

## **Eris Technology Corporation and Subsidiaries**

**Consolidated Financial Statements  
with Independent Auditors' Report  
for the Years Ended  
December 31, 2025 and 2024**

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For the convenience of readers and for information purposes only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English and the Chinese version or any differences in interpretation between the two versions, the original Chinese version shall prevail.

Note: The accompanying financial statements have been translated into English from the original Chinese version, and the English version is not audited by certified public accountant.

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## **Declaration of Combined Financial Statements of Affiliated Enterprises**

For the year 2025 (from January 1 to December 31), the entities required to be included in the preparation of the combined financial statements of affiliated enterprises in accordance with the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the parent-subsiidiary consolidated financial statements prepared in accordance with International Financial Reporting Standard No.10. Furthermore, the relevant disclosures required in the combined financial statements of affiliated enterprises have all been included in the aforementioned parent-subsiidiary consolidated financial statements. Therefore, a separate set of combined financial statements of affiliated enterprises will not be prepared.

Hereby declared

Eris Technology Corporation

Chairman: Jonathan Chang

Date: Feb. 25, 2026

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors of Eris Technology Corporation

### Opinion

The consolidated balance sheets of Eris Technology Corporation and its subsidiaries as of December 31, 2025 and 2024, and the consolidated statements of income and loss, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements (including a summary of significant accounting policies) for the years ended December 31, 2025 and 2024, have been audited by this accountant.

In this accountant's opinion, the above-mentioned consolidated financial statements, in all material respects, have been prepared in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations, and interpretative announcements approved and issued by the Financial Supervisory Commission, and sufficiently present the consolidated financial position of Eris Technology Corporation and its subsidiaries as of December 31, 2025 and 2024, and their consolidated financial performance and consolidated cash flows for the years ended December 31, 2025 and 2024.

### Basis for opinion

This accountant has performed its audit in accordance with the rules for auditors' audits and certification of financial statements and auditing standards. The accountants' responsibilities under these standards will be further explained in the section on auditors' responsibilities in auditing consolidated financial statements. Personnel in the firm to which this accountant belongs, who are subject to the independence code, have maintained absolute independence from Eris Technology Corporation and its subsidiaries in accordance with the Code of Ethics for Auditors and have fulfilled other responsibilities under that code. This accountant believes that sufficient and appropriate audit evidence has been obtained to form the basis for its audit opinion.

### Key audit matters

The key audit matters concerning the consolidated financial statements of Eris Technology Co., Ltd. and its subsidiaries for the year ended 2025 are described below:

#### Authenticity of Sales Revenue

Due to the impact of international political and economic conditions and adjustments to the Group's business, the sales revenue of Eris Technology Corporation and its subsidiaries in 2025 decreased by 10% (NT\$289,022,000) to NT\$2,636,632,000 compared to the previous year. The sales mix between related and unrelated parties also underwent significant changes in 2025 compared to previous years. Considering the changes in sales conditions and the inherent risks of sales revenue, the auditors have identified the authenticity and proper recognition of all sales revenue to related and unrelated parties in 2025 as a key audit matter for the year.

For accounting policies regarding revenue recognition, please refer to Note 4 to the consolidated financial statements.

The auditor's procedures for addressing key audit matters during the audit are as follows:

1. Understand and assess the internal control system related to sales revenue recognition and test the effectiveness of the design and implementation of such controls.
2. Perform sampling audits on the full-year sales revenue details, examining invoices and shipping documents, and verifying them against relevant receipt vouchers to confirm the authenticity of revenue.
3. Review subsequent sales returns and allowances to confirm the reasonableness of revenue recognition.
4. Send letters to relevant parties to verify the amount of sales revenue for the year to confirm the authenticity of revenue.

### **Other Matters**

Eris Technology Corporation has prepared its individual financial statements for the years 2025 and 2024, and the audit reports issued by this accountant with unqualified opinions are on file and available for reference.

### **Management and Governance Entities' Responsibilities for Consolidated Financial Statements**

Management's responsibility is to prepare reasonably presented consolidated financial statements in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations, and interpretative announcements approved and issued by the Financial Supervisory Commission, and to maintain necessary internal controls relating to the preparation of consolidated financial statements to ensure that the consolidated financial statements are free from material misrepresentation resulting from fraud or error.

In preparing the consolidated financial statements, management's responsibility also includes assessing Eris Technology Corporation and its subsidiaries' ability to continue as a going concern, the disclosure of relevant matters, and the adoption of the going concern accounting basis, unless management intends to liquidate Eris Technology Corporation and its subsidiaries or cease operations, or there are no other practically feasible options besides liquidation or cessation of operations.

The governance bodies (including audit committees) of Eris Technology Corporation and its subsidiaries are responsible for overseeing the financial reporting process.

### **Auditor's Responsibilities in Auditing Consolidated Financial Statements**

The purpose of this auditor's audit of the consolidated financial statements is to obtain reasonable confidence in whether there are any material misstatements in the consolidated financial statements as

whole, whether resulting from fraud or error, and to issue an audit report. Reasonable confidence is a high degree of confidence; however, an audit performed in accordance with auditing standards cannot guarantee that all material misstatements in the consolidated financial statements will be detected. Misstatements may result from fraud or error. A misstatement is considered material if the individual amounts or aggregate figures are reasonably expected to influence the economic decisions of users of the consolidated financial statements.

In auditing in accordance with auditing standards, this auditor uses professional judgment and professional skepticism. This auditor also performs the following procedures:

1. Identify and assess the risks of material misrepresentation in the consolidated financial statements due to fraud or error; design and implement appropriate countermeasures for the assessed risks; and obtain sufficient and appropriate audit evidence to form the basis of the audit opinion. Because fraud may involve conspiracy, forgery, intentional omissions, misrepresentations, or breaches of internal control, the risk of not detecting a material misrepresentation due to fraud is higher than that due to error.
2. Obtain the necessary understanding of the internal controls relevant to the audit in order to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Eris Technology Corporation and its subsidiaries.
3. Assess the appropriateness of the accounting policies adopted by management and the reasonableness of their accounting estimates and related disclosures.
4. Based on the audit evidence obtained, this auditor will conclude the appropriateness of management's adoption of the going concern accounting basis and whether there is material uncertainty regarding events or circumstances that may cast significant doubt on the ability of Eris Technology Corporation and its subsidiaries to continue as working. If this auditor believes that such events or circumstances involve material uncertainty, it will be required to draw the attention of users of the consolidated financial statements to the relevant disclosures in the consolidated financial statements in the audit report or revise the audit opinion if such disclosures are deemed inappropriate. This auditor's conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may cause Eris Technology Corporation and its subsidiaries to cease to be able to continue as working.
5. Assess the overall presentation, structure, and content of the consolidated financial statements (including related notes), and whether the consolidated financial statements adequately present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the constituent entities within the Group to express an opinion on the consolidated financial statements. The auditor is responsible for guiding, supervising, and executing the Group audit, and for forming the Group audit opinion.

The auditor communicates with the governing body regarding matters including the planned scope

and timing of the audit, and significant audit findings (including significant deficiencies in internal control identified during the audit process).

The auditor also provides the governing body with information that personnel within the auditor's firm who are subject to independence regulations have complied with the independence declaration in the Code of Ethics for Accountants, and communicates with the governing body all relationships and other matters (including relevant safeguards) that may affect the auditor's independence.

Based on communications with the governed entities, this auditor has identified key audit matters for the audit of the consolidated financial statements of Eris Technology Corporation and its subsidiaries for the fiscal year 2025. These matters are described in this audit report. Unless legally prohibited from public disclosure of specific matters, or in extremely rare circumstances, this auditor has decided not to communicate specific matters in the audit report, as the negative impact of such communication is reasonably expected to outweigh the public interest gained.

**Deloitte & Touche**

Certified Public Accountant  
Sabrina Liu  
Approval number  
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March 09, 2026

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.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

**ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

Code	Assets	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash (Notes 4 and 6)	\$ 665,979	14	\$ 919,532	18
1110	Financial assets at fair value through profit or loss – Current (Notes 4 and 7)	-	-	2,501	-
1136	Financial assets at amortized cost - current (Notes 4, 8 and 29)	122,262	3	56,823	1
1150	Notes receivable (Notes 4, 9 and 19)	1,224	-	1,690	-
1170	Trade receivables, net (Notes 4, 9 and 19)	275,510	6	289,379	6
1180	Trade receivables from related parties (Notes 4, 9, 19 and 28)	326,166	7	418,915	8
1200	Other receivables (Note 4 and 28)	12,656	-	18,139	1
1220	Tax assets for the current period (Notes 4 and 21)	2,742	-	-	-
130X	Inventories, net (Notes 4, 5 and 10)	462,934	10	538,603	11
1470	Other current assets	<u>11,041</u>	-	<u>12,759</u>	-
11XX	Total current assets	<u>1,880,514</u>	<u>40</u>	<u>2,258,341</u>	<u>45</u>
	<b>Non-current assets</b>				
1535	Financial assets at amortized cost – non-current (Notes 4, 8 and 29)	-	-	14,133	-
1600	Property, plant and equipment (Notes 4, 12,28,29 and 30)	2,336,673	50	2,093,999	42
1755	Rights-of-use assets (Notes 4, 13 and 28)	137,622	3	161,298	3
1805	Goodwill (Notes 4 and 14)	58,728	1	58,728	1
1821	Other intangible assets (Note 4 and 15)	68,896	2	59,936	1
1840	Deferred tax assets (Note 4, 5 and 21)	189,142	4	234,967	5
1915	Prepayments for equipment (Note 30)	10,271	-	110,101	2
1920	Refundable deposits (Note 4 and 28)	7,286	-	8,076	-
1990	Other non-current assets	<u>6,301</u>	-	<u>20,057</u>	<u>1</u>
15XX	Total non-current assets	<u>2,814,919</u>	<u>60</u>	<u>2,761,295</u>	<u>55</u>
1XXX	Total assets	<u>\$ 4,695,433</u>	<u>100</u>	<u>\$ 5,019,636</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current Liabilities</b>				
2100	Short-term borrowings (Note 16 and 29)	\$ 607,758	13	\$ 590,000	12
2120	Financial liabilities at fair value through profit or loss – current (Notes 4 and 7)	-	-	1,715	-
2170	Trade payables	253,277	5	323,308	6
2180	Trade payables-related (Note 28)	23,987	1	10,451	-
2200	Other payables (Note 17 and 28)	263,765	6	249,232	5
2230	Current tax liabilities (Note 4 and 21)	9,130	-	28,252	1
2280	Lease liabilities - current (Notes 4, 13 and 28)	16,887	-	19,389	-
2320	Current portions of long-term borrowings (Note 16 and 29)	36,173	1	35,919	1
2399	Other current liabilities (Note 19)	<u>37,319</u>	<u>1</u>	<u>24,195</u>	<u>1</u>
21XX	Total current liabilities	<u>1,248,296</u>	<u>27</u>	<u>1,282,461</u>	<u>26</u>
	<b>Non-current liabilities</b>				
2540	Long-term borrowings (Note 16 and 29)	750,143	16	636,316	13
2570	Deferred tax liabilities (Note 4 and 21)	19,065	-	21,333	-
2580	Lease liabilities - non-current (Notes 4, 13 and 28)	122,782	3	142,853	3
2645	Deposit Margin	12	-	12	-
2670	Other non-current liabilities	<u>8,521</u>	-	<u>-</u>	-
25XX	Total non-current liabilities	<u>900,523</u>	<u>19</u>	<u>800,514</u>	<u>16</u>
2XXX	Total liabilities	<u>2,148,819</u>	<u>46</u>	<u>2,082,975</u>	<u>42</u>
	<b>Equity (Note 18)</b>				
3100	Ordinary share	<u>530,579</u>	<u>11</u>	<u>547,039</u>	<u>11</u>
3200	Capital surplus	<u>1,473,611</u>	<u>32</u>	<u>1,517,949</u>	<u>30</u>
	<b>Retained earnings</b>				
3310	Legal reserve	220,530	5	176,501	4
3320	Special reserve	686	-	2,598	-
3350	Unappropriated earnings	<u>251,573</u>	<u>5</u>	<u>618,133</u>	<u>12</u>
3300	Total retained earnings	<u>472,789</u>	<u>10</u>	<u>797,232</u>	<u>16</u>
3400	Other equity	( <u>453</u> )	-	( <u>686</u> )	-
31XX	Total equity attributable to owners of the Company	<u>2,476,526</u>	<u>53</u>	<u>2,861,534</u>	<u>57</u>
36XX	Non-controlling interests (Note 11)	<u>70,088</u>	<u>1</u>	<u>75,127</u>	<u>1</u>
3XXX	Total equity	<u>2,546,614</u>	<u>54</u>	<u>2,936,661</u>	<u>58</u>
	<b>Total Liabilities and Equity</b>	<u>\$ 4,695,433</u>	<u>100</u>	<u>\$ 5,019,636</u>	<u>100</u>

