	50,752	248,825	165,911
	Shanghai (SSEC)	68,034	88,319	144,770	229,305
	Kaihong Electronics	1,826	211	4,418	6,501
	BCD	2,147	-	2,147	-
	Kaihong Tech.	<u>238</u>	<u>64</u>	<u>327</u>	<u>291</u>
		<u>\$ 443,776</u>	<u>\$ 516,937</u>	<u>\$ 1,242,409</u>	<u>\$ 1,551,836</u>

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

c. Purchase

Line Item	Related Party Category/Name	For the Three Months ended September 30, 2025	For the Three Months ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Purchase	Sister company				
	Diodes (TW)	\$ 3,629	\$ 5,837	\$ 9,788	\$ 8,054
	Diodes (Hsinchu)	16,055	-	44,995	-
	Diodes (KL)	-	280	-	280
	Diodes (Chengdu)	-	12	-	12
		<u>\$ 19,684</u>	<u>\$ 6,129</u>	<u>\$ 54,783</u>	<u>\$ 8,346</u>

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

d. Receivables from related parties

Line Item	Related Party Category/Name	September 30, 2025	December 31, 2024	September 30, 2024
Trade receivables from related parties	Sister company			
	Diodes (TW)	\$ 98,272	\$ 108,771	\$ 116,028
	Diodes (HK)	105,791	218,291	184,488
	Diodes (Hsinchu)	7,077	3,540	4,372
	Diodes (Chengdu)	5,923	4,038	5,161
	Lite-on (Wuxi)	74,475	62,783	40,469
	Shanghai (SSEC)	48,656	20,573	50,369
	Kaihong Electronics	914	830	140
	BCD	1,536	-	-
	Kaihong Tech.	198	89	63
		<u>\$ 342,842</u>	<u>\$ 418,915</u>	<u>\$ 401,090</u>
Other Trade receivables	Sister company			
	Diodes (TW)	\$ 167	\$ 926	\$ -
	Diodes (KL)	-	131	4,124
	Shanghai (SSEC)	-	-	18
		<u>\$ 167</u>	<u>\$ 1,057</u>	<u>\$ 4,142</u>

No secure was received for the outstanding amount of receivables from related parties. No loss allowances were set aside for receivables from related parties as of September 30, 2025, and December 31 and September 30, 2024.

e. Amounts payable to related parties

Line Item	Related Party Category/Name	September 30, 2025	December 31, 2024	September 30, 2024
Payables from related parties	Sister company			
	Diodes (TW)	\$ 3,860	\$ 5,023	\$ 5,988
	Diodes (Hsinchu)	18,591	5,132	-
	Diodes (KL)	-	296	286
	Diodes (Chengdu)	-	-	12
		<u>\$ 22,451</u>	<u>\$ 10,451</u>	<u>\$ 6,286</u>
Other payables - related parties	Sister company			
	Diodes (TW)	\$ 2,366	\$ -	\$ -
	Diodes (KL)	-	-	151
		<u>\$ 2,366</u>	<u>\$ -</u>	<u>\$ 151</u>

f. Property, plant and equipment acquired

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

g. Rental agreement

Related Party Category/Name	September 30, 2025	September 30, 2024
<u>Acquisition of right-to-use assets</u>		
Sister company		
Diodes (TW)	\$ <u>-</u>	\$ <u>161,444</u>

Line Item	Related Party Category/Name	September 30, 2025	December 31, 2024	September 30, 2024
Lease liability	Sister company			
	Diodes (TW)	\$ <u>141,740</u>	\$ <u>152,888</u>	\$ <u>156,567</u>

Line Item	Related Party Category / Name	For the Three Months ended September 30, 2025	For the Three Months ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Interest Expense	Sister company				
	Diodes (TW )	\$ <u>715</u>	\$ <u>789</u>	\$ <u>2,201</u>	\$ <u>1,056</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 September 30, 2025	For the Three Months ended September 30, 2024	For the Nine Months Ended September 30, 2025	For the Nine Months Ended September 30, 2024
Short-term employee benefits	\$ 4,131	\$ 4,257	\$ 16,840	\$ 17,006
Post-employment benefits	<u>27</u>	<u>27</u>	<u>81</u>	<u>81</u>
	\$ <u>4,158</u>	\$ <u>4,284</u>	\$ <u>16,921</u>	\$ <u>17,087</u>

