

Eris Technology Corporation and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report For the Six Months Ended June 30, 2026 and 2025

Address: 6F, No. 17, Ln. 155, Sec. 3, Beishen Rd., Shenkeng Dist., New Taipei City,
22203 Taiwan (R.O.C)
Tel: (02)26620011

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

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>	<u>FINANCIAL STATEMENTS NOTE NO.</u>
1.Cover	1	-
2.Table of Contents	2	-
3.Independent Auditors' Report	3	-
4.Consolidated Balance Sheets	4	-
5.Consolidated Statement of Comprehensive Income	5	-
6.Consolidated Statement of Changes in Equity	6	-
7.Consolidated Statements of Cash Flows	7~8	-
8.Notes to Consolidated Financial Statements		
a. Company History	9	1
b. Date and Procedures of Authorization of Financial Statements	9	2
c. Application of New and Amended Standards and Interpretations	9~12	3
d. Summary of Significant Accounting Policies	12~13	4
e. Significant Accounting Judgments, Estimates and Principal Sources of Estimation Uncertainty	13	5
f. Details of Significant Accounts	13~38	6~26
g. Related Party Transactions	38~41	27
h. Pledged Assets	41	28
i. Significant Contingent Liabilities and Unrecognized Contract Commitments	41~42	29
j. Significant Disaster Loss	-	-
k. Significant Events after the Balance Sheet Date	-	-
l. Others	42~44	30
m. Supplementary Disclosures		
1) Information on Significant Transactions	44、48~50	31
2) Information on Investees	44、51	31
3) Information on Investments in Mainland China	44~45、52~53	31
n. Segment Information	45	32

Independent Auditors' Report

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

Introduction

The consolidated balance sheets of Eris Technology Corporation and its subsidiaries as of June 30, 2026 and 2025, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, the consolidated statements of changes in equity and cash flows for the six-month periods then ended, and the notes to the consolidated financial statements (including a summary of significant accounting policies) have been reviewed by us. The preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 "Interim Financial Reporting," as endorsed and issued into effect by the Financial Supervisory Commission, are the responsibility of management. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Review Standard No. 2410, "Review of Financial Statements." A review of consolidated financial statements consists principally of making inquiries of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Eris Technology Corporation and its subsidiaries as of June 30, 2026 and 2025, their consolidated financial performance for the three-month periods ended June 30, 2026 and 2025, and their consolidated financial performance and consolidated cash flows for the six-month periods ended June 30, 2026 and 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34 "Interim Financial Reporting," as endorsed and issued into effect by the Financial Supervisory Commission.

Deloitte & Touche
Certified Public Accountant

Sabrina Liu

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

Certified Public Accountant

Jimmy Wu

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

July 29, 2026

Eris Technology Corporation and Subsidiaries

Consolidated Balance Sheets
As of June 30, 2026, and December 31 and June 30, 2025

Unit: NT\$ Thousands

Code	Assets	June 30, 2026		December 31, 2025		June 30, 2025	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and Cash equivalents (Note 6)	\$ 1,082,063	20	\$ 665,979	14	\$ 510,976	11
1136	Financial assets at amortized cost - current (Notes 8 and 28)	39,393	1	122,262	3	60,323	1
1150	Notes receivable (Note 9 and 19)	1,652	-	1,224	-	2,100	-
1170	Trade receivables, net (Note 9 and 19)	327,562	6	275,510	6	293,445	6
1180	Trade receivables from related parties (Notes 9, 19 and 27)	397,734	8	326,166	7	281,554	6
1200	Other receivables (Note 27)	13,039	-	12,656	-	13,058	-
1220	Current income tax assets (Notes 4 and 21)	2,894	-	2,742	-	-	-
130X	Inventories (Note 10)	610,395	12	462,934	10	491,962	11
1470	Prepayments and other current assets	23,597	-	11,041	-	20,585	1
11XX	Total current assets	2,498,329	47	1,880,514	40	1,674,003	36
	Non-current assets						
1535	Financial assets at amortized cost - non-current (Notes 8 and 28)	-	-	-	-	18,177	1
1600	Property, plant and equipment (Notes 12, 28 and 29)	2,294,980	44	2,336,673	50	2,356,108	51
1755	Right-of-use assets (Note 13)	130,365	3	137,622	3	153,195	3
1805	Goodwill (Note 14)	58,728	1	58,728	1	58,728	1
1821	Other intangible assets (Note 15)	67,409	1	68,896	2	59,829	1
1840	Deferred tax assets (Note 4 and 21)	151,378	3	189,142	4	211,623	5
1915	Prepayments for land, buildings and equipment (Note 29)	53,154	1	10,271	-	40,574	1
1920	Refundable deposits	7,167	-	7,286	-	7,905	-
1990	Other non-current assets	2,568	-	6,301	-	16,364	1
15XX	Total non-current assets	2,765,749	53	2,814,919	60	2,922,503	64
1XXX	Total assets	\$ 5,264,078	100	\$ 4,695,433	100	\$ 4,596,506	100
	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Notes 16 and 28)	\$ 247,012	5	\$ 607,758	13	\$ 450,000	10
2120	Financial liabilities at fair value through profit or loss - current (Note 7)	1,734	-	-	-	1,890	-
2170	Trade payables	319,113	6	253,277	5	245,116	5
2180	Trade payables to related parties (Note 27)	60,736	1	23,987	1	21,600	-
2200	Other payables (Note 17)	437,729	8	254,251	6	487,548	11
2220	Other payables to related parties (Note 27)	-	-	9,514	-	-	-
2230	Current tax liabilities (Note 4 and 21)	8,702	-	9,130	-	7,160	-
2280	Lease liabilities - current (Notes 13 and 27)	17,930	-	16,887	-	19,683	-
2320	Current portion of long-term borrowings (Notes 16 and 28)	36,300	1	36,173	1	36,044	1
2399	Other current liabilities (Note 19)	33,658	1	37,319	1	36,195	1
21XX	Total current liabilities	1,162,914	22	1,248,296	27	1,305,236	28
	Non-current liabilities						
2540	Long-term borrowings (Notes 16 and 28)	631,961	12	750,143	16	718,261	16
2570	Deferred tax liabilities (Note 4 and 21)	19,794	1	19,065	-	19,503	-
2580	Lease liabilities - non-current (Notes 13 and 27)	115,066	2	122,782	3	135,131	3
2645	Deposit Margin	12	-	12	-	12	-
2670	Other non-current liabilities	7,898	-	8,521	-	-	-
25XX	Total non-current liabilities	774,731	15	900,523	19	872,907	19
2XXX	Total liabilities	1,937,645	37	2,148,819	46	2,178,143	47
	Equity attributable to owners of the Company (Notes 18 and 23)						
3100	Share capital	530,579	10	530,579	11	547,039	12
3200	Capital surplus	1,959,007	37	1,473,611	32	1,517,949	33
	Retained earnings						
3310	Legal reserve	234,876	5	220,530	5	220,530	5
3320	Special reserve	453	-	686	-	686	-
3350	Unappropriated earnings	211,449	4	251,573	5	328,681	7
3300	Total retained earnings	446,778	9	472,789	10	549,897	12
3400	Other equity	2,206	-	(453)	-	(5,646)	-
3500	Treasury stock	-	-	-	-	(255,183)	(6)
31XX	Total equity attributable to owners of the Company	2,938,570	56	2,476,526	53	2,354,056	51
36XX	Non-controlling interests	387,863	7	70,088	1	64,307	2
3XXX	Total equity	3,326,433	63	2,546,614	54	2,418,363	53
	Total liabilities and equity	\$ 5,264,078	100	\$ 4,695,433	100	\$ 4,596,506	100

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

Chairman: Jonathan Chang President: Wenyi Huang Accounting Officer: Doris Hsu

Eris Technology Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income For the Three Months and Six Months Ended June 30, 2026 and 2025

Unit: NT\$ Thousands, Except for
Earnings per Share in NT\$

Code		For the Three Months Ended June 30, 2026		For the Three Months Ended June 30, 2025		For the Six Months Ended June 30, 2026		For the Six Months Ended June 30, 2025	
		Amount	%	Amount	%	Amount	%	Amount	%
	Operating revenue (Notes 19 and 27)								
4110	Sales	\$ 813,402	102	\$ 658,453	102	\$ 1,505,374	101	\$ 1,295,153	102
4170	Less: Sales return and allowance	(12,498)	(2)	(15,269)	(2)	(19,872)	(1)	(26,709)	(2)
4000	Net operating revenue	800,904	100	643,184	100	1,485,502	100	1,268,444	100
5000	Operating costs (Notes 10, 20 and 27)	474,090	59	433,451	68	896,734	60	821,340	65
5900	Gross profit	326,814	41	209,733	32	588,768	40	447,104	35
	Operating expenses (Notes 9 and 20)								
6100	Selling and marketing expenses	31,416	4	25,729	4	55,362	4	51,839	4
6200	General and administrative expenses	74,133	9	62,084	9	141,151	9	124,977	10
6300	Research and development expenses	79,865	10	102,346	16	148,575	10	171,739	13
6450	Expected credit loss (gain)	200	-	(2,000)	-	200	-	(2,000)	-
6000	Total operating expenses	185,614	23	188,159	29	345,288	23	346,555	27
6900	Net operating income	141,200	18	21,574	3	243,480	17	100,549	8
	Non-operating income and expenses								
7100	Interest income	1,529	-	2,516	1	2,754	-	4,026	-
7190	Other income	3,811	1	89	-	3,814	-	125	-
7210	Gains on disposal of property, plant and equipment	1,107	-	1,144	-	1,167	-	1,163	-
7230	Foreign exchange gain (loss) (Note 20)	691	-	(62,799)	(10)	8,656	1	(53,500)	(4)
7235	Net gain (loss) on financial instruments at fair value through profit or loss	368	-	(5,319)	(1)	(50)	-	(3,524)	-
7510	Interest expense (Note 27)	(7,231)	(1)	(7,569)	(1)	(14,888)	(1)	(14,553)	(1)
7000	Total non-operating income and expenses	275	-	(71,938)	(11)	1,453	-	(66,263)	(5)
7900	Profit (loss) before income tax	141,475	18	(50,364)	(8)	244,933	17	34,286	3
7950	Income tax expense (benefit) (Notes 4 and 21)	(25,581)	(3)	2,490	1	(46,541)	(3)	(4,921)	(1)
8200	Net profit (loss) for the period	115,894	15	(47,874)	(7)	198,392	14	29,365	2
	Other comprehensive income (loss)								
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translating the financial statements of foreign operations	1,096	-	(7,722)	(1)	3,323	-	(6,201)	-
8399	Income tax relating to components of other comprehensive income (Notes 4 and 21)	(219)	-	1,545	-	(664)	-	1,241	-
8300	Other comprehensive income (loss) for the period, net of income tax	877	-	(6,177)	(1)	2,659	-	(4,960)	-
8500	Total comprehensive income for the period	\$ 116,771	15	(\$ 54,051)	(8)	\$ 201,051	14	\$ 24,405	2
	Net profit attributable to:								
8610	Owners of the parent	\$ 106,125	14	(\$ 47,726)	(7)	\$ 186,221	13	\$ 26,185	2
8620	Non-controlling interests	9,769	1	(148)	-	12,171	1	3,180	-
8600		\$ 115,894	15	(\$ 47,874)	(7)	\$ 198,392	14	\$ 29,365	2
	Total comprehensive income attributable to:								
8710	Owners of the parent	\$ 107,002	14	(\$ 53,903)	(8)	\$ 188,880	13	\$ 21,225	2
8720	Non-controlling interests	9,769	1	(148)	-	12,171	1	3,180	-
8700		\$ 116,771	15	(\$ 54,051)	(8)	\$ 201,051	14	\$ 24,405	2
	Earnings per share (Note 22)								
9710	Basic	\$ 2.00		(\$ 0.89)		\$ 3.51		\$ 0.48	
9810	Diluted	\$ 2.00		(\$ 0.89)		\$ 3.51		\$ 0.48	