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

## ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

### Consolidated Statements of Comprehensive Income

For the year ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

Code		2025		2024	
		Amount	%	Amount	%
	Operation Revenue (Note 4, 19 and 28)				
4110	Sales	\$ 2,688,136	102	\$ 2,963,785	101
4170	Less: Sales return and allowance	( 51,504 )	( 2 )	( 38,131 )	( 1 )
4000	Net operating revenue	2,636,632	100	2,925,654	101
5000	Cost of good Sales (Note 10, 20 and 28)	1,721,600	65	1,929,836	66
5900	Gross Profit	915,032	35	995,818	34
	Operating Expenses (Note 9 and 20)				
6100	Selling and Marketing	109,653	4	110,831	4
6200	General and Administrative expenses	267,122	10	329,449	11
6300	Research and Development	320,687	13	236,357	8
6000	Total operating expenses	697,462	27	676,637	23
6900	Net operating Income	217,570	8	319,181	11
	Non-operating income and expenses:				
7100	Interest income	6,079	-	8,886	-
7190	Other income	2,098	-	4,507	-
7210	Gains on disposal of property, plant and equipment	5,891	-	83	-
7235	Net gain on financial debt at fair value through profit or loss(Note 7)	( 2,785 )	-	2,465	-
7230	Foreign exchange loss, net (Note 20 and 31)	( 17,636 )	-	46,265	2
7510	Interest expense (Note 28)	( 30,154 )	( 1 )	( 28,225 )	( 1 )
7000	Total non-operating income and expenses	( 36,507 )	( 1 )	33,981	1
7900	Profit before Tax	181,063	7	353,162	12
7950	Less: Income tax (expense) benefits (Note 4, 5 and 21)	( 28,640 )	( 1 )	( 14,420 )	-
8200	Net Profit	152,423	6	338,742	12

(Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

## ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

### Consolidated Statements of Comprehensive Income

For the year ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

Code		2025		2024	
		Amount	%	Amount	%
	Other comprehensive income /(loss)				
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	\$ 291	-	\$ 2,390	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss (Note 4 and 21)	( 58)	-	( 478)	-
8300	Other comprehensive income/(loss) for the year, (net of income tax)	233	-	1,912	-
8500	Total comprehensive income	\$ 152,656	6	\$ 340,654	12
	Net income (loss) attributable to:				
8610	Parent company owner	\$ 143,462	6	440,292	15
8615	Predecessor interests under joint control	-	-	( 121,585)	( 4)
8620	Non-controlling interests	8,961	-	20,035	1
8600		\$ 152,423	6	\$ 338,742	12
	Total comprehensive income attributable to:				
8710	Parent company owner	\$ 143,695	6	442,204	15
8715	Predecessor interests under joint control	-	-	( 121,585)	( 4)
8720	Non-controlling interests	8,961	-	20,035	1
8700		\$ 152,656	6	\$ 340,654	12
	Earnings per share (Note 22)				
9710	Basic	\$ 2.67		\$ 8.34	
9810	Diluted	\$ 2.67		\$ 8.33	

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

(Concluded)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)  
**ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the year ended December 31, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars)**

Code		Interests attributable to the Company's owners (Notes 18, 24 and 32)											Total Equity	
		Share Capital		Retained Earnings					Other Equity		Receding interest under joint control (Notes 4 and 32)	Non-controlling interests		
		Share (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Treasury Stocks				Total
A1	Balance at 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
B1	Appropriation of 2023 earnings	-	-	-	33,779	-	( 33,779 )	-	-	-	-	-	-	-
B3	Legal reserve	-	-	-	-	981	( 981 )	-	-	-	-	-	-	-
B5	Special surplus reserve	-	-	-	-	-	( 273,520 )	( 273,520 )	-	-	( 273,520 )	-	-	( 273,520 )
B5	Cash dividends	-	-	-	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	2024 Net profit	-	-	-	-	-	440,292	440,292	-	-	440,292	( 121,585 )	20,035	338,742
D3	2024 after tax for Other comprehensive income/(loss)	-	-	-	-	-	-	-	1,912	-	1,912	-	-	1,912
D5	Total comprehensive income/(loss) for the year ended December 31, 2024	-	-	-	-	-	440,292	440,292	1,912	-	442,204	( 121,585 )	20,035	340,654
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 at December 31, 2024	54,704	547,039	1,517,949	176,501	2,598	618,133	797,232	( 686 )	-	2,861,534	-	75,127	2,936,661
B1	Appropriation of 2024 earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
B1	Legal reserve	-	-	-	44,029	-	( 44,029 )	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	( 1,912 )	1,912	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	( 273,520 )	( 273,520 )	-	-	( 273,520 )	-	-	( 273,520 )
O1	Cash dividends to shareholders of subsidiaries	-	-	-	44,029	( 1,912 )	( 315,637 )	( 273,520 )	-	-	( 273,520 )	-	-	( 273,520 )
D1	2025 Net profit	-	-	-	-	-	143,462	143,462	-	-	143,462	-	8,961	152,423
D3	2025 after tax for Other comprehensive income/(loss)	-	-	-	-	-	-	-	233	-	233	-	-	233
D5	Total comprehensive income/(loss) for the year ended December 31, 2025	-	-	-	-	-	143,462	143,462	233	-	143,695	-	8,961	152,656
L1	Treasury stock buyback	-	-	-	-	-	-	-	-	( 255,183 )	( 255,183 )	-	-	( 255,183 )
L3	Treasury stock cancellation	( 1,646 )	( 16,460 )	( 44,338 )	-	-	( 194,385 )	( 194,385 )	-	255,183	-	-	-	-
Z1	Balance at December 31, 2025	53,058	\$ 530,579	\$ 1,473,611	\$ 220,530	\$ 686	\$ 251,573	\$ 472,789	( \$ 453 )	\$ -	\$ 2,476,526	\$ -	\$ 70,088	\$ 2,546,614

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

## ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

### Consolidated Statements of Cash Flows For the year ended December 31, 2025 and 2024 (Expressed in Thousands of New Taiwan Dollars)

<u>Code</u>	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
A10000	\$ 181,063	\$ 353,162
A20010	Adjustments:	
A20100	223,236	214,587
A20200	33,912	28,308
A20300	( 6,100)	349
A20400	328	( 447)
A20900	30,154	28,225
A21200	( 6,079)	( 8,886)
A22500	( 5,891)	( 83)
A23800	4,200	( 31,067)
A24100	( 3,275)	( 14,236)
A30000	Net changes in operating assets and liabilities	
A31115	458	-
A31130	466	312
A31150	21,995	( 11,931)
A31160	96,497	( 148,001)
A31180	5,539	95,913
A31200	23,221	9,388
A31240	1,644	( 3,919)
A32130	-	( 2,347)
A32150	( 69,616)	36,077
A32160	13,273	( 16,143)
A32180	5,086	67,721
A32230	<u>12,159</u>	<u>3,385</u>
A33000	562,270	600,367
A33100	6,023	8,828
A33300	( 29,685)	( 27,992)
A33500	( <u>7,005</u> )	( <u>17,427</u> )
AAAA	<u>531,603</u>	<u>563,776</u>
Cash flows from investing activities:		
B00040	( 90,724)	( 29,470)
B00050	37,015	36,905
B02200	-	( 39,222)
B02700	( 192,908)	( 106,306)
B02800	42,720	7,442
B03800	790	( 3,675)
B04500	( 9,438)	( 3,630)
B06700	( 11,162)	( 23,222)
B07100	( <u>138,453</u> )	( <u>166,265</u> )
BBBB	( <u>362,160</u> )	( <u>327,443</u> )

(Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)  
**ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the year ended December 31, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars)**

<u>Code</u>		<u>2025</u>	<u>2024</u>
	Cash flows generated from financing activities:		
C00200	Proceeds from short-term borrowings	\$ 17,505	(\$ 45,000)
C01600	Proceeds from long-term borrowings	350,000	200,000
C01700	Repayments of long-term borrowings	( 235,919)	( 205,686)
C04020	Lease principal repayment	( 21,654)	( 18,177)
C04300	Other non-current liabilities increased	9,486	-
C04500	Payment of cash dividends	( 273,520)	( 273,520)
C04600	Capital increase in cash	-	1,116,900
C04900	Purchase of Treasury Stocks	( 255,183)	-
C05400	Payments for corporate reorganization	-	( 723,820)
C05800	Pay cash dividends to non-controlling interests	( 14,000)	-
C05800	Increase in non-controlling interests due to changes in ownership interests	-	80,000
C05800	Decrease in non-controlling interests due to changes in ownership interests	-	( 194,400)
C09900	Capital contribution from predecessor interests under common control	-	163,280
CCCC	Net cash generated from /used in financing activities	<u>( 423,285)</u>	<u>99,577</u>
DDDD	Effects of exchange rate changes on the balance of cash held in foreign	<u>289</u>	<u>2,463</u>
EEEE	Net increase (decrease) in cash and cash equivalents	( 253,553)	338,373
E00100	Cash and cash equivalents at the beginning of the year	<u>919,532</u>	<u>581,159</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 665,979</u>	<u>\$ 919,532</u>

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

(Concluded)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)  
**ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

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**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 December 31, 2025, Diodes Holdings UK Limited held 51.04% of the Company’s shares. The Company’s ultimate parent company is Diodes Incorporated (“Diodes”). Diodes Incorporated and its subsidiaries are hereinafter referred to as the Diodes Group.

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

**2. APPROVAL DATE AND PROCEDURES OF THE FINANCIAL STATEMENTS**

The parent company only financial statements were approved by the Company board of directors on February 25, 2026.

**3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS 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"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 — "Contracts Involving Nature-Dependent Power Supply"	January 1, 2026
"Annual Improvement of IFRS Accounting Standards - Volume 11"	January 1, 2026
IFRS 17 “Insurance Contracts” (included the 2020 and 2021 amendments)	January 1, 2023

As of the issuance date of these separate financial statements, the Company has assessed that the amendments to the aforementioned standards and interpretations will not have a significant impact on its financial position and financial performance.

- c. IFRSs issued by the International Accounting Standards Board ("IASB") and yet to be endorsed by the FSC

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	To be determined
IFRS 18 "Presentation and Disclosure of Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries not publicly accountable: Disclosure"	January 1, 2027
IAS 21 Amendment: "Converted to a highly inflated currency"	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 apply IFRS 18 from January 1, 2028, or may choose to apply it earlier if the FSC approves IFRS 18.

### **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.

In addition, IAS 7 "Statement of Cash Flows" has been amended as follows:

- When a consolidated company prepares cash flows from operating activities using the indirect method, operating profit or loss should be used as the starting point for reconciliation.
- Interest and dividends received by the consolidated company should be classified as investing activities, while interest and dividends paid should be classified as financing activities. If the consolidated company is assessed to have a specific principal operating activity, the types of dividend

income, interest income, and interest expense reported in the income statement must be considered to determine the classification of dividends received, interest received, and interest paid in the statement of cash flows. However, each of the above cash flows can only be classified in a single activity in the statement of cash flows.

Besides the above impacts, as of the date of this consolidated financial statement, the consolidated company continues to assess the other impacts of the amendments to the standards and interpretations on its financial position and financial performance. These impacts will be disclosed upon completion of the assessment.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **a. Statement of compliance**

The Company's financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, other regulations and IFRSs as endorsed and issued into effect by the FSC.

##### **b. Basis of preparation**

Except for financial instruments measured at fair value, the parent company of the financial statements have been prepared on the historical cost basis.

The fair value measurements, which are Company's seed into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are 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 are unobservable inputs for an asset or liability.

##### **c. Classification of current and non-current assets and liabilities**

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the balance sheet date; and
- 3) Cash and cash equivalents (but excluding those subjects to restrictions on exchange or settlement of liabilities more than 12 months after the balance sheet date).

Current liabilities include:

- 1) Liabilities held primarily for trading purposes;
- 2) Liabilities due to be settled within 12 months after the balance sheet date; and
- 3) Liabilities that cannot unconditionally defer the settlement period to at least 12 months after the balance sheet date.

Those that are not current assets or current liabilities as mentioned above are classified as non-current assets or non-current liabilities.

##### **d. Basis of consolidation**

This consolidated financial report contains the financial reports of the Company and entities (subsidiaries) controlled by the Company. The consolidated comprehensive income statement has included the operating profits and losses of the acquired or disposed subsidiaries for the current period from the acquisition date or to the disposal date.

The subsidiaries' financial reports have been adjusted to bring their accounting policies into line with those of the combined company. In preparing consolidated financial reports, transactions, account balances, income and expenses between entities have been eliminated in full.

The total consolidated profit and loss of subsidiaries is attributed to the owners of the Company and the non-controlling interest, even if the non-controlling interest become a loss balance.

When the change in the consolidated company's ownership interest in the subsidiary did not result in a loss of control, it is treated as an equity transaction. The carrying amounts of the consolidated companies and non-controlling interests have been adjusted to reflect changes in their relative interests in subsidiaries.

The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and attributed to the owners of the Company.

For details of subsidiaries, shareholding ratios and business items, please refer to Note 11 and Table 4 and 5

e. Business combination

Business mergers /combinations are accounted for using the acquisition method. Acquisition-related costs are recognized as expenses in the period in which the costs are incurred and the labor services are obtained.

Goodwill is measured as the excess of the total of the fair value of the consideration transferred, the amount of non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree at the acquisition date, over the net amount of the identifiable assets acquired and liabilities assumed on the acquisition date.

The acquiree has the current ownership interest and is entitled to proportionate non-controlling interest in the acquiree net assets at the time of liquidation, which is measured by the proportion of its share of the recognized amount of the acquiree identifiable net assets. Other non-controlling interests are measured at fair value.

f. Business Combinations Under Common Control

The merged company accounts for business combinations under common control using the book value method and restates prior period comparative information as if the combination had occurred from the beginning.

g. Foreign currencies

When each entity prepares financial reports, those who trade in currencies other than the individual's functional currency (foreign currency) are converted into functional currency records at the exchange rate on the transaction day.

Monetary items denominated in foreign currencies are translated at the closing exchange rates on each balance sheet date. Exchange differences arising from delivery of monetary items or translation of monetary items are recognized in profit or loss in the period in which they occur.

