Stock Code：3675

ERIS Technology Corporation

2023 Annual Report

Notice to readers

This English version annual report is a translation of the Mandarin version. This document is created for the sole purpose of the convenience for its non-Mandarin readers and is not an official document to represent the financial status of the Company per Taiwan law. Should any discrepancy arise between the English and Mandarin versions, the Mandarin version shall prevail.

Taiwan Stock Exchange Market Observation Post System: http://newmops.twse.com.tw
The Company’s Annual Report is available at: http://www.ERIS.com.tw
Printed in May 27, 2024

I. Spokesperson

Spokesperson:	Esther Chiu / Senior manager of the Sustainability office
Deputy Spokesperson:	Stella Wu / Director of the Administrant center
Telephone:	886-2-2662 0011
Email:	Eris.public@eris.com.tw

II. Headquarters, Branches and Plant

<u>Headquarters</u>

Address:	6F., No.17, Lane 155, Sec. 3, Beishen Rd., Shenkeng Dist., New Taipei City 22203, Taiwan
Telephone:	886-2- 2662 0011

<u>Plant (Luzhu)</u>

Address:	1F、2F., No.51, Neixi Rd., Luzhu Dist., Taoyuan City 338, Taiwan
Telephone:	886-3- 3245885

III. Common Share Transfer Agent and Registrar:

Name of Agent:	KGI Securities Corporation
Address:	5/F, No. 2 Chung Ching South Road, Section 1, Taipei, Taiwan, ROC
Telephone:	886-2-2389 2999
Website:	https://www.kgi.com.tw

IV. Auditors for the Latest Financial Statements

Name of Auditors:	Jimmy Wu、Sabrina Liu
CPA Firm:	Deloitte Touche Tohmatsu International Taiwan
Address:	20F, Taipei Nan Shan Plaza, No. 100, Songren Rd., Xinyi Dist., Taipei 11073, Taiwan
Telephone:	886-2-2725 9988
Website:	https://www2.deloitte.com.tw

V. Overseas Securities Exchange: NA

VI. Corporate Website

https://www.eris.com.tw

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Letter to Shareholders

Dear Shareholders,

In 2023, the world is ushering in an era of post-epidemic recovery and striving for recovery. However, the U.S. Federal Reserve’s decision to raise interest rates to combat inflation has caused turmoil in the global market. In addition, the two major powers of China and the United States have ignited a battle to defend AI chip technology, leaving Unresolved geopolitical tensions, coupled with the launch of the EU Carbon Border Adjustment Mechanism (CBAM), have further highlighted the impact of climate change and promoted the practice of sustainable development in various countries. All of the above have driven the global economy and politics to change the past decades. Order is disintegrating. A new world is taking shape, and AI applications have officially entered a new era of the Warring States Period. The AI craze is leading us to see the possibility of new opportunities.

Eris Technology (hereinafter referred to as Eris or the company) had been cautiously responding to various unknown situations in 2023. Due to limited resources, every decision must be made at a "precise" pace and "go in the right direction" at every critical time point. "Accelerate progress", taking Eris to take two major steps:

First of all, the upstream integration of the wafer manufacturing business and machinery and equipment projects divided by the Keelung Branch of Luxembourg-based Diodes International Co., Ltd. The company is expected to use the existing production technology of the Keelung Branch through this merger and division of business. Upgrading Eris’s products to a wider range of international and diversified application areas. This product line also includes the production of protective component products required in AI servers. The synergies after the merger will be multiplied to Eris the effect will be of long-term benefit to future market applications.

Secondly, extend the brand effect, acquire 40% of the equity of SeCoS (Co., Ltd.), and gain operational control. The main business of SeCoS could be divided into two: one is the sales of self-developed discrete component products, and the other is the import and export of electronic components. After Sikes joined the Eris system, the company business tentacles can be directly extended into large domestic electronics factory systems, cooling component customers and AI high-end computing servers and other large ODM customers.

The following are the company's 2023 business review and 2024 business plan summary, and the company's future development strategy is described as follows:

I. 2023 Financial Performance

The company had completed the operating policy set at the beginning of 2023 as scheduled: in the first half of the year, it had completed the integration and improvement plan of new and old production capacity, and at the same time started to build the next generation of the small signal new product line equipment and install it in the factory. The verification/trial production phase will be carried out as scheduled in the second half of the year; due to the high degree of automation of the new equipment, the overall production line is moving toward high value, leading Eris officially enter the field of high-end IDM discrete component integration suppliers.

The company's full-year consolidated revenue was NT$1,739,368,000, and the gross profit was

NT$652,877,000 (the gross margin increased compared with the same period last year, from 36.94% to 37.54%). Operating income was NT$311,502,000, net profit before tax was NT$300,597,000, and net profit after tax was NT$337,792,000 (net profit margin after tax was 19.42%). Calculated based on the latest paid-in capital after ex-dividends of NT$502,039 thousand, the after-tax earnings per share is NT$6.73.

II. Financial income / expenditure and profitability analysis

Items			2023	2022
Financial structure	Debt-to-asset ratio (%)		50.08	59.20
	Long-term capital to fixed assets ratio (%)		137.36	145.73
Profitability	Return on assets (%)		11.18	12.00
	Return on shareholders' equity (%)		22.06	33.38
	Occupancy capital ratio (%)	Operating Income	62.05	97.43
		Pre-Tax income	59.88	99.85
	Net income rate (%)		19.42	20.93
	Earnings per share (NTD)		6.73	9.08

III. Research and development status

Eris's research and development expenses in 2023 and 2022 were NT$138,436 thousand and NT$135,191 thousand respectively, accounting for 7.96% and 6.21% of the revenue in each year respectively. R&D expenses in 2023, that mainly include investment in automated packaging processes, integration and improvement plans for new and old production capacities, construction of next-generation small-signal new product line equipment, factory installation, and R&D talent training, etc. In the future, the company will continue to optimize process engineering methods, develop new products, gradually upgrade automated production processes to expand production capacity utilization.

Year / Items	2023	2022
R&D expense (NTD thousand)	138,436	135,191
Net Revenues (NTD thousand)	1,739,368	2,177,617
R&D expenses as a percentage of net revenue	7.96%	6.21%

IV. Corporate Governance and Sustainability

The company issued the sustainability report for the three consecutive year. Please refer to the TPEx's Market Observation Post System (M.O.P.S.) for detailed implementation details.

Sustainable development is the guiding principle of operation that company adheres to, it is the core value of Eris's since its establishment by creating a new situation, caring for the society and the environment and co-prosperity. Since its establishment, the company has not only pursued the development of its own industry, but also actively maintained good interactions with all stakeholders. Through continuous participation in social welfare and the construction of an earth-friendly supply chain, it has fulfilled its corporate citizenship responsibilities and pursued sustainable operations. In terms of participating in social welfare, Eris outlines four main axes of work in 2023:

(1) Its social good also includes employee welfare care for colleagues within the company. In 2023, the company will organize employee tours, arrange health examinations for colleagues, administer flu vaccines to current employees, and continue to provide childcare subsidies for children to attend school with company colleagues. Scholarship subsidies for children and many other benefits.

(2) This year, the company responded to the charity fundraising campaign for the used shoes life-saving project launched by the "Used Shoes Save Life International Christian Care Association". The company donated NT$500,000; company colleagues also donated unused clothes, shoes and bags at home. 34 bags (including 1,047 pieces of clothes, 197 pairs of shoes and 35 bags) were transferred to Africa through the association to share with the local residents the joy of having clothes to wear, shoes to wear, and bags to carry. We further hope that through this, Taiwan's love can be turned into a blessing, and help a group of children in Africa who have been forgotten by the world to avoid suffering in life, and no longer have their feet eroded by tiny sand fleas, or even cut off from their dreams. ("Sand fleas" are a common disease among shoeless children in Africa, and in some cases are fatal.)

(3) The company has participated in the children's education activity plan of World Vision since 2009, which has been supporting uninterruptedly for more than 14 years. Thanks to the enthusiastic participation of the company's colleagues.

(4) The company has cooperated with the Andrew Food Bank Charity Association for two consecutive years, donating NT$1 million, and more than 100 colleagues and relatives participated in a daily labor activity to pack food boxes and help distribute them to families in need.

(5) The company has donated for two consecutive years sponsors Taipei to operate The Institute of Management published 500 volumes of the health book "Hua Tuo's Lecture X - The content is Taipei Veterans General's hospital famous medical doctor education and health" and donated it to the company's colleagues to enhance their medical knowledge.

(6) In terms of environmental protection (within the company), the company has started to participate in the Energy Saving Performance Guarantee Subsidy Project of the Bureau of Energy - ice water main unit replacement project, air compressor replacement project, smart meter expansion and addition, to improve energy saving efficiency. Currently, it has Received an energy-saving subsidy from the Energy Bureau of approximately NT$1.2 million.

At the same time, the company also continued to improve the operation of the variable frequency air compressor in the factory, saving 13.6% of electricity, and improved the ice and water host facilities to effectively save 40.6% of electricity.

(7) For the environmental protection (external) part, the company selected a site in Shimen District, New Taipei City, to hold a beach cleanup event with an old plum green stone trough to continue the company's focus on biodiversity, and hopes to use this event to allow colleagues and their families to experience the beauty of nature. In the endless cycle of life and death on earth, there is only one earth to cherish. The Lao Mei Green Stone Trough was voted by CNN as one of the eight secret spots in Taiwan. It is located in Lao Meili, Shimen District, New Taipei City. It was originally a volcanic reef left on the coast after the eruption of the Datun volcano. Due to long-term wave erosion, the texture is soft. The parts were eroded, leaving the harder parts to form longitudinal grooves. Stone troughs (scientific names: tidal gullies and sea erosion gullies) are natural landscapes caused by the growth of seaweed. In recent years, they have been affected by the effects of warm winters and human trampling, and are facing a crisis of survival. The company uses this page to solemnly urge you to "do not step on the stone troughs or damage the growth environment" when going to Laomei Green Stone Trough. It is recommended to appreciate it on the beach as much as possible so that the precious green stone troughs can survive sustainably.

As we coexist on the same earth, Eris will continue to inherit the spirit of hunger and self-hungry, continue to give back to the society, build an earth-friendly supply chain, and fulfill the responsibility of corporate citizenship. It is expected that the company can contribute to the issue of protecting the earth.

V. 2024 Business outlook

According to WSTS statistics, the global semiconductor market sales value in 4Q23 reached US$146 billion, an increase of 8.4% from the past quarter (3Q23) and an increase of 11.6% from the same period in 2022 (4Q22). The total annual sales value of the global semiconductor market in 2023 will reach US$526.8 billion, a decrease of 8.2% compared with 2022. The market view generally believes that the main reason is due to reduced end demand, oversupply of wafers, increased inventory levels, and lower fab capacity utilization than before; all of which have led to a recession in the global semiconductor market in 2023.

Despite this, the latest research from IDC (International Data Information) shows: "Semiconductor products cover logic chips, analog chips, micro components and memories, etc. Memory original manufacturers strictly control supply output to push up prices, and AI is integrated into related applications. The demand will drive the overall semiconductor sales market to gradually recover in 2024, and the semiconductor supply chain, including design, manufacturing, packaging and testing and other industries, will gradually bid farewell to the downturn in 2023. "IDC's latest research analysis, with the global artificial intelligence. The demand for intelligence (AI) and high-performance computing (HPC) has increased explosively, coupled with the stabilization of market demand for smartphones (Smartphones), personal computers (Notebook & PC), servers (Servers), and automobiles (Automotive), semiconductors The industry is expected to usher in a new wave of growth.

Research by the Institute of Obstetrics and Commerce of the Industrial Research Institute also shows that in 2024, among the six major semiconductor application fields including industry, AI computing, aviation, military, consumer, and automotive, the automotive semiconductor market will become the main driving force for semiconductor growth in the next few years. The annual compound growth rate in the next five years will reach 12.7%; the trend of generative AI will drive the GPU chip market to explode in 2023, and will continue to grow in the next five years. The growing application demand for AI technology in various industries, such as generative AI, autonomous driving and smart cockpits, smart homes, healthcare, industrial automation and other fields, will drive the demand for high-performance and low-power chips, targeting specific industries. The demand for ASICs in applications will also increase significantly. The output value is estimated to reach NT$1.25 trillion in 2024, with an annual growth rate of 16.4%.