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

Chairman: Jonathan Chang President: Wenyi Huang Accounting Officer: Doris Hsu

Eris Technology Corporation and Subsidiaries

Consolidated Statements of Changes in Equity

For the Six Months Ended June 30, 2026 and 2025

Unit: NT\$ Thousands

Equity attributable to owners of the Company (Notes 18 and 23)													
Code		Share capital		Capital surplus	Retained earnings			Total	Other equity	Treasury stock	Total	Non-controlling interests	Total equity
		Shares (Thousand Shares)	Amount		Legal reserve	Special reserve	Unappropriated earnings		Foreign operations financial statement translation exchange differences				
A1	Balance as of January 1, 2025	54,704	\$ 547,039	\$ 1,517,949	\$ 176,501	\$ 2,598	\$ 618,133	\$ 797,232	(\$ 686)	\$ -	\$ 2,861,534	\$ 75,127	\$ 2,936,661
	Appropriation of 2024 Earnings												
B1	Appropriation of legal reserve	-	-	-	44,029	-	(44,029)	-	-	-	-	-	-
B3	(Reversal) appropriation of special earnings reserve	-	-	-	-	(1,912)	1,912	-	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	(273,520)	(273,520)	-	-	(273,520)	-	(273,520)
		-	-	-	44,029	(1,912)	(315,637)	(273,520)	-	-	(273,520)	-	(273,520)
O1	Cash dividends to shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(14,000)	(14,000)
D1	Net profit for the six months ended June 30, 2025	-	-	-	-	-	26,185	26,185	-	-	26,185	3,180	29,365
D3	Other comprehensive income (loss) for the six months ended June 30, 2025, net of tax	-	-	-	-	-	-	-	(4,960)	-	(4,960)	-	(4,960)
D5	Total comprehensive income for the six months ended June 30, 2025	-	-	-	-	-	26,185	26,185	(4,960)	-	21,225	3,180	24,405
L1	Purchase of treasury shares	-	-	-	-	-	-	-	-	(255,183)	(255,183)	-	(255,183)
Z1	Balance as of June 30, 2025	54,704	\$ 547,039	\$ 1,517,949	\$ 220,530	\$ 686	\$ 328,681	\$ 549,897	(\$ 5,646)	(\$ 255,183)	\$ 2,354,056	\$ 64,307	\$ 2,418,363
A1	Balance as of January 1, 2026	\$ 53,058	\$ 530,579	\$ 1,473,611	\$ 220,530	\$ 686	\$ 251,573	\$ 472,789	(\$ 453)	\$ -	\$ 2,476,526	\$ 70,088	\$ 2,546,614
	Appropriation of 2025 Earnings												
B1	Appropriation of legal reserve	-	-	-	14,346	-	(14,346)	-	-	-	-	-	-
B3	(Reversal) appropriation of special earnings reserve	-	-	-	-	(233)	233	-	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	(212,232)	(212,232)	-	-	(212,232)	-	(212,232)
		-	-	-	14,346	(233)	(226,345)	(212,232)	-	-	(212,232)	-	(212,232)
O1	Cash dividends to shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(9,000)	(9,000)
D1	Net profit for the six months ended June 30, 2026	-	-	-	-	-	186,221	186,221	-	-	186,221	12,171	198,392
D3	Other comprehensive income (loss) for the six months ended June 30, 2026, net of tax	-	-	-	-	-	-	-	2,659	-	2,659	-	2,659
D5	Total comprehensive income for the six months ended June 30, 2026	-	-	-	-	-	186,221	186,221	2,659	-	188,880	12,171	201,051
M5	Actual disposal of partial interests in a subsidiary	-	-	485,396	-	-	-	-	-	-	485,396	314,604	800,000
Z1	Balance as of June 30, 2026	\$ 53,058	\$ 530,579	\$ 1,959,007	\$ 234,876	\$ 453	\$ 211,449	\$ 446,778	\$ 2,206	\$ -	\$ 2,938,570	\$ 387,863	\$ 3,326,433

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

Chairman: Jonathan Chang President: Wenyi Huang Accounting Officer: Doris Hsu

Eris Technology Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the Six Months Ended June 30, 2026 and 2025

Unit: NT\$ Thousands

Code		January 1, 2026 to June 30	January 1, 2025 to June 30
	Cash flows from operating activities		
A10000	Net Profit before tax for the period	\$ 244,933	\$ 34,286
A20010	Adjustments for:		
A20100	Depreciation expense	119,278	105,443
A20200	Amortization expense	8,687	18,331
A20300	Expected credit loss (reversal gain)	200	(2,000)
A20400	Net valuation loss on financial instruments at fair value through profit or loss	749	2,218
A20900	Interest expense	14,888	14,553
A21200	Interest income	(2,754)	(4,026)
A22500	Gain on disposal and retirement of property, plant and equipment	(1,167)	(1,163)
A23800	Inventory write-down and obsolescence loss	9,600	4,000
A24100	Unrealized foreign exchange loss	1,111	37,622
A30000	Net changes in operating assets and liabilities		
A31115	Financial instruments at fair value through profit or loss	985	458
A31130	Notes receivable	(428)	(410)
A31150	Trade receivables	(55,801)	(21,423)
A31160	Trade receivables from related parties	(69,237)	131,368
A31180	Other receivables	(404)	5,081
A31200	Inventories	(157,061)	42,641
A31240	Prepayments and other current assets	(12,583)	(3,644)
A32150	Trade payables	66,045	(86,376)
A32160	Trade payables to related parties	36,534	10,047
A32180	Other payables	(28,984)	(34,733)
A32230	Other current liabilities	(3,661)	12,000
A33000	Cash generated from operations	170,930	264,273
A33100	Interest received	2,775	4,036
A33300	Interest paid	(15,273)	(14,734)
A33500	Income tax paid	(9,292)	(7,524)
AAAA	Net cash generated from operating activities	149,140	246,051

(Continued on the next page)

(Continued from the previous page)

Code		January 1, 2026 to June 30	January 1, 2025 to June 30
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	(\$ 7,205)	(\$ 38,540)
B00050	Proceeds from disposal of financial assets measured at amortized cost	90,307	28,106
B02700	Acquisition of property, plant and equipment	(54,792)	(149,701)
B02800	Proceeds from disposal of property, plant and equipment	1,758	1,284
B03800	Decrease in refundable deposits	119	171
B04500	Payments for intangible assets	(3,130)	(1,030)
B06700	Increase in other non-current assets	-	(10,382)
B07100	Increase in prepayments for land, buildings and equipment	(65,369)	(140,174)
BBBB	Net cash outflow from investing activities	(38,312)	(310,266)
	Cash flows from financing activities		
C00100	Decrease in short-term borrowings	(360,915)	(140,000)
C01600	Proceeds from long-term borrowings	200,000	200,000
C01700	Repayments of long-term borrowings	(318,055)	(117,930)
C04020	Repayments of principal portion of lease liabilities	(9,475)	(11,017)
C04400	Decrease in other non-current liabilities	(623)	-
C04900	Purchase of treasury shares	-	(255,183)
C05500	Proceeds from disposal of partial interests in a subsidiary	800,000	-
C05800	Cash dividends paid to non-controlling interests	(9,000)	(14,000)
CCCC	Net cash inflow (outflow) from financing activities	301,932	(338,130)
DDDD	Effect of exchange rate changes on cash and cash equivalents	3,324	(6,211)
EEEE	Net increase (decrease) in cash and cash equivalents	416,084	(408,556)
E00100	Cash and cash equivalents at the beginning of the period	665,979	919,532
E00200	Cash and cash equivalents at the end of the period	\$ 1,082,063	\$ 510,976

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

Chairman: Jonathan Chang President: Wenyi Huang Accounting Officer: Doris Hsu

Eris Technology Corporation and Subsidiaries
Notes to Consolidated Financial Statements
For the Six Months Ended June 30, 2026 and 2025
(Unless Otherwise Stated, Amounts are in Thousands of New Taiwan Dollars)

1. Company History

Eris Technology Corporation (the “Company”) was incorporated with the approval of the Ministry of Economic Affairs on August 16, 1995, and is principally engaged in the manufacture and sale of, and testing services for, components such as rectifier diodes, wafers, light-emitting diodes and related products.

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

In August 2012, Diodes International B.V. (Diodes B.V.) became the parent company of the Company after its shareholding exceeded 50%. In January 2019, Diodes Holding B.V. merged with Diodes B.V. and assumed all of its rights and obligations. The related procedures were completed in August 2019. In January 2021, Diodes Holding B.V. was acquired by Diodes Holdings UK Limited, which also assumed all of its rights and obligations. As of June 30, 2026, Diodes Holdings UK Limited held 52.63% 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 New Taiwan dollars, the Company’s functional currency.

2. Date and Procedures of Authorization of Financial Statements

The consolidated financial statements were approved by the Company's Board of Directors on July 29, 2026.

3. Application of New and Amended Standards and Interpretations

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

The application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not result in material changes to the Group's accounting policies.

b. IFRS Accounting Standards Endorsed by the FSC Applicable in 2027

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 1)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027
Amendments to IAS 28 “Amendments to the Fair Value Option for Investments in Associates and Joint Ventures”	January 1, 2027 (Note 2)

Note 1: Taiwan companies are required to apply IFRS 18 from January 1, 2028 and may elect early application.

Note 2: These amendments shall be applied at the same time as IFRS 18.

IFRS 18 “Presentation and Disclosure in Financial Statements” and related consequential amendments, and amendments to IAS 28 “Amendments to the Fair Value Option for Investments in Associates and Joint Ventures”

IFRS 18 will replace IAS 1 “Presentation of Financial Statements.” The main changes introduced by IFRS 18 include:

- The Group should assess whether it has specified main business activities of investing in particular types of assets or providing financing to customers and, based on that assessment, classify income and expenses in the statement of profit or loss into operating, investing, financing, income tax and discontinued operation categories.
- The statement of profit or loss should present operating profit or loss, profit or loss before financing and income tax, and required subtotals and totals of profit or loss.
- Provide guidance to strengthen aggregation and disaggregation requirements: the Group is required to identify assets, liabilities, equity, income, expenses and cash flows arising from individual transactions or other events, and classify and aggregate them on the basis of shared characteristics so that each line item presented in the primary financial statements has at least one similar characteristic. Items with dissimilar characteristics should be disaggregated in the primary financial statements and notes. The Group will label items as “other” only when no more informative label can be found.
- Increase disclosures of management-defined performance measures: when the Group communicates publicly outside the financial statements and communicates management's view of an aspect of the Group's overall financial performance to

users of the financial statements, it should disclose in a single note to the financial statements information related to management-defined performance measures, including a description of the measure, how it is calculated, reconciliation to the subtotal or total specified by IFRS Accounting Standards, and the income tax and non-controlling interest effects of the related reconciling items.

On initial application of IFRS 18, venture capital organizations, mutual funds, unit trusts and similar entities (or entities investing indirectly through such entities) may change their election for measuring investments in associates or joint ventures from the equity method to fair value through profit or loss. The amendments to IAS 28 clarify that the aforementioned “similar entities” include entities that, under IFRS 18, assess investing in particular types of assets as a specified main business activity. If the Group meets the foregoing conditions, it may elect to make this change at the date of initial application.

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

- When the Group 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 Group should be classified as investing activities, while interest and dividends paid should be classified as financing activities. If the Group is assessed as having a specified main business activity, the classifications of dividend income, interest income and interest expense presented in the statement of profit or loss should be considered in determining the classification of dividends received, interest received and interest paid in the statement of cash flows. Each of the foregoing cash flows, however, may be classified in only one activity in the statement of cash flows.

The Group does not expect to early apply IFRS 18 and the related consequential amendments.

Except for the impacts described above, as of the date the consolidated financial statements were authorized for issue, the Group continues to assess the other effects of the amendments to standards and interpretations on its financial position and financial performance. The related effects will be disclosed when the assessment is completed.

- c. IFRS Accounting Standards issued by the IASB but not yet endorsed and issued into effect by the FSC

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB (Note)
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 20 “Regulatory Assets and Regulatory Liabilities”	January 1, 2029

Note: Unless otherwise specified, the aforementioned new, amended and revised standards or interpretations are effective for annual reporting periods beginning on or after the respective dates.

As of the date the consolidated financial statements were authorized for issue, the Group continues to assess the effects of amendments to standards and interpretations on its financial position and financial performance. The related effects will be disclosed when the assessment is completed.