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

## 29. Pledged Assets

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

	September 30, 2025	December 31, 2024	September 30, 2024	Nature
Bank time deposits (classified as financial assets at amortized cost)	\$ 3,400	\$ 31,614	\$ 11,770	endorsements/guarantees and short-term borrowings
Bank demand deposits (classified as financial assets at amortized cost)	66,313	39,342	55,253	Short-term and long-term borrowings
Property and plant	<u>873,540</u>	<u>879,041</u>	<u>893,345</u>	Short-term and long-term borrowings
	\$ <u>943,253</u>	\$ <u>949,997</u>	\$ <u>960,368</u>	

### 30. Significant Contingent Liabilities and Unrecognized Contract Commitments

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

	September 30, 2025	December 31, 2024	September 30, 2024
Amount of Contract Commitments	\$ 192,232	\$ 292,633	\$ 161,657
Amount Paid (classified as prepayments for equipment)	\$ 126,193	\$ 110,101	\$ 86,149

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

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

Unit: Foreign currency/NT\$ thousands, Except for Exchange Rate				
September 30, 2025				
	Foreign Currency	Exchange rate (\$)	Functional Currency	NTD
<b>Financial assets</b>				
<u>Monetary items</u>				
USD	\$ 18,914	30.4450 (USD:NTD)	\$ 575,837	\$ 575,837
RMB	1,450	4.2710 (RMB:NTD)	6,193	6,193
EUR	271	35.7700 (EUR:NTD)	9,694	9,694
<u>Non-monetary items</u>				
Investments accounted for using the equity method				
USD	2,291	30.4450 (USD:NTD)	69,736	69,736
RMB	16,081	0.1403 (RMB:USD)	2,296	69,892
Derivatives				
USD	1,000	30.4450 (USD:NTD)	30,445	30,445
<b>Financial liabilities</b>				
<u>Monetary items</u>				
USD	7,513	30.4450 (USD:NTD)	228,733	228,733
December 31, 2024				
	Foreign Currency	Exchange rate (\$)	Functional Currency	NTD
<b>Financial assets</b>				
<u>Monetary items</u>				
USD	\$ 16,354	32.7850 (USD:NTD)	\$ 536,166	\$ 536,166
USD	270	7.3213(USD:RMB)	1,977	8,852
RMB	1,421	4.4780 (RMB:NTD)	6,363	6,363
EUR	369	34.1400 (EUR:NTD)	12,598	12,598
<u>Non-monetary items</u>				
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
<b>Financial liabilities</b>				
<u>Monetary items</u>				
USD	8,958	32.7850 (USD:NTD)	293,688	293,688
<u>Non-monetary items</u>				
Derivatives				
USD	6,500	32.7850 (USD:NTD)	213,103	213,103

September 30, 2024

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

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

					Unit: NT\$ Thousands, Except for Exchange Rate				
			Three Months Ended September 30, 2025				Three Months Ended September 30, 2024		
			Net Foreign Exchange Gains (Losses)				Net Foreign Exchange Gains (Losses)		
Foreign Currency	Exchange Rate				Exchange Rate				
USD	29.9500 (USD:NTD)		\$ 18,246		32.3010 (USD:NTD)		( \$ 15,073 )		
USD	7.1289 (USD:RMB)		( 35 )		7.1150 (USD:RMB)		( 123 )		
EUR	35.0600 (EUR:NTD)		279		35.0450 (EUR:NTD)		( 169 )		
Others			466				6		
			\$ 18,956				( \$ 15,359 )		
			Nine Months Ended September 30, 2025				Nine Months Ended September 30, 2024		
			Net Foreign Exchange Gains (Losses)				Net Foreign Exchange Gains (Losses)		
Foreign Currency	Exchange Rate				Exchange Rate				
USD	31.6150 (USD:NTD)		( \$ 35,184 )		32.0330 (USD:NTD)		\$ 22,893		
USD	7.2248 (USD:RMB)		146		7.2100 (USD:RMB)		141		
EUR	35.7700 (EUR:NTD)		99		35.3800 (EUR:NTD)		( 114 )		
Others			395				103		
			( \$ 34,544 )				\$ 23,023		