Foreign currency non-monetary items measured by fair value are translated at the exchange rate on the day when the fair value is determined, and the resulting exchange difference is listed as current profit or loss. However, if the change in fair value is recognized in other comprehensive profit or loss, the resulting exchange difference is listed as in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

When preparing the consolidated financial report, the assets and liabilities of foreign operating institutions (including subsidiaries operating in a country or using a currency different from that of the Company) are translated into New Taiwan Dollars at the exchange rate on each balance sheet date. Income and expense items are translated at the current average exchange rate, and the resulting exchange differences are listed in other comprehensive income.

h. Inventories

Inventories include raw materials, finished goods and work-in-progress. Inventories are measured at the lower of cost and net realizable value. When comparing cost and net realizable value, it is based on individual items except for inventories of the same category. Net realizable value represents the estimated selling price under normal circumstances less the estimated cost of completion and the estimated cost of completion of the sale. The cost of inventories is calculated using the weighted average method.

i. Property, Plant and Equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated

depreciation and accumulated impairment losses.

Property, plant and equipment under construction are recognized at cost less accumulated impairment losses. Costs include professional service fees and borrowing costs eligible for capitalization. When these assets are completed and reach their intended use, they are classified into the appropriate categories of property, plant and equipment and depreciation begins.

Property, plant and equipment are depreciated on a straight-line basis over their useful lives, with each significant portion being separately depreciated. The combined company will review the estimated useful life, residual value and depreciation method at least at the end of each year, and defer the impact of changes in applicable accounting estimates.

When property, plant and equipment are delisted, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

j. Goodwill

The goodwill obtained from a business combination is based on the amount of goodwill recognized on the acquisition date as the cost, and subsequently measured by the cost minus the accumulated impairment loss.

For the purpose of impairment testing, goodwill is accounted to each cash-generating unit or group of cash-generating units (referred to as "cash-generating units") that the amalgamating company expects to benefit from the synergy of the merger.

Amortized goodwill cash-generating unit performs an impairment test on the unit every year (and when there are indications that the unit may have been impaired) by comparing the book value of the unit containing goodwill and its recoverable amount. If the goodwill allocated to the cash-generating unit is obtained from a business combination of the current year, the unit shall be tested for impairment before the end of the current year. If the recoverable amount of the cash-generating unit of amortized goodwill is lower than its book value, the impairment loss is to reduce the book amount of the cash-generating unit's amortized goodwill first, and then reduce the proportion of the book value of the other assets in the unit by each The carrying amount of the asset. Any impairment loss is directly recognized as the current loss. The loss of goodwill impairment shall not be reversed in the subsequent period.

When disposing of a certain operation within the amortized goodwill cash-generating unit, the amount of goodwill related to the dispositioned operation is included in the book value of the operation to determine the disposition of profits and losses.

k. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized on a straight-line basis during their useful life. The company reviews the estimated service life, residual value and amortization method at least at the end of each year, and defers the impact of changes in applicable accounting estimates.

On de-recognition of an intangible asset, the difference between the net disposal price and the asset's book value is recognized in profit and loss.

l. Impairment of assets related to real property, plant and equipment, right-of-use assets, intangible assets (except goodwill) and contract costs

The company assesses on each balance sheet date whether there are any signs that real property, plant and equipment, right-of-use assets and intangible assets (except goodwill) may have been impaired. If there are any signs of impairment, estimate the recoverable amount of the asset. If the recoverable amount of an individual asset cannot be estimated, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Common assets are allocated to individual cash-generating units on a reasonable and consistent basis.

The recoverable amount is the higher of the fair value less the cost of sale and its use value. If the recoverable amount of an individual asset or cash-generating unit is lower than its book value, the book

value of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit and loss.

The inventory, real estate, plant and equipment and intangible assets recognized in the customer contract are firstly recognized as impairment in accordance with the provisions on inventory impairment and the above-mentioned regulations, and then the book value of the contract cost related assets exceeds the expected consideration that can be received for the provision of related goods or services. The amount after deducting the directly related costs is recognized as an impairment loss, and the book value of the contract cost-related assets is continuously included in the cash-generating unit to perform the impairment assessment of the cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit or contract cost-related asset is adjusted to the revised recoverable amount, but the increased carrying amount does not exceed the asset, cash-generating unit or contract cost. If the relevant asset is not in the previous year, the book value determined when the impairment loss is recognized (less amortization or depreciation) The reversal of the impairment loss is recognized in the profit and loss.

#### m. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

When initially recognizing financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability at fair value through profit or loss are recognized immediately in profit or loss.

##### 1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

##### a) Measurement categories

The types of financial assets held by the company are financial assets measured at amortized cost.

##### Financial assets measured at amortized cost.

If the company's investment financial assets meet the following two conditions at the same time, they are classified as financial assets measured at amortized cost:

- A. It is held under a certain business model, the purpose of which is to hold financial assets to collect contractual cash flows; and
- B. The terms of the contract generate cash flows on a specific date, and these cash flows are all interest on the payment of the principal and the amount of principal in circulation.

Financial assets measured at amortized cost (including cash and cash equivalents, time deposits, notes receivable, accounts receivable, other receivables and margin deposits) are initially recognized, It is measured by the total book amount determined by the effective interest method minus the amortized cost of any impairment loss, and any foreign currency exchange gains and losses are recognized in profit and loss.

Except for the following two cases, interest income is calculated by multiplying the effective interest rate by the total book value of financial assets:

- A. For purchased or created credit-impaired financial assets, interest income is calculated by multiplying the effective interest rate after credit adjustment by the amortized cost of the financial asset.
- B. For financial assets that are not purchased or original credit impairment, but subsequently

become credit impairment, it should use the effective interest rate multiplied by the amortized cost of the financial asset to calculate the interest income from the next reporting period after the impairment.

Credit-impaired financial assets refer to the issuer or debtor who has experienced major financial difficulties, defaulted, the debtor is likely to apply for bankruptcy or other financial reorganization, or the active market for financial assets disappears due to financial difficulties.

b) Impairment of financial assets and contract assets

The company assesses the impairment losses of financial assets (including accounts receivable) measured at amortized cost based on expected credit losses on each balance sheet date.

For accounts receivable are recognized as allowance losses based on expected credit losses during the duration. For other financial assets, first assess whether there is a significant increase in credit risk since the initial recognition. If there is no significant increase, the allowance loss is recognized based on the 12-month expected credit loss; if it has increased significantly, it is recognized based on the duration of the expected credit loss Allowance for losses.

Expected credit losses are weighted average credit losses weighted by the risk of default. The 12-month expected credit losses represent the expected credit losses arising from possible default events of the financial instrument within 12 months after the reporting date. And the lifetime expected credit losses represent the expected credit losses arising from all possible default events of the financial instrument during the expected duration.

For internal Credit Risk Management (CRM), the company determines that there is internal or external information indicating that the debtor is unable to pay off the debt without considering the collateral held, which represents that the financial asset has defaulted.

The impairment loss of all financial assets is reduced by the allowance account to reduce its carrying amount, but the allowance loss of debt instrument investment measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce its carrying amount.

c) Derecognition of financial assets

The consolidate company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Recording, on derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the consolidate company are classified as financial liabilities or equity according to the substance of the contract agreement and the definition of financial liabilities and equity instruments.

The equity instruments issued by the consolidate company are recognized at the amount obtained after deducting the direct issuance costs.

The return of the Company's own equity instruments is recognized and deducted under equity. The purchase, sale, issue or cancellation of the Company's own equity instruments are not recognized in profit or loss.

### 3) Financial liabilities

#### a) Subsequent measurement

Except for derivatives, all financial liabilities of the company are measured at amortized cost using the effective interest method.

#### b) Derecognition of financial liabilities

Derecognition of financial liabilities, the difference between their carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized as profit or loss.

### 4) Derivative financial instruments

The derivative instruments signed by the company are mainly foreign exchange Option、Cross-currency swap contracts or forward foreign exchange contracts, which are used to manage the exchange rate risk of the consolidate company.

Derivatives are initially recognized at fair value when the derivative contract is signed, and then re-measured at fair value on the balance sheet date, and the gains or losses resulting from the subsequent measurement are directly included in profit or loss. When the fair value of a derivative is positive, it is listed as a financial asset; when the fair value is negative, it is listed as a financial liability.

### n. Revenue recognition

The company identifies contract with the customers; it allocates the transaction price to each performance obligation, and recognizes revenue when each performance obligation is met.

When processing incoming materials, the company processes and manufactures diodes according to the raw materials provided by the customer and the agreed specifications. Since the customer has control over the diodes when they are strengthened, the consolidate company will gradually recognize revenue over time.

#### Revenue from the sale of goods

Revenue from the sale of goods is derived from the sale of electronic component products. When the product arrives at the place designated by the customer, the customer has the right to set the price and the use of the product and bears the main responsibility for resale, and bears the risk of the product becoming obsolete. The company recognizes the revenue and receivables at that time accounts.

When processing with materials, the control of the ownership of the processed products has not been transferred, so revenue is not recognized when the materials are removed.

### o. Leasing

The company assesses whether the contract is (or contains) a lease on the contract inception date.

#### The Company's as lessee

Except for leases of low-value underlying assets for which the recognition exemption applies and lease payments for short-term leases, which are recognized as expenses on a straight-line basis over the lease term, other leases are recognized as right-of-use assets and lease liabilities on the lease inception date.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability, lease payments less lease incentives received before the lease commencement date, original direct costs and the estimated cost of restoring the underlying asset), and is subsequently measured at cost less accumulated depreciation and The amount after the accumulated impairment loss is measured, and the remeasurement amount of the lease liability is adjusted. Right-of-use assets are presented separately in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the expiry of the useful life or the expiry of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of lease payments (including fixed payments and substantive fixed payments). If the implied interest rate of the lease is easy to determine, the lease payment shall be discounted using the interest rate. If this rate is not readily determined, the lessee incremental borrowing rate is used.

Subsequently, the lease liability is measured on an amortized cost basis using the effective interest method,

and the interest expense is amortized over the lease term. If there is a change in the lease period, the merged company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the book value of the right-of-use asset has been reduced to zero, the remaining remeasured amount is recognized in profit or loss. Lease liabilities are presented separately in the consolidated balance sheet.

p. Government Grants

Government grants are recognized only when it is reasonably certain that the Company will comply with the conditions attached to the government grant and will receive the grant.

Government grants relating to income are recognized on a systematic basis as a reduction in related costs during the period in which the Company recognizes the related costs intended to be reimbursed. Government grants conditional on the Company's purchase, construction, or other acquisition of non-current assets are recognized as deferred income and transferred to profit or loss on a reasonable and systematic basis over the useful life of the related assets.

q. Employee benefits

1) Short-term employee benefits

Liabilities related to short-term employee benefits are measured at undiscounted amounts expected to be paid in exchange for employee services.

2) Retirement benefits

The retirement benefits of the defined contribution retirement plan are recognized as expenses during the service period of the employees.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

The consolidated company determines the current income (loss) in accordance with the laws and regulations established by each income tax reporting jurisdiction, and calculates the payable (recoverable) income tax based on it.

According to the Income Tax Law, an additional tax of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are likely to have taxable income to deduct temporary differences, loss deductions, or purchases of machinery and equipment. The resulting income tax deduction is recognized when it is used.

Taxable temporary differences related to investment in subsidiaries are recognized as deferred income tax liabilities, but if the company can control the timing of the reversion of the temporary difference, and the temporary difference is likely to not revert in the foreseeable future except. The deductible temporary differences related to this type of investment will be recognized as deferred income tax only if it is likely to have sufficient taxable income to realize the temporary difference, and within the range expected to return in the foreseeable future assets.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is reduced for those assets for which it is no longer probable that sufficient taxable income will be available to recover all or part of the asset. Those that have not been recognized as deferred income tax assets are also re-examined on each balance sheet date, and for those that are likely to generate taxable income

in the future to recover all or part of the assets, the book amount is increased.

Deferred income tax assets and liabilities are measured by the tax rate for the period in which the expected liability is settled or the asset is realized. The tax rate is based on the tax rate and tax law that has been legislated or substantively legislated on the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences arising from the way the company expects to recover or settle the carrying amount of its assets and liabilities on the balance sheet date.

3) Current and deferred taxes

Current and deferred income taxes are recognized in profit or loss, but current and deferred incomes taxes related to items recognized in other comprehensive profit or loss or directly included in equity are respectively recognized in other comprehensive profit or loss or directly included in equity.

**5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The Company's adopts accounting policies, the management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors for those that are not easy to obtain relevant information from other sources. Actual results may differ from estimates.

Estimates and underlying assumptions will be continuously reviewed by management. If the revision of the estimate affects only the current period, it is recognized in the revision period; if the revision of the accounting estimate affects both the current period and the future period, it is recognized in the revision period and the future period.

Assumption and major sources of estimation uncertainty:

1) Write-down of inventories

The net realizable value of inventories is the estimated selling price in the normal course of business less the estimated cost to be invested in completion and the estimated cost to complete the sale. These estimates are based on current market conditions and historical sales of similar products. Based on experience, changes in market conditions may materially affect the results of these estimates.

2) Income Tax

The realizability of deferred tax assets depends primarily on the availability of sufficient future profits or taxable temporary differences. If the actual profits generated in the future are less than expected, there may be a reversal of significant deferred tax assets, and these reversals are recognized as profit or loss in the period in which they occur. As at the balance sheet date, please refer to Note 21 for the amount not recognized as deferred tax assets.