4. Summary of Significant Accounting Policies

a. Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting,” as endorsed and issued into effect by the FSC. The consolidated financial statements do not include all disclosures required for a complete set of annual financial statements prepared under IFRS Accounting Standards.

b. Basis of Preparation

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

Fair value measurements are categorized into Levels 1 to 3 based on the observability and significance of the related inputs:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
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).
3. Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (subsidiaries). The financial statements of the

subsidiaries have been adjusted to bring their accounting policies into conformity with those used by the Group. All intercompany transactions, balances, income and expenses are eliminated in full in preparing the consolidated financial statements. Total comprehensive income of a subsidiary is attributed to the owners of the Company and to non-controlling interests even if this results in a deficit balance for the non-controlling interests.

When a change in the Group's ownership interests in a subsidiary does not result in a loss of control, it is accounted for as an equity transaction. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity attributable to owners of the Company.

Please refer to Note 11 and Tables 4 and 5 for details of subsidiaries, ownership percentages and principal activities.

d. Other Significant Accounting Policies

Except as described below, please refer to the summary of significant accounting policies in the 2025 consolidated financial statements.

Income tax expense

Income tax expense represents the sum of current income tax and deferred income tax. Income tax for interim periods is assessed on an annual basis and is calculated by applying the estimated average annual effective tax rate to the pre-tax income of the interim period.

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

Please refer to the 2025 consolidated financial statements for disclosures regarding significant accounting judgments, estimates and the principal sources of estimation uncertainty.

6. Cash and Cash Equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	\$ 1,397	\$ 1,527	\$ 1,439
Bank checks and demand deposits	863,112	466,253	436,604
Foreign currency demand deposits	217,554	158,199	57,933
Cash equivalents (investments with original maturities of three months or less)			

	June 30, 2026	December 31, 2025	June 30, 2025
Time Deposits	-	40,000	15,000
	<u>\$ 1,082,063</u>	<u>\$ 665,979</u>	<u>\$ 510,976</u>

The market interest rate ranges for demand deposits at the balance sheet date were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Demand Deposits	0.01% ~ 0.73%	0.01% ~ 0.73%	0.03% ~ 0.80%
Time Deposits	-	1.47%	1.47%

7. Financial Instruments at Fair Value Through Profit or Loss

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial liabilities - current</u>			
Held for trading			
–Cross-currency swap			
Contract (a)	\$ -	\$ -	\$ 1,245
–Forward foreign exchange			
contracts (b)	70	-	483
–Exchange rate options (c)	<u>1,664</u>	<u>-</u>	<u>162</u>
	<u>\$ 1,734</u>	<u>\$ -</u>	<u>\$ 1,890</u>

- a. The cross-currency swap contracts outstanding at the balance sheet date that were not designated for hedge accounting were as follows: (June 30, 2026 and December 31, 2025: None) June 30, 2025

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

- b. The forward foreign exchange contracts outstanding at the balance sheet date that were not designated for hedge accounting were as follows: (December 31, 2025: None)

June 30, 2026

	Currency	Maturity Period	Contract Amount (In Thousands)
Sales of forwarding foreign exchange	USD : NTD	July 2026	USD 500/NTD 15,823

June 30, 2025

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

c. The foreign exchange option contracts outstanding at the balance sheet date were as follows:

(December 31, 2025: None)

June 30, 2026

Contract Amount (In Thousands)	Transaction type	Call/Sell	Maturity Period	Agreed exchange rate
USD 2,000	Call Option	Seller	September 2026	USD : TWD 31.85
USD 2,000	Call Option	Seller	December 2026	USD : TWD 32.10

June 30, 2025

Contract Amount (In Thousands)	Transaction type	Call/Sell	Maturity Period	Agreed exchange rate
USD 1,000	Call Option	Seller	August 2025	USD : TWD 33.82
USD 1,000	Call Option	Seller	September 2025	USD : TWD 33.80
USD 1,000	Call Option	Seller	September 2025	USD : TWD 33.60
USD 1,000	Call Option	Seller	July 2025	USD : TWD 30.00

8. Financial Assets at Amortized Cost

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
<u>Current</u>			
Unpledged bank deposits			
Time deposits with original maturities of more than 3 months	\$ 5,641	\$ 55,408	\$ 4,921
Pledged bank deposits			
Time deposits with original maturities of more than 3 months	3,400	3,400	9,260
Restricted demand deposits	<u>30,352</u>	<u>63,454</u>	<u>46,142</u>
	<u>\$ 39,393</u>	<u>\$ 122,262</u>	<u>\$ 60,323</u>

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Non-current</u>			
Pledged bank deposits			
Restricted demand deposits	\$ -	\$ -	\$ 18,177

The market interest rate ranges for the above assets at the balance sheet date were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Time deposits with original maturities of more than three months	0.67%~1.10%	0.67%~1.52%	1.63%~4.90%
Restricted demand deposits	0.64%	0.64%~0.73%	0.64%~0.73%

Please refer to Note 28 for information on financial assets measured at amortized cost pledged as collateral.

9. Notes Receivable and Trade Receivables

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Notes receivable</u>			
Measured at amortized cost			
Total carrying amount	\$ 1,652	\$ 1,224	\$ 2,100
<u>Trade receivables</u>			
Measured at amortized cost			
Total carrying amount	\$ 330,273	\$ 277,972	\$ 299,906
Less: loss allowance	(2,711)	(2,462)	(6,461)
Trade receivables, net	\$ 327,562	\$ 275,510	\$ 293,445
<u>Receivables from related parties</u>			
Measured at amortized cost			
Total carrying amount	\$ 397,734	\$ 326,166	\$ 281,554

The Group's credit terms for sales of goods are approximately 30 to 165 days. No interest is charged because the credit period is short.

To mitigate credit risk, the Group's management has assigned a dedicated team to determine credit terms, approve credit limits and perform other monitoring procedures to ensure that appropriate action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amount of receivables at the balance sheet date to ensure that adequate impairment losses are recognized for unrecoverable receivables.

Accordingly, management believes that the Group's credit risk has been significantly reduced.

The Group recognizes a loss allowance for trade receivables based on lifetime expected credit losses. Lifetime expected credit losses are determined with reference to customers' historical default experience, current financial conditions and the economic conditions of the industry.

The loss allowance for the Group's trade receivables (including receivables from related parties) was as follows:

June 30, 2026

	Not overdue	Overdue 1~30 days	Overdue 31~60 days	Overdue 61~90 days	Overdue 91~120 days	Overdue More than 121 days	Total
Total carrying amount	\$715,731	\$ 11,514	\$ 281	\$ 1	\$ -	\$ 480	\$728,007
Loss allowance (lifetime expected credit losses)	(<u>1,445</u>)	(<u>654</u>)	(<u>131</u>)	(<u>1</u>)	-	(<u>480</u>)	(<u>2,711</u>)
Amortized cost	<u>\$714,286</u>	<u>\$ 10,860</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$725,296</u>

December 31, 2025

	Not overdue	Overdue 1~30 days	Overdue 31~60 days	Overdue 61~90 days	Overdue 91~120 days	Overdue More than 121 days	Total
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>\$ -</u>	<u>\$ -</u>	<u>\$601,676</u>

June 30, 2025

	Not overdue	Overdue 1~30 days	Overdue 31~60 days	Overdue 61~90 days	Overdue 91~120 days	Overdue More than 121 days	Total
Total carrying amount	\$571,473	\$ 3,520	\$ 972	\$ 198	\$ 1,730	\$ 3,567	\$581,460
Loss allowance (lifetime expected credit losses)	(<u>2,248</u>)	(<u>49</u>)	(<u>137</u>)	(<u>31</u>)	(<u>429</u>)	(<u>3,567</u>)	(<u>6,461</u>)
Amortized cost	<u>\$569,225</u>	<u>\$ 3,471</u>	<u>\$ 835</u>	<u>\$ 167</u>	<u>\$ 1,301</u>	<u>\$ -</u>	<u>\$574,999</u>

Changes in the loss allowance for trade receivables were as follows:

	January 1, 2026 to June 30	January 1, 2025 to June 30
Beginning balance	\$ 2,462	\$ 8,557
Impairment loss recognized (reversed) for the period	200	(2,000)
Foreign currency translation differences	49	(96)
Ending balance	<u>\$ 2,711</u>	<u>\$ 6,461</u>

10. Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Raw Material	\$ 239,486	\$ 175,011	\$ 170,861
Work in progress	222,186	168,322	242,780
Finished goods	45,559	44,108	26,213
Buy & Sales	<u>103,164</u>	<u>75,493</u>	<u>52,108</u>
	<u>\$ 610,395</u>	<u>\$ 462,934</u>	<u>\$ 491,962</u>

The nature of cost of goods sold was as follows:

	April 1, 2026 to June 30	April 1, 2025 to June 30	January 1, 2026 to June 30	January 1, 2025 to June 30
Cost of goods sold	\$467,590	\$429,451	\$887,134	\$817,340
Inventory write-down loss recognized	<u>6,500</u>	<u>4,000</u>	<u>9,600</u>	<u>4,000</u>
	<u>\$474,090</u>	<u>\$433,451</u>	<u>\$896,734</u>	<u>\$821,340</u>

11. Subsidiaries

Subsidiaries Included in the Consolidated Financial Statements

The entities included in the consolidated financial statements were as follows:

Name of Investor	Name of Subsidiary	Nature of business	Percentage of Ownership		
			2026 June 30	2025 December 31	2025 June 30
The Company	Keep High Limited ("Keep High")	Holding of investments	100%	100%	100%
The Company	Yea Shin Technology Co., Ltd. ("Yea Shin")	Manufacturing of electronic components and wholesaling of electronic materials	76.6%	96.1%	96.1%
The Company	Erishin Semiconductor Corporation ("Erishin")	Manufacturing of electronic components and wholesaling of electronic materials	100%	100%	100%
The Company	SeCos Corporation ("SeCos")	Manufacturing of electronic parts and components R&D, design and sales	40%	40%	40%
Yea Shin	SeCos Corporation ("SeCos")	Manufacturing of electronic parts and components R&D, design and sales	60%	60%	60%
Keep High	Forever Eagle Incorporation ("Forever")	Holding of investments	100%	100%	100%

Name of Investor	Name of Subsidiary	Nature of business	Percentage of Ownership		
			2026 June 30	2025 December 31	2025 June 30
Forever	Jie Cheng Electronic (Shanghai) Co., Ltd. ("Jie Cheng")	Wholesaling of electronic materials and international trading business	100%	100%	100%

On April 3, 2008, the Group was approved by the Investment Commission, Ministry of Economic Affairs, to invest in Jie Cheng Electronic (Shanghai) Co., Ltd. in Mainland China through a third region. As of June 30, 2026, the paid-in capital of Jie Cheng was US\$650 thousand.

To facilitate Yea Shin Technology Co., Ltd.'s planned initial public offering and comply with shareholding dispersion requirements, the Group's Board of Directors resolved on April 29, 2026 to dispose of 10,000 thousand common shares of Yea Shin at NT\$80 per share, reducing the Group's ownership interest from 96.10% to 76.63%. As the transaction did not result in a loss of control over Yea Shin, the Group accounted for it as an equity transaction. Please refer to Note 23.