## 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.

## Net assets and transfer prices on acquisition date

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

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

## 33. Supplementary Disclosures

### a. Information on significant transactions:

- 1) Financing provided to others: None.
- 2) Endorsements/guarantees provided to others: None
- 3) Marketable securities held at end of period (excluding investments in subsidiaries): None.
- 4) Purchases or sales with related parties amounting to NT\$100 million or 20% of paid-in capital or more: Please refer to Attached Table 1.
- 5) Receivables from related parties amounting to NT\$100 million or 20% of paid-in capital or more: Please refer to Attached Table 2.
- 6) Other: Business relations and important transactions and amounts between parent and subsidiary companies and between subsidiaries: Please refer to Attached Table 3.

### b. Intercompany relationships and significant intercompany transactions: Please refer to Attached Table 4.

### c. Information on investments in Mainland China:

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

### 34. Segment Information

The information provided to major operating decision makers for allocating resources and evaluating department performance, in addition to considering department managers, focuses on each operating entity and the types of products or services provided. The departments that the consolidate company should report are as follows

- Eris Technology and Jie Cheng - mainly manufacturing and selling in diodes.
- Yea Shin - mainly manufacturing and selling in wafers.
- SeCos - mainly R&D, design and sales of diodes, ICs, heat sinks and chips.

#### Department revenues and operating results

The revenue and operating results of the Group's continuing operating units are analyzed according to the reporting department as follows:

##### For the Nine Months Ended September 30, 2025

	Eris Technology and Jie Cheng	Yea Shin	SeCos	Adjustments and write-offs	Total
Revenue from external customers	\$ 973,517	\$ 627,438	\$ 352,978	\$ -	\$ 1,953,933
Inter-departmental revenue	<u>39,537</u>	<u>340,743</u>	<u>904</u>	( <u>381,184</u> )	<u>-</u>
Department revenue	<u>\$ 1,013,054</u>	<u>\$ 968,181</u>	<u>\$ 353,882</u>	( <u>\$ 381,184</u> )	<u>\$ 1,953,933</u>
Department profit and loss	<u>\$ 84,379</u>	<u>\$ 144,336</u>	<u>\$ 27,785</u>	( <u>\$ 167,712</u> )	<u>\$ 88,788</u>
Department assets	<u>\$ 4,238,733</u>	<u>\$ 2,099,920</u>	<u>\$ 393,123</u>	( <u>\$ 2,102,364</u> )	<u>\$ 4,629,412</u>
Department liabilities	<u>\$ 1,756,182</u>	<u>\$ 377,616</u>	<u>\$ 117,317</u>	( <u>\$ 101,771</u> )	<u>\$ 2,149,344</u>

##### For the Nine Months Ended September 30, 2024

	Eris Technology and Jie Cheng	Yea Shin	SeCos	Adjustments and write-offs	Total
Revenue from external customers	\$ 1,298,810	\$ 563,857	\$ 342,567	\$ -	\$ 2,205,234
Inter-departmental revenue	<u>36,597</u>	<u>760,284</u>	<u>1,190</u>	( <u>798,071</u> )	<u>-</u>
Department revenue	<u>\$ 1,335,407</u>	<u>\$ 1,324,141</u>	<u>\$ 343,757</u>	( <u>\$ 798,071</u> )	<u>\$ 2,205,234</u>
Department profit and loss	<u>\$ 339,125</u>	<u>\$ 185,317</u>	<u>\$ 18,812</u>	( <u>\$ 309,960</u> )	<u>\$ 233,294</u>
Department assets	<u>\$ 4,554,500</u>	<u>\$ 2,321,192</u>	<u>\$ 568,695</u>	( <u>\$ 2,539,018</u> )	<u>\$ 4,905,369</u>
Department liabilities	<u>\$ 1,722,648</u>	<u>\$ 476,760</u>	<u>\$ 157,080</u>	( <u>\$ 282,888</u> )	<u>\$ 2,073,600</u>