In order to welcome the much-anticipated economic recovery, Eris has completed the strategic layout of vertical and horizontal integration (upstream - Keelung factory and SeCoS sales efficiency) in 2023 based on the key and important factor in the development of the semiconductor industry "winning with speed", forming the The one-stop organizational approach accelerates the expansion of the company's operational scale. In the first quarter, there will be an injection of revenue from SeCoS . In the second quarter, the new small-signal automated production line will gradually be produced to increase operating capacity. In the third quarter, there will be a revenue contribution from the acquisition of the wafer business of the Keelung fab.

In short, the main growth drivers for Eris' operation in 2024 are: (1) The integration of new and old production capacities that has been completed, focusing on high automation, which can effectively save manpower; (2) The next generation of small signal new product lines (referred to as Small signal) equipment installation/verification/trial production stage, is expected to enter mass production this year; (3) wafer fab consolidation benefits; (4) SeCoS joins four aspects including product sales.

2024 will be the beginning of Eris reaching a new historical high and entering a new stage. At this moment, it is ready to go, like the dawn has emerged from the sky. This year should be a year full of expectations and hope. The trend of Eris's operational innovation strategy has already shaped the group's ecosystem.

VI. Our Vision

The company has been established 29 years. Since beginning that has always adhered to the belief of "focusing on the industry and sustainable operation". Convinced that this business philosophy is the foundation of the company's sustainable operation, the company will continue to accelerate the pace of globalization, strengthen product layout, improve key technologies, build quality service systems and market positioning and other business strategies, as to maintain the company's competitive advantages, look forward to a next new stage.

In terms of corporate sustainable development, adhering to the original intention of "taking from the society and using it for the society", ERIS Tech will continue to focus on sustainable management in the four aspects of "corporate governance, environmental protection, social common good, and innovation breakthroughs" target. Drive the company's digital vision of "using technological innovation to improve the quality of life and the environment", and actively cooperate with the group's internal technical resources and external partners to continue to pursue sustainable business operations and profitable growth, and to enter a new era for Eris Tech, in the fourth decade of the new year, make preparations.

Many thankful to all shareholders for their long-term support and encouragement to the company. The company's management team and all employees will continue to work hard to create maximum value for the company and shareholders.

(Notice: This translation document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

Sincerely yours,

Chairman:	Jonathan Chang
President & CEO:	Jonathan Chang
Chief Financial Officer:	Doris Hsu

Company Profile

2.1 Date of Incorporation: 08 16, 1995

2.2 Company History

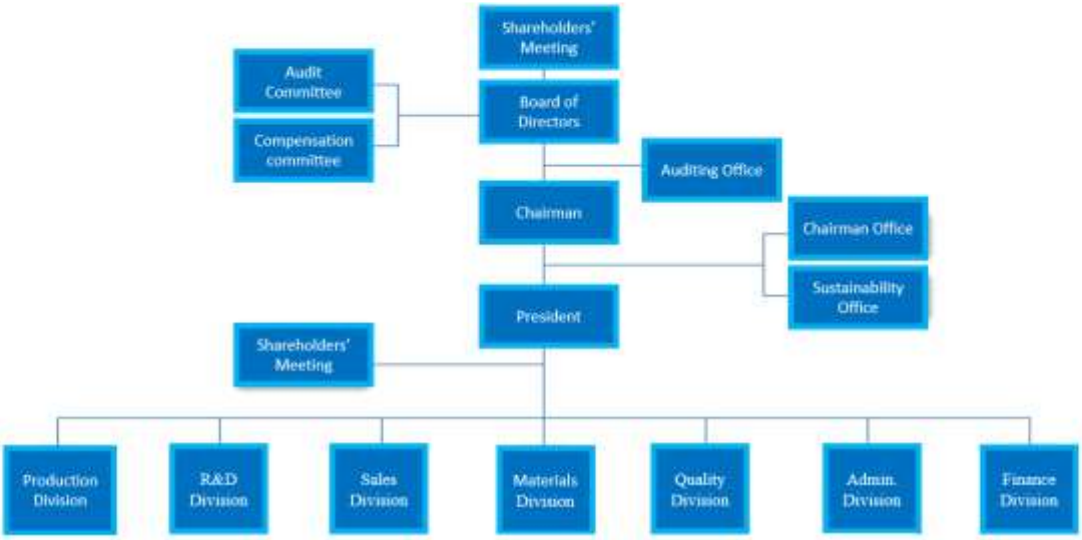
Year	Milestones
1995/08	Eris Technology was founded with paid-in capital of NT$5 million. The company adopted "Eris" as the own brand and began entering into the strategic alliance with the German-based company SeCoS GmbH. It mainly sold the electronic upstream products, such as wafers, chips and others to Taiwan and China territories, etc.
2001/05	Cash flow reaches NT$5 million and accumulated capital reaches NT$10 million.
2002/05	Establishes test line in Taiwan to check wafer quality.
2002/12	Cash flow reaches NT$7million and accumulated capital reaches NT$17million.
2003/06	Entered sub-con franchises of finished-products.
2003/10	Eris receives ISO 9001 : 2000 certification.
2003/12	Eris establishes a reliability test laboratory in Taiwan.
2004/03	Eris establishes in-house quality assurance to supervise manufacturing process.
2004/06	Eris establishes its central laboratory
2004/08	Eris adopts Enterprise Information Portal (EIP).
2005/06	Eris adopts ERP system to organize and integrate records between various departments.
2005/07	Cash flow reaches NT$8 million and accumulated capital reaches NT$25 million.
2006/07	Cash flow reaches NT$15 million and accumulated capital reaches NT$40 million.
2007/07	Cash flow reaches NT$25 million and accumulated capital reaches NT$65 million.
2008/08	Investment Commission approved via third-party indirect investment in Jiecheng Electronic Co.,Ltd. in Shanghai, China.
2008/10	Cash flow reaches NT$60 million and accumulated capital reaches NT$125 million.
2009/07	Cash flow reaches NT$22 million and accumulated capital reaches NT$147 million.
2009/08	Initial public offering is authorized by Securities and Futures Bureau.
2009/09	Listed in the Taiwan Emerging Market (Stock Code: 3675TT).
2009/10	Eris establishes a TMTT line in Taiwan.
2009/12	Cash flow reaches NT$17.88 million and accumulated capital reaches NT$164.88 million.
2010/01	Eris adopts Knowledge management platform within the production management system.
2010/05	Settle-up automation diode encapsulation line.
2010/07	Eris receives ISO 9001 : 2008 certification.
2010/07	Accumulated capital reaches NT$206.70 million at the end of July 2010.
2010/08	Eris is recognized among the 13th set of "Rising Star Award" recipients. Taiwan's Ministry of Economic Affairs awards the prize to exemplary small and medium enterprises displaying competitiveness, export activity, and well-organized management structure.
2010/12	Cash flow reaches NT$24 million and accumulated capital reaches NT$230.70 million.

Year	Milestones
2011/02	Eris receives ISO / IEC 17025: 2005 certification from the Taiwan Accreditation Foundation (TAF).
2011/07	Eris receives TS16949:2009 certification from the British Standards Institution (BSI).
2011/08	Eris receives ISO 14001:2004 certification from the BSI.
2011/09	Cash flow reaches NT$100 million and accumulated capital reaches NT$333.51 million (around USD 11 million).
2011/11	Accumulated capital reaches NT$393.27 million (around USD 13 million).
2012/02	GreTai Securities Market listing application approved by SFC (Securities and Futures Commission)
2012/06	Eris Technology Corp. is scheduled for listing on GTSM on June 29, 2012.
2012/12	Accumulated capital reaches NT$444.28 million.
2018/07	Eris acquired a 60.11% equity interest in Yea Shin Technology Co., Ltd.(Wafer Fab)
2018/07	Eris receives TS16949:2016 certification from the British Standards Institution (BSI).
2019/01	Luzhu Plant Completed of factory construction and pass for registration permission of competent authority.
2020/03	The fab of subsidiary (Yea-Shin Tech.) completed the development of 6-inch wafers based on GPP process, which is an innovative processes for diode GPP.
2020/03	Acquired the case of subsidiary the remaining shares of Yea Shin Technology (stock) Company, and the shareholding ratio was increased to 99.5%.
2020/09	The BOD meeting approved the Kick off plan of the fully automated (first) production line through the capital expenditure of NT$70 million.
2020/12	The board of directors approved the acquisition of a full set of production equipment for automotive electronic components packaging from Liteon Semi. (Keelung Plant).
2021/03	New product (ESD and MOSFET) were officially mass produced and shipping.
2021/04	The BOD approved expanded the automated production line through a capital expenditure of about NTD300 million.
2021/05	Acquired the case of subsidiary the remaining shares of Yea Shin Technology (stock) Company, and the shareholding ratio was increased to 100%.
2021/07	Passed the VDA 6.3 auditing by Dahl Technology (Nasdaq: DIOD), an international semiconductor manufacturer in the United States.
2021/11	New product (SiC) were officially shipping.
2021/11	Issued the 1st edition of the Company Sustainability Report.
2021/12	Subsidiary Yea Shin Tech. wafer manufactures 4-inch turn to 5-inch wafers, which have been put into production one after another.
2022/09	Finished /Set up the expansion of 110KK automated production lines.
2022/10	Issued the 2nd edition of the Company Sustainability Report.
2022/11	Awarded by the Environmental Protection Agency of the Executive Yuan for participating in the 4th National Enterprise Environmental Protection Award.
2023/07	The board of directors resolved to approve the cash acquisition of the wafer manufacturing business split from the Keelung Branch of Luxembourg-based Diodes International Co., Ltd., the transfer of its related assets and the assumption of its related liabilities.
2023/09	The small signal production line has been set up for verification and trial production.
2023/09	Published the third edition of the Years Sustainability Report.
2023/12	The board of directors invested NT$180 million in cash to acquire 40% of the equity of SeCos (Co., Ltd.).

I. Corporate Governance Report

3.1 Organization

3.1.1 Organizational Chart



3.1.2 Major Corporate Functions

Department	Functions
Chairman’s Office	Strategic planning, business planning authorization and supervision
Audit Office	To identify deficiencies in the internal control system, assess the effectiveness and efficiency of operations, and provide appropriate improvement suggestions to ensure the effectiveness of the internal control system as well as for continuous improvement.
Sustainability Office	Responsible for the implementation of corporate sustainable development affairs, take attention to issues of concern to all stakeholders, and communicating and integrating environmental, social and corporate governance-oriented strategies, goals and project execution to achieve the company's vision, mission and core values. Responsible for the strategy formulation and implementation effectiveness evaluation of the company’s overall public relationship. Responsible for the planning and execution of the company’s stock /shareholders relationship affair.

Department	Functions
Production Division	Responsible for product manufacturing and production capacity allocation.
Materials Division	Implementation of supplier management and outsourcing processing and Warehouse Management
Quality Division	Planning and execution of quality control systems.
Sales Division	Responsible for corporate image planning, maintaining and enhancing external public relations, corporate marketing activities worldwide, and analyzing industry data and trends. It is also in charge of formulating and implementing corporate marketing and product plans.
Admin. Division	Planning and execution of general affairs, factory affairs, and information systems.
Finance Division	Responsible for the summarization and supply of accounting information, management and operation of finance and investment, annual budgeting, credit control, and stocks services.
R & D Division	Advanced product and technology research and development, intellectual property development and management.