**6. CASH AND CASH EQUIVALENTS**

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Cash on hand	\$ 1,527	\$ 1,403
Bank checks and demand deposits	466,253	481,831
Foreign currency demand deposits	158,199	376,298
Cash equivalents (investments with original maturities of three months or less)		
Term deposits	<u>40,000</u>	<u>60,000</u>
	<u>\$ 665,979</u>	<u>\$ 919,532</u>

The market rate intervals of cash in the bank at the end of the reporting period were as follows:

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Demand deposits	<u>0.01%~0.73%</u>	<u>0.03%~0.80%</u>
Time deposits	1.47%	1.47%

**7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**  
**(December 31, 2025: None)**

	<b>December 31, 2024</b>
<u>Financial assets-current</u>	
Held for trading	
– Cross-currency swap contracts (1)	\$ 2,501
<u>Financial liabilities-current</u>	
Held for trading	
– Foreign exchange options (2)	\$ 1,660
– Forward foreign exchange contracts (3)	55
	<u>\$ 1,715</u>

- (1) As of the balance sheet date, the outstanding foreign exchange contracts that have not yet expired and are not designated for hedge accounting are as follows:

<u>December 31, 2024</u>			
<u>Currency</u>	<u>Expiration period</u>	<u>Contract amount (NT\$ thousands)</u>	
USD : NTD	May 2025~October 2025	USD 2,000	/ NTD 61,938

- (2) As of the balance sheet date, the outstanding foreign exchange option contracts are as follows:

<u>December 31, 2024</u>				
<u>Contract amount (Thousands)</u>	<u>Transaction type</u>	<u>Buyer/Seller</u>	<u>Expiration period</u>	<u>Agreed exchange rate</u>
USD 1,000	Call option	Seller	April 2025	USD : TWD 32.80
USD 1,000	Call option	Seller	April 2025	USD : TWD 33.00
USD 1,000	Call option	Seller	January 2025	USD : TWD 33.50
USD 1,000	Call option	Seller	August 2025	USD : TWD 33.82
USD 1,000	Call option	Seller	February2025	USD : TWD 32.60
USD 1,000	Call option	Seller	June 2025	USD : TWD 33.70

- (3) As of the balance sheet date, the outstanding forward foreign exchange contracts that have not yet expired and are not designated for hedge accounting are as follows:

<u>December 31, 2024</u>			
	<u>Currency</u>	<u>expiration period</u>	<u>Contract amount (Thousands)</u>
Sell forward foreign exchange	USD : NTD	February 2025	USD 500/NTD 16,293

**8. FINANCIAL ASSETS AT AMORTIZED COST**

	<b>December 31, 2025</b>	<b>December 31, 2024</b>
<u>Current</u>		
Unpledged time deposits to bank		
Time deposits with original maturities of more than 3 months	\$ 55,408	\$ -
Pledged time deposits		
Time deposits with original maturities of more than 3 months	3,400	31,614
Restricted demand deposit	<u>63,454</u>	<u>25,209</u>
	<u>\$ 122,262</u>	<u>\$ 56,823</u>
<u>Non-current</u>		
Pledged time deposits to bank		
Restricted demand deposit	<u>\$ -</u>	<u>\$ 14,133</u>

The market interest rate range of the above assets on the balance sheet date is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Time deposits with original maturities of more than 3 months	0.67%~1.52%	1.63%~5.10%
Restricted demand deposit	0.64%-0.73%	0.64%-0.73%

Please refer to Note 29 for information on pledges of financial assets measured at amortized cost.

## 9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Notes receivable</u>		
Measured at amortized cost		
total book value	\$ <u>1,224</u>	\$ <u>1,690</u>
<u>Trade receivables</u>		
Measured at amortized cost		
total book value	\$ 277,972	\$ 297,936
Less: Allowance for loss	( <u>2,462</u> )	( <u>8,557</u> )
Net Accounts Receivable	\$ <u>275,510</u>	\$ <u>289,379</u>
 <u>Trade receivables from related parties</u>		
Measured at amortized cost		
total book value	\$ <u>326,166</u>	\$ <u>418,915</u>

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

In order to mitigate credit risk, the management of the consolidate company assigned a dedicated team to be responsible for the determination of the credit period, credit approval and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables. In addition, the consolidate company will review the recoverable amount of accounts receivable on the balance sheet date to ensure that unrecoverable accounts receivable have been properly provisioned for impairment losses. Accordingly, the management of the consolidate company believes that the credit risk of the consolidate company has been significantly reduced.

The consolidated company recognizes a loss allowance for accounts receivable based on the expected credit losses over the lifetime of the receivables. The expected credit losses are determined by considering the customers' historical default records, current financial condition, and industry economic conditions.

The allowance losses for accounts receivable of the consolidated company (including amounts due from related parties) are as follows:

### December 31, 2025

	<u>Not overdue</u>	<u>1 of 30 days overdue</u>	<u>31 of 60 days overdue</u>	<u>61 of 90 days overdue</u>	<u>91 of 120 days overdue</u>	<u>More than 121 days overdue</u>	<u>Total</u>
Total carrying amount	\$ 593,677	\$ 9,924	\$ 57	\$ 64	\$ -	\$ 416	\$ 604,138
Loss allowance (lifetime expected credit losses)	( <u>1,992</u> )	( <u>40</u> )	( <u>5</u> )	( <u>9</u> )	-	( <u>416</u> )	( <u>2,462</u> )
Amortized cost	\$ <u>591,685</u>	\$ <u>9,884</u>	\$ <u>52</u>	\$ <u>55</u>	\$ -	\$ -	\$ <u>601,676</u>

### December 31, 2024

	<u>Not overdue</u>	<u>1 of 30 days overdue</u>	<u>31 of 60 days overdue</u>	<u>61 of 90 days overdue</u>	<u>91 of 120 days overdue</u>	<u>More than 121 days overdue</u>	<u>Total</u>
Total carrying amount	\$ 704,632	\$ 7,838	\$ 406	\$ 674	\$ 285	\$ 3,016	\$ 716,851
Loss allowance (lifetime expected credit losses)	( <u>5,339</u> )	-	( <u>16</u> )	( <u>135</u> )	( <u>51</u> )	( <u>3,016</u> )	( <u>8,557</u> )
Amortized cost	\$ <u>699,293</u>	\$ <u>7,838</u>	\$ <u>390</u>	\$ <u>539</u>	\$ <u>234</u>	\$ -	\$ <u>708,294</u>

The movements of the loss allowance of trade receivables were as follows:

	2025	2024
Balance at beginning of year	\$ 8,557	\$ 3,565
Acquired through business combination	-	4,606
Add: The impairment loss is listed for the current year	-	349
Less: Reversal of impairment loss for the current year	( 6,100)	-
Foreign exchange translation gains and losses	<u>5</u>	<u>37</u>
Balance at end of year	<u>\$ 2,462</u>	<u>\$ 8,557</u>

## 10. INVENTORIES

	December 31, 2025	December 31, 2024
Raw materials	\$ 175,011	\$ 286,226
Work in progress	168,322	180,479
Finished goods	44,108	23,128
Merchandise	<u>75,493</u>	<u>48,770</u>
	<u>\$ 462,934</u>	<u>\$ 538,603</u>

The components of cost of goods sold are as follows:

	2025	2024
Cost of inventories sold	\$ 1,717,400	\$ 1,960,903
Inventory write-downs and obsolete losses	4,200	-
(Reversal of) loss on inventory valuation	<u>-</u>	<u>( 31,067)</u>
	<u>\$ 1,721,600</u>	<u>\$ 1,929,836</u>

## 11. SUBSIDIARIES

### Subsidiaries included in the consolidated financial statements

The entities covered by this consolidated financial report are as follows:

Investor	Name of Subsidiary	Nature of Activities	Proportion of Ownership (%)	
			December 31, 2025	December 31, 2024
The Company	Keep High Ltd. (“Keep High”)	Holding company	100%	100%
The Company	Yea Shin Technology Co., Ltd. (“Yea Shin”)	Manufacturing of electronic parts and wholesaling of electronic components	96.1%	96.1%
The Company	Erishin Semiconductor Corporation (“ Erishin”)	Manufacturing of electronic parts and wholesaling of electronic components	100%	100%
The Company	SeCos Corporation (“SeCos”)	Manufacturing of electronic parts and components R&D, design and sales	40%	40%
Yea Shin Technology Co., Ltd.	SeCos Corporation (“SeCos”)	Manufacturing of electronic parts and components R&D, design and sales	60%	60%
Keep High	Forever Eagle Incorporation (“Forever”)	Holding company	100%	100%
Forever	Jie Cheng Electronic (Shanghai) Co., Ltd. (“Jie Cheng”)	Wholesaling of electronic components and international trading business	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 December 31, 2025, the paid-in capital of Jie Cheng was US\$650 thousand.

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

To expand its business scale, the consolidated company, as resolved by the Board of Directors on December 20, 2023, approved the purchase of 7,200 thousand shares of common stock of SeCos from its shareholders at NT\$25 per share, totaling NT\$180,000 thousand. This represented a 40% ownership stake. The related share transfer transaction was completed on January 2, 2024. Please refer to Note 23 for details. The consolidated company determined that it has the substantive ability to direct the relevant activities of SeCos and therefore classified it as a subsidiary. In addition, in September 2024, Yea Shin Company acquired the remaining 60% outstanding shares in SeCos, representing 10,800 thousand shares, for a total consideration of NT\$194,400 thousand, thus gaining control of SeCos. Since the above transaction did not change the merged company's control over SeCos, the merged company treated it as an equity transaction.

In June 2024, Yea Shin Company conducted a cash capital increase, and the Company acquired 20,000 thousand shares for NT\$800,000 thousand. Due to employee participation in the capital increase, the Company's ownership percentage decreased to 96.1%.

## 12. PROPERTY, PLANT AND EQUIPMENT

	2025							
	Land	Houses and buildings	Machinery Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	Construction in progress and equipment pending inspection	Total Cost
<u>Cost</u>								
Balance as of January 1, 2025	\$ 593,991	\$ 547,276	\$2,084,986	\$ 21,612	\$ 407,064	\$ 34,383	\$ -	\$ 3,689,312
Increase	-	5,903	153,356	1,121	36,279	5,227	-	201,886
Decrease	( 19,862)	( 39,459)	( 99,423)	( 3,892)	( 2,100)	( 5,387)	-	( 170,123)
Internal transfer	-	338	143,093	-	49,950	3,476	81,234	278,091
Exchange rate effect	-	-	-	6	-	4	-	10
Balance as of December 31, 2025	<u>\$ 574,129</u>	<u>\$ 514,058</u>	<u>\$2,282,012</u>	<u>\$ 18,847</u>	<u>\$ 491,193</u>	<u>\$ 37,703</u>	<u>\$ 81,234</u>	<u>\$ 3,999,176</u>
<u>Accumulated depreciation</u>								
Balance as of January 1, 2025	\$ -	\$ 148,807	\$1,229,523	\$ 14,143	\$ 189,517	\$ 13,323	\$ -	\$ 1,595,313
Increase	-	31,614	132,132	1,758	29,279	5,694	-	200,477
Decrease	-	( 24,876)	( 97,293)	( 3,755)	( 2,100)	( 5,270)	-	( 133,294)
Internal transfer	-	96	-	-	( 96)	-	-	-
Exchange rate effect	-	-	-	3	-	4	-	7
Balance as of December 31, 2025	<u>\$ -</u>	<u>\$ 155,641</u>	<u>\$1,264,362</u>	<u>\$ 12,149</u>	<u>\$ 216,600</u>	<u>\$ 13,751</u>	<u>\$ -</u>	<u>\$ 1,662,503</u>
Net as of December 31, 2025	<u>\$ 574,129</u>	<u>\$ 358,417</u>	<u>\$1,017,650</u>	<u>\$ 6,698</u>	<u>\$ 274,593</u>	<u>\$ 23,952</u>	<u>\$ 81,234</u>	<u>\$ 2,336,673</u>

	2024						
	Land	Houses and buildings	Machinery Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	Total Cost
<u>Cost</u>							
Balance as of January 1, 2024	\$ 574,129	\$ 914,890	\$ 1,998,927	\$ 15,377	\$ 304	\$ 15,423	\$ 3,519,050
Acquired through business combination (Note 23)	19,862	15,597	3,007	3,736	-	625	42,827
Increase	-	13,549	56,038	8,532	4,855	7,001	89,975
Decrease	-	( 31,100)	( 63,738)	( 8,134)	( 1,086)	( 294)	( 104,352)
Internal transfer	-	17,181	90,752	2,039	20,150	11,594	141,716
Acquisition of the Keelung plant's wafer business (Note 32)	-	( 382,841)	-	-	382,841	-	-
Exchange rate effect	-	-	-	62	-	34	96
Balance as of December 31, 2024	<u>\$ 593,991</u>	<u>\$ 547,276</u>	<u>\$ 2,084,986</u>	<u>\$ 21,612</u>	<u>\$ 407,064</u>	<u>\$ 34,383</u>	<u>\$ 3,689,312</u>
<u>Accumulated depreciation</u>							
Balance as of January 1, 2024	\$ -	\$ 313,668	\$ 1,159,105	\$ 12,576	\$ 266	\$ 11,051	\$ 1,496,666
Increase	-	43,669	134,156	2,283	12,907	2,534	195,549
Decrease	-	( 31,100)	( 63,738)	( 775)	( 1,086)	( 294)	( 96,993)
Acquisition of the Keelung plant's wafer business (Note 32)	-	( 177,430)	-	-	177,430	-	-
Exchange rate effect	-	-	-	59	-	32	91
Balance as of December 31, 2024	<u>\$ -</u>	<u>\$ 148,807</u>	<u>\$ 1,229,523</u>	<u>\$ 14,143</u>	<u>\$ 189,517</u>	<u>\$ 13,323</u>	<u>\$ 1,595,313</u>
Net as of December 31, 2024	<u>\$ 593,991</u>	<u>\$ 398,469</u>	<u>\$ 855,463</u>	<u>\$ 7,469</u>	<u>\$ 217,547</u>	<u>\$ 21,060</u>	<u>\$ 2,093,999</u>

No impairment losses were recognized or reversed in 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	35-50 years
Building improvement	5-15 years
Machinery equipment	2-15 years
Transportation equipment	4-5 years
Leasehold Improvements	5-10 years
Other equipment	3-10 years

Property, plant and equipment used by the Company and pledged as collateral for bank borrowings are set out in Note 29.