12. Property, Plant and Equipment

For the Six Months Ended June 30, 2026								
	Land	Houses and buildings	Machinery Equipment	Transportation Equipment	Leasehold Improvements	Other Equipment	Construction in progress and equipment awaiting inspection	Total
<u>Cost</u>								
Balance as of January 1, 2026	\$ 574,129	\$ 514,058	\$ 2,282,012	\$ 18,847	\$ 491,193	\$ 37,703	\$ 81,234	\$ 3,999,176
Increase	-	420	33,143	-	9,883	3,597	21,026	68,069
Disposals	-	(57,590)	(382,196)	(857)	(84,988)	(478)	-	(526,109)
Internal transfer	-	-	32,204	-	24,596	1,486	(58,286)	-
Effect of exchange rate changes	-	-	-	49	-	37	-	86
Balance as of June 30, 2026	<u>\$ 574,129</u>	<u>\$ 456,888</u>	<u>\$ 1,965,163</u>	<u>\$ 18,039</u>	<u>\$ 440,684</u>	<u>\$ 42,345</u>	<u>\$ 43,974</u>	<u>\$ 3,541,222</u>
<u>Accumulated depreciation</u>								
Balance as of January 1, 2026	\$ -	\$ 155,641	\$ 1,264,362	\$ 12,149	\$ 216,600	\$ 13,751	\$ -	\$ 1,662,503
Depreciation expense	-	14,906	73,179	903	17,186	3,046	-	109,220
Disposals	-	(57,590)	(381,605)	(857)	(84,988)	(478)	-	(525,518)
Effect of exchange rate changes	-	-	-	4	-	33	-	37
Balance as of June 30, 2026	<u>\$ -</u>	<u>\$ 112,957</u>	<u>\$ 955,936</u>	<u>\$ 12,199</u>	<u>\$ 148,798</u>	<u>\$ 16,352</u>	<u>\$ -</u>	<u>\$ 1,246,242</u>
Net balance as of June 30, 2026	<u>\$ 574,129</u>	<u>\$ 343,931</u>	<u>\$ 1,009,227</u>	<u>\$ 5,840</u>	<u>\$ 291,886</u>	<u>\$ 25,993</u>	<u>\$ 43,974</u>	<u>\$ 2,294,980</u>

For the Six Months Ended June 30, 2025

							Constructi on in progress and equipment awaiting inspection	Total
	Land	Houses and buildings	Machinery Equipment	Transporta tion Equipment	Leasehold Improvem ents	Other Equipment		
<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	-	270	153,027	-	65,645	7,612	129,446	356,000
Disposals	-	(2,809)	(29,559)	-	(100)	(2,240)	-	(34,708)
Effect of exchange rate changes	-	-	-	(161)	-	(92)	-	(253)
Balance as of June 30, 2025	<u>\$ 593,991</u>	<u>\$ 544,737</u>	<u>\$ 2,208,454</u>	<u>\$ 21,451</u>	<u>\$ 472,609</u>	<u>\$ 39,663</u>	<u>\$ 129,446</u>	<u>\$ 4,010,351</u>
<u>Accumulated depreciation</u>								
Balance as of January 1, 2025	\$ -	\$ 148,807	\$ 1,229,523	\$ 14,143	\$ 189,517	\$ 13,323	\$ -	\$ 1,595,313
Depreciation expense	-	14,359	62,219	892	13,561	2,719	-	93,750
Disposals	-	(2,809)	(29,438)	-	(100)	(2,240)	-	(34,587)
Effect of exchange rate changes	-	-	-	(152)	-	(81)	-	(233)
Balance as of June 30, 2025	<u>\$ -</u>	<u>\$ 160,357</u>	<u>\$ 1,262,304</u>	<u>\$ 14,883</u>	<u>\$ 202,978</u>	<u>\$ 13,721</u>	<u>\$ -</u>	<u>\$ 1,654,243</u>
Net balance as of June 30, 2025	<u>\$ 593,991</u>	<u>\$ 384,380</u>	<u>\$ 946,150</u>	<u>\$ 6,568</u>	<u>\$ 269,631</u>	<u>\$ 25,942</u>	<u>\$ 129,446</u>	<u>\$ 2,356,108</u>

No impairment losses were recognized or reversed during the six months ended June 30, 2026 and 2025.

The Group depreciates property, plant and equipment on a straight-line basis over the following estimated useful lives:

Houses and buildings	
Main buildings of the office	35 to 50 years
Building improvement	5 to 15 years
Machinery Equipment	2 to 15 years
Transportation Equipment	4 to 5 years
Leasehold Improvements	8 to 10 years
Other Equipment	3 to 5 years

Please refer to Note 28 for property, plant and equipment pledged as collateral for borrowings.

13. Lease Arrangements

a. Right-of-use Assets

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount of right-of-use assets			
Buildings	<u>\$ 130,365</u>	<u>\$ 137,622</u>	<u>\$ 153,195</u>
	April 1, 2026 to June 30	April 1, 2025 to June 30	January 1, 2026 to June 30
Additions to right-of-use assets	<u>\$ 2,058</u>	<u>\$ 1,798</u>	<u>\$ 3,025</u>
	January 1, 2025 to June 30		
Depreciation expense of right-of-use assets			
Buildings	<u>\$ 4,994</u>	<u>\$ 5,826</u>	<u>\$ 10,058</u>
			<u>\$ 11,693</u>

b. Lease Liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount of lease liabilities			
Current	<u>\$ 17,930</u>	<u>\$ 16,887</u>	<u>\$ 19,683</u>
Non-current	<u>\$ 115,066</u>	<u>\$ 122,782</u>	<u>\$ 135,131</u>

The ranges of discount rates for lease liabilities were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Buildings	1.00%~2.00%	1.00%~2.00%	1.00%~2.71%

c. Other Lease Information

	April 1, 2026 to June 30	April 1, 2025 to June 30	January 1, 2026 to June 30	January 1, 2025 to June 30
Short term lease fees	<u>\$ 45</u>	<u>\$ 47</u>	<u>\$ 107</u>	<u>\$ 80</u>
Low value asset leasing expenses	<u>\$ 15</u>	<u>\$ 15</u>	<u>\$ 31</u>	<u>\$ 31</u>
Total cash outflow for leases	<u>\$ 5,481</u>	<u>\$ 6,371</u>	<u>\$ 10,967</u>	<u>\$ 12,684</u>

The Group elects to apply the recognition exemption to leases of offices and parking spaces that qualify as short-term leases and leases of office equipment that qualify as leases of low-value assets, and therefore does not recognize related right-of-use assets or lease liabilities for those leases.

14. Goodwill

	June 30, 2026	December 31, 2025	June 30, 2025
Cost	<u>\$ 58,728</u>	<u>\$ 58,728</u>	<u>\$ 58,728</u>

The Group's acquisition of Yea Shin Technology Co., Ltd. in July 2018 resulted in goodwill of NT\$24,070 thousand, which primarily arose from expected future economic benefits from the subsidiary.

The Group's acquisition of SeCos Corporation in January 2024 resulted in goodwill of NT\$34,658 thousand, which primarily arose from expected future economic benefits from the subsidiary.

No impairment losses were recognized or reversed during the six months ended June 30, 2026 and 2025.

15. Intangible Assets

	For the Six Months Ended June 30, 2026		
	Computer Software	Customer Relationship	Total
<u>Cost</u>			
Balance as of January 1, 2026	\$ 49,229	\$ 40,513	\$ 89,742
Acquired separately	3,440	-	3,440
Disposals	(1,261)	-	(1,261)
Balance as of June 30, 2026	<u>\$ 51,408</u>	<u>\$ 40,513</u>	<u>\$ 91,921</u>
<u>Accumulated amortization</u>			
Balance as of January 1, 2026	\$ 14,515	\$ 6,331	\$ 20,846
Amortization expense	3,373	1,554	4,927
Disposals	(1,261)	-	(1,261)
Balance as of June 30, 2026	<u>\$ 16,627</u>	<u>\$ 7,885</u>	<u>\$ 24,512</u>
Net balance as of June 30, 2026	<u>\$ 34,781</u>	<u>\$ 32,628</u>	<u>\$ 67,409</u>

	For the Six Months Ended June 30, 2025		
	Computer Software	Customer Relationship	Total
<u>Cost</u>			
Balance as of January 1, 2025	\$ 34,672	\$ 40,513	\$ 75,185
Disposals	(2,727)	-	(2,727)
Acquired separately	4,142	-	4,142
Balance as of June 30, 2025	<u>\$ 36,087</u>	<u>\$ 40,513</u>	<u>\$ 76,600</u>
<u>Accumulated amortization</u>			
Balance as of January 1, 2025	\$ 12,025	\$ 3,224	\$ 15,249
Amortization expense	2,695	1,554	4,249
Disposals	(2,727)	-	(2,727)
Balance as of June 30, 2025	<u>\$ 11,993</u>	<u>\$ 4,778</u>	<u>\$ 16,771</u>
Net balance as of June 30, 2025	<u>\$ 24,094</u>	<u>\$ 35,735</u>	<u>\$ 59,829</u>

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

Computer Software	5 to 15 years
Customer Relationship	13 years

16. Borrowings

a. Short-term Borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Secured borrowings</u>			
Bank loans	\$ -	\$ 200,000	\$ 300,000
<u>Unsecured borrowings</u>			
Line of credit borrowings	200,000	380,000	150,000
Material purchase loans	<u>47,012</u>	<u>27,758</u>	<u>-</u>
	<u>\$ 247,012</u>	<u>\$ 607,758</u>	<u>\$ 450,000</u>

The interest rates on bank revolving loans were 1.80%-4.86%, 1.80%-4.86% and 1.80%-2.55% as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

b. Long-term Borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Secured borrowings</u>			
Bank loan (1)	\$ 43,596	\$ 46,492	\$ 49,357
Bank loan (2)	346,766	357,952	369,138
Bank loan (3)	150,000	150,000	100,000
Bank loan (4)	25,836	28,871	31,879
Bank loan (5)	-	70,000	70,000
<u>Unsecured borrowings</u>			
Bank loan (6)	2,063	3,001	3,931
Bank loan (7)	100,000	100,000	100,000
Bank loan (8)	<u>-</u>	<u>30,000</u>	<u>30,000</u>
	668,261	786,316	754,305
Less: Current portion of long-term borrowings	(<u>36,300</u>)	(<u>36,173</u>)	(<u>36,044</u>)
Long-term borrowings	<u>\$ 631,961</u>	<u>\$ 750,143</u>	<u>\$ 718,261</u>

(1) The Group obtained a bank loan of NT\$140,000 thousand at the end of June 2018.

The loan is secured by the Group's land and buildings and bears interest at the two-year floating rate on time savings deposits plus 0.115%. The loan is repayable over 15 years and matures on June 28, 2033. The effective annual interest rate was 1.9313% as of June 30, 2026, December 31, 2025 and June 30, 2025.

(2) The Group obtained a bank loan of NT\$419,475 thousand on May 22, 2023. The

loan is secured by the Group's land and buildings, bears interest at three-month TAIBOR plus 0.5%, with interest payable quarterly. The principal is repaid by specified quarterly installments, with the remaining balance payable in full at maturity. The loan matures on May 21, 2028. The effective annual interest rates as of June 30, 2026, December 31, 2025 and June 30, 2025 were 1.98%, 2.02% and 2.03%, respectively.

- (3) The Group obtained a bank loan of NT\$100,000 thousand on September 26, 2024. The loan is secured by the Group's land and buildings, bears interest at the two-year floating rate on time savings deposits plus 0.082%, and is repayable in full at maturity. Upon maturity in October 2025, the loan was renewed and an additional NT\$50,000 thousand was borrowed, with the new maturity date set for October 3, 2027. The effective annual interest rates as of June 30, 2026, December 31, 2025 and June 30, 2025 were 2.00%, 2.00% and 1.9366%, respectively.
- (4) The Group obtained a bank loan of NT\$49,000 thousand on July 1, 2020. The loan is secured by the Group's land and buildings and bears interest at the one-month floating rate on time savings deposits plus 0.08%, subject to a minimum rate of 0.90%. Following a two-year grace period, principal and interest are repaid in equal installments. The loan matures on June 30, 2030. The effective annual interest rate was 1.80% as of June 30, 2026, December 31, 2025 and June 30, 2025.
- (5) The Group obtained a bank loan of NT\$70,000 thousand on April 11, 2025. The loan is secured by the Group's land and buildings. Interest was fixed at 2.0% per annum for one month from the drawdown date and is payable monthly, with the principal repayable in full at maturity. The loan was originally due on April 11, 2027 and was fully repaid early in June 2026. The effective annual interest rate was 2.03% as of December 31, 2025 and June 30, 2025.
- (6) The Group obtained a bank loan of NT\$11,000 thousand on July 1, 2020. The loan bears interest at the one-month floating rate on time savings deposits plus 0.08%, subject to a minimum rate of 0.98%. Following a one-year grace period, principal and interest are repaid in equal installments. The loan matures on April 11, 2027. The effective annual interest rate was 1.80% as of June 30, 2026, December 31, 2025 and June 30, 2025.
- (7) The Group obtained a bank loan of NT\$100,000 thousand on March 27, 2024. The loan bears interest at three-month TAIBOR plus 0.5%, with interest payable

monthly and the principal repayable in full at maturity. The original maturity date was March 26, 2027; the loan was refinanced early in March 2026 and the new maturity date is March 26, 2028. The effective annual interest rates as of June 30, 2026, December 31, 2025 and June 30, 2025 were 1.98%, 2.01% and 2.01%, respectively.