3.2 Directors, Supervisors and Management Team
3.2.1 Information on the Company's BOD members

As of April 30, 2024

Title/ Name	Nationality/ Country of Origin	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience （Education）	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
						Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman Jonathan Chang	R.O.C.	Male	2023/08/21	3	1995/08/08	1,171,332	2.64%	1,436,291	2.86%	NA	NA	NA	NA	CEO, ERIS Corp. NTU EMBA	CEO, ERIS Corp. Representative of Overseas subsidiary affair. YeaShin Technology Chairman	NA	NA	NA
Diodes Holdings UK.	UK	NA	2023/08/21	3	2011/10/11	22,687,604	51.07%	25,636,992	51.07%	NA	NA	NA	NA	Diodes Inc.(NASDAQ)100% Shareholders	Representative of DIODES TAIWAN S.A R.L., TAIWAN BRANCH	NA	NA	NA
Representative Gary Yu	R.O.C.	Male				NA	NA	NA	NA	NA	NA	NA	NA	President of Group at Diodes Inc.	President of Group at Diodes Inc. Diodes Inc.of Group the BOD and Manager.	NA	NA	NA
Representative Maxine Lei	R.O.C.	Female				NA	NA	NA	NA	NA	NA	NA	NA	CFO of DIODES TAIWAN S.A R.L., TAIWAN BRANCH	CFO of DIODES TAIWAN S.A R.L., TAIWAN BRANCH	NA	NA	NA
Representative Patricia Hwang	R.O.C.	Female				NA	NA	NA	NA	NA	NA	NA	NA	Vice CFO of DIODES TAIWAN S.A R.L., TAIWAN BRANCH	Vice CFO of DIODES TAIWAN S.A R.L., TAIWAN BRANCH	NA	NA	NA
Independent Director Jackie Ding	R.O.C.	Female	2020/10/15	3	2017/10/13	NA	NA	NA	NA	NA	NA	NA	NA	(Retire)VP of SIMPLO TECHNOLOGY CO., LTD.	NA	NA	NA	NA
Independent Director Kun Shan Lin	R.O.C.	Male	2020/10/15	3	2017/10/13	NA	NA	NA	NA	NA	NA	NA	NA	(Retire)Consultant of NUVOTON TECHNOLOGY CORPORATION	NA	NA	NA	NA
Independent Director Ed Tang	R.O.C.	Male	2020/10/15	3	2020/10/15	NA	NA	NA	NA	NA	NA	NA	NA	(Retire) Vice president of Texas Instruments, US	NA	NA	NA	NA

Major shareholders of the institutional shareholders

As of April 01, 2024

Name of Institutional Shareholders	Major Shareholders
Diodes Holdings UK	Diodes Incorporated (100%)

Major shareholders of the Company’s major institutional shareholders

As of April 01, 2024

Name of Institutional Shareholders	Major Shareholders
Diodes Incorporated	BlackRock Inc (15.7%)、The Vanguard Group(12.3%)、EARNEST Partners (5.3%)

Professional qualifications and independence analysis of directors and supervisors

Criteria / Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria(Note)												Number of Other Taiwanese Public Companies Concurrently Serving as a Compensation Committee Member
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Jonathan Chang			✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	NA
Representative of DIODES HOLDINGS UK.: Gary Yu			✓			✓	✓			✓	✓	✓	✓	✓		NA
Representative of DIODES HOLDINGS UK: Maxine Lai			✓			✓	✓			✓	✓	✓	✓	✓		NA
Representative of DIODES HOLDINGS UK: Patricia Hwang			✓			✓	✓			✓	✓	✓	✓	✓		NA
Jackie Ding			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NA
Kun Shan Lin			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NA
Ed Tang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	NA

Note: All board members met with the following conditions for the two years leading up to assuming their posts and while they held their posts.
Please place a tick mark "✓" in the box under number that represents their situation.
(1) Not an employee of the Company or its affiliated companies
(2) Not a director or supervisor of the Company's affiliates (unless the person is an independent director of the Company, the Company's parent company or any subsidiary of the Company)
(3) Not a shareholder whose total holdings, including those of his/her spouse and minor children, or shares held under others' names, reach or exceed 1 percent of the total

outstanding shares of the Company or rank among the top 10 individual shareholders

(4) Not a spouse, relative of second degree or closer, or direct blood relative of third degree or closer to the managers listed in (1) and persons listed in (2) or (3).

(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds more than 5% of the total issued shares of the Company, a top-five shareholder, or authorized representative to be a director or supervisor of the Company in accordance with Article 27, Paragraph 1 or 2 of the Company Act (however, this does not apply when serving concurrently and mutually as independent director established by the Company and its parent company, subsidiary, or subsidiary of the same parent company in accordance with provisions hereof or local laws and regulations).

(6) Not a director, supervisor, or employee of another company where more than half of the director positions or voting shares of that other company and the Company are controlled by the same person (however, this does not apply when serving concurrently and mutually as independent director established by the Company or its parent company, subsidiary, or subsidiary of the same parent company in accordance with provisions hereof or local laws and regulations).

(7) Not a director (managing director), supervisor (managing supervisor) or employee of another company or institution where any of its chairmen, presidents, or other equivalent positions are served by the same person or is the spouse of the Company's chairmen, presidents, or other equivalent positions (however, this does not apply when serving concurrently and mutually as independent director established by the Company and its parent company, subsidiary, or subsidiary of the same parent company in accordance with provisions hereof or local laws and regulations).

(8) Not a director (managing director), supervisor (managing supervisor), manager, or shareholder with 5% or more shareholding of a specific company or institution with which the Company has financial or business dealings (however, this does not apply when serving concurrently and mutually as independent director established by the Company and its parent company, subsidiary, or subsidiary of the same parent company in accordance with provisions hereof or local laws and regulations, if that specific company or institution holds no less than 20%, but no more than 50%, of the total issued shares of the Company).

(9) Not a professional who provides auditing to the Company or its affiliates, or a professional who provides commercial, legal, financial, accounting, or related services to the Company or its affiliates with a total remuneration of less than NT$500,000 in the past two years, nor is an owner, partner, director (managing director), supervisor (managing supervisor), or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides such services to the Company or its affiliates. However, this does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee or Special Committee for Merger/Consolidation and Acquisition who perform their functions in accordance with laws relevant to the Securities and Exchange Act or the Business Mergers And Acquisitions Act.

(10) Not a spouse or relative within second degree by affinity to other directors

(11) Not in contravention of Article 30 of the Company Act

(12) Not an institutional shareholder or its representative pursuant to Article 27 of the Company Act

3.2.2 Management Team

As of April 30, 2024

Title	Nationality/ Country of Origin	Name	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
				Shares	%	Shares	%	Shares	%			Title	Name	Relation
President	R.O.C.	Jonathan Chang	1997.01.01	1,436,291	2.86%	NA	NA	NA	NA	CEO, ERIS Corp. NTU EMBA	CEO, ERIS Corp. Representative of Overseas subsidiary affair. YeaShin Technology Chairman	NA	NA	NA
Vice President	R.O.C.	Calvin Chu	2018.07.19	NA	NA	NA	NA	NA	NA	University of Manchester, UK Master Degree in Materials Science	Director of Secos	NA	NA	NA
Production Division Vice President	R.O.C.	Wenyi Huang	2019.01.26	NA	NA	NA	NA	NA	NA	B.S. in IE Nan Jeon University of Science and Technology	NA	NA	NA	NA
Quality Division Manager	R.O.C.	Mac Huang	2019.01.26	NA	NA	NA	NA	NA	NA	MBA, NTUST	Director of Secos	NA	NA	NA
Financial accounting Manager	R.O.C.	Doris Hsu	2008.04.01	66,125	0.13%	11,384	0.02%	NA	NA	BS in Accounting Chung Yuan Christian University	Director of Secos	NA	NA	NA
Internal Auditor	R.O.C.	Holmes Wu	2021.07.26	NA	NA	NA	NA	NA	NA	BS in Law of Cultural University	NA	NA	NA	NA

3.2.3 Remuneration of Directors, Supervisors, President, and Vice President

Remuneration of Directors

As of December 31, 2023

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration received from the parent company and all investee companies
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)						
		The company	companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman Director	Jonathan Chang DIODES HOLDINGS UK. Representative Gary Yu Maxine Lai Patricia Hwang	0	0	0	0	0	0	360	360	360 0.1%	360 0.1%	8,586	8,586	0	0	420	0	0	0	9366 2.77%	9366 2.77%	0
Independent Director	Jackie Ding Kun Shan Lin Ed Tang	2,160	2,160	0	0	0	0	540	540	2,700 0.80%	2,700 0.80%	0	0	0	0	0	0	0	0	2,700 0.80%	2,700 0.80%	0

Remuneration of the President and Vice President

Unit: NT$ thousands / As of December 31, 2023

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration received from all investee companies (other than subsidiaries) or the parent company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	Jonathan Chang	9,804	10,554	0	0	6,914	7,244	817	0	1,115	0	17,535 5.19%	18,913 5.60%	0
Vice President	Calvin Chu													
Vice President	Wenyi Huang													

Range of Remuneration	Name of President and Vice President	
	The company	Companies in the consolidated financial statements
Under NT$ 2,000,000	-	-
NT$2,000,001 ~ NT$5,000,000	Calvin Chu 、Wenyi Huang	Calvin Chu 、Wenyi Huang
NT$5,000,001 ~ NT$10,000,000	Jonathan Chang	Jonathan Chang
Over NT$10,000,000	0	0
Total	3	3

Managers and employee bonuses

Unit: NT$ thousands / As of December 31, 2023

Title	Name	Employee Bonus - in Stock (Fair Market Value)	Employee Bonus - in Cash	Total	Ratio of Total Amount to Net Income (%)
President	Jonathan Chang	None	1,053	1,053	0.31%
Vice President	Calvin Chu				
Production Division Vice President	Wenyi Huang				
Quality Division Manager	Mac Huang				
Financial accounting Manager	Doris Hsu				

3.2.4 Comparison of Remuneration for Directors, Supervisors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents and Vice Presidents

A. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, presidents and vice presidents of the Company, to the net income.

Title	Total remuneration paid to directors, supervisors, presidents and vice president and to net income (%)							
	2022				2023			
	Parent Company only	%	All of companies in financial statements	%	Parent Company only	%	All of companies in financial statements	%
Board of Directors	2,332	0.51	2,332	0.51	3,060	0.91	3,060	0.91
presidents and vice president	17,131	3.76	17,131	3.76	17,535	5.19	18,913	5.60

B. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance.

The compensation to directors and other key management personnel were determined by the Remuneration Committee of the Company in accordance with the individual performance and the market trends.

The compensation is measured based on the employee’s personal achievements, contribution made to the business operation, and the market averages. It has a positive correlation with the performance of the Company's business.

3.3 Implementation of Corporate Governance

3.3.1 Board of Directors

The number of board meetings in the most recent year (2023) and 2024 as of the printing date of this annual report is 12 [A]. The attendance (attendance) of directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman	Jonathan Chang	12	0	100	
Director	Representative of DIODES HOLDINGS UK: Gary Yu	12	0	100	
Director	Representative of DIODES HOLDINGS UK: Maxine Lai	12	0	100	
Director	Representative of DIODES HOLDINGS UK: Patricia Hwang	12	0	100	
Independent director	Jackie Ding	12	0	100	
Independent director	Kun Shan Lin	12	0	100	
Independent director	ED Tang	12	0	100	

Other mentionable items:

1. If there are circumstances referred to in Article 14-3 of the Securities and Exchange Act and resolutions of the directors' meetings objected to by independent directors or subject to qualified opinion and recorded or declared in writing, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified: None
2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None
3. TWSE/TPEx listed companies shall disclose information such as evaluation cycle and period, evaluation scope:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation result
Once per year	2023/01/01-2023/12/31	Performance evaluation of the overall board of directors.	Self- evaluation by individual Board members.	Overall condition is excellent

4. Measures taken to strengthen the functionality of the board: The Board of Directors has established an Audit Committee and a Remuneration Committee to assist the board in carrying out its various duties.