### 13. LEASE ARRANGEMENTS

#### a. Right-of-use assets

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Book amount of right-of-use asset	<u>\$ 137,622</u>	<u>\$ 161,298</u>
	<u>2025</u>	<u>2024</u>
Additions to right-of-use assets	<u>\$ 3,764</u>	<u>\$ 173,883</u>
Depreciation charge for right-of-use assets	<u>\$ 22,759</u>	<u>\$ 19,038</u>

b. Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amounts		
Current	\$ <u>16,887</u>	\$ <u>19,389</u>
Non-current	\$ <u>122,782</u>	\$ <u>142,853</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Buildings	1.00%~2.00%	1.00%~1.80%

c. Other lease information

	<u>2025</u>	<u>2024</u>
Short-term lease expense	\$ <u>208</u>	\$ <u>268</u>
Low-value asset lease expense	\$ <u>63</u>	\$ <u>63</u>
Total cash outflows for leases	\$ <u>24,918</u>	\$ <u>20,101</u>

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

#### 14. GOODWILL

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Beginning balance	\$ 58,728	\$ 24,070
Acquired through business combination during the year (Note 23)	<u>-</u>	<u>34,658</u>
Net amount at end of period	\$ <u>58,728</u>	\$ <u>58,728</u>

The consolidated company acquired Yea Shin Technology in July 2018, resulting in the recognition of goodwill amounting to NT\$24,070 thousand, primarily arising from the expected future economic benefits of the subsidiary.

In January 2024, the consolidated company acquired SeCos, resulting in the recognition of goodwill amounting to NT\$34,658 thousand, also primarily arising from the expected future economic benefits of the subsidiary. Please refer to Note 23 for details.

No impairment losses were recognized or reversed in 2025 and 2024.

#### 15. INTANGIBLE ASSETS

	<u>Patents</u>	<u>Computer software</u>	<u>Customer Relationship</u>	<u>Total</u>
<u>Cost</u>				
Balance at January 1, 2025	\$ 2,507	\$ 34,672	\$ 40,513	\$ 77,692
Obtained separately	-	9,438	-	9,438
Disposals	-	( 3,321)	-	( 3,321)
Internal transfer	-	8,440	-	8,440
Balance at December 31, 2025	\$ <u>2,507</u>	\$ <u>49,229</u>	\$ <u>40,513</u>	\$ <u>92,249</u>
<u>Accumulated amortization and Loss</u>				
Balance at January 1, 2025	\$ 2,507	\$ 12,025	\$ 3,224	\$ 17,756
Amortization expenses	-	5,811	3,107	8,918
Disposals	-	( 3,321)	-	( 3,321)
Balance at December 31, 2025	\$ <u>2,507</u>	\$ <u>14,515</u>	\$ <u>6,331</u>	\$ <u>23,353</u>
Net amount at December 31, 2025	\$ <u>-</u>	\$ <u>34,714</u>	\$ <u>34,182</u>	\$ <u>68,896</u>

	Patents	Computer software	Customer Relationship	Total
<u>Cost</u>				
Balance at January 1, 2024	\$ 3,124	\$ 22,025	\$ -	\$ 25,149
Acquired through business combination (Note 23)	-	5,206	40,513	45,719
Obtained separately	-	3,630	-	3,630
Disposals	( 617)	( 904)	-	( 1,521)
Internal transfer	-	4,715	-	4,715
Balance at December 31, 2024	<u>\$ 2,507</u>	<u>\$ 34,672</u>	<u>\$ 40,513</u>	<u>\$ 77,692</u>
<u>Accumulated amortization and Loss</u>				
Balance at January 1, 2024	\$ 3,124	\$ 7,945	\$ -	\$ 11,069
Amortization expenses	-	4,984	3,224	8,208
Disposals	( 617)	( 904)	-	( 1,521)
Balance at December 31, 2024	<u>\$ 2,507</u>	<u>\$ 12,025</u>	<u>\$ 3,224</u>	<u>\$ 17,756</u>
Net amount at December 31, 2024	<u>\$ -</u>	<u>\$ 22,647</u>	<u>\$ 37,289</u>	<u>\$ 59,936</u>

Amortization expense is calculated on a straight-line basis over the following useful lives:

Computer software	3-15 years
Customer Relationship	13 years

## 16. BORROWINGS

### a. Short-term borrowings

	December 31, 2025	December 31, 2024
<u>Secured loans</u>		
Bank loans	\$ 200,000	\$ 300,000
<u>Unsecured loans</u>		
Line of credit borrowings	380,000	290,000
Material purchase loan	<u>27,758</u>	<u>-</u>
	<u>\$ 607,758</u>	<u>\$ 590,000</u>

The range of weighted average effective interest rates on bank loans was 1.80%~4.86% and 1.80%~2.09% per annum as of December 31, 2025 and 2024, respectively.

b. Long-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Secured loans</u>		
Bank loans (1)	\$ 46,492	\$ 52,198
Bank loans (2)	28,871	34,860
Bank loans (3)	357,952	380,324
Bank loans (4)	150,000	100,000
Bank loans (5)	70,000	-
<u>Unsecured loans</u>		
Bank loans (6)	3,001	4,853
Bank loans (7)	100,000	100,000
Bank loans (8)	<u>30,000</u>	<u>-</u>
	786,316	672,235
Less: Current portions	( <u>36,173</u> )	( <u>35,919</u> )
long-term borrowings	<u>\$ 750,143</u>	<u>\$ 636,316</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 2year 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 interest rates were 1.9313% as of December 31, 2025 and 2024, respectively.
- 2) The bank loan of NT\$49,000 thousand was obtained by the Group on July 1, 2020, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by the floating interest rate of one-month time savings deposit plus 0.08%, which should not be lower than 0.90%, and a grace period of two year to be averagely repaid after the period for the principal and the interests. The maturity date of the loan was June 30, 2030. The effective interest rates were 1.80% as of December 31, 2025 and 2024, respectively.
- 3) The bank loan of NT\$419,475 thousand was obtained by the Group on May 22, 2023, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by TAIBOR 3M plus 0.5%. 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% and 2.09% as of December 31, 2025 and 2024, respectively.
- 4) The bank loan of NT\$100,000 thousand was obtained by the Group on September 26, 2024. The bank loan was secured by the Group own land and buildings as a mortgage guarantee. The loan interest rate was calculated based on the two-year fixed deposit interest rate plus 0.082%, with the principal to be repaid in a lump sum at maturity. The loan matured in October 2025, and the Company subsequently borrowed an additional NT\$50,000 thousand with a maturity date of October 3, 2027. The effective annual interest rates as of December 31, 2025 and 2024 were 2.00% and 1.9366%, respectively.
- 5) The bank loan of NT\$70,000 thousand was obtained by the Group on April 11, 2025. The bank loan was secured by the Group own land and buildings as a mortgage guarantee. Interest will accrue at a fixed annual rate of 2.0% for one month from the automatic loan disbursement date, with interest paid monthly and principal repaid in a lump sum at maturity. The loan maturity date is April 11, 2027. The effective annual interest rate as of December 31, 2025 was 2.03%.
- 6) The bank loan of NT\$11,000 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 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 December 31 2025 and 2024, respectively.

- 7) The bank loan of NT\$100,000 thousand was obtained by the Group on March 27 2024, which the bank loan interest rate is calculated based on the three-month TAIBOR plus 0.5%. The interest is paid monthly and the principal is paid off once it is due. The loan maturity date is March 27, 2026. The loan was renewed ahead of schedule in March 2025, and the maturity date of the renewed loan is March 26, 2027. The effective annual interest rates as of December 31, 2025 and December 31, 2024 are 2.01% and 2.09%, respectively.
- 8) The bank loan of NT\$30,000 thousand was obtained by the Group on April 11, 2025, which the bank loan interest rate is a fixed 2.0% per annum for one month from the automatic disbursement date, with interest paid monthly and the principal repaid in a lump sum at maturity. The loan maturity date is April 11, 2027. The effective annual interest rate as of December 31, 2025 was 2.03%, respectively.

Refer to Note 29 for information relating to borrowings pledged as security.

## 17. OTHER LIABILITIES

	December 31, 2025	December 31, 2024
Payables for salaries or bonuses	\$ 109,734	\$ 100,459
Payables for Water, Electricity, and Gas	10,334	14,443
Payables for processing fees	10,029	16,580
Others	<u>133,668</u>	<u>117,750</u>
	<u>\$ 263,765</u>	<u>\$ 249,232</u>

## 18. EQUITY

### a. Share capital

#### Ordinary shares

	December 31, 2025	December 31, 2024
Number of shares authorized (in thousands)	<u>70,000</u>	<u>70,000</u>
Shares authorized	<u>\$ 700,000</u>	<u>\$ 700,000</u>
Number of shares issued and fully paid (in thousands)	<u>53,058</u>	<u>54,704</u>
Shares issued	<u>\$ 530,579</u>	<u>\$ 547,039</u>

Ordinary shares issued have a par value of \$10, and they're entitled to one vote right per share and a right to receive dividends.

The company re-invested in a subsidiary and paid back to bank borrowings. On February 26, 2024, it was approved by the board of directors to increase cash capital and issue new shares through public subscription. The cash capital increase was reported to the Financial Supervisory Commission on March 29, 2024. The declaration is effective, and the cash capital increase raise 4,500 thousand shares with an issuance price of NT\$248.9 per share, and April 28, 2024 had the base date for the cash capital increase and subscription. The expenditure for the cash capital increase and the issuance of new shares of NT\$ 3,150 thousand was a necessary issuance cost and was used as a deduction from the capital reserve for the issuance premium.

b. Capital surplus

	December 31, 2025	December 31, 2024
Share premium	\$ 1,429,224	\$1,473,562
Recognized changes in ownership interests in subsidiaries	43,538	43,538
Others	<u>849</u>	<u>849</u>
	<u>\$ 1,473,611</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 all equity interests in subsidiaries are mainly due to equity adjustments resulting from the failure to increase capital in accordance with the shareholding ratio of the Yea Shin Technology and that Yea Shin Technology acquisition of the remaining 60% of the outstanding equity of SeCos. Please refer to Note 24 for details of relevant transactions.

c. Retained earnings and dividends policy

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

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals The Company 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 paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2024 and 2023 approved in the shareholders' meetings on May 28, 2025 and June 28, 2024, respectively, were as follows:

	2024	2023
Legal reserve	<u>\$ 44,029</u>	<u>\$ 33,779</u>
Appropriation (reversal) of special reserve	( <u>\$ 1,912</u> )	<u>\$ 981</u>
Cash dividends	<u>\$ 273,520</u>	<u>\$ 273,520</u>
Cash dividends of per share (\$)	<u>\$ 5.0</u>	<u>\$ 5.0</u>

If the number of shares outstanding changes on the ex-dividend date, the dividend per share will be adjusted proportionally. The actual cash dividend per share after adjustment for 2024 is NT\$5.15.

The earnings distribution proposal for the year 2025 was proposed by the Board of Directors on February 25, 2026, were as follows:

	<u>2025</u>
Legal reserve	<u>\$ 14,346</u>
Reversal of special reserve	<u>(\$ 233)</u>
Cash dividends	<u>\$ 212,232</u>
Cash dividends of per share (\$)	\$ 4.00

The surplus distribution proposal for 2025 has been approved by the Board of Directors and is expected to be submitted to the shareholders' meeting on June 28, 2026.

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

	<u>2025</u>	<u>2024</u>
Revenue from contracts with customers		
Revenue from the sale of goods	<u>\$ 2,636,632</u>	<u>\$ 2,925,654</u>

a. Contract balances

	<u>December 31, 2025</u>	<u>December 31, 2024</u>	<u>January 1, 2024</u>
Trade receivables and Notes (Note 9)	<u>\$ 602,900</u>	<u>\$ 709,984</u>	<u>\$ 459,407</u>
Contract liabilities (included other current Liabilities)			
Sale of goods	<u>\$ 6,420</u>	<u>\$ 3,538</u>	<u>\$ 719</u>

The changes in contract liabilities were primarily due to the timing difference between the satisfaction of performance obligations and the receipt of payments from customers.

## 20. NET PROFIT

The additional information on net profit for this year includes the following items:

1) Depreciation and amortization

	<u>2025</u>	<u>2024</u>
Property, plant and equipment	\$ 200,477	\$ 195,549
Right-of-use assets	22,759	19,038
Unamortized expenses	8,918	20,100
Intangible assets	<u>24,994</u>	<u>8,208</u>
	<u>\$ 257,148</u>	<u>\$ 242,895</u>

	<u>2025</u>	<u>2024</u>
An analysis of depreciation by function		
Operation cost	\$ 109,445	\$ 112,383
Operating expenses	<u>113,791</u>	<u>102,204</u>
	<u>\$ 223,236</u>	<u>\$ 214,587</u>
An analysis of amortization by function		
Operation cost	\$ 15,852	\$ 16,361
Marketing expense	1,049	896
Management expense	5,696	6,145
R&D expense	<u>11,315</u>	<u>4,906</u>
	<u>\$ 33,912</u>	<u>\$ 28,308</u>

2) Gains or losses on foreign currency exchange

	<u>2025</u>	<u>2024</u>
Foreign exchange gains	\$ 64,423	\$ 84,562
Foreign exchange losses	( <u>82,059</u> )	( <u>38,297</u> )
Net profit	( <u>\$ 17,636</u> )	<u>\$ 46,265</u>

3) Employee benefits expense

	<u>2025</u>	<u>2024</u>
Post-employment benefits		
Defined benefit plans	\$ 14,868	\$ 17,469
Salaries and bonus	<u>441,821</u>	<u>506,676</u>
	<u>\$ 456,689</u>	<u>\$ 524,145</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 178,997	\$ 251,636
Operating expenses	<u>277,692</u>	<u>272,509</u>
	<u>\$ 456,689</u>	<u>\$ 524,145</u>

4) Employees' compensation

In accordance with the Company's Articles of Incorporation, 1% to 5% of the profit before tax for the current year, before deducting employees' compensation, is appropriated as employees' compensation. In accordance with the amendments to the Securities and Exchange Act of August 2024, the merged company passed an amendment to its articles of association at its shareholders' meeting in 2025, stipulating that 30% to 60% of the employee compensation allocated for the current year would be allocated to lower-level employees. The estimated employees' compensation for the years 2025 and 2024 were approved by the Board of Directors on February 25, 2026, and February 25, 2025, respectively, as follows:

Estimated rate

	<u>2025</u>	<u>2024</u>
Employees' compensation	2.61%	1.77%

Amount

	<u>2025</u>	<u>2024</u>
Employees' compensation	\$ 8,000	\$ 5,800

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 the next year.