- (8) The Group obtained a bank loan of NT\$30,000 thousand on April 11, 2025. Interest was fixed at 2.0% per annum for one month from the drawdown date and is payable monthly, with the principal repayable in full at maturity. The loan was originally due on April 11, 2027 and was fully repaid early in June 2026. The effective annual interest rate was 2.03% as of December 31, 2025 and June 30, 2025.

Please refer to Note 28 for details of assets pledged as collateral for secured borrowings.

17. Other Payables

	June 30, 2026	December 31, 2025	June 30, 2025
Dividends payable	\$ 212,232	\$ -	\$ 273,520
Salary and bonus payable	78,350	109,734	71,815
Other	<u>147,147</u>	<u>144,517</u>	<u>142,213</u>
	<u>\$ 437,729</u>	<u>\$ 254,251</u>	<u>\$ 487,548</u>

18. Equity

a. Share Capital

	June 30, 2026	December 31, 2025	June 30, 2025
Authorized shares (thousand shares)	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>
Authorized capital	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 700,000</u>
Issued shares (thousand shares)	<u>53,058</u>	<u>53,058</u>	<u>54,704</u>
Issued share capital	<u>\$ 530,579</u>	<u>\$ 530,579</u>	<u>\$ 547,039</u>

The issued ordinary shares have a par value of NT\$10 per share. Each share is entitled to one vote and the right to receive dividends.

b. Capital Surplus

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
<u>May be used to offset</u> <u>losses, distribute cash or</u> <u>be capitalized (1)</u>			
Share premium	\$ 1,429,224	\$ 1,429,224	\$ 1,473,562
Difference between proceeds from actual disposal of subsidiary equity and carrying amount	512,662	27,266	27,266
Other	849	849	849
<u>May only be used to offset</u> <u>losses</u>			
Amount recognized from changes in ownership interests in subsidiaries (2)	<u>16,272</u>	<u>16,272</u>	<u>16,272</u>
	<u>\$ 1,959,007</u>	<u>\$ 1,473,611</u>	<u>\$ 1,517,949</u>

1. Such capital surplus may be used to offset losses and, when the Company has no accumulated deficit, may be distributed in cash or transferred to share capital, subject to the annual statutory limit on capitalization as a percentage of paid-in capital.
2. Such capital surplus represents the effects of equity transactions recognized as a result of changes in a subsidiary's equity when the Company has not actually acquired or disposed of the subsidiary's shares, or adjustments to capital surplus of subsidiaries recognized by the Company under the equity method.

c. Retained Earnings and Dividend Policy

Under the earnings distribution policy set forth in the Company's Articles of Incorporation, if there are earnings upon the annual closing of accounts, taxes shall first be paid and accumulated losses offset, after which 10% shall be appropriated as legal reserve and special reserve shall be appropriated or reversed in accordance with applicable laws and regulations. Any remaining balance, together with accumulated unappropriated earnings, shall be included in a proposal for earnings distribution prepared by the Board of Directors and submitted to the shareholders' meeting for resolution on the distribution of dividends and bonuses. For the employee compensation policy stipulated in the Company's Articles of Incorporation, please refer to Note 20(d), Employee Compensation.

Legal reserve shall be appropriated until its balance equals the Company's total paid-

in capital. Legal reserve may be used to offset losses. When the Company has no accumulated deficit, the portion of legal reserve exceeding 25% of paid-in capital may be transferred to share capital or distributed in cash.

At the annual shareholders' meetings held on June 29, 2026 and May 28, 2025, the shareholders approved the earnings distribution proposals for 2025 and 2024, respectively, as follows:

	<u>2025</u>	<u>2024</u>
Legal reserve	<u>\$ 14,346</u>	<u>\$ 44,029</u>
(Reversal) appropriation of special reserve	<u>(\$ 233)</u>	<u>(\$ 1,912)</u>
Cash dividends	<u>\$ 212,232</u>	<u>\$ 273,520</u>
Cash Dividends Per Share (\$)	<u>\$ 4.0</u>	<u>\$ 5.0</u>

If the number of shares outstanding changes as of the ex-dividend record date, the dividend per share will be adjusted proportionately. After adjustment, the actual cash dividend distributed for 2024 was NT\$5.15 per share.

d. Treasury Shares

On April 10, 2025, the Company's extraordinary Board meeting resolved to repurchase treasury shares for the purpose of maintaining the Company's credit and shareholders' equity. The repurchase period was from April 11 to June 9, 2025. The Company planned to repurchase 3,000,000 shares at prices ranging from NT\$110 to NT\$182 per share and would continue to repurchase shares if the market price fell below the lower limit of the price range. By the end of the repurchase period, the Company had repurchased 1,646 thousand shares for a total amount of NT\$255,183 thousand.

On July 29, 2025, the Board of Directors resolved to cancel 1,646 thousand treasury shares, with August 15, 2025 as the capital reduction record date. The related amendment registration has been completed.

19. Revenue

	<u>April 1, 2026 to June 30</u>	<u>April 1, 2025 to June 30</u>	<u>January 1, 2026 to June 30</u>	<u>January 1, 2025 to June 30</u>
Revenue from contracts with customers				
Revenue from the sale of goods	<u>\$ 800,904</u>	<u>\$ 643,184</u>	<u>\$ 1,485,502</u>	<u>\$ 1,268,444</u>

Contract balance

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Notes receivable and trade receivables	<u>\$ 726,948</u>	<u>\$ 602,900</u>	<u>\$ 577,099</u>	<u>\$ 709,984</u>
Contract liabilities (included in other current liabilities)				
Sale of goods	<u>\$ 5,797</u>	<u>\$ 6,420</u>	<u>\$ 1,702</u>	<u>\$ 3,538</u>

20. Profit for the Period

Additional information on profit for the period includes the following items:

a. Depreciation and Amortization

	April 1, 2026 to June 30	April 1, 2025 to June 30	January 1, 2026 to June 30	January 1, 2025 to June 30
Property, plant and equipment	\$ 55,561	\$ 48,581	\$ 109,220	\$ 93,750
Right-of-use assets	4,994	5,826	10,058	11,693
Intangible assets	2,438	2,151	4,927	4,249
Other non-current assets	<u>1,239</u>	<u>7,367</u>	<u>3,760</u>	<u>14,082</u>
	<u>\$ 64,232</u>	<u>\$ 63,925</u>	<u>\$ 127,965</u>	<u>\$ 123,774</u>
Depreciation expenses summarized by function				
Operating costs	\$ 31,791	\$ 25,884	\$ 63,248	\$ 53,020
Operating expenses	<u>28,764</u>	<u>28,523</u>	<u>56,030</u>	<u>52,423</u>
	<u>\$ 60,555</u>	<u>\$ 54,407</u>	<u>\$ 119,278</u>	<u>\$ 105,443</u>
Amortization expenses summarized by function				
Operating costs	\$ 1,052	\$ 4,361	\$ 2,733	\$ 8,589
Operating expenses				
Selling and marketing expenses	1,310	1,048	2,636	2,048
Management expense	370	810	775	1,637
Research and development expenses	<u>945</u>	<u>3,299</u>	<u>2,543</u>	<u>6,057</u>
	<u>\$ 3,677</u>	<u>\$ 9,518</u>	<u>\$ 8,687</u>	<u>\$ 18,331</u>

b. Foreign Exchange Gain (Loss)

	April 1, 2026 to June 30	April 1, 2025 to June 30	January 1, 2026 to June 30	January 1, 2025 to June 30
Total foreign exchange gains	\$ 5,382	\$ 9,928	\$ 16,444	\$ 22,601
Total foreign exchange losses	(<u>4,691</u>)	(<u>72,727</u>)	(<u>7,788</u>)	(<u>76,101</u>)
Net amount	<u>\$ 691</u>	(<u>\$ 62,799</u>)	<u>\$ 8,656</u>	(<u>\$ 53,500</u>)

c. Employee Benefits Expense

	April 1, 2026 to June 30	April 1, 2025 to June 30	January 1, 2026 to June 30	January 1, 2025 to June 30
Post-employment benefits				
Defined contribution plans	\$ 3,920	\$ 3,627	\$ 7,711	\$ 7,389
Other employee benefits	<u>118,193</u>	<u>97,647</u>	<u>227,333</u>	<u>205,823</u>
	<u>\$ 122,113</u>	<u>\$ 101,274</u>	<u>\$ 235,044</u>	<u>\$ 213,212</u>
Summarized by function				
Operating costs	\$ 48,238	\$ 42,003	\$ 91,263	\$ 85,522
Operating expenses	<u>73,875</u>	<u>59,271</u>	<u>143,781</u>	<u>127,690</u>
	<u>\$ 122,113</u>	<u>\$ 101,274</u>	<u>\$ 235,044</u>	<u>\$ 213,212</u>

d. Employee Compensation

According to the Company's Articles of Incorporation, employee compensation is appropriated at 1% to 5% of profit before tax before deducting employee compensation for the year. In accordance with the August 2024 amendment to the Securities and Exchange Act, the shareholders' meeting in 2025 approved an amendment to the Articles of Incorporation stipulating that 30% to 60% of the employee compensation appropriated for the year shall be allocated to rank-and-file employees. The estimated employee compensation (including compensation for rank-and-file employees) for the six months ended June 30, 2026 and 2025 was as follows:

Estimated rate

	January 1, 2026 to June 30	January 1, 2025 to June 30
Employees' compensation	1.64%	2.49%

Cash amount

	April 1, 2026 to June 30	April 1, 2025 to June 30	January 1, 2026 to June 30	January 1, 2025 to June 30
Employees' compensation	<u>\$ 1,800</u>	<u>(\$ 600)</u>	<u>\$ 3,400</u>	<u>\$ 200</u>

If the amounts change after the annual consolidated financial statements are authorized for issue, the changes are treated as changes in accounting estimates and adjusted in the following year.

At the Board of Directors' meetings held on February 25, 2026 and February 25, 2025, the Board approved employee compensation for 2025 and 2024, respectively, as follows:

Cash amount

	<u>2025</u>	<u>2024</u>
Employees' compensation	\$ 3,100	\$ 8,000

The actual amounts of employee compensation distributed for 2025 and 2024 did not differ from the amounts recognized in the consolidated financial statements for 2025 and 2024.

Information on employee compensation resolved by the Company's Board of Directors is available on the Market Observation Post System of the Taiwan Stock Exchange.

21. Income Tax

a. Income Tax Recognized in Profit or Loss

The major components of income tax expense (benefit) were as follows:

	<u>April 1, 2026 to June 30</u>	<u>April 1, 2025 to June 30</u>	<u>January 1, 2026 to June 30</u>	<u>January 1, 2025 to June 30</u>
Current income tax				
In respect of the period	(\$ 4,274)	(\$ 2,668)	(\$ 8,707)	(\$ 7,123)
Prior-year adjustments	(<u>5</u>)	<u>24,956</u>	(<u>5</u>)	<u>24,956</u>
	(<u>4,279</u>)	<u>22,288</u>	(<u>8,712</u>)	<u>17,833</u>
Deferred income tax				
In respect of the period	(25,688)	12,826	(42,215)	9,870
Prior-year adjustments	<u>4,386</u>	(<u>32,624</u>)	<u>4,386</u>	(<u>32,624</u>)
	(<u>21,302</u>)	(<u>19,798</u>)	(<u>37,829</u>)	(<u>22,754</u>)
Income tax expense (benefit) recognized in profit or loss	(<u>\$ 25,581</u>)	<u>\$ 2,490</u>	(<u>\$ 46,541</u>)	(<u>\$ 4,921</u>)

b. Income Tax Recognized in Other Comprehensive Income

	<u>April 1, 2026 to June 30</u>	<u>April 1, 2025 to June 30</u>	<u>January 1, 2026 to June 30</u>	<u>January 1, 2025 to June 30</u>
<u>Deferred income tax</u>				
Derived from this period				
- Translation of foreign operations	(<u>\$ 219</u>)	<u>\$ 1,545</u>	(<u>\$ 664</u>)	<u>\$ 1,241</u>

c. Income Tax Assessments

The income tax returns of the Company and subsidiary SeCos Corporation through 2023 have been assessed by the tax authorities; the income tax returns of subsidiary Yea Shin Technology Co., Ltd. through 2024 have been assessed by the tax authorities.