TABLE 1

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

Purchases or Sales with Related Parties Amounting to NT\$100 Million or 20% of Paid-in Capital or More  
For the Nine Months ended September 30, 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 Hong Kong Limited	Same as the Company's ultimate parent company	Sales	( \$ 461,638 )	48.39%	Net 60 payment term	None	None	\$ 105,791	44.34%	-
Eris Technology Corp.	Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg)	Same as the Company's ultimate parent company	Sales	( 335,028 )	34.10%	Net 60 payment term	None	None	98,272	40.23%	-
Eris Technology Corp.	Yea Shin Technology Co., Ltd.	The Company's subsidiary	Purchases	332,103	43.10%	Net 60 payment term	None	None	( 86,919 )	46.05%	Note
Yea Shin Technology Co., Ltd.	Shanghai Seefull Electronic Co., Ltd.	Same as the Company's ultimate parent company	Sales	( 144,770 )	14.85%	Net 60 payment term	None	None	48,656	15.43%	-
Yea Shin Technology Co., Ltd.	Lite-on Microelectronics Wuxi Co. Ltd. ( Lite-on (Wuxi) )	Same as the Company's ultimate parent company	Sales	( 248,825 )	25.53%	Net 60 payment term	None	None	74,475	23.62%	-

Note : The relevant transactions have been reversed in the consolidated financial statements.



TABLE 2

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

Receivables from Related Parties Amounting to NT\$100 Million or 20% of the Paid-in Capital or More  
September 30, 2025

Company recording the receivables	Counterparty	Relationship	Balance Receivables from Related Parties	Turnover rate	Overdue Receivables from Related Parties		Amounts of Receivables from Related Parties Received in Subsequent Period (Note 1)	Amount of Loss Allowance
					AMOUNT	Actions Taken		
Eris Technology Corp.	Diodes Hong Kong Limited	Same as the Company's ultimate parent company	105,791	3.80	\$ -	—	\$ 48,350	\$ -

Note 1: This refers to the amount recovered up to the date of the consolidated financial statements.

TABLE 3

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

**Intercompany Relationships and Significant Intercompany Transactions**  
For the Nine Months ended September 30, 2025

Unit: NT\$ Thousands

No. (Note 1)	Company	Counterparty	Relationship with Investor (Note 2)	Transactions Details			
				Ledger Account	Amount (Note 4)	Transaction Term	Ratio of Consolidated Total Revenue or Total Assets (Note 3)
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Trade receivables	\$ 1,798	-	0.04%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Trade payables	748	-	0.02%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Sales	4,832	No significant difference from general customers	0.24%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Purchases	24,756	No significant difference from general customers	1.24%
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Other business expenses	407	No significant difference from general customers	0.02%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Trade receivables	3,755	-	0.08%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Trade payables	86,919	-	1.88%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Sales	7,673	No significant difference from general customers	0.39%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Purchases	332,103	No significant difference from general customers	16.67%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Processing fees	3,070	No significant difference from general customers	0.15%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Rental	857	No significant difference from general customers	0.04%
0	Eris Technology Corp.	SeCos Corporation	1	Sales	27,369	No significant difference from general customers	1.37%
0	Eris Technology Corp.	SeCos Corporation	1	Trade receivables	10,764	-	0.23%
0	Eris Technology Corp.	SeCos Corporation	1	Trade payables	312	-	0.01%
0	Eris Technology Corp.	SeCos Corporation	1	Purchases	843	No significant difference from general customers	0.04%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Sales	2,890	No significant difference from general customers	0.15%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Trade receivables	139	-	-
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Trade payables	571	-	0.01%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Purchases	2,734	No significant difference from general customers	0.14%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Other Income	2,857	No significant difference from general customers	0.14%
1	Yea Shin Technology Co., Ltd.	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Other receivables	921	-	0.02%
1	Yea Shin Technology Co., Ltd.	SeCos Corporation	3	Sales	2,680	No significant difference from general customers	0.13%
1	Yea Shin Technology Co., Ltd.	SeCos Corporation	3	Trade receivables	977	-	0.02%
1	Yea Shin Technology Co., Ltd.	SeCos Corporation	3	Trade payables	62	-	-
1	Yea Shin Technology Co., Ltd.	SeCos Corporation	3	Purchases	61	No significant difference from general customers	-
1	SeCos Corporation	Jie Cheng Electronic (Shanghai) Co., Ltd.	3	Sales	6,320	No significant difference from general customers	0.32%
1	SeCos Corporation	Jie Cheng Electronic (Shanghai) Co., Ltd.	1	Trade receivables	3,377	-	0.07%