There is no difference between the actual distribution amount of employee compensation for 2024 and 2023 and the amount recognized in the 2024 and 2023 consolidated financial statements.

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

## 21. INCOME TAXES RELATING TO CONTINUING OPERATIONS

### a. Major components of tax expense recognized in profit or loss

	<u>2025</u>	<u>2024</u>
Current tax		
In respect of the current year	(\$ 13,000)	(\$ 39,119)
Adjustments for prior years	<u>27,859</u>	<u>5,857</u>
	<u>14,859</u>	<u>(33,262)</u>
Deferred income tax		
In respect of the current year	( 19,709)	( 55,645)
Income tax recognized in profit or loss	<u>(23,790)</u>	<u>74,487</u>
	<u>(43,499)</u>	<u>18,842</u>
Income tax expense recognized in profit or loss	<u>(\$ 28,640)</u>	<u>(\$ 14,420)</u>

The adjustment of accounting income and income tax expenses is as follows:

	<u>2025</u>	<u>2024</u>
Profit before tax from continuing operations	<u>\$ 181,063</u>	<u>\$ 353,162</u>
Income tax expense calculated at the statutory rate	(\$ 89,298)	(\$ 176,886)
The equity method recognizes domestic investment interests	52,089	82,182
Nondeductible expenses in determining taxable income	( 63)	( 60)
Tax-exempt income	4,563	-
Adjustments for prior years' tax	<u>(4,069)</u>	<u>80,344</u>
Income tax (expense) recognized in profit or loss	<u>(\$ 28,640)</u>	<u>(\$ 14,420)</u>

Subsidiaries Keep High Company and Forever Company are established in the tax-free zone, and only need to pay the annual fee each year, so there are no income tax expenses and deferred income tax assets and liabilities. In addition, in accordance with the "Enterprise Income Tax Law of the People's Republic of China", the applicable tax rate of Shanghai Jie-cheng in 2025 and 2024, that due to the local income tax preferential conditions, the preferential tax rate was 5%, and it did not generate Significant deferred income tax assets and liabilities.

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

	<u>2025</u>	<u>2024</u>
<u>Deferred tax</u>		
<u>In respect of the current period:</u>		
Translations of foreign operations	(\$ 58)	(\$ 478)
Income tax recognized in other comprehensive income	<u>(\$ 58)</u>	<u>(\$ 478)</u>

### c. Income tax assessments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Tax assets for the current period		
Tax refunds receivable	<u>\$ 2,742</u>	<u>\$ -</u>
Tax liabilities for the current period		
Income tax payable	<u>\$ 9,130</u>	<u>\$ 28,252</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

	2025				
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance	
<u>Deferred tax assets</u>					
Temporary difference					
Loss on inventory write-down and obsolescence	\$ 13,580	\$ 840	\$ -	\$ 14,420	
Payables for annual leave	1,083	760	-	1,843	
Translations of foreign operations	171	-	( 58)	113	
Allowance for bad debt loss	618	( 618)	-	-	
Others	4,066	2,061	-	6,127	
	<u>19,518</u>	<u>3,043</u>	<u>( 58)</u>	<u>22,503</u>	
Loss deduction	<u>215,449</u>	<u>( 48,810)</u>	<u>-</u>	<u>166,639</u>	
	<u>\$234,967</u>	<u>( \$ 45,767)</u>	<u>( \$ 58)</u>	<u>\$189,142</u>	
<u>Deferred tax liabilities</u>					
Temporary difference					
Investments accounted for using the equity method	\$ 10,236	\$ 626	\$ -	\$ 10,862	
Unrealized Foreign exchange income	918	416	-	1,334	
Financial assets measured at fair value through profit or loss	387	( 387)	-	-	
Intangible assets	9,792	( 2,956)	-	6,836	
Others	-	33	-	33	
	<u>\$ 21,333</u>	<u>( \$ 2,268)</u>	<u>\$ -</u>	<u>\$ 19,065</u>	
2024					
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Business Combination Acquisition (Note 23)	Closing Balance
<u>Deferred tax assets</u>					
Temporary difference					
Loss on inventory write-down and obsolescence	\$ 4,379	\$ 3,301	\$ -	\$ 5,900	\$ 13,580
Payables for annual leave	1,083	-	-	-	1,083
Translations of foreign operations	649	-	( 478)	-	171
Unrealized foreign exchange loss	1,095	( 1,947)	-	852	-
Allowance for debt loss	-	49	-	569	618
Others	499	( 145)	-	3,712	4,066
	<u>7,705</u>	<u>1,258</u>	<u>( 478)</u>	<u>11,033</u>	<u>19,518</u>
Loss deduction	<u>197,384</u>	<u>18,065</u>	<u>-</u>	<u>-</u>	<u>215,449</u>
	<u>\$205,089</u>	<u>\$ 19,323</u>	<u>( \$ 478)</u>	<u>\$ 11,033</u>	<u>\$234,967</u>

	2024				Closing Balance
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Business Combination Acquisition (Note 23)	
<u>Deferred tax liabilities</u>					
Temporary difference					
Investments					
accounted for using					
the equity method	\$ 9,979	\$ 257	\$ -	\$ -	\$ 10,236
Unrealized Foreign					
exchange income	282	636	-	-	918
Financial assets					
measured at fair					
value through profit					
or loss	68	319	-	-	387
Intangible assets	-	( 731)	-	10,523	9,792
	<u>\$ 10,329</u>	<u>\$ 481</u>	<u>\$ -</u>	<u>\$ 10,523</u>	<u>\$ 21,333</u>

e. Unused loss deduction for deferred tax assets not recognized in the consolidated balance sheet.

	December 31, 2025	December 31, 2024
Loss carryforwards		
Expiry in 2028	<u>\$ 67,396</u>	<u>\$ 111,566</u>
Investment deductions		
Machinery and equipment	\$ 957	\$ 2,203
Research and development expenditures	<u>2,327</u>	<u>3,573</u>
	<u>\$ 3,284</u>	<u>\$ 5,776</u>

f. Information about unused loss deduction

As of December 31, 2025, the relevant information about loss deduction is as follows:

Un-deduction balance	Last year of deduction
\$ 456,002	2027
347,926	2028
<u>96,662</u>	2035
<u>\$ 900,590</u>	

g. Income tax verification situation

The company and its subsidiary Yea Shin Technology's income tax declaration cases for profitable businesses as of 2023 years have been approved by the tax collection agency.

## 22. EARNINGS PER SHARE

	2025	Unit: per share/NTD 2024
Basic earnings per share	<u>\$ 2.67</u>	<u>\$ 8.34</u>
Diluted earnings per share	<u>\$ 2.67</u>	<u>\$ 8.33</u>

The net income and weighted-average number of ordinary shares used in the EPS calculation are as follows:

Net profit for the year

	<u>2025</u>	<u>2024</u>
Net income attributable to owners of the Company used in the calculation of basic and diluted earnings per share	<u>\$ 143,462</u>	<u>\$ 440,292</u>
Number of shares		Unit: thousand shares
	<u>2025</u>	<u>2024</u>
Weighted average number of common shares used to calculate basic earnings per share	53,646	52,810
Impact of potentially dilutive common shares:		
Employee compensation	<u>29</u>	<u>41</u>
Weighted average number of common shares used to calculate diluted earnings per share	<u>53,675</u>	<u>52,851</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

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

The Group company of the acquisition of SeCos is to expand its operating scale and enter into downstream domestic and foreign trading and import and export sales.

#### b. Transfer Price

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

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

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	\$ 34,658

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)
	\$ 39,222

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

## 24. EQUITY TRANSACTIONS WITH NON-CONYROLLING 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.

	<u>Yea Shin</u>	<u>SeCos</u>	
Consideration for payment	(\$800,000)	(\$194,400)	
The carrying amount of the subsidiary's net assets is calculated based on the change in relative equity and the amount that should be transferred out of the non-controlling interest.	<u>816,272</u>	<u>221,666</u>	
Equity transaction balance	<u>\$ 16,272</u>	<u>\$ 27,266</u>	
	<u>Yea Shin</u>	<u>SeCos</u>	<u>Total</u>
<u>Equity transaction difference adjustment account</u>			
Capital reserve - Recognition of changes in ownership interests in subsidiaries	<u>\$ 16,272</u>	<u>\$ 27,266</u>	<u>\$ 43,538</u>

## 25. CASH FLOW INFORMATION

### a. Non-cash transactions

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Increase in property, plant and equipment	\$ 201,886	\$ 89,975
Other payables	( 8,978 )	16,331
Amount of cash paid to purchase property, plant and equipment	<u>\$ 192,908</u>	<u>\$ 106,306</u>

### b. Changes in liabilities from financing activities

	<u>Non-cash changes</u>					December 31, 2025
	January 1, 2025	Cash Flow	New lease	Financial costs	Others	
Short-term Loan	\$ 590,000	\$ 17,505	\$ -	\$ -	\$ 253	\$ 607,758
Long-term Loan	672,235	114,081	-	-	-	786,316
Lease liability	<u>162,242</u>	( 24,647 )	<u>3,764</u>	<u>2,993</u>	( 4,683 )	<u>139,669</u>
	<u>\$ 1,424,477</u>	<u>\$ 106,939</u>	<u>\$ 3,764</u>	<u>\$ 2,993</u>	( \$ 4,430 )	<u>\$ 1,533,743</u>

	Non-cash changes						
	January 1, 2024	Cash Flow	New lease	Financial costs	Acquisition of subsidiaries	Others	December 31, 2024
Short-term Loan	\$ 600,000	( \$ 45,000)	\$ -	\$ -	\$ 35,000	\$ -	\$ 590,000
Long-term Loan	657,921	( 5,686)	-	-	20,000	-	672,235
Lease liability	6,385	( 20,101)	170,883	1,924	3,131	20	162,242
	<u>\$ 1,264,306</u>	<u>( \$ 70,787)</u>	<u>\$ 170,883</u>	<u>\$ 1,924</u>	<u>\$ 58,131</u>	<u>\$ 20</u>	<u>\$ 1,424,477</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 measured at fair value on a recurring basis

#### (1) Fair value hierarchy (December 31, 2025: None)

December 31, 2024

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

There are no transfers between Level 1 and Level 2 fair value measurements in 2025 and 2024.

#### (2) Valuation techniques and inputs for Level 2 fair value measurements

Financial instrument category	Evaluation techniques and input values
Derivatives – Cross-currency swap contract	Discounted cash flow method: estimate future cash flows based on the observable forward exchange rate at the end of the period and the exchange rate specified in the contract, and discount them separately at a discount rate that reflects the credit risk of each counterparty.
Derivative – Foreign Exchange Options	Option valuation model: Estimated using an option pricing model based on observable exchange rates and contract rates as of the reporting date.
Derivative – Forward Foreign Exchange Contracts	The fair value of forward foreign exchange contracts is measured using forward exchange rate quotations and yield curves derived from quoted interest rates corresponding to the maturity of the contracts.

b. Categories of financial instruments

	December 31, 2025	December 31, 2024
<u>Financial assets</u>		
Financial assets at amortized cost (Note 1)	\$ 1,401,302	\$ 1,725,144
Measured at fair value through profit or loss Held for trading	-	2,501
<u>Financial liabilities</u>		
Amortized cost (Note 2)	1,816,663	1,735,148
Measured at fair value through profit or loss Held for trading	-	1,715

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, 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 omitted 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 make the company's main market risks bear the risk of changes in foreign currency exchange rates and changes in interest rates.

a) Exchange rate 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 31 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, forward foreign exchange contracts, exchange rate option for speculative purposes.

The carrying amount of monetary assets and monetary liabilities denominated in non-functional currencies of the consolidated company at the balance sheet date (including monetary items denominated in non-functional currencies that have been written off in the consolidated financial statements), please refer to Note 31.

The sensitivity analysis of foreign currency exchange rate risk is mainly based on the calculation of foreign currency monetary items (mainly U.S. dollar items) and derivatives at the end of the financial reporting period. When the functional currency of the merged entity appreciates/depreciates by 1% against the US dollar, the net profit after tax of the company in

2025 will decrease/increase by NTD3,248 thousand; the net profit after tax in 2024 will decrease/increase by NTD1,038 thousand.

As a above mention, that the aforementioned sensitivity analysis is calculated based on the foreign currency risk exposure amount on the balance sheet date, the management believes that the sensitivity cannot reflect the mid-year risk exposure situation.

b) Interest rate risk

Interest rate risk refers to the risk of changes in the fair value of financial instruments or changes in cash flow due to fluctuations in market interest rates. Because the Group's holds financial assets and liabilities with fixed interest rates, there is a risk of fair value changes in interest rates; because it holds financial assets and liabilities with floating interest rates, there is a risk of cash flow risks due to changes in interest rates. The management of the Group's regularly monitors the changes in market interest rates, and adjusts the positions of floating-rate financial assets and liabilities to make the interest rates of the company approach the market interest rate in response to risks arising from changes in market interest rates.