22. Earnings per Share

Unit: NT\$ Per Share

	<u>April 1, 2026 to June 30</u>	<u>April 1, 2025 to June 30</u>	<u>January 1, 2026 to June 30</u>	<u>January 1, 2025 to June 30</u>
Basic earnings per share	<u>\$ 2.00</u>	(<u>\$ 0.89</u>)	<u>\$ 3.51</u>	<u>\$ 0.48</u>
Diluted earnings per share	<u>\$ 2.00</u>	(<u>\$ 0.89</u>)	<u>\$ 3.51</u>	<u>\$ 0.48</u>

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

Profit attributable to owners of the parent

	April 1, 2026 to June 30	April 1, 2025 to June 30	January 1, 2026 to June 30	January 1, 2025 to June 30
Profit used in the calculation of basic and diluted earnings per share	<u>\$ 106,125</u>	<u>(\$ 47,726)</u>	<u>\$ 186,221</u>	<u>\$ 26,185</u>

Number of Shares Unit: Thousands of Shares

	April 1, 2026 to June 30	April 1, 2025 to June 30	January 1, 2026 to June 30	January 1, 2025 to June 30
Weighted-average number of ordinary shares used in the calculation of basic earnings per share	53,058	53,790	53,058	54,245
Effect of dilutive potential ordinary shares:				
Employees' compensation	<u>9</u>	<u>-</u>	<u>14</u>	<u>13</u>
Weighted-average number of ordinary shares used in the calculation of diluted earnings per share	<u>53,067</u>	<u>53,790</u>	<u>53,072</u>	<u>54,258</u>

If the Group may elect to settle employee compensation in shares or cash, diluted earnings per share is calculated by assuming that employee compensation will be settled in shares. Such potential ordinary shares are included in the weighted-average number of shares outstanding when they are dilutive. Before the number of shares to be distributed as employee compensation is resolved in the following year, the dilutive effect of such potential ordinary shares continues to be considered in calculating diluted earnings per share.

Employee compensation was excluded from the calculation of diluted loss per share for the three months ended June 30, 2025 because it had an anti-dilutive effect.

23. Equity Transactions with Non-controlling Interests

During May and June 2026, the Group disposed of a portion of its equity interest in subsidiary Yea Shin Technology Co., Ltd., reducing its ownership interest from 96.10% to 76.63%. As the transaction did not result in a loss of control over the subsidiary, the Group accounted for it as an equity transaction.

	<u>Yea Shin</u>
Consideration paid	\$ 800,000
Amount transferred to non-controlling interests based on changes in relative ownership interests in the carrying amount of the subsidiary's net assets	(<u>314,604</u>)
Balance of equity transactions	<u>\$ 485,396</u>
<u>Equity transaction difference adjustment account</u>	
Capital surplus - difference between proceeds from actual disposal of subsidiary equity and carrying amount	<u>\$ 485,396</u>

24. Cash Flow Information

a. Non-cash Transactions

Except as disclosed in other notes, the Group engaged in the following non-cash investing activities for the six months ended June 30, 2026 and 2025:

	<u>January 1, 2026 to June 30</u>	<u>January 1, 2025 to June 30</u>
Increase in real estate, plant and equipment	\$ 68,069	\$ 356,000
Transfer of prepaid equipment payments	(22,176)	(77,143)
Other payables	<u>8,899</u>	(<u>129,156</u>)
Cash paid for purchases of property, plant and equipment	<u>\$ 54,792</u>	<u>\$ 149,701</u>

b. Changes in Liabilities Arising from Financing Activities

For the Six Months Ended June 30, 2026

	<u>January 1, 2026</u>	<u>Cash Flow</u>	<u>Non-cash changes</u>		<u>Others</u>	<u>June 30, 2026</u>
			<u>New lease</u>	<u>financing costs</u>		
Short-term borrowings	\$ 607,758	(\$ 360,915)	\$ -	\$ -	\$ 169	\$ 247,012
Long-term borrowings	786,316	(118,055)	-	-	-	668,261
Lease liabilities	<u>139,669</u>	(<u>10,829</u>)	<u>3,025</u>	<u>1,354</u>	(<u>223</u>)	<u>132,996</u>
	<u>\$ 1,533,743</u>	(<u>\$ 489,799</u>)	<u>\$ 3,025</u>	<u>\$ 1,354</u>	(<u>\$ 54</u>)	<u>\$ 1,048,269</u>

For the Six Months Ended June 30, 2025

	January 1, 2025	Cash Flow	Non-cash changes			June 30, 2025
			New lease	financing costs	Others	
Short-term borrowings	\$ 590,000	(\$ 140,000)	\$ -	\$ -	\$ -	\$ 450,000
Long-term borrowings	672,235	82,070	-	-	-	754,305
Lease liabilities	<u>162,242</u>	<u>(12,573)</u>	<u>3,591</u>	<u>1,556</u>	<u>(2)</u>	<u>154,814</u>
	<u>\$ 1,424,477</u>	<u>(\$ 70,503)</u>	<u>\$ 3,591</u>	<u>\$ 1,556</u>	<u>(\$ 2)</u>	<u>\$ 1,359,119</u>

25. Capital Risk Management

The Group monitors its capital by regularly reviewing its asset-to-liability ratio and, based on the characteristics of its current industry, future development and changes in the external environment, plans its future working capital, capital expenditures and dividend requirements to safeguard the Group's ability to continue as a going concern and maintain an optimal capital structure.

26. Financial Instruments

a. Fair Value Information - Financial Instruments Measured at Fair Value on a Recurring Basis

1. Fair Value Hierarchy (December 31, 2025: None)

June 30, 2026

	Level 1	Level 2	Level 3	Total
<u>Financial liabilities at fair value through profit or loss</u>				
Derivatives	\$ -	\$ 1,734	\$ -	\$ 1,734

June 30, 2025

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

There were no transfers between Level 1 and Level 2 fair value measurements during the six months ended June 30, 2026 and 2025.

2. Valuation Techniques and Inputs for Level 2 Fair Value Measurements

Category of Financial Instruments	Valuation Technique and Inputs
Derivatives - Forward foreign exchange contracts	The fair value of forward foreign exchange contracts is measured using quoted forward exchange rates and yield curves derived from quoted interest rates over the contractual maturity periods.
Derivatives - Cross-currency swap contracts	Discounted cash flow method: Future cash flows are estimated based on observable forward exchange rates at period-end and the contractual exchange rates, and are discounted using discount rates that reflect the credit risk of the respective counterparties.
Derivatives -Exchange rate option	Option pricing model: Fair value is estimated using an option pricing model based on observable exchange rates at period-end and the contractual exchange rates.

b. Categories of Financial Instruments

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets</u>			
Financial assets measured at amortized cost (Note 1)	\$ 1,859,423	\$ 1,401,302	\$ 1,187,538
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	1,646,054	1,816,663	1,879,768
Held for trading at fair value through profit or loss	1,734	-	1,890

Note 1: The balances include cash and cash equivalents, investments in debt instruments, notes receivable, trade receivables, other receivables, refundable deposits and other financial assets measured at amortized cost.

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

c. Financial Risk Management Objectives and Policies

The Group's principal financial instruments include notes receivable, trade receivables, other receivables, trade payables, borrowings and lease liabilities. The objective of the Group's financial risk management is to manage market risk, credit risk and liquidity risk associated with its operating activities. To reduce the related risks, management seeks to identify, evaluate and hedge market uncertainties in order to minimize the

potential adverse effects of market fluctuations on the Group's financial performance.

1. Market Risk

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

1) Foreign Exchange Risk

The Group undertakes sales and purchase transactions denominated in foreign currencies and is therefore exposed to foreign exchange risk. To avoid decreases in the value of foreign currency assets and fluctuations in future cash flows resulting from exchange rate movements, the Group analyzes the amounts and maturities of foreign currency assets and liabilities and, after considering the risk of its net foreign currency position, uses cross-currency swap contracts, forward foreign exchange contracts, foreign exchange option contracts and foreign currency borrowings to manage the related foreign exchange risk. Internal auditors continuously review compliance with policies and exposure limits. The Group's use of cross-currency swaps, forward foreign exchange contracts and foreign exchange option contracts is governed by policies approved by the Board of Directors.

Please refer to Note 30 for the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the functional currencies of the Group entities at the balance sheet date, including non-functional-currency monetary items eliminated in the consolidated financial statements.

The foreign exchange sensitivity analysis is principally based on foreign-currency monetary items (primarily U.S. dollar-denominated items) and derivatives outstanding at the end of the financial reporting period. If the functional currencies of the consolidated entities appreciated/depreciated by 1% against the U.S. dollar, the Group's profit before tax for the six months ended June 30, 2026 would decrease/increase by NT\$3,218 thousand, and the Group's profit before tax for the six months ended June 30, 2025 would decrease/increase by NT\$1,307 thousand.

Because the foregoing sensitivity analysis is based on foreign currency exposures at the balance sheet date, management believes that the sensitivity analysis may not reflect the foreign currency exposure during the interim period.

2) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to fair value interest rate risk from fixed-rate financial assets and liabilities and to cash flow interest rate risk from floating-rate financial assets and liabilities. Management regularly monitors changes in market interest rates and adjusts its positions in floating-rate financial assets and liabilities so that the Group's interest rates approximate market rates, thereby managing the risks arising from changes in market interest rates.

The carrying amounts of the Group's financial assets and financial liabilities exposed to interest rate risk at the balance sheet date were as follows:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Fair value interest rate risk			
— Financial assets	\$ 9,041	\$ 98,808	\$ 29,181
— Financial liabilities	180,008	617,427	254,814
Cash flow interest rate risk			
— Financial assets	1,110,618	687,506	558,456
— Financial liabilities	868,261	916,316	1,104,305

The Group's fixed-rate financial assets/liabilities are measured at amortized cost and therefore are not included in the sensitivity analysis. The analysis of floating-rate financial assets/liabilities assumes that the amount outstanding at the balance sheet date was outstanding throughout the reporting period. A 0.25% increase/decrease in market interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of a reasonably possible change in interest rates. With all other variables held constant, a 0.25% increase/decrease in market interest rates would increase/decrease the Group's profit before tax for the six months ended June 30, 2026 by NT\$303 thousand and decrease/increase the Group's profit before tax for the six months ended June 30, 2025 by NT\$537 thousand.

2. Credit Risk

Credit risk is the risk of financial loss to the Group arising from a counterparty's default on its contractual obligations. The Group's policy is to transact only with creditworthy counterparties to mitigate the risk of financial loss and to continuously monitor credit exposure and the credit standing of counterparties. At the balance sheet date, the Group's maximum exposure to credit risk approximated the carrying amounts of its recognized financial assets.

The Group's credit risk on trade receivables is primarily concentrated in the Diodes Group, the parent company of the Group's largest customer. As of June 30, 2026, December 31, 2025 and June 30, 2025, 55%, 54% and 48%, respectively, of total trade receivables were due from the aforementioned customer. As these are related-party transactions, management does not expect significant credit risk.

3. Liquidity Risk

The Group's management mitigates liquidity risk by maintaining sufficient cash and bank credit facilities to support its operating requirements.