3.3.2 Audit Committee（or Attendance of Supervisors at Board Meetings）

A. Audit Committee

A total of 6 (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

The number of Audit Commitee in the most recent year (2023) and 2024 as of the printing date of this annual report is 11 [A]. The attendance (attendance) of directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent Director/ Convener	Jackie Ding	11	0	100	
Independent director/ Committee Members	Kun Shan Lin	11	0	100	
Independent director/ Committee Members	ED Tang	11	0	100	

Other mentionable items:

1. If there are the circumstances referred to in Article 14-5 of the Securities and Exchange Act and resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company’s response to the Audit Committee’s opinion should be specified: None
2. If there are independent directors’ avoidance of motions in conflict of interest, the directors’ names, contents of motion, causes for avoidance and voting should be specified: None
3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the items, methods and results of audits of corporate finance or operations, etc.)
   (1)The internal auditors have communicated the result of the audit reports to the members of the Audit Committee periodically, and have presented the findings of all audit reports in the quarterly meetings of the Audit Committee. Should the urgency of the matter require it, the Company's chief internal auditor will inform the members of the Audit Committee outside of the regular reporting. The communication channel between the Audit Committee and the internal auditor has been functioning well.
   (2)The Company’s CPAs have presented the findings or the comments for the quarterly corporate financial reports, as well as those matters communication of which is required by law, in the regular quarterly meetings of the Audit Committee. Under applicable laws and regulations, the CPAs are required to communicate to the Audit Committee any material matters that they have discovered. The communication channel between the Audit Committee and the CPAs has been functioning well.

3.3.3 Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company has established the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies". The information has been disclosed on the Company's website.	None
2. Shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure? (2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (3) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		In order to ensure the rights and interests of shareholders, the company has set up spokespersons and acting spokespersons, and has a dedicated unit responsible for shareholder suggestions, doubts, disputes and other matters. If the dispute involves legal issues, they will be handled by legal advisors. The Company has access to the list of major shareholders and their ultimate control. The company has internal procedures related to reinvestment management and inter-company operations, business and financial transactions, subsidiary supervision and management procedures, endorsement and guarantee procedures, fund lending procedures to others, and procedures for acquiring or disposing of assets. Measures should be taken to establish appropriate risk control mechanisms and firewall mechanisms. The company has established "Insider Trading Prevention Management Procedures" to prohibit company insiders from using undisclosed information in the market to buy and sell securities. When new directors and managers take office, the company will provide relevant normative information for education and promotion; and every time a board meeting notice is sent, or when the company raises funds or issues new shares, it will remind insiders of the necessary procedures. Avoid buying and selling the company's stocks to implement policies to prevent insider trading. The Company also stipulates in Article 10 of the Company's Code of Practice (Prevention of Insider Trading Matters) that directors and managers are not allowed to disclose information 30 days before the announcement date of the annual financial report and 15 days before the announcement date of the quarterly financial report (hereinafter referred to as the closed period). trades the company's stocks or other equity securities it holds.	None
3. Composition and Responsibilities of the Board of Directors	✓		The Company has clearly defined the diversity policy for board members in Article 19 of the "Corporate Governance Code of Practice". Please refer to the "Board Diversity and Independence" chapter for relevant specific management objectives and implementation. The company has established a salary and remuneration committee and an audit committee to	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status [1]</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td>(1) Does the Board develop and implement a diversified policy for the composition of its members?

(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?

(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?

(4) Does the company regularly evaluate the independence of CPAs?</td><td></td><td></td><td>strengthen corporate governance functions. In order to enhance the functions of the board of directors and functional committees, performance targets are clearly defined to improve operational efficiency. In the future, other functional committees will be added based on the needs of the company's operating scale.
In order to implement corporate governance, improve the functions of the board of directors, establish performance goals and enhance the operational efficiency of the board of directors, the company has formulated the "Measures for the Performance Evaluation of the Board of Directors and the Performance Evaluation of Functional Committee Members". According to the provisions of the method, the board of directors and functional committees should conduct an annual evaluation For performance evaluation, the evaluation period starts from January 1st to December 31st of the current year, and the report should be completed before the end of the first quarter of the next year.
The company has completed the performance evaluation results of board operations and self-evaluation of board members from January 1, 2023 to December 31, 2023, and has also completed the performance evaluation of functional committees (audit committee and remuneration committee). The evaluation results are all "Excellent". The above performance evaluation results have been reported to the board of directors on February 26, 2024, and will be uploaded to the Public Information Observation Station before March 30, 2024.
Our company's certified accountants have recused themselves from those who have direct or indirect interests in the matters assigned and themselves. The company evaluates the qualifications and independence of accountants through the "Audit Committee" every year. The company relies on the audit quality indicators (AQIs) and independence statement provided annually by the certified accountants of Qinye United Accounting Firm, and refers to the Accounting Law and Accountant Professional Ethics Bulletin No. 10 "Integrity, impartiality, objectivity and independence" Regarding the content of "Independence", the accountant evaluation items are formulated as follows. The evaluation results have not found any violations of independence, and the rotation of certified accountants is also handled in compliance with relevant regulations.
<table>
<tr><th>Evaluation Items</th><th>Evaluation result</th></tr>
<tr><td>Whether the appointed accountant has no direct or indirect significant financial interest in the company.</td><td>conform to</td></tr>
<tr><td>Whether the appointed accountant has any inappropriate interest in</td><td>conform to</td></tr>
</table></td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status [1]</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td>the company.</td><td></td></tr>
<tr><td>Whether the appointed accountant has not served the company within two years before practicing (if so, the applicant shall not be checked to provide financial statement services for the company.)</td><td>conform to</td></tr>
<tr><td>Whether there is no appointed accountant to use the account in his own name for others.</td><td>conform to</td></tr>
<tr><td>Whether the appointed accountants and audit service team members do not hold shares in the company.</td><td>conform to</td></tr>
<tr><td>Whether there is no money loan between the appointed accountant and the company.</td><td>conform to</td></tr>
<tr><td>Whether there is no joint investment or interest-sharing relationship between the appointed accountant and the company.</td><td>conform to</td></tr>
<tr><td>Whether the appointed accountant does not concurrently perform regular work of the company, receive a fixed salary or serve as a director.</td><td>conform to</td></tr>
<tr><td>Whether the appointment of accountants does not involve the company's decision-making management functions.</td><td>conform to</td></tr>
<tr><td>Whether the appointed accountant does not receive any commission related to the business.</td><td>conform to</td></tr>
<tr><td>Whether the appointed accountant does not have a spouse, direct blood relative, direct marriage relative, or second blood relationship with the person in charge or manager of the company, or any collateral blood relationship.</td><td>conform to</td></tr>
<tr><td>Is there any situation where the company has not served as the lead accountant for financial statement verification and certification for the company for more than 7 years?</td><td>conform to</td></tr>
</table></td><td></td></tr>
<tr><td>4. Has the TWSE/TPEx listed company been equipped with competent and appropriate</td><td>✓</td><td></td><td>The company has adopted a resolution of the board of directors on April 19, 2023 to establish a corporate governance manager in accordance with the regulations of the competent</td><td></td></tr>
</table>

Evaluation Item	Implementation Status[1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
numbers of corporate governance personnel, and designated a CGO responsible for corporate governance-related affairs (including but not limited to providing directors and supervisors with the information required for business execution, assisting directors and supervisors with legal compliance, handling matters related to board meetings and shareholders meetings in accordance with the law, and producing meeting minutes for board of directors meetings and shareholders meetings)?			authority. The main responsibilities of the corporate governance manager include the following: (1) Handle matters related to board of directors and shareholders' meetings in accordance with the law. (2) Prepare minutes of board of directors and shareholders meetings. (3) Assist directors in taking office and continuing their education. (4) Provide the directors with the information they need to carry out their business. (5) Assist directors to comply with laws. (6) Other matters stipulated in the company's articles of association or contract, etc. The company's corporate governance-related business execution status in 2023 is as follows: 1. Formulate meeting agendas of the Board of Directors, Audit Committee, and Salary and Remuneration Committee, and prepare meeting materials; if the subject matter is related to interested parties, give prior reminders to the parties that they need to avoid interests. In 2023, 9 meetings of the board of directors, 8 meetings of the audit committee, and 3 meetings of the salary and remuneration committee were completed. 2. Responsible for the announcement of important information regarding important resolutions of the board of directors and shareholders' meeting, and release important information in accordance with the law. 3. Arrange a 6-hour course for all directors, company managers and other insiders, with the themes of "Semiconductor Industry Trends: Business Opportunities for Wafer Foundry and Advanced Packaging Technology Applications" and "Sustainable Risk Trends and Response Strategies". 4. Arrange for independent directors to communicate with the internal audit manager and certified accountants at quarterly audit committee meetings. 5. Handle the performance evaluation of the board of directors in 2023, and upload the performance evaluation results to the public information observatory before March 30, 2024. The board of directors report on February 26, 2024.	
5. Does the company establish a communication channel and build a designated section on its website for involved parties (including but not limited to shareholders, employees, customers	✓		The company follows the Global Sustainability Reporting Standards (GRI Standards) and the reference stakeholder engagement standards (AA1000 Stackeholder Engagement Standards) to construct a material identification process for corporate sustainable development, which serves as the basis for the disclosure of corporate sustainability reports. In order to effectively	None

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?			communicate with various stakeholders, Eris refers to the five principles of AA1000 SES to identify stakeholder negotiation standards: dependence, responsibility, influence, multiple perspectives and tension, and divides stakeholders into five equal scores. Five groups: customers, employees, shareholders/investors, suppliers/contractors, government/competent authorities, etc. The company has also set up a stakeholder area and contact information for relevant corresponding units on the ESG official website, and has properly responded to stakeholders' concerns about corporate sustainability, social responsibility, and other related issues.	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company designates KGI Securities Co.Ltd. Registrar Dep. to deal with shareholder affairs.	None
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? (3) Does the company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the financial report for the first, second and third quarters and the operating conditions of each month before the specified deadline?	✓		The Company has set up a Chinese/English website (www.ERIS.com.tw) to disclose information regarding the Company's financials, business and corporate governance status. The company's website contains information in both Chinese and English, and the responsible unit is responsible for the collection and disclosure of company information. Set up spokespersons and acting spokespersons, and implement the spokesperson system. Regular and irregular corporate briefings are held and disclosed on the company's website and the exchange's audio-visual communication network The company is currently reporting financial reports and monthly operations in accordance with the specified date of "Occupational Listed Companies"; the company has announced and reported the annual financial report within two months after the end of the fiscal year, and announced the annual financial report before the specified deadline. quarterly financial report. Important financial figures and XBRL information will be announced on the day the board of directors approves the financial report, and the complete financial report e-book will be announced on the next day.	None