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.

TABLE4

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

**Related Information on Name of Investee, Location, and So On**  
For the Nine Months ended September 30, 2025

Unit: NT\$ Thousands, Unless Specified Otherwise

Name of Investor	Name of Investee	Location	Principal Business Activities	Original Investment Amount (Note 1)		Ending Balance			Net Income (Loss) of the Investee for the Period (Note 2 and6)	Investment Profit (Loss) Recognized for the Period (Note 2 and 3)	Note
				End of the Period	Year-end of the last year	Number of shares (in thousands)	Ratio (%)	Carrying Amount (Note 3)			
Eris Technology Corp.	Keep High Limited	SEYCHELLES	Holding of investments	\$ 20,776 ( USD 670 thousand )	\$ 20,776 ( USD 670 thousand )	N/A	100	\$ 69,736	\$ 1,874 (USD 59 thousand)	\$ 1,985 (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	1,662,891	144,336	142,516 (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	166,063	27,785	10,245	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	194,037	27,785	15,374	Subsidiary
Keep High Limited	Forever Eagle Incorporation	MAURITIUS	Holding of investments	20,473 ( USD 660 thousand )	20,473 (USD 660 thousand )	N/A	100	69,892 ( USD 2,296 thousand )	1,874 ( USD 59 thousand )	1,874 ( USD 59 thousand )	Sub-subsubsidiary

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

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

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

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

Note 5: Please refer to Table 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

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

**Information on Investments in Mainland China**  
For the Nine Months ended September 30, 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 ( USD650 thousand )	\$ -	\$ -	\$ 20,170 ( USD 650 thousand )	\$ 1,874 (RMB 428 thousand)	100%	\$ 1,874 (RMB 428 thousand )	\$ 69,892	\$ -

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)	\$19,789 (USD 650 thousand)	\$1,447,595

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

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

Note 3: Translation was based on the period-end exchange rate of USD on September 30, 2025.

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

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

**Any of the Following Significant Transactions with Investee Companies in Mainland China, Either Directly or Indirectly through a Third Party, and Their Prices, Payment Terms, and Unrealized Gains or Losses, and Other Related Information**  
For the Nine Months ended September 30, 2025

Unit: NT\$ Thousands, Unless Specified Otherwise

Counterparty	Transaction Details			Details and Reasons for Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
	Purchases (Sales)	AMOUNT	Ratio of Total Purchases (Sales) (%)	Unit price	Credit Period	Balance	Ratio of Notes/Accounts Receivable (Payable) (%)	
Jie Cheng Electronic (Shanghai) Co., Ltd.	Sales	( \$ 14,042 )	0.61%	None	None	\$ 5,314	0.73%	Note
Jie Cheng Electronic (Shanghai) Co., Ltd.	Purchases	27,490	2.09%	None	None	( 1,319 )	0.32%	Note
Jie Cheng Electronic (Shanghai) Co., Ltd	Other Income	( 2,857 )	-	None	None	921	5.61%	Note

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