(1) Liquidity and Interest Rate Risk Table for Non-derivative Financial Liabilities

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

June 30, 2026

	Weighted Average Effective Rate (%)	On demand or less than 3 months	3 months to 1 year	1 to 2 years	2 to 5 years	More than 5 years
<u>Non-derivative financial liabilities</u>						
Non-interest bearing liabilities	-	\$ 817,578	\$ -	\$ -	\$ -	\$ -
Lease liabilities	2.00%	5,428	14,955	17,800	48,928	51,916
Floating-rate instruments	1.94%	213,271	36,822	595,992	33,672	13,327
Fixed interest rate instruments	4.84%	47,475	-	-	-	-
		<u>\$ 1,083,752</u>	<u>\$ 51,777</u>	<u>\$ 613,792</u>	<u>\$ 82,600</u>	<u>\$ 65,243</u>

December 31, 2025

	Weighted Average Effective Rate (%)	On demand or Less than 3 months	3 months to 1 year	1 to 2 years	2 to 5 years	More than 5 years
<u>Non-derivative financial liabilities</u>						
Non-interest bearing liabilities	-	\$ 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>

June 30, 2025

	Weighted Average Effective Rate (%)	On demand or Less than 3 months	3 months to 1 year	1 to 2 years	2 to 5 years	More than 5 years
<u>Non-derivative financial liabilities</u>						
Non-interest bearing liabilities	-	\$ 754,264	\$ -	\$ -	\$ -	\$ -
Lease liabilities	1.98%	6,573	17,856	19,257	50,178	69,715
Floating-rate instruments	1.98%	323,828	179,255	348,085	370,111	20,539
		<u>\$ 1,084,665</u>	<u>\$ 197,111</u>	<u>\$ 367,342</u>	<u>\$ 420,289</u>	<u>\$ 90,254</u>

2) Credit Facilities

The utilization of the Group's bank credit facilities at the balance sheet date was as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Bank credit facilities			
— Amount unused	<u>\$1,212,988</u>	<u>\$ 752,242</u>	<u>\$ 540,000</u>

27. Related Party Transactions

Transactions, account balances, income and expenses between the Company and its subsidiaries are eliminated in full on consolidation and therefore are not disclosed in this note. Except as disclosed in other notes, significant transactions between the Group and other related parties were as follows:

a. Related Party Names and Relationships

<u>Related Party</u>	<u>Relationship with the Group</u>
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 companies

(Continued on the next page)

(Continued from the previous page)

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

b. Operating Revenue

Line Item	Related Party Category/Name	April 1, 2026 to June 30	April 1, 2025 to June 30	January 1, 2026 to June 30	January 1, 2025 to June 30
Sales	Sister companies				
	Diodes (HK)	\$ 225,303	\$ 139,010	\$ 405,259	\$ 337,505
	Diodes (TW)	151,236	99,449	273,189	208,132
	Shanghai (SSEC)	78,994	46,003	159,177	76,736
	Lite-on (Wuxi)	36,610	91,982	70,531	147,454
	Diodes (Hsinchu)	22,020	11,224	29,363	15,221
	Other	7,945	8,002	24,891	13,585
		<u>\$ 522,108</u>	<u>\$ 395,670</u>	<u>\$ 962,410</u>	<u>\$ 798,633</u>

The terms of the above related-party transactions were not materially different from those of ordinary transactions.

c. Purchases

Line Item	Related Party Category/Name	April 1, 2026 to June 30	April 1, 2025 to June 30	January 1, 2026 to June 30	January 1, 2025 to June 30
Purchases	Parent company				
	Diodes (UK)	\$ -	\$ -	\$ 456	\$ -
	Sister companies				
	Diodes (TW)	37,805	3,910	53,589	6,159
	Diodes (Hsinchu)	16,240	17,265	41,363	28,940
	Diodes (Chengdu)	1,033	-	1,146	-
		<u>\$ 55,078</u>	<u>\$ 21,175</u>	<u>\$ 96,554</u>	<u>\$ 35,099</u>

The terms of the above related-party transactions were not materially different from those of ordinary transactions.

d. Receivables from Related Parties

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Trade receivables from related parties	Sister companies			
	Diodes (HK)	\$ 170,230	\$ 96,016	\$ 102,764
	Diodes (TW)	123,990	110,092	71,467
	Shanghai (SSEC)	56,923	54,126	33,844
	Lite-on (Wuxi)	33,117	43,341	61,326
	Other	<u>13,474</u>	<u>22,591</u>	<u>12,153</u>
		<u>\$ 397,734</u>	<u>\$ 326,166</u>	<u>\$ 281,554</u>
Other receivables	Sister companies			
	Diodes (TW)	<u>\$ 131</u>	<u>\$ 131</u>	<u>\$ 172</u>

No collateral is held for outstanding receivables from related parties. No loss allowance was recognized for receivables from related parties as of June 30, 2026, December 31, 2025 or June 30, 2025.

e. Payables to Related Parties

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Trade payables to related parties	Parent company			
	Diodes (UK)	\$ -	\$ 22	\$ -
	Sister companies			
	Diodes (TW)	39,934	3,777	4,362
	Diodes (Hsinchu)	19,767	20,188	17,238
	Diodes (Chengdu)	<u>1,035</u>	<u>-</u>	<u>-</u>
		<u>\$ 60,736</u>	<u>\$ 23,987</u>	<u>\$ 21,600</u>
Other payables to related parties	Sister companies			
	Diodes (TW)	<u>\$ -</u>	<u>\$ 9,514</u>	<u>\$ -</u>

f. Acquisition of Property, Plant and Equipment

Related Party Category/Name	Acquisition Price	
	January 1, 2026 to June 30	January 1, 2025 to June 30
Sister companies		
Diodes (KL)	<u>\$ -</u>	<u>\$ 130,928</u>

g. Lease Arrangements

Line Item	Related Party Category/Name	June 30, 2026	December 31, 2025	June 30, 2025
Lease liabilities	Sister companies			
	Diodes (TW)	<u>\$ 130,422</u>	<u>\$ 137,986</u>	<u>\$ 145,475</u>

Related Party Category/Name	April 1, 2026 to June 30	April 1, 2025 to June 30	January 1, 2026 to June 30	January 1, 2025 to June 30
<u>Interest expense</u>				
Sister companies				
Diodes (TW)	<u>\$ 659</u>	<u>\$ 734</u>	<u>\$ 1,336</u>	<u>\$ 1,486</u>

In June 2024, the Group leased a factory from a sister company for a term of 10 years. The rental was negotiated with reference to market rates. Under the lease agreement, the Group paid a refundable deposit of NT\$2,967 thousand and monthly rent of NT\$1,483 thousand.

h. Compensation of Key Management Personnel

	April 1, 2026 to June 30	April 1, 2025 to June 30	January 1, 2026 to June 30	January 1, 2025 to June 30
Short-term employee benefits	\$ 7,040	\$ 3,576	\$ 14,327	\$ 11,076
Post-employment benefits	<u>54</u>	<u>27</u>	<u>101</u>	<u>54</u>
	<u>\$ 7,094</u>	<u>\$ 3,603</u>	<u>\$ 14,428</u>	<u>\$ 11,130</u>

Compensation of directors and other key management personnel is determined by the Compensation Committee based on individual performance and market trends.

28. Pledged Assets

The following assets of the Group have been pledged as collateral for borrowings and endorsements/guarantees:

	June 30, 2026	December 31, 2025	June 30, 2025	Nature
Bank time deposits (classified as financial assets measured at amortized cost)	\$ 3,400	\$ 3,400	\$ 9,260	endorsements/guarantees and short-term borrowings
Bank demand deposits (classified as financial assets measured at amortized cost)	30,352	63,454	64,319	Short-term and long-term borrowings
Property and plant	<u>868,039</u>	<u>871,707</u>	<u>875,374</u>	Long-term borrowings
	<u>\$ 901,791</u>	<u>\$ 938,561</u>	<u>\$ 948,953</u>	

29. Significant Contingent Liabilities and Unrecognized Contract Commitments

For business expansion, the Group's Board of Directors resolved on April 29, 2026 to acquire land and a factory building located in Anle District, Keelung City, for a total contract price of NT\$240,000 thousand. As of June 30, 2026, NT\$32,500 thousand had been paid. For business expansion, subsidiary SeCos Corporation resolved at an extraordinary Board meeting on March 9, 2026 to acquire an office located in Shengkeng District, New Taipei City, for a total contract price of NT\$32,500 thousand. As of June 30, 2026, NT\$9,750 thousand had been paid.

For replacement of production-line equipment and business expansion, the Group has committed to acquire land, buildings, machinery and equipment, system software and other assets. Amounts paid were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Amount of Contract Commitments	<u>\$ 356,817</u>	<u>\$ 131,049</u>	<u>\$ 272,080</u>
Amount Paid (Classified as Prepayments for Land, Buildings and Equipment, Construction in Progress and Equipment Pending Inspection)	<u>\$ 97,128</u>	<u>\$ 91,505</u>	<u>\$ 170,020</u>

30. Information on Foreign Currency Assets and Liabilities with Significant Impact

The following information is presented in aggregate by foreign currencies other than the functional currencies of the Group entities. The exchange rates disclosed are the rates used to translate those foreign currencies into the respective functional currencies. Foreign-currency assets and liabilities with significant effects were as follows:

Unit: Foreign Currency/NT\$ Thousands, Except for Exchange Rates

June 30, 2026						
	Foreign currency	Exchange rate (NT\$)			Functional currency	NT\$
<u>Financial assets</u>						
<u>Monetary items</u>						
U.S. dollar	\$ 24,705	31.8500	(USD:NTD)	\$ 786,854	\$ 786,854	
U.S. dollar	533	6.7910	(USD:RMB)	3,620		16,978
Renminbi	1,428	4.6900	(RMB:NTD)	6,697		6,697
Euro	160	36.2900	(EUR:NTD)	5,806		5,806
<u>Non-monetary items</u>						
Investments accounted for using the equity method						
U.S. dollar	2,591	31.8500	(USD:NTD)	82,518		82,518
Renminbi	17,630	0.1473	(RMB:USD)	2,596		82,685
<u>Financial liabilities</u>						
<u>Monetary items</u>						
U.S. dollar	10,254	31.8500	(USD:NTD)	326,590		326,590
U.S. dollar	380	6.7910	(USD:RMB)	2,581		12,105
<u>Non-monetary items</u>						
Derivatives						
U.S. dollar	4,500	31.8500	(USD:NTD)	143,325		143,325

December 31, 2025						
		Foreign currency	Exchange rate (NT\$)		Functional currency	NT\$
Financial assets						
Monetary items						
U.S. dollar	\$	16,342	31.4300	(USD:NTD)	\$ 513,629	\$ 513,629
U.S. dollar		361	6.9907	(USD:RMB)	2,524	11,346
Renminbi		1,471	4.4960	(RMB:NTD)	6,614	6,614
Euro		235	36.9000	(EUR:NTD)	8,672	8,672

Non-monetary
items

Investments
accounted for using
the equity method

U.S. dollar	2,371	31.4300	(USD:NTD)	74,522	74,522
Renminbi	16,606	0.1430	(RMB:USD)	2,375	74,661

Financial liabilities

Monetary items

U.S. dollar	6,097	31.4300	(USD:NTD)	191,629	191,629
U.S. dollar	273	6.9907	(USD:RMB)	1,908	8,580

June 30, 2025						
		Foreign currency	Exchange rate (NT\$)		Functional currency	NT\$
<u>Financial assets</u>						
<u>Monetary items</u>						
U.S. dollar	\$	14,388	29.3000	(USD:NTD)	\$ 421,568	\$ 421,568
U.S. dollar		293	7.2611	(USD:RMB)	2,128	8,706
Renminbi		1,426	4.0910	(RMB:NTD)	5,834	5,834
Euro		183	34.3500	(EUR:NTD)	6,286	6,286

Non-monetary
items

Derivatives

U.S. dollar	1,000	29.3000	(USD:NTD)	29,300	29,300
-------------	-------	---------	-----------	--------	--------

Investments
accounted for using
the equity method

U.S. dollar	2,239	29.3000	(USD:NTD)	65,612	65,612
Renminbi	16,081	0.1375	(RMB:USD)	2,245	65,786

Financial liabilities

Monetary items

U.S. dollar	6,223	29.3000	(USD:NTD)	182,334	182,334
-------------	-------	---------	-----------	---------	---------

Non-monetary
items

Derivatives

U.S. dollar	5,000	29.3000	(USD:NTD)	146,500	146,500
-------------	-------	---------	-----------	---------	---------

The Group recognized net foreign exchange gains (losses) of NT\$691 thousand, NT\$(62,799) thousand, NT\$8,656 thousand and NT\$(53,500) thousand for the three months ended June 30, 2026 and 2025 and the six months ended June 30, 2026 and 2025, respectively. Due to the diversity of foreign currency transactions and functional

currencies of the Group entities, foreign exchange gains and losses cannot be disclosed by each significant foreign currency.

31. Supplementary Disclosures

a. Information on Significant Transactions:

1. Financing provided to others: None.
2. Endorsements/guarantees provided for others: None.
3. Significant securities held at period-end (excluding investments in subsidiaries): None.
4. Purchases from or sales to related parties amounting to NT\$100 million or more, or 20% or more of paid-in capital: Please refer to Table 1.
5. Receivables from related parties amounting to NT\$100 million or more, or 20% or more of paid-in capital: Please refer to Table 2.
6. Others: Business relationships and significant intercompany transactions and amounts between the parent company and subsidiaries and among subsidiaries: Please refer to Table 3.

b. Information on Investees: Please refer to Table 4.

c. Information on Investments in Mainland China

1. Name of investee in Mainland China, principal business activities, paid-in capital, method of investment, inward/outward remittance of funds, ownership percentage, investment income or loss, carrying amount of investments at period-end, investment income repatriated and limits on investments in Mainland China: Please refer to Table 5.
2. The following significant transactions with investees in Mainland China, either directly or indirectly through a third region, including the related prices, payment terms and unrealized gains or losses: Please refer to Table 6.
 - (1) Purchase amounts and percentages, and ending balances and percentages of related payables.
 - (2) Sales amounts and percentages, and ending balances and percentages of related receivables.
 - (3) Amounts of property transactions and the resulting gains or losses.
 - (4) Ending balances and purposes of endorsements/guarantees or collateral provided.
 - (5) Maximum financing balance, ending balance, interest rate range and total interest for the period.
 - (6) Other transactions that have a material effect on current profit or loss or

financial position, such as the provision or receipt of services.