Evaluation Item	Implementation Status[1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
8. Does the company have other important information that is helpful to understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, training of directors and supervisors, risk management) The implementation of policies and risk measurement standards, the implementation of customer policies, the company's purchase of liability insurance for directors and supervisors, etc.)?	✓		1. Employee rights and employee care: Set up an employee welfare committee, implement a pension system to protect the rights and interests of employees, and hold quarterly labor-management meetings to coordinate labor-management relations. The company also plans employee group insurance, regular health checks, and conducts various employee education and training. The company attaches great importance to the physical and mental health and learning and development of each employee. 2. Investor Relations: The main task of the company's investor relations department is to provide global investors with the latest company information. Investors learn about the latest developments and decision-making motives of the company through the Investor Relations Department. The main purpose is to strengthen the communication between the company and investors, increase the transparency of finance and corporate governance, and build a good corporate image. 3. Situation of directors' further education: please refer to the description on page 23 of this annual report. 4. Implementation of risk management policies and risk measurement standards: All major proposals are submitted to the board of directors for approval, and internal audits are carried out. 5. Implementation of consumer or customer protection policy: Implement quality policy in accordance with ISO standards. Situation and social responsibility of the company to purchase liability insurance for directors and supervisors: The directors of the company adhere to the principle of integrity management, and there is no lawsuit or illegal behavior, and have purchased liability insurance for directors and independent directors (please refer to page 23) . 6. Code of Conduct for Directors and Managers, Code of Conduct for Employees (please refer to Chinese version of pages 44-45) 7. Supplier relationship: In order to maintain the company's long-term advantages in new technology research	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status [1]</th><th rowspan="2">Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>and development, quality control and price competition, and sufficient supply, and to provide green products that meet energy conservation and environmental protection, and on the basis of integrity, audit and management of suppliers are carried out to confirm that suppliers are in In compliance with various environmental protection treaties and social responsibilities, we can continue to provide products that meet the company’s standards and have competitive prices. The company will continue to uphold the spirit of mutual trust and mutual benefit for suppliers, in order to grow together with Eris and create Win-win.
8. Rights of interested parties:
Depending on the situation, the company instructs the departments including investor relations, public relations, stock affairs, legal affairs and other departments to communicate with stakeholders, and there are spokespersons and contact information for relevant business departments on the company's website.</td><td></td></tr>
<tr><td colspan="5">9. Please explain the improvement situation in the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and propose priority enhancements and measures for those who have not yet improved.
In accordance with the letter from the competent authority, the company has established the position of corporate governance manager on April 19, 2023 to perform corporate governance-related matters. The company will continue to strengthen its efforts in responding to the competent authorities' responses to the areas that need improvement in the 2022 (company self-assessment) assessment items, so as to meet the requirements of the competent authorities in the corporate governance assessment items.
The performance evaluation of functional committees will continue in 2023, and the board of directors report on February 26, 2024 has been submitted. It is planned to upload the results of this performance evaluation before March 30, 2024 and will also include the functional committees (audit committee and remuneration committee) The operation status and annual work priorities are disclosed in the annual report and the company website.
The company has issued the third edition before September 30, 2023; the company is issuing this report voluntarily (companies with a paid-in capital of less than 2 billion only need to adopt voluntary issuance according to the regulations of the competent authority). The company's report has been
Upload the Chinese and English versions of the electronic files to the Public Information Observatory for distribution, and establish a sustainability report area on the company's official website.
The reporting cycle is once a year.</td></tr>
</table>

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	

10. Other important information on the operation of corporate governance:
   (1) The company purchases liability insurance for directors and managers
   The company's insurance amount for 2023 is US$5,000,000, and the important details of the insurance will be reported to the board of directors.

(2) Directors' and supervisors' training records:

Title	Name	Training hours	Study period		Sponsoring Organization	Course
			From	To		
Directors	Jonathan Chang	6H	2023/10/27	2023/10/27	(Taiwan) Corporate Governance Association	Semiconductor industry trends: wafer foundry and advanced packaging technology application opportunities
	Gary Yu					
	Maxine Lai					
	Patricia Hwang					
Independent directors	Jackie Ding				(Taiwan) Corporate Governance Association	Sustainable risk trends and response strategies
	Kun Shan Lin					
	Ed Tang					

● Operation of risk management

The purpose of the company's risk management policy is to discover in advance the risk factors that are sufficient to adversely affect the operation, and after appropriate assessment procedures and processing procedures, the risks can be transformed, reduced, and then the occurrence of losses can be prevented; Changes in the external environment can detect and warn of risks in a timely manner, so that colleagues in various locations around the world can implement risk management in a timely manner within the scope of business. In accordance with the "Public Issuing Companies Establishing Internal Control System Handling Standards" and relevant laws and regulations, the company has established financial, business and accounting management systems, as well as the supervision and management of the subsidiary's financial and business information, as well as credit and funds for affiliated companies. For important risk matters such as loan and endorsement guarantee, acquisition and disposal of assets, relevant management policies, risk measurement standards and handling procedures are formulated for all employees to conduct risk assessment, review and management operations in accordance with their operating procedures; In the business unit, there are also full-time personnel responsible for the relevant risk management operations to control, reduce and prevent the company's various risks.

3.3.4 Composition, Responsibilities and Operations of the Remuneration Committee

The Remuneration Committee assists the Board in discharging its responsibilities relating to the Company's compensation and benefits policies, plans and programs, and the evaluation of the directors' and executives' compensation.

The term of the Salary and Remuneration Committee (current term): October 15, 2023 to October 14, 2026.

A. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Criteria / Name	Meets One of the Following Professional Qualification Requirements, Together with at Least Five Years' Work Experience: An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	A judge, public prosecutor, attorney, Certified Public Accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	Independence Criteria (Note) 1	2	3	4	5	6	7	8	9	10	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks
Independent director	Jackie Ding			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	None
Independent director	Kun Shan Lin			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	None
Independent director	Ed Tang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	None

Note: Please tick the corresponding boxes that apply to a member during the two years prior to being elected or during the term(s) of office.

(1) Not an employee of the Company or its affiliated companies

(2) Not a director or supervisor of the Company or its affiliated companies (unless the person is an independent director of the Company, the Company's parent company or of any subsidiary in which the Company holds, directly or indirectly, more than 50 percent of the voting shares)

(3)Not a shareholder whose total holdings, including that of his/her spouse and minor children, or shares held under others' names reach or exceed 1 percent of the total outstanding shares of the Company or rank among the top 10 individual shareholders

(4)Not a spouse, relative of second degree or closer, or direct blood relative of third degree or closer to the managers listed in (1) and persons listed in (2) or (3).

(5)Not a director, supervisor, or employee of a corporate shareholder that directly holds more than 5% of the total issued shares of the Company, a top-five shareholder, or authorized representative to be a director or supervisor of the Company in accordance with Article 27, Paragraph 1 or 2 of the Company Act (however, this does not apply when serving concurrently and mutually as independent director established by the Company and its parent company, subsidiary, or subsidiary of the same parent company in accordance with provisions hereof or local laws and regulations).

(6)Not a director, supervisor, or employee of another company where more than half of the director positions or voting shares of that other company and the Company are controlled by the same person (however, this does not apply when serving concurrently and mutually as independent director established by the Company or its parent company, subsidiary, or subsidiary of the same parent company in accordance with provisions hereof or local laws and regulations).

(7)Not a director (managing director), supervisor (managing supervisor) or employee of another company or institution where any of its chairmen, presidents, or other equivalent positions are served by the same person or is the spouse of the Company's chairmen, presidents, or other equivalent positions (however, this does not apply when serving concurrently and mutually as independent director established by the Company and its parent company, subsidiary, or subsidiary of the same parent company in accordance with provisions hereof or local laws and regulations).

(8)Not a director (managing director), supervisor (managing supervisor), manager, or shareholder with 5% or more shareholding of a specific company or institution with which the Company has financial or business dealings (however, this does not apply when serving concurrently and mutually as independent director established by the Company and its parent company, subsidiary, or subsidiary of the same parent company in accordance with provisions hereof or local laws and regulations, if that specific company or institution holds no less than 20%, but no more than 50%, of the total issued shares of the Company).

(9)Not a professional who provides auditing to the Company or its affiliates, or a professional who provides commercial, legal, financial, accounting, or related services to the Company or its affiliates with a total remuneration of less than NT$500,000 in the past two years, nor is an owner, partner, director (managing director), supervisor (managing supervisor), or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides such services to the Company or its affiliates. However, this does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee or Special Committee for Merger/Consolidation and Acquisition who perform their functions in accordance with laws relevant to the Securities and Exchange Act or the Business Mergers and Acquisitions Act.

(10)Not in contravention of Article 30 of the Company Act

B. Attendance of Members at Remuneration Committee Meetings

There are 3 members in the Remuneration Committee. A total of 5 (A) Remuneration Committee meetings were held in the previous period. The Salary and Remuneration Committee will meet 5 times in the most recent year (2023) and 2024 as of the printing date of this year's report.

The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Convener	Kun Shan Lin	5	0	100	
Committee Member	Jackie Ding	5	0	100	
Committee Member	Ed Tang	5	0	100	.

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.
3. The results of the 2023 annual discussion proposal and resolution of the Compensation and Remuneration Committee, and the company's handling of members' opinions:

Meeting Date	Discussion	Committee Resolution	Consequent
2023/01/06	"2022 Annual Managers' Year-end Bonus Payment Proposal" and "2023 Annual Managers' Compensation Payment Standards"	Approved	Approved by the BOD
2023/07/25	The case of managers who manager case of issued 2022 employee compensation	Approved	Approved by the BOD

3.3.5 Implementation of sustainable development/Guidelines and Regulations

Please refer to the Company's website at http:// www. eris.com.tw

3.3.6 Other Important Information Regarding Corporate Governance: None.

3.3.7 Internal Control Systems

Please refer to page 36 of the Chinese annual report.

3.3.8 Major Resolutions of Shareholders' Meeting and Board Meetings

Please refer to page 36 of the Chinese annual report.

3.3.9 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None

3.3.10 Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit and R&D: None

3.4 Information Regarding the Company's Audit Fee and Independence

3.4.1 Audit Fee

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Remarks
Deloitte & Touche	Jimmy Wu Sabrina Liu	2023.01.01~2023.12.31	

Note: If the Company has changed CPA or Accounting Firm during the current fiscal year, the company shall report the information regarding the audit period covered by each CPA and the replacement reason.

	Fee Range \ Fee Items	Audit Fee	Non-audit Fee	Total
1	Under NT$ 2,000,000		1,280	1,280
2	NT$2,000,001 ~ NT$4,000,000	3,250		3,250

Unit: NT$ thousands

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Period Covered by CPA's Audit	Remarks
			System of Design	Company Registration	Human Resource	Others	Subtotal		
Deloitte & Touche	Tzu-Jung Kuo Hsiu-Chun Huang	3,250	-	-	-	1,280	4,530	2023.01.01 2023.12.31	

3.4.2 Replacement of CPA

A. Regarding the former CPA

<table>
<tr><td>Replacement Date</td><td colspan="5">April 17, 2023</td></tr>
<tr><td>Replacement reasons and explanations</td><td colspan="5">Due to internal restructuring at Deloitte & Touche firm, the CPAs of the Company were changed to Sabrina Liu from Hsiu-Chun Huang.</td></tr>
<tr><td rowspan="3">Describe whether the Company terminated or the CPA did not accept the appointment</td><td colspan="3">Parties
Status</td><td>CPA</td><td>The Company</td></tr>
<tr><td colspan="3">Termination of appointment</td><td>-</td><td>-</td></tr>
<tr><td colspan="3">No longer accepted (continued) appointment</td><td>-</td><td>-</td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="5">None</td></tr>
<tr><td rowspan="6">Differences with the company</td><td rowspan="4">Yes</td><td>-</td><td colspan="3">Accounting principles or practices</td></tr>
<tr><td>-</td><td colspan="3">Disclosure of Financial Statements</td></tr>
<tr><td>-</td><td colspan="3">Audit scope or steps</td></tr>
<tr><td>-</td><td colspan="3">Others</td></tr>
<tr><td>None</td><td colspan="4">✓</td></tr>
<tr><td colspan="5">Remarks/specify details:</td></tr>
<tr><td>Other Revealed Matters</td><td colspan="5">None</td></tr>
</table>

B. Regarding the successor CPA

Name of accounting firm	Deloitte & Touche firm
Name of CPA	Jimmy Wu
Date of appointment	July 25, 2022
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

3.4.3 Audit Independence

The Company's Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2023.

3.5 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders: NONE

3.5.1 Shares Trading with Related Parties: None

3.5.2 Shares Pledge with Related Parties: None

3.6 Relationship among the Top Ten Shareholders

Please refer to Chinese version on pages 50.