The book amounts of financial assets and financial liabilities of the consolidated company exposed to interest rate exposure on the balance sheet date are as follows:

	December 31, 2025	December 31, 2024
Fair value interest rate risk		
-Financial assets	\$ 98,808	\$ 31,614
-Financial liabilities	617,427	162,242
Cash flow interest rate risk		
-Financial assets	687,506	957,372
-Financial liabilities	916,316	1,262,235

The fixed-rate financial assets/liabilities held by the company are measured at amortized cost, so they are not included in the analysis; the floating-rate financial asset/liability analysis method assumes that the amount of assets/liabilities in circulation on the balance sheet date is reported. During the period, they are all in circulation. The company uses an increase/decrease of 0.25% in market interest rates as a reasonable risk assessment for reporting interest rate changes to the management. Under the circumstance that all other variables remain unchanged, if the market interest rate rises/decreases by 0.25%, the company's net profit after tax in 2025 will decrease/increase by NT\$572 thousand; the net profit after tax in 2024 will decrease/increase by NT\$762 thousand.

2) Credit risk

Credit risk refers to the risk of consolidated financial losses caused by counterparty default in contractual obligations. The policy adopted by the Group's is to only conduct transactions with creditworthy objects to reduce the risk of financial losses, and to continuously monitor credit risk and the credit status of transaction objects. On the balance sheet date, the maximum credit risk amount of the Company is equivalent to the book value of the financial assets listed.

The credit risk of the consolidated company's accounts receivable is mainly concentrated in the Diodes Group, the parent company of the consolidated company's largest customer. As of December 31, 2025 and 2024, the ratio of total accounts receivable from the aforementioned customers was 54% and 59%, respectively. However, since it is an affiliated enterprise transaction, there should be no credit risk.

3) Liquidity risk

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

a) 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.

December 31, 2025

	Weighted Average Effective Rate (%)	Payment on Sight	3 Months to	1-2 Year(s)	2-5 Years	Over 5 Years
		or Less than 3 Month	1 Year			
<u>Non-derivative financial liabilities</u>						
Non-interest bearing		\$ 541,029	\$ -	\$ -	\$ -	\$ -
Lease liabilities	1.99%	5,416	14,073	17,800	48,440	60,815
Floating-rate instruments	1.96%	62,802	215,677	295,585	364,184	16,656
Fixed interest rate instruments	2.14%	380,004	1,473	100,655	-	-
		<u>\$ 989,251</u>	<u>\$ 231,223</u>	<u>\$ 414,040</u>	<u>\$ 412,624</u>	<u>\$ 77,471</u>

December 31, 2024

	Weighted Average Effective Rate (%)	Payment on Sight	3 Months to	1-2 Year(s)	2-5 Years	Over 5 Years
		or Less than 3 Month	1 Year			
<u>Non-derivative financial liabilities</u>						
Non-interest bearing		\$ 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>

b) Financing facilities

The utilization of the bank financing quota of the consolidated company on the balance sheet date is as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Secured bank overdraft facilities:		
-Amount used	\$ 1,394,074	\$ 1,262,235
-Amount unused	<u>752,242</u>	<u>600,000</u>
	<u>\$ 2,146,316</u>	<u>\$ 1,862,235</u>

## 28. TRANSACTIONS WITH RELATED PARTIES

The transactions, account balances, income and expenses between the company and its subsidiaries are all eliminated at the time of the merger, so they are not disclosed in this note. Except as disclosed in other notes, the major transactions between the combined company and other related parties are as follows:

### a. Related party name and category

Related Party	Relationship with the Group
Diodes Holdings UK Limited ( Diodes (UK) )	Parent company
Diodes Taiwan LLC, Taiwan Branch (U.S.A.) (Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg)) (Diodes (TW))	Sister company
Diodes Taiwan LLC, Hsinchu Branch (U.S.A.) (Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg)) (Diodes (Hsinchu))	Sister company
Diodes Keelung Branch (Luxembourg) (Diodes (KL))	Sister company
Diodes Chengdu 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. Sales of goods

Line Item	Related Party Category/Name	2025	2024
Sales	Sister company		
	Diodes (HK)	\$ 598,208	\$ 1,081,058
	Diodes (TW)	465,595	424,687
	Lite-on (Wuxi)	328,562	246,972
	Shanghai (SSEC)	223,025	259,311
	Diodes (Hsinchu)	33,045	12,652
	Diodes (Chengdu)	29,311	12,623
	BCD	9,658	-
	Kaihong Electronics	9,363	7,321
	Kaihong Tech.	1,802	378
		<u>\$ 1,698,569</u>	<u>\$ 2,045,002</u>

There are no significant difference between the transaction conditions of the above-mentioned related parties and ordinary transactions.

### c. Purchases of goods

Related Party Category/Name	2025	2024
Parent company		
Diodes (UK)	\$ 171	\$ -
Sister company		
Diodes (Hsinchu)	64,000	3,106
Diodes (TW)	13,733	12,706
Diodes (KL)	1,000	559
Diodes (Chengdu)	-	12
	<u>\$ 78,904</u>	<u>\$ 16,383</u>

There are no significant difference between the transaction conditions of the above-mentioned related parties and ordinary transactions.

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31, 2025	December 31, 2024
Trade receivables from related parties	Sister company		
	Diodes (TW)	\$ 110,092	\$ 108,771
	Diodes (HK)	96,016	218,291
	Shanghai (SSEC)	54,126	20,573
	Lite-on (Wuxi)	43,341	62,783
	Diodes (Hsinchu)	8,119	3,540
	Diodes (Chengdu)	5,807	4,038
	BCD	4,124	-
	Kaihong Electronics	3,105	830
	Kaihong Tech.	1,436	89
		<u>\$ 326,166</u>	<u>\$ 418,915</u>
Other Trade receivables	Sister company		
	Diodes (TW)	\$ 131	\$ 926
	Diodes (KL)	-	131
		<u>\$ 131</u>	<u>\$ 1,057</u>

The outstanding trade receivables from related parties are unsecured. At the end of 2025 and 2024, no allowance for losses was provided for the accounts receivable from related parties.

e. Amounts payable to related parties

Line Item	Related Party Category/Name	December 31, 2025	December 31, 2024
Trade payables from related parties	Parent company		
	Diodes (UK)	\$ 22	\$ -
	Sister company		
	Diodes (Hsinchu)	20,188	5,132
	Diodes (TW)	3,777	5,023
	Diodes (KL)	-	296
		<u>\$ 23,987</u>	<u>\$ 10,451</u>
Other Trade receivables	Sister company		
	Diodes (TW)	<u>\$ 9,514</u>	<u>\$ -</u>

The balance of the outstanding amount due to related parties is not guaranteed.

f. Property, plant and equipment acquired

Related Party Category / Name	Acquisition Price	
	2025	2024
Sister company		
Diodes ( KL )	\$ 130,928	\$ -
Diodes ( TW )	9,061	-
	<u>\$ 139,989</u>	<u>\$ -</u>

g. Lease agreement

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

Line Item	Related Party Category/Name	December 31, 2025	December 31, 2024
Lease liability	Sister company		
	Diodes (TW)	\$ <u>137,986</u>	\$ <u>152,888</u>

Line Item	Related Party Category/Name	2025	2024
Interest expense	Sister company		
	Diodes (TW)	\$ <u>2,897</u>	\$ <u>1,827</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. Compensation of major management personnel

	2025	2024
Short-term employee benefits	\$ 22,169	\$ 20,327
Post-employment benefits	<u>106</u>	<u>108</u>
	\$ <u>22,275</u>	\$ <u>20,435</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:

	December 31, 2025	December 31, 2024	Nature
Bank time deposits (classified as financial assets at amortized cost)	\$ 3,400	\$ 31,614	endorsements/guarantees and short-term borrowings
Bank demand deposits (classified as financial assets at amortized cost)	63,454	39,342	Short-term and long-term borrowings
Land and plant	871,707	879,041	Short-term and long-term borrowings
	\$ <u>938,561</u>	\$ <u>949,997</u>	

## 30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Due to the replacement of production line equipment and the need for business expansion, the consolidated company has committed to the purchase of machinery, equipment, system software, etc. The amounts to be paid are listed as follows:

	December 31, 2025	December 31, 2024
Amount of Contract Commitments	\$ <u>131,049</u>	\$ <u>292,633</u>
Amount Paid (classified as prepayments for equipment, Construction in progress and equipment pending inspection)	\$ <u>91,505</u>	\$ <u>110,101</u>

### 31. SIGNIFICANTLY INFLUENCING FOREIGN CURRENCY ASSETS AND LIABILITIES INFORMATION

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

<b>December 31, 2025</b>				
	<u>Foreign Currency</u>	<u>Exchange rate (\$)</u>	<u>Functional Currency</u>	<u>NTD</u>
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 16,342	31.4300 (USD:NTD)	\$ 513,629	\$ 513,629
USD	361	6.9907 (USD:RMB)	2,524	11,346
RMB	1,471	4.4960 (RMB:NTD)	6,614	6,614
EUR	235	36.9000 (EUR:NTD)	8,672	8,672
<u>Non-monetary items</u>				
Investing accounted for using the equity method				
USD	2,371	31.4300 (USD:NTD)	74,522	74,522
RMB	16,606	0.1430 (RMB:USD)	2,375	74,661
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	6,097	31.4300 (USD:NTD)	191,629	191,629
USD	273	6.9907 (USD:RMB)	1,908	8,580
<b>December 31, 2024</b>				
	<u>Foreign Currency</u>	<u>Exchange rate (\$)</u>	<u>Functional Currency</u>	<u>NTD</u>
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 16,354	32.7850 (USD:NTD)	\$ 536,166	\$ 536,166
USD	270	7.3213 (USD:RMB)	1,977	8,852
RMB	1,421	4.4780 (RMB:NTD)	6,363	6,363
EUR	369	34.1400 (EUR:NTD)	12,598	12,598
<u>Non-monetary items</u>				
Derivatives				
USD	2,000	32.7850 (USD:NTD)	65,570	65,570
Investing accounted for using the equity method				
USD	2,169	32.785 (USD:NTD)	71,099	71,099
RMB	15,936	0.1366 (RMB:USD)	2,177	71,362
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	8,958	32.7850 (USD:NTD)	293,688	293,688
<u>Non-monetary items</u>				
Derivatives				
USD	6,500	32.785 (USD:NTD)	213,103	213,103

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

Unit: NT\$ Thousands, Except for Exchange Rate

Foreign Currencies	2025		2024	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	32.108 (USD:NTD)	( \$ 17,826 )	31.745 (USD:NTD)	\$ 44,194
USD	7.156 (USD:RMB)	138	7.209 (USD:RMB)	826
EUR	36.900 (EUR:NTD)	308	34.140 (EUR:NTD)	58
Others		( <u>256</u> )		<u>1,187</u>
		( <u>\$ 17,636</u> )		<u>\$ 46,265</u>

### 32. BUSINESS COMBINATION COMMON CONTROL

In order to expand the scale of operations, the merged company acquired the wafer business split from the Keelung Branch of its sister company Luxembourg Diodes International Co., Ltd. in June 2024 for a cash consideration of NT\$723,820 thousand. The transaction consideration was based on the underlying assets and liabilities on the base date of the split. The operating value is determined by adding the operating premium agreed upon by both parties. Since this transaction is a business combination under common control, it should be regarded as a merger from the beginning and the comparative financial statements should be restated retrospectively.

#### a. Net assets and transfer prices on acquisition date

	Wafer Business
Current Asset	
Accounts receivable	\$ 129,207
Inventories	150,075
Non-Current Asset	
Equipment	473,128
Intangibles	74
Current Liabilities	
Accounts payable and other payables	( <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>

Note:

The buildings and structures acquired by the merged company are mainly factory buildings, which were subsequently transferred to the lease and improvement category.

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

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

Impact on the Statement of Comprehensive Income

Items	2024		
	Amount before restatement	Retroactive restatement amount	Amount after restatement
Revenues	\$ 2,656,509	\$ 269,145	\$ 2,925,654
Cost of Goods sold	( 1,610,561 )	( 319,275 )	( 1,929,836 )
Gross Profit	1,045,948	( 50,130 )	995,818
Operating Expense	( 600,954 )	( 75,683 )	( 676,637 )
Non-operating income and expenses	29,753	4,228	33,981
Income tax loss	( 14,420 )	-	( 14,420 )
Net profit for this period	<u>\$ 460,327</u>	<u>( \$ 121,585 )</u>	<u>\$ 338,742</u>
Total comprehensive profit and loss for the period	<u>\$ 462,239</u>	<u>( \$ 121,585 )</u>	<u>\$ 340,654</u>

The retrospective adjustment pertains to the operating performance from January to May 2024 of the wafer business attributed to the Diodes Keelung branch. As a result, the consolidated company retrospectively adjusted its 2024 financial statements, leading to an increase in operating revenue by NT\$269,145 thousand, a decrease in gross profit by NT\$50,130 thousand (with the gross margin declining from 39% to 34%), and a decrease in net income after tax by NT\$121,585 thousand.

**33. SUPPLEMENTARY DISCLOSURES**

a. Information on significant transactions:

- 1) Financing provided to others: None.
- 2) Endorsements/guarantees provided to others: None
- 3) Marketable securities held at end of period (excluding investments in subsidiaries): None.
- 4) 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.
  - (1) Purchase amount and percentage and closing balance and percentage of related payables.