32. Segment Information

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on each operating entity and the types of products or services provided, in addition to consideration of segment managers. The Group's reportable segments are as follows:

- Eris Technology and Jie Cheng - principally engaged in the R&D, manufacture and sale of diodes.
- Yea Shin - principally engaged in the R&D, manufacture and sale of wafers.
- SeCos - principally engaged in the R&D and sale of diodes, ICs, heat sinks and chips.

Segment Revenue and Operating Results

The Group's revenue and operating results from continuing operations by reportable segment were as follows:

For the Six Months Ended June 30, 2026

	Eris Technology and Jie Cheng	Yea Shin	SeCos	Adjustments and write-offs	Total
Revenue from external customers	\$ 811,233	\$ 413,556	\$ 260,713	\$ -	\$ 1,485,502
Inter- departmental revenue	21,749	163,195	5,331	(190,275)	-
Departmental revenue	<u>\$ 832,982</u>	<u>\$ 576,751</u>	<u>\$ 266,044</u>	<u>(\$ 190,275)</u>	<u>\$ 1,485,502</u>
Departmental results	<u>\$ 190,922</u>	<u>\$ 123,556</u>	<u>\$ 36,749</u>	<u>(\$ 152,835)</u>	<u>\$ 198,392</u>
Departmental assets	<u>\$ 4,613,908</u>	<u>\$ 2,040,635</u>	<u>\$ 431,115</u>	<u>(\$ 1,821,580)</u>	<u>\$ 5,264,078</u>
Departmental liabilities	<u>\$ 1,592,653</u>	<u>\$ 371,534</u>	<u>\$ 146,159</u>	<u>(\$ 172,701)</u>	<u>\$ 1,937,645</u>

For the Six Months Ended June 30, 2025

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

Eris Technology Corporation and Subsidiaries

Purchases from or sales to related parties amounting to NT\$100 million or more, or 20% or more of paid-in capital

For the Six Months Ended June 30, 2026

Table 1

Unit: NT\$ Thousands

Purchasing (selling) company	Counterparty	Relationship	Transaction Details				Terms and conditions compared with general transactions Differences and reasons therefor		Notes/Accounts Receivable (Payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales) purchases (sales) (%)	Credit Period	Unit price	Credit Period	Balance	Percentage of total notes and accounts receivable (payable) Percentage (%)	
Eris Technology Corp.	Diodes Hong Kong Limited	Same as the ultimate parent company of the Company	Sales	(\$ 405,259)	52.14%	60 days after month-end	None	None	\$ 170,230	52.21%	-
Eris Technology Corp.	Diodes Taiwan LLC, Taiwan Branch (U.S.A.) (Diodes Taiwan S.A.R.L., Taiwan Branch (Luxembourg)) (Diodes (TW))	Same as the ultimate parent company of the Company	Sales	(268,032)	34.48%	60 days after month-end	None	None	122,965	37.72%	-
Eris Technology Corp.	Yea Shin Technology Co., Ltd.	Subsidiaries of the Company	Purchases	161,444	30.28%	60 days after month-end	None	None	(134,453)	45.33%	Note
Yea Shin Technology Co., Ltd.	Shanghai Xufu Electronics Co., Ltd. ("Shanghai Xufu")	Same as the ultimate parent company of the Company	Sales	(159,177)	27.13%	60 days after month-end	None	None	56,923	16.97%	-

Note: The related transactions have been eliminated in the consolidated financial statements.

Eris Technology Corporation and Subsidiaries
Receivables from related parties amounting to NT\$100 million or more, or 20% or more of paid-in capital
June 30, 2026

Table 2

Unit: NT\$ Thousands

Company recording the receivable	Counterparty	Relationship	Receivables from related parties Balance	Turnover rate	Overdue receivables from related parties		Receivables from related parties Amount recovered subsequently (Note)	Allowance recognized Loss amount
					Amount	Treatment		
Eris Technology Corp.	Diodes Taiwan LLC, Taiwan Branch (U.S.A.) (Diodes Taiwan S.A.R.L., Taiwan Branch (Luxembourg)) (Diodes (TW))	Same as the ultimate parent company of the Company	\$ 122,965	4.66	\$ -	-	\$ 60,448	\$ -
Eris Technology Corp.	Diodes HongKong Limited	Same as the ultimate parent company of the Company	170,230	6.09	-	-	68,087	-
Yea Shin Technology Co., Ltd.	Eris Technology Corp.	Parent company	134,453	2.53	-	-	24,277	-

Note: Amount collected as of the reporting date of the consolidated financial statements.

Eris Technology Corporation and Subsidiaries

Business relationships and significant intercompany transactions and amounts between the parent company and subsidiaries and among subsidiaries

For the Six Months Ended June 30, 2026

Table 3

Unit: NT\$ Thousands

No.	Company	Counterparty	Relationship with Investor (Note 1)	Transactions Details			
				Ledger Account	Amount (Note 3)	Transaction Term	Percentage of consolidated total revenue or percentage of total assets (Note 2)
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Trade payables	\$ 134,453	-	2.55%
0	Eris Technology Corp.	Yea Shin Technology Co., Ltd.	1	Purchases	161,444	No significant differences compared to general customers	10.72%

Note 1: Information on business relationships between the parent company and subsidiaries should be identified in the number column as follows:

1. The parent company is numbered 0.
2. Subsidiaries are numbered sequentially beginning with Arabic numeral 1 by company.

Note 2: Relationships with counterparties are classified into the following three categories; indicate the applicable category:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary-to-subsidiary transactions.

Note 3: For purposes of calculating the ratio of intercompany transactions to consolidated total operating revenue or total assets, balance sheet items are calculated based on the period-end balance as a percentage of consolidated total assets, while profit or loss items are calculated based on the accumulated amount for the interim period as a percentage of consolidated total operating revenue.

Note 4: The related transactions have been eliminated in the consolidated financial statements.

Eris Technology Corporation and Subsidiaries
Information on investee names, locations and other related matters
For the Six Months Ended June 30, 2026

Table 4

Unit: Unless Otherwise Specified,
NT\$ thousands

Name of Investor	Name of investee	Location	Principal Business Activities	Original investment amount (Note 1)		Held at end of period			Investee Profit (loss) for the period (Notes 2 and 6)	Recognized in the current period Investment gain (loss) (Notes 2, 3 and 4)	Note
				End of period	End of prior year	Shares (Thousand Shares)	Percentage %	Carrying amount (Note 3)			
Eris Technology Corp.	Keep High Limited	SEYCHELLES	Holding of investments	\$ 20,776 (USD 670 thousand)	\$ 20,776 (USD 670 thousand)	Not applicable	100	\$ 82,518	4,701 (USD 149 thousand)	\$ 4,674 (Note 4)	Subsidiary
	Yea Shin Technology Co., Ltd.	Taiwan	Manufacturing of electronic components and wholesaling of electronic materials	941,713	1,181,078	39,342	76.6	1,281,813	123,556	102,145 (Note 4)	Subsidiary
	Erishin Semiconductor Corporation	Taiwan	Manufacturing of electronic components and wholesaling of electronic materials	1,000	1,000	100	100	1,016	3	3	Subsidiary
	SeCos Corporation	Taiwan	R&D, design and sale of electronic parts and components	180,000	180,000	7,200	40	161,104	36,749	14,201	Subsidiary
Yea Shin Technology Co., Ltd.	SeCos Corporation	Taiwan	R&D, design and sale of electronic parts and components	194,400	194,400	10,800	60	186,604	36,749	21,305	Subsidiary
Keep High Limited	Forever Eagle Incorporation	MAURITIUS	Holding of investments	20,473 (USD 660 thousand)	20,473 (USD 660 thousand)	Not applicable	100	82,685 (USD 2,596 thousand)	4,701 (USD 149 thousand)	4,701 (USD 149 thousand)	Second-tier subsidiary

Note 1: Translated at the U.S. dollar buying rate on the date the original investment was remitted.

Note 2: Translated at the average U.S. dollar exchange rate during the investment period.

Note 3: The related balances have been eliminated in the consolidated financial statements.

Note 4: Includes adjustments for unrealized gross profit on sales and amortization of fair value differences in identifiable net assets at the acquisition date.

Note 5: Please refer to Table 5 for information on investees in Mainland China.

Note 6: Calculated based on financial statements for the same period reviewed by the Taiwan parent company's auditors.

Eris Technology Corporation and Subsidiaries
Information on Investments in Mainland China
For the Six Months Ended June 30, 2026

Table 5

Unit: Unless Otherwise Specified,
NT\$ thousands

Investee in mainland China	Principal Business Activities	Paid-in capital (Note 1)	Method of Investments	Beginning of period Remitted from Taiwan Accumulated investment amount (Note 1)	Amount of Investments Remitted or Repatriated for the Period		End of period Remitted from Taiwan Accumulated investment amount (Note 1)	Investee Profit (loss) for the period	The Company Direct or indirect Investment Ownership percentage	Recognized during period Investment gain (loss) (Notes 2, 5 and 6)	Ending investment Carrying value (Note 6)	As of the end of the period Investment income remitted back
					Remitted	Repatriated						
Jie Cheng Electronic (Shanghai) Co., Ltd.	Wholesaling of electronic materials and international trading business	\$ 20,170 (USD 650 thousand)	Investment in a company established in a third region, which in turn invests in a Mainland China company	\$ 20,170 (USD 650 thousand)	\$ -	\$ -	\$ 20,170 (USD 650 thousand)	\$ 4,701 (RMB 1,024 thousand)	100%	\$ 4,701 (RMB 1,024 thousand)	\$ 82,685	\$ -

Accumulated remittance from Taiwan as of the end of the period Amount of investment in Mainland China (Note 1)	Investment Commission, MOEA Approved investment amount (Note 3)	According to regulations of the Investment Commission, MOEA Investment limit in Mainland China (Note 4)
\$ 20,170 (USD 650 thousand)	\$ 20,703 (USD 650 thousand)	\$ 1,763,142

Note 1: Translated at the U.S. dollar buying rate on the date the original investment was remitted.

Note 2: Translated at the average exchange rate during the investment period.

Note 3: Translated at the U.S. dollar closing exchange rate as of June 30, 2026.

Note 4: Calculated based on 60% of the Company’s net worth as of June 30, 2026.

Note 5: Calculated based on financial statements for the same period reviewed by the Taiwan parent company’s auditors.

Note 6: The related balances have been eliminated in the consolidated financial statements.

Eris Technology Corporation and Subsidiaries

Significant transactions with investees in Mainland China, either directly or indirectly through a third region, and the related prices, payment terms, unrealized gains or losses and other relevant information

For the Six Months Ended June 30, 2026

Table 6

Unit: Unless Otherwise Specified,
NT\$ thousands

Counterparty	Transaction Details			Terms and conditions compared with general transactions Differences and reasons therefor		Notes/Accounts Receivable (Payable)		Note
	Purchases (Sales)	Amount	Percentage of total purchases (sales) purchases (sales) (%)	Unit price	Credit Period	Balance	Percentage of total receivables (payables) of notes and accounts receivable/payable Percentage (%)	
Jie Cheng Electronic (Shanghai) Co., Ltd.	Sales	(\$ 21,402)	1.31%	None	None	\$ 12,050	1.42%	Note
Jie Cheng Electronic (Shanghai) Co., Ltd.	Purchases	23,364	2.25%	None	None	(9,872)	1.92%	Note
Jie Cheng Electronic (Shanghai) Co., Ltd.	Other income	(1,396)	-	None	None	486	3.84%	Note

Note: The related transactions have been eliminated in the consolidated financial statements.