As of 03/18/2023

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Diodes Holdings UK	25,636,992	51.07%	None	None	None	None	None	None	None
Jonathan Chang	1,436,291	2.86%	None	None	None	None	None	None	None
Taiwan Life insurance	1,009,340	2.01%	None	None	None	None	None	None	None
Fuh Hwa Small Capital TWD	919,000	1.83%	None	None	None	None	None	None	None
Fuh Hwa Heirloon Balanced II TWD	835,000	1.66%	None	None	None	None	None	None	None
Allianz Taiwan Intelligence Trends Fund	797,000	1.59%	None	None	None	None	None	None	None
Allianz Taiwan Fund	787,770	1.57%	None	None	None	None	None	None	None
Fuh Hwa Life Goal Balance TWD	600,000	1.20%	None	None	None	None	None	None	None
Fuh Hwa Digital Economy TWD	480,500	0.96%	None	None	None	None	None	None	None
Capital OTC Fund	480,000	0.96%	None	None	None	None	None	None	None

3.7 Ownership of Shares in Affiliated Enterprises

As of 04/30/2024 Unit: shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Keep High Limited	-	100%	-	-	-	100%
Forever Eagle Inc.	-	100%	-	-	-	100%
Jiecheng Electronic (Shanghai) Co., Ltd.	-	100%	-	-	-	100%
Yea Shin Technology Corp.	29,342,218	100%	-	-	29,342,218	100%
Erishin Semiconductor Corporation	100,000	100%	-	-	100,000	100%
Secos Corporation	7,200,000	100%	-	-	7,200,000	100%

IV. Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

A. Issued Shares

As of 04/30/2024

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
2023.10	10	70,000	700,000	50,204	502,039	Surplus transferred to capital increase 57,756	–	

B. Type of Stock

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Share	50,203,923	19,796,077	70,000,000	Listed on TPEx

4.1.2 Status of Shareholders

As of 04/30/2024

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	-	4	65	4,962	37	5,068
Shareholding (shares)	-	11,863,400	80,793,390	132,170,240	277,212,200	502,039,230
Percentage	-	2.36%	16.09%	26.33%	55.22%	100.00%

4.1.3 Shareholding Distribution Status

A. Common Shares

As of 04/30/2024

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1~999	2,267	314,114	0.63%
1,000~5,000	2,314	3,988,823	7.95%
5,001~10,000	224	1,611,414	3.21%
10,001~15,000	83	1,001,169	1.99%
15,001~20,000	52	921,986	1.84%
20,001~30,000	35	904,375	1.80%
30,001~40,000	13	459,049	0.91%
40,001~50,000	11	497,134	0.99%
50,001~100,000	33	2,382,026	4.74%
100,001~200,000	19	2,678,990	5.34%
200,001~400,000	5	1,540,280	3.07%
400,001~600,000	5	2,483,170	4.95%
600,001~800,000	2	1,584,770	3.16%
800,001~1,000,000	2	1,754,000	3.49%
Above 1,000,001	3	28,082,623	55.93%
Total	5,068	50,203,923	100%

4.1.4 List of Major Shareholders

As of 04/30/2024

Shareholder's Name	Shareholding	
	Shares	Percentage %
Diodes Holdings UK	25,636,992	51.07%
Jonathan Chang	1,436,291	2.86%
Taiwan Life insurance	1,009,340	2.01%
Fuh Hwa Small Capital TWD	919,000	1.83%
Fuh Hwa Heirloon Balanced II TWD	835,000	1.66%
Allianz Taiwan Intelligence Trends Fund	797,000	1.59%
Allianz Taiwan Fund	787,770	1.57%
Fuh Hwa Life Goal Balance TWD	600,000	1.20%
Fuh Hwa Digital Economy TWD	480,500	0.96%
Capital OTC Fund	480,000	0.96%

4.1.5 Market Price, Net Worth, Earnings, and Dividends per Share

Unit: NT$

Items	2022	2023	01/01/2024-03/31/2024
Market Price per Share			
Highest Market Price	367.00	352.50	283.50
Lowest Market Price	150.00	160.50	244.00
Average Market Price	239.08	273.84	259.48
Net Worth per Share			
Before Distribution	33.38	31.47	—
After Distribution	24.76	(Note 1)	—
Earnings per Share			
Weighted Average Shares (thousand shares)	44,428	50,204	—
Diluted Earnings Per Share	10.26	6.73	—
Adjusted Diluted Earnings Per Share	9.08	(Note 1)	—
Dividends per Share			
Cash Dividends	5.4	5.0 (Note 1)	—
Stock Dividends			
• Dividends from Retained Earnings	1.3	(Note 1)	—
• Dividends from Capital Surplus	Not applicable	(Note 1)	—
Accumulated Undistributed Dividends	-	-	-
Return on Investment			
Price / Earnings Ratio (Note2)	23.30	40.68	—
Price / Dividend Ratio (Note 3)	44.27	(Note 1)	—
Cash Dividend Yield Rate (Note 4)	2.26	(Note 1)	—

Note 1: Approved by the BOD meeting on 30 February 2024, that need to pending on approval of shareholders at Annual General Shareholders' Meeting in June 28th 2024.
Note 2: Price / Earnings Ratio = Average Market Price / Earnings per Share
Note 3: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share
Note 4: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

4.1.6 Dividend Policy and Implementation Status

A. Dividend Policy

If earnings are available for distribution at the end of a fiscal year, 10% of net earnings – that is, after offsetting any loss from prior year(s) and paying all taxes and dues – shall be set aside as legal reserve and appropriated in accordance with the Securities Exchange Law. The remaining net earnings can be distributed along with prior accumulated unappropriated retained earnings. The Board of Directors will consider the above-mentioned factors when making the dividend distribution proposal. Dividends will be distributed in accordance with the resolution approved by the Board of Directors and at the annual shareholders' meeting.

The company's dividend policy has been stated in Article 25-1 of the company's articles of association. Dividends distributed to shareholders of the company can be distributed in cash or stocks. The proportion of cash dividends distributed to shareholders shall not be less than 10% of the total shareholder dividends. The company's industry is in the growth stage. The types and proportions of this surplus distribution are based on the company's future capital needs and long-term operating plans. The board of directors can draft it based on the current operating conditions, taking into account shareholders' rights, balanced dividend policy and capital demand planning. The distribution plan shall be submitted to the shareholders' meeting for resolution and adjustment. The remaining balances will be distributed in the following manner:

B. Proposed Distribution of Dividend

The 2023surplus distribution plan was approved by the board of directors on April 30, 2024. It is proposed to distribute a cash dividend of NT$5.0 per share. The dividend payout ratio is 74.29%.

Years.	2022	2023
Cash Dividends (NT$)	5.40	5.00
Stock Dividends (NT$)	1.30	-
EPS (NT$)	9.08	6.73
dividend payout ratio %	65.30%	74.29%

C. When it is expected that there will be major changes in the dividend policy, it should be explained: None.

4.1.7 Employee Bonus and Directors' and Supervisors' Remuneration

A. Information Relating to Employee Bonus and Directors' and Supervisors' Remuneration in the Articles of Incorporation

According to Article 25 of the company's articles of association, if the company makes a profit during the year, it shall allocate 1% to 5% as employee remuneration. Employee remuneration shall be in the form of stocks or cash, and shall be decided by the board of directors with more than two-thirds of the directors present. The resolution approved by more than half of the directors present shall be implemented and reported to the shareholders' meeting.

However, if the company still has accumulated losses, it should reserve the compensation amount in advance and then allocate employee remuneration according to the proportion mentioned above.

B. The estimated basis for the estimated remuneration of employees, directors and supervisors in the current period, the basis for the calculation of the number of shares for employee compensation distributed by stock, and the accounting treatment when the actual distribution amount is different from the estimated amount: no difference.

C. Profit Distribution for Employee Bonus and Directors' and Supervisors' Remuneration for 2023 Approved in Board of Directors Meeting:

(1) Recommended Distribution of Employee Bonus: (NT$ thousands)
Employee Bonus – in Cash $5,800

4.2 Bonds

4.2.1 Corporate Bonds: None

4.3 Global Depository Receipts: None

4.4 Employee Stock Options: None

4.5 Financing Plans and Implementation: None

V. Operational Highlights

5.1 Business Activities

Please refer to page 66 of the Chinese annual report.

5.2 Market and Sales Overview

Unit: NT$ thousands

Shipments & Sales / Major Products \ Year	2022				2023			
	Local		Export		Local		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Diodes	4,454,230	1,079,685	1,417,397	1,044,648	5,465,048	798,807	1,285,134	882,606
wafer	702,048	19,697	201,976	27,126	647,890	29,394	167,252	24,711
other	-	-	1,961	6,461	2	92	601	3,758
Total	5,156,278	1,099,382	1,621,334	1,078,235	6,112,940	828,293	1,452,987	911,075

5.3 Human Resources

Year		2022	2023	3/31/2024
Number of Employees	Manager	31	33	34
	Sales & Marketing	208	197	194
	Operator	165	157	111
	Total	404	387	339
Average Age		36.21	35.88	35.09
Average Years of Service		4.69	5.17	5.61
Education distribution %	Ph.D.	0	0	0
	Masters	5.91	5.69	6.10
	Bachelor’s Degree	51.67	54.21	58.23
	Senior High School	38.56	37.13	32.62
	Below Senior High School	3.86	2.97	3.05

5.4 Environmental Protection Expenditure
Please refer to page 66 of the Chinese annual report.

5.5 Labor Relations
Please refer to page 67 of the Chinese annual report.

5.6 IT Security Control
Please refer to page 68-69 of the Chinese annual report.

5.7 Important Contracts
Please refer to page 69 of the Chinese annual report.

VI. Financial Information

6.1 Five-Year Financial Summary

6.1.1 Condensed Balance Sheet

A. Consolidated Condensed Balance Sheet – Based on IFRS

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note 1)					Financial information as of March 31, 2024 (Note 3)
		2019	2020	2021	2022	2023	
Current assets		925,835	893,684	1,281,299	1,287,502	1,257,667	1,580,794
Property, Plant and Equipment		1,474,486	1,434,110	1,400,289	1,527,867	1,539,827	1,578,221
Intangible assets		40,185	39,980	38,382	38,280	38,067	150,367
Other assets		191,569	193,194	339,584	334,652	328,964	334,598
Total assets		2,632,075	2,560,968	3,059,554	3,188,301	3,164,525	3,643,980
Current liabilities	Before distribution	765,250	823,204	1,018,882	933,142	1,049,404	1,085,086
	After distribution	823,006	912,061	1,241,023	1,173,055	(Note 2)	(Note 2)
Non-current liabilities		705,721	725,133	792,247	772,333	535,397	658,336
Total liabilities	Before distribution	1,470,971	1,548,337	1,811,129	1,705,475	1,584,801	1,743,422
	After distribution	1,528,727	1,637,194	2,033,270	1,945,388	(Note 2)	(Note 2)
Equity attributable to shareholders of the parent		1,035,764	1,011,018	1,248,425	1,482,826	1,579,724	1,676,656
Capital stock		444,283	444,283	444,283	444,283	502,039	502,039
Capital surplus		402,511	402,511	402,511	402,511	402,511	402,511
Retained earnings	Before distribution	191,556	166,237	403,972	637,649	677,772	773,682
	After distribution	133,800	77,380	181,831	397,736	(Note 2)	(Note 2)
Other equity interest		(2,586)	(2,013)	(2,341)	(1,617)	(2,598)	(1,576)
Treasury stock		-	-	-	-	-	-
Non-controlling interest		125,340	1,613	-	-	-	223,902
Total equity	Before distribution	1,161,104	1,012,631	1,248,425	1,482,826	1,579,724	1,900,558
	After distribution	1,103,348	923,774	1,026,284	1,242,913	(Note 2)	(Note 2)

Note 1: Have been reviewed by CPAs.

Note 2: Pending on approval of shareholders at Annual General Shareholders' Meeting.

Note 3: The financial information for the first quarter of 2024 has been reviewed by CPAs.