- (2) Sales amount and percentage and closing balance and percentage of related receivables.
- (3) The amount of property transactions and the amount of profits and losses generated therefrom.
- (4) Ending balance of bill endorsement or collateral provided and its purpose.
- (5) The maximum balance of financial financing, the ending balance, the interest rate range and the total interest for the current period.
- (6) Other transactions that have a significant impact on current profits and losses or financial status, such as the provision or receipt of labor services, etc.

### 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.

#### a. Segment revenues and operating results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments.

	<b>2025</b>				
	Eris Technology and Jie Cheng	Yea Shin	SeCos	Adjustment and Write-off	Total
Revenue from external customers	\$1,295,121	\$ 869,455	\$ 472,056	\$ -	\$2,636,632
Inter-segment revenue	<u>58,569</u>	<u>421,392</u>	<u>2,062</u>	<u>( 482,023)</u>	<u>-</u>
Segment revenue	<u>\$1,353,690</u>	<u>\$1,290,847</u>	<u>\$ 474,118</u>	<u>(\$ 482,023)</u>	<u>\$2,636,632</u>
Segment income	<u>\$ 146,468</u>	<u>\$ 198,616</u>	<u>\$ 72,185</u>	<u>(\$ 264,846)</u>	<u>\$ 152,423</u>
Segment assets	<u>\$4,366,282</u>	<u>\$2,160,836</u>	<u>\$ 447,545</u>	<u>(\$2,279,230)</u>	<u>\$4,695,433</u>
Segment liabilities	<u>\$1,815,247</u>	<u>\$ 384,251</u>	<u>\$ 127,339</u>	<u>(\$ 178,018)</u>	<u>\$2,148,819</u>
	<b>2024</b>				
	Eris Technology and Jie Cheng	Yea Shin	SeCos	Adjustment and Write-off	Total
Revenue from external customers	\$1,729,360	\$ 738,818	\$ 457,476	\$ -	\$2,925,654
Inter-segment revenue	<u>45,005</u>	<u>994,568</u>	<u>3,436</u>	<u>( 1,043,009)</u>	<u>-</u>
Segment revenue	<u>\$1,774,365</u>	<u>\$1,733,386</u>	<u>\$ 460,912</u>	<u>(\$1,043,009)</u>	<u>\$2,925,654</u>
Segment income	<u>\$ 441,421</u>	<u>\$ 278,249</u>	<u>\$ 32,382</u>	<u>(\$ 413,310)</u>	<u>\$ 338,742</u>
Segment assets	<u>\$4,661,039</u>	<u>\$2,449,743</u>	<u>\$ 535,837</u>	<u>(\$2,626,983)</u>	<u>\$5,019,636</u>
Segment liabilities	<u>\$1,728,143</u>	<u>\$ 512,378</u>	<u>\$ 111,357</u>	<u>(\$ 268,903)</u>	<u>\$2,082,975</u>

b. Product category of business revenues

	<u>2025</u>	<u>2024</u>
Diodes & Transistor	\$ 1,690,613	\$ 2,137,857
Wafer	887,178	721,586
Others	<u>58,841</u>	<u>66,211</u>
	<u>\$ 2,636,632</u>	<u>\$ 2,925,654</u>

c. Geographical information:

The company's and its subsidiaries' income that is from continuing operations from external customers based on the location of customers' operations, and non-current assets based on the location of assets are listed below:

	<u>Revenue from external customers</u>		<u>Non-current Assets</u>	
			December 31,	December 31,
	2025	2024	2025	2024
Taiwan	\$ 782,376	\$ 1,002,756	\$ 2,558,013	\$ 2,443,674
Asia	1,820,456	1,887,799	1,750	1,717
Europe	28,460	26,199	-	-
North USA	5,329	8,900	-	-
Australia	<u>11</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,636,632</u>	<u>\$ 2,925,654</u>	<u>\$ 2,559,763</u>	<u>\$ 2,445,391</u>

Non-current assets exclude assets classified as financial instruments, goodwill and deferred income tax assets.

d. Important customers' information:

	<u>2025</u>	<u>2024</u>
Diodes Group	<u>\$ 1,698,569</u>	<u>\$ 2,045,002</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

**ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES**

P TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2025

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

Buyer (Seller)	Counterparty	Relationship	Transaction Details				Details and Reasons for Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	Ratio of Total Purchases (Sales) (%)	Credit Period	Unit Price	Credit Period	Balance	Ratio of Notes/Accounts Receivable (Payable) (%)	
Eris Technology Corporation	Diodes Hong Kong Ltd.	Same as the Company's ultimate parent company	Sale	(\$ 598,208)	47.17%	Net 60 days EOM	None	None	\$ 96,016	39.83%	-
Eris Technology Corporation	Diodes Taiwan LLC, Taiwan Branch (U.S.A.) (Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg)) (Diodes (TW))	Same as the Company's ultimate parent company	Sale	( 452,917 )	35.59%	Net 60 days EOM	None	None	106,882	44.34%	-
Eris Technology Corporation	Yea Shin Technology Corp.	The Company's subsidiary	Purchase	411,588	53.25%	Net 60 days EOM	None	None	( 120,350)	29.90%	-
Yea Shin Technology Co., Ltd.	Shanghai Seefull Electronic Co., Ltd.	Same as the Company's ultimate parent company	Sales	( 223,025 )	17.09%	Net 60 days EOM	None	None	54,126	17.64%	-
Yea Shin Technology Co., Ltd.	Lite-on Microelectronics Wuxi Co. Ltd	Same as the Company's ultimate parent company	Sales	( 328,562 )	25.17%	Net 60 days EOM	None	None	43,341	14.13%	-

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

**ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES**

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2025

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

Company recording the receivables	Counterparty	Relationship	Balance Receivables from Related Parties	Turnover rate	Overdue Receivables from Related Parties		Amounts of Receivables from Related Parties Received in Subsequent Period (Note )	Amount of Loss Allowance
					Amount	Actions Taken		
Eris Technology Corporation	Diodes Taiwan LLC, Taiwan Branch (U.S.A.) (Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg)) (Diodes (TW))	Same as the Company's ultimate parent company	\$ 106,882	4.34	\$ -	—	\$ 104,216	\$ -
Yea Shin Technology Co.,Ltd.	Eris Technology Corporation	Parent Company	120,350	2.24	-	—	58,724	-

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese.)

**ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS**

For the Year end December 31, 2025

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

No. (Note 1)	Investee Company	Counterparty	Relationship with Investor (Note 2)	Transactions Details			Ratio of Consolidated Total Revenue or Total Assets (Note 3)
				Ledger Account	Amount (Note 4)	Transaction Term	
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Trade receivables	\$ 1,168	—	0.02%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Trade payables	198	—	-
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Sales	2,636	No significant difference compared with general customers	0.10%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Purchases	31,418	No significant difference compared with general customers	1.17%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Other operating expenses	407	No significant difference compared with general customers	0.02%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Trade receivables	2,532	—	0.05%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Other trade receivable	562	—	0.01%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Machinery and equipment	10,543	—	0.22%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Building improvements	12,764	—	0.27%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Trade payables	120,350	—	2.56%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Other trade Payables	34,323	—	0.73%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Sales	9,925	No significant difference compared with general customers	0.37%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Purchases	411,588	No significant difference compared with general customers	15.31%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Processing costs	3,070	No significant difference compared with general customers	0.11%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Other operating costs	96	No significant difference compared with general customers	-
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Other operating expenses	912	No significant difference compared with general customers	0.03%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Rental income	1,143	No significant difference compared with general customers	0.04%
0	Eris Technology Corporation	SeCos Corporation	1	Trade receivables	9,615	—	0.20%
0	Eris Technology Corporation	SeCos Corporation	1	Trade payable	1,031	—	0.02%
0	Eris Technology Corporation	SeCos Corporation	1	Sales	33,146	No significant difference compared with general customers	1.23%
0	Eris Technology Corporation	SeCos Corporation	1	Purchase	1,818	No significant difference compared with general customers	0.07%
0	Eris Technology Corporation	SeCos Corporation	1	Rental income	900	No significant difference compared with general customers	0.03%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Trade receivable	1,156	—	0.02%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Other trade receivable	867	—	0.02%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Trade payable	845	—	0.02%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Sales	4,021	No significant difference compared with general customers	0.15%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Purchases	3,576	No significant difference compared with general customers	0.13%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Other revenue	3,739	No significant difference compared with general customers	0.14%
1	Yea Shin Technology Corp.	SeCos Corporation	3	Trade receivable	34	—	-
1	Yea Shin Technology Corp.	SeCos Corporation	3	Trade payable	231	—	-
1	Yea Shin Technology Corp.	SeCos Corporation	3	Sales	2,713	No significant difference compared with general customers	0.10%
1	Yea Shin Technology Corp.	SeCos Corporation	3	Purchase	244	No significant difference compared with general customers	0.01%
1	SeCos Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Trade receivable	2,963	—	0.06%
1	SeCos Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Sales	9,216	No significant difference compared with general customers	0.34%

Note 1: The numbers shall be filled in the column of No. for intercompany relationships in a manner of following instructions:

1. Fill in 0 for the parent company.
2. Subsidiaries are numbered in order starting from 1 of Arabic numerals.

Note 2: 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 3: 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 4: Related transactions were eliminated in the consolidated financial statements.

(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 Year end December 31, 2025  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Investor	Name of Investee	Location	Principal Business Activities	Original Investment Amount (Note 1)		Ending Balance			Net Income (Loss) of the Investee for the Period (Note 2 and 6)	Investment Profit (Loss) Recognized for the Period (Note 2 and 3)	Note
				End of the Period	Year-end of the last year	Number of shares (in thousands)	Ratio (%)	Carrying Amount (Note 3)			
Eris Technology Corp.	Keep High Limited	Seyhelles	Holding of investments	\$ 20,776 (US\$670 thousand )	\$ 20,776 (US\$670 thousand)	N/A	100	\$ 74,522	\$ 3,006 (US\$ 94 thousand)	\$ 3,132 (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	1,716,311	198,616	195,937 (Note 4)	Subsidiary
	Erishin Semiconductor Corporation	Taiwan	Engaged in manufacturing of electronic components and wholesaling of electronic materials	1,000	1,000	100	100	1,013	6	6	Subsidiary
	SeCos Corporation	Taiwan	Business scope includes R&D, design, and sales of electronic parts and components	180,000	180,000	7,200	40	175,703	72,185	19,886	Subsidiary
Yea Shin Technology Co.,Ltd.	SeCos Corporation	Taiwan	Business scope includes R&D, design, and sales of electronic parts and components	194,400	194,400	10,800	60	208,500	72,185	29,836	Subsidiary
Keep High Limited	Forever Eagle Incorporation	Mauritius	Holding of investments	20,473 (US\$660 thousand )	20,473 (US\$660 thousand)	N/A	100	74,661 (US\$ 2,375thousand))	3,006 (US\$ 94 thousand)	3,006 (US\$ 94 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.

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**ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**INFORMATION ON INVESTMENTS IN MAINLAND CHINA**

For the Year end December 31, 2025

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

Investee in Mainland China	Principal Business Activities	Paid-in Capital (Note 1)	Method of Investments	Accumulated Amount of Investments Remitted Outward from Taiwan at Beginning of Period (Note 1)	Amount of Investments Remitted or Repatriated for the Period		Accumulated Amount of Investments Remitted Outward from Taiwan at End of Period (Note 1)	Income (Loss) of the Investee for the Period	Shareholding Ratio of The Company's Direct or Indirect Investment	Investment Gain (Loss) Recognized for the Period (Note 2,5 and 6)	Carrying Amount of Investments at End of Period (Note 6)	Accumulated Repatriation of Investment Income at End of Period
					Remitted	Repatriated						
Jie Cheng Electronic (Shanghai) Co., Ltd.	Wholesaling of electronic materials and international trading business	\$ 20,170 ( USD 650 thousand )	Indirectly investment in Mainland China through companies registered in a third region	\$ 20,170 ( USD650 thousand)	\$ -	\$ -	\$ 20,170 ( USD 650 thousand )	\$ 3,006 (RMB 670 thousand)	100%	\$ 3,006 (RMB 670 thousand)	\$ 74,661	\$ -

Accumulated Amount of Investments in Mainland China Remitted Outward from Taiwan at End of Period (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on the Amount of Investment in Mainland China Stipulated by Investment Commission, MOEA (Note 4)
\$20,170 (USD 650 thousand)	\$20,430(USD 650 thousand)	\$ 1,485,916

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 of the investment period.

Note 3: Translation was based on the period-end exchange rate at December 31, 2025

Note 4: The information was calculated as 60% of the Company's net worth at December 31, 2025

Note 5: Computation was based on the financial statements for the same periods reviewed by the certified public accountants of the Taiwan parent company.

Note 6: Related transactions were eliminated in the consolidated financial statements.

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**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 OF LOSSES, AND OTHERS RELATED INFORMATION

For the Year end December 31, 2025

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

Counterparty	Transaction Details			Transaction Details		Notes/Accounts Receivable (Payable)		Note
	Purchases (Sales)	Amount	Ratio of Total Purchases (Sales) (%)	Unit price	Credit Period	Balance	Ratio of Notes/Accounts Receivable (Payable) (%)	
Jiecheng Electronic (Shanghai) Co., Ltd.	Sales	( \$ 15,873 )	0.52%	None	None	\$ 5,287	0.73%	—
Jiecheng Electronic (Shanghai) Co., Ltd.	Purchases	34,994	2.03%	None	None	( 1,043 )	0.18%	—
Jiecheng Electronic (Shanghai) Co., Ltd.	Other income	( 3,739 )	-	None	None	867	1.93%	—

Note 1: The relevant transactions include both the parent company and its subsidiaries.

Note 2: The relevant transactions have been reversed in the consolidated financial statements.