6.1.2 Condensed Statement of Comprehensive Income/Condensed Statement of Income

A. Consolidated Condensed Statement of Comprehensive Income – Based on IFRS

Unit: NT$ thousands

Item \ Year	Financial Summary for The Last Five Years (Note 1)					Financial information as of March 31, 2024 (Note 2)
	2019	2020	2021	2022	2023	
Operating revenue	1,547,880	1,537,470	2,056,717	2,177,617	1,739,368	544,918
Gross profit	307,751	408,003	681,526	804,486	652,877	191,593
Income from operations	131,500	133,446	339,485	432,873	311,502	80,662
Non-operating income (expenses)	6,983	(20,864)	(11,692)	10,736	(10,905)	18,749
Income before tax	138,483	112,582	327,793	443,609	300,597	99,411
Net income (Loss)	112,141	93,681	327,284	455,818	337,792	103,002
Other comprehensive income (income after tax)	-	-	-	-	-	-
Total comprehensive income	112,141	93,681	327,284	455,818	337,792	103,002
Other comprehensive gains and losses for the period (after Tax of Net)	(1,102)	573	(328)	724	(981)	1,022
Total comprehensive profit & loss for the period	111,039	94,254	326,956	456,542	336,811	104,024
Net income attributable to shareholders of the parent	102,097	93,335	327,088	455,818	337,792	95,910
Net income attributable to non-controlling interest	10,044	346	196	-	-	7,092
Comprehensive income attributable to Shareholders of the parent	100,995	93,908	326,760	456,542	336,811	96,932
Comprehensive income attributable to non-controlling interest	10,044	346	196	-	-	7,092
Earnings per share (NT$)	2.04	1.86	6.51	9.08	6.73	1.91

Note 1: Have been reviewed by CPAs.

Note 2: The financial information for the first quarter of 2024 has been reviewed by CPAs.

6.1.3 Auditors' Opinions from 2019 to 2023

Year	Accounting Firm	CPA	Audit Opinion
2019	Deloitte & Touche	Tzu-Jung Kuo、Hsiu-Chun Huang	An Unqualified Opinion
2020	Deloitte & Touche	Tzu-Jung Kuo、Hsiu-Chun Huang	An Unqualified Opinion
2021	Deloitte & Touche	Tzu-Jung Kuo、Hsiu-Chun Huang	An Unqualified Opinion
2022	Deloitte & Touche	Hsiu-Chun Huang、Jimmy Wu	An Unqualified Opinion
2023	Deloitte & Touche	Jimmy Wu、Sabrina Liu	An Unqualified Opinion

6.2 Five-Year Financial Analysis

A. Consolidated Financial Analysis – Based on IFRS

Unit: NT$ thousands

Item	Year	Financial Analysis for the Last Five Years					Financial information as of March 31, 2024
		2019	2020	2021	2022	2023	
Financial structure (%)	Debt Ratio	55.89	60.46	59.2	53.49	50.08	47.84
	Ratio of long-term capital to property, plant and equipment	126.61	121.17	145.73	147.6	137.36	162.14
Liquidity Analysis	Current ratio (%)	120.98	108.56	125.76	137.97	119.85	145.68
	Quick ratio (%)	86.7	76.52	91.41	103.45	96.22	117.21
	Interest Coverage	13.99	9.84	27.58	27.91	14.91	17.34
Operating performance Analysis	Accounts receivable turnover (times)	4.19	4.05	4.55	4.60	4.51	4.72
	Average collection period	87	90	80	79	81	77
	Inventory turnover (times)	4.24	4.02	4.31	3.98	3.69	4.60
	Accounts payable turnover (times)	6.53	6.08	6.46	6.58	7.05	8.67
	Average days in sales	86	91	85	92	99	79
	Property, plant and equipment turnover (times)	1.42	1.06	1.45	1.49	1.13	1.40
	Total assets turnover (times)	0.68	0.59	0.73	0.7	0.55	0.64
Profitability Analysis	Return on total assets (%)	5.27	4.00	12.00	15.01	11.18	12.67
	Return on stockholders' equity (%)	9.75	8.62	28.95	33.38	22.06	23.68
	Pre-tax income to paid-in capital (%)	31.17	25.34	73.78	99.85	59.88	79.21
	Profit ratio (%)	7.24	6.09	15.91	20.93	19.42	18.90
	Earnings per share (NT$)	2.04	1.86	6.51	9.08	6.73	1.91
Cash flow	Cash flow ratio (%)	34.79	30.23	30.90	66.94	47.25	7.76
	Cash flow adequacy ratio (%)	67.29	58.64	59.05	81.68	94.29	140.14
	Cash reinvestment ratio (%)	6.89	7.58	7.93	13.13	8.73	2.48
Leverage	Operating leverage	2.15	2.09	1.38	1.31	1.47	1.50
	Financial leverage	1.09	1.11	1.04	1.04	1.07	1.08

Please explain the reasons for changes in various financial ratios in the last two years. (If the increase or decrease does not reach 20%, analysis is exempted)

1. The decrease in interest coverage ratio: This is mainly due to the decrease in profits due to customers' inventory consumption and order volume reduction in 2023, as well as the increase in interest rates and the increase in related borrowing interest.
2. Decline in turnover rate of real estate, plants and equipment, and total asset turnover rate: Mainly due to weak terminal application market demand in 2023 and reduced customer orders, resulting in revenue decline.
3. Decrease in return on assets, return on equity, ratio of pre-tax net income to paid-in capital and earnings per share: This is mainly due to weak terminal application market demand in 2023 and a decrease in customer orders, resulting in a decrease in profits.
4. Decline in cash flow ratio and cash reinvestment ratio: This is mainly due to weak terminal application market demand and reduced customer orders in 2023, resulting in a decline in pre-tax net profit, resulting in a decrease in net cash inflow from operating activities.

6.3 Audit Committee’s Report for the Most Recent Year

To: Shareholders’ Annual General Meeting for Year 2024, ERIS Technology Corporation

The Board of Directors had prepared and submitted to the undersigned, Audit Committee of ERIS Technology Corporation the 2023 Business Report, Financial Statements and the proposal of distribution of earnings. The Financial Statements have been duly audited by Certified Public Accountants Tzu-Jung Kuo and Hsiu-Chun Huang of Deloitte Touche Tohmatsu International Taiwan. The above Business Report, Financial Statements and the proposal of distribution of earnings had been examined and determined to be corrected by the undersigned. This Report is duly submitted in accordance with Article 14-4 of Securities and Exchange Law and Article 219 of the Company Law.

The Audit Committee, Chairman: Jackie Ding

February 26, 2024

6.4 Financial statement for the most recent fiscal year

Please refer to page 53 ~ 118 of this annual report.

6.5 Consolidated Financial Statements for the most recent fiscal year

Please refer to page 119 ~ 174 of this annual report.

VII. Review of Financial Conditions, Financial Performance, and Risk Management

7.1 Analysis of Financial Status

Unit: NT$ thousands

Item \ Year	2023	2022	Difference	
			Amount	%
Current Assets	1,257,667	1,287,502	(29,835)	(2.32)
Non-Current Assets	1,539,827	1,527,867	11,960	0.78
Other Assets	367,031	372,932	(5,901)	(1.58)
Total Assets	3,164,525	3,188,301	(23,776)	(0.75)
Current Liabilities	1,049,404	933,142	116,262	12.46
Non-Current Liabilities	535,397	772,333	(236,936)	(30.68)
Total Liabilities	1,584,801	1,705,475	(120,674)	(7.08)
Ordinary Share	502,039	444,283	57,756	13.00
Capital surplus	402,511	402,511	-	-
Retained Earnings	677,772	637,649	40,123	6.29
Other Equity Interest	(2,598)	(1,617)	(981)	60.67
Total Equity	1,579,724	1,482,826	96,898	6.53

The changes in the most recent two years are more than 20% and the amount of changes is more than NT$10 million, the main reasons are analyzed and explained as follows:

(1) Non-current liabilities: Mainly due to the continued repayment of long-term borrowings in 2023 and part of the long-term borrowings falling due within one year.

2. Future response plans: The above changes have no significant impact on the company.

- **Effect of changes on the company's financial condition:** The Company's financial condition has not changed significantly.
- **Future response actions:** Not applicable

7.2 Analysis of Financial Performance

Unit: NT$ thousands

Item \ Year	2023	2022	Difference	
			Amount	%
Net Sales	1,739,368	2,177,617	(438,249)	(20.13)
Cost of Sales	1,086,491	1,373,131	(286,640)	(20.87)
Gross Profit	652,877	804,486	(151,609)	(18.85)
Operating Expenses	341,375	371,613	(30,238)	(8.14)
Operating Income	311,502	432,873	(121,371)	(28.04)
Non-operating Income (Expense)	(10,905)	10,736	(21,641)	(201.57)
Profit Before Tax	300,597	443,609	(143,012)	(32.24)
Income Tax	37,195	12,209	24,986	204.65
Net Profit (loss)	337,792	455,818	(118,026)	(25.89)

The changes in the most recent two years are more than 20% and the amount of changes is more than 10 million yuan, the main reasons are analyzed and explained as follows:

(1) The decrease in operating income, operating profit, pre-tax net profit and after-tax net profit: This is mainly due to the decrease in profit due to customers adjusting inventory and reducing order demand in 2023, resulting in a decrease in related net profit.

(2) Decrease in operating costs: Mainly due to weak terminal application market demand in 2023 and reduced customer orders, resulting in a decrease in relative operating costs.

(3) Decrease in non-operating income and expenses: mainly due to higher foreign currency exchange benefits in 2022.

(4) Increase in income tax benefits: Mainly due to the increase in income tax benefits calculated in compliance with regulations.

2. Expected sales volume and its basis, possible impact on the company's future financial business and response plan:

The company is mainly engaged in the professional OEM manufacturing of various types of diodes and the sales of diode wafers. In response to market demand, we will focus on automated production services for high value-added products to expand the sales of our products to high-end application markets. In this field, it is expected that sales in the coming years will maintain a steady growth trend.

7.3 Analysis of Cash Flow

7.3.1 Remedy for Cash Deficit and Liquidity Analysis

Item \ Year	2023	2022	Variance (%)
Cash Flow Ratio (%)	495,889	624,611	(25.96)
Cash Flow Adequacy Ratio (%)	(124,783)	(206,628)	65.59
Cash Reinvestment Ratio (%)	(281,698)	(260,410)	(7.56)

Description of major changes:
(1) Operating activities: Mainly due to the decrease in net profit due to customers adjusting inventory and reducing order demand in 2023, resulting in a decrease in net cash inflow from operating activities.
(2) Investing activities: Mainly due to the decrease in expenditures for acquiring real estate, plants and equipment in 2023, resulting in a decrease in net cash outflows from investing activities.
(3) Financing activities: Mainly due to the repayment of long-term borrowings in 2023, resulting in an increase in net cash outflows from financing activities.

7.3.2 Cash Flow Analysis for the Coming Year

Unit: NT$ thousands

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (Inflow) (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
581,159	240,143	(1,413,027)	(591,725)	None	1,120,050

7.4 Major Capital Expenditure Items: None

7.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

Unit: NT$ thousands

Item \ Remarks	2023 Gain or Loss	Policies	Action Plan	Investment Plan for the Next 12 Months
Yea Shin Technology Corp	$272,366	Manufacturing of electronic parts and Wafer	—	—
Keep High Limited	$5,053	Holding company	—	—
Forever Eagle Incorporation	$4,718	Holding company	—	—
Jiecheng Electronic (Shanghai) Co., Ltd	$4,718	Wholesaling of electronic components and international trading business	—	—
ErisHin Semiconductor Corporation	$2	Major recognized deposit interest income		

7.6 Analysis of Risk Management

7.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

(1) Interest rate

The company's net interest expenses for the year 2022 and 2023 were NT$ 16,484 thousands and NTS$ 21,616 thousands, respectively, accounting for 0.76% and 1.24% of the operating income of each period. The ratio is still low, and it has not yet had a significant impact on the company's finances.

(2) Foreign exchange rates

The company's main trading currency is mainly quoted in US dollars, so it can still achieve the effect of natural hedging, and engage in foreign exchange exchange interest contract transactions to avoid exchange rate fluctuations. In 2022, foreign exchange gains (losses) and derivative financial products (losses) were NT$32,107 thousand and (5,384) thousand respectively, accounting for1.47% and (0.25)% of the operating income in 2022; For 2023, Foreign exchange (loss) and derivative financial product (loss) gains and losses were NT$1,552thousand and NT$3,809 thousand respectively, accounting for 0.09% and 0.22% of the operating income in 2023, respectively. Operations have not yet had a significant impact.

(3) Inflation

The impact of inflation does not currently have a significant impact on the Company’s profits and business operations.

7.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

The Company did not engage in any high-risk or high-leveraged investments. The transactions and procedures related to lending and endorsement are based on the Company’s “Procedures for Lending” and “Procedures for Endorsement Guarantee”. Furthermore, derivative transactions follow the “Procedures for Acquisition and Disposal of Assets”.

7.6.3 Future Research & Development Projects and Corresponding Budget

In Thousands of New Taiwan Dollars

Item	2023	2024 Budget
Research & development expenses	138,436	178,602

7.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The Company consistently pays close attention to any changes in local and foreign policies and makes appropriate amendments to our systems when necessary. During 2023 and as of the date of publication of this annual report, changes in related laws have not had a significant impact on our operations.

7.6.5 Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales

The Company attaches great importance to improvements in technology and carefully monitors market trends and assesses the impact they may have on the company's operations.

7.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

Since its inception, the Company has consistently maintained an ethical business philosophy and fulfilled its social responsibilities. Aside from working to strengthen internal management and conforming to all relevant corporate governance requirements, the Company has also organized numerous public welfare activities.

7.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

In response to the group's development strategy and expanding its business in the automotive market, the company passed a resolution of the board of directors on July 5, 2023, in which the company or its newly established subsidiary acquired the wafer manufacturing business to be divided from the related party Dal Keelung Branch in cash.

The two parties also signed a division contract, agreeing that Dal Keelung Branch would divide and transfer the assets and liabilities related to its wafer manufacturing business (subject assets and liabilities) to the company or a newly established subsidiary. After the split, the merged company will continue to operate at the original location. The calculation of the split consideration is based on the operating value of the underlying assets and liabilities on the base date of split plus the operating premium agreed upon by both parties, and is adjusted based on the underlying assets and liabilities at the time of delivery. The transaction has been approved by the extraordinary shareholders' meeting on August 21, 2023. The company also plans to increase cash capital to complete the aforementioned transaction.

In order to expand the scale of its operations, the company passed a resolution of the board of directors on December 20, 2023 to purchase 7,200,000 issued ordinary shares of Hicks from shareholders of Hicks at a cash price of NT$25 per share, totaling NT$180,000 Thousand yuan, with a shareholding ratio of 40%, and the relevant equity transfer transaction was completed on January 2, 2024.

7.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

The company purchased the Luzhu plant in 2018 and carried out the relocation operation. Through the efforts of the company team to train employees to improve the management and control capabilities of the automation engineering system, the overall production efficiency has been improved, and the benefits of the initial plant expansion and production flexibility have been improved. The advantages of reducing the risk of outsourcing manufacturing operations and developing new application areas of the business market will strengthen the overall competitiveness of the company.

7.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

The Company has consistently focused on identifying alternative sources for purchasing, and has worked to diversify its customer base in order to reduce the concentration of sales.

7.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10% ：None

7.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights s: None

7.6.12 Litigation or Non-litigation Matters

(1)Major ongoing lawsuits, non-lawsuits or administrative lawsuit: None.

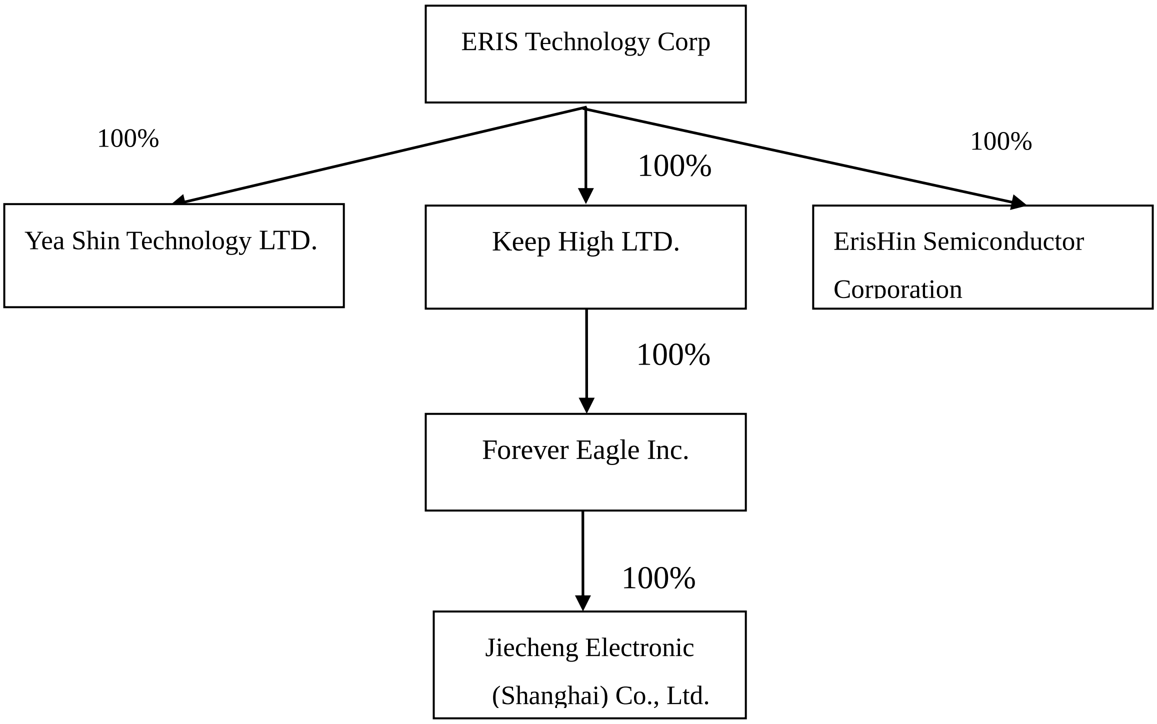
(2)Major ongoing lawsuits, non-lawsuits or administrative lawsuits caused by directors, supervisors or shareholders with over 10% shareholdings: None.

7.6.13 Other Major Risks: None

VIII. Special Disclosure

8.1 Summary of Affiliated Companies

Please refer to page 84~ page 87 of the Chinese annual report.



8.2 Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years:

As of 31/12/2023

Investee Company	Established Date	**Paid-in Capital**	**Number of Shares**	**%**
Keep High LTD.	2008.01.03	USD670 thousands	Inapplicable	100.00
Forever Eagle Inc.	2008.01.09	USD660 thousands	Inapplicable	100.00
Jiecheng Electronic (Shanghai) Co., Ltd.	2008.06.05	USD650 thousands	Inapplicable	100.00
Yea Shin Technology Corp.	2005.10.13	NTD293,422 thousands	293,422 shares	100.00
ErisHin Semiconductor Corporation	2023.08.02	NTD1,000,000	100,000 shares	100%

Eris Technology Corporation

Financial Statements for the
Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report

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

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

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ERIS TECHNOLOGY CORPORATION

BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

		2023		2022	
Code	**ASSETS**	**Amount**	**%**	**Amount**	**%**
	CURRENT ASSETS				
1100	Cash (Notes 4 and 6)	$ 383,379	12	$ 232,422	7
1110	Financial assets measured at fair value through profit or loss – Current (Notes 4 and 7)	339	-	-	-
1136	Financial assets at amortized cost - current (Notes 4,8 and 26)	65,818	2	55,794	2
1150	Notes receivable (Notes 4,9 and 19)	689	-	1,068	-
1170	Net trade receivables (Notes 4,9 and 19)	33,226	1	39,311	1
1180	Trade receivables from related parties (Notes4, 9, 19 and 25)	284,237	9	329,119	11
1200	Other receivables (Note 4)	9,261	-	2,012	-
1210	Other receivables from related parties (Notes4 and 25)	1,104	-	1,020	-
130X	Inventories (Notes 4, 5 and 10)	173,969	6	221,914	7
1470	Prepayments and other current assets	6,229	-	7,919	-
11XX	Total current assets	958,251	30	890,579	28
	NON-CURRENT ASSETS				
1535	Financial assets at amortized cost – non-current (Notes 4,8 and 26)	10,057	-	10,014	-
1550	Investments associated for the equity method (Notes 4 and 11)	749,927	23	766,213	24
1600	Property, plant and equipment (Notes 4, 12 and 26)	1,337,264	41	1,310,660	41
1755	Right-of-use assets - non-current (Notes 4 and 13)	5,807	-	9,206	-
1760	Investment properties (Notes 4,14 and 26)	54,623	2	55,828	2
1821	Other intangible assets (Note 4 and 15)	13,997	-	14,210	1
1840	Deferred tax assets (Note 4 and 21)	4,647	-	4,646	-
1915	Prepayments for equipment (Note 27)	87,992	3	131,402	4
1920	Refundable deposits	2,469	-	2,484	-
1990	Other non-current assets	14,069	1	9,363	-
15XX	Total non-current assets	2,280,852	70	2,314,026	72
1XXX	TOTAL	$ 3,239,103	100	$ 3,204,605	100
Code	**LIABILITIES AND EQUITY**				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note16 and 26)	$ 600,000	19	$ 500,000	16
2170	Trade payables	11,613	-	45,025	2
2180	Trade payables from related parties (Notes 25)	248,317	8	167,414	5
2200	Other payables (Note 17)	117,603	4	160,906	5
2230	Current tax liabilities (Note 4 and 21)	4,201	-	29,218	1
2280	Lease liabilities - current (Notes 4 and 13)	2,869	-	3,961	-
2320	Current portions of long-term borrowings (Note16 and 26)	135,877	4	35,725	1
2399	Other current liabilities (Note 19)	3,502	-	7,197	-
21XX	Total current liabilities	1,123,982	35	949,446	30
	NON-CURRENT LIABILITIES				
2540	Long-term borrowings (Note16 and 26)	522,044	16	757,732	24
2570	Deferred tax liabilities (Note 4 and 21)	10,329	-	9,269	-
2580	Lease liabilities - non-current (Notes 4 and 13)	3,012	-	5,320	-
2645	Deposit Margin	12	-	12	-
25XX	Total non-current liabilities	535,397	16	772,333	24
2XXX	Total liabilities	1,659,379	51	1,721,779	54
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 18)				
3100	Share capital	502,039	16	444,283	14
3200	Capital surplus	402,511	12	402,511	12
	Retained earnings				
3310	Legal reserve	142,722	4	97,141	3
3320	Special reserve	1,617	-	2,341	-
3350	Unappropriated earnings	533,433	17	538,167	17
3300	Total retained earnings	677,772	21	637,649	20
3400	Other equity	(2,598)	-	(1,617)	-
3XXX	Total equity	1,579,724	49	1,482,826	46
	TOTAL	$ 3,239,103	100	$ 3,204,605	100

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

ERIS TECHNOLOGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2023 Amount	2023 %	2022 Amount	2022 %
	OPERATING REVENUE (Note 4,19 and 25)				
4100	Sales	$ 1,595,371	100	$ 2,005,693	100
4170	Less: Sales return and allowance	(3,498)	-	(7,124)	-
4000	Net operating revenue	1,591,873	100	1,998,569	100
5000	OPERATING COSTS (Note 10, 20 and 25)	1,243,003	78	1,537,643	77
5900	GROSS PROFIT	348,870	22	460,926	23
	OPERATING EXPENSES (Note 9, 20 and 25)				
6100	Selling and marketing expenses	56,388	4	71,076	4
6200	General and administrative expenses	102,479	6	120,295	6
6300	Research and development expenses	115,019	7	105,369	5
6450	Expected credit impairment loss	-	-	200	-
6000	**Total operating expenses**	273,886	17	296,940	15
6900	PROFIT/(LOSS) FROM OPERATIONS	74,984	5	163,986	8
	NON-OPERATING INCOME AND EXPENSES				
7070	Profit and loss share of subsidiaries recognized using the equity method (Note4 and 11)	277,421	17	324,428	16
7100	Interest income	2,538	-	770	-
7190	Other income (Note 25)	4,045	-	3,504	-
7210	(Gain)/Loss on disposal or retirement of property, plant and equipment	85	-	(1,140)	-
7230	Foreign exchange loss, net (Note20 and 29)	(2,640)	-	9,753	1
7235	Gain (loss) on financial debt at fair value through profit or loss (Note 7)	3,809	-	(5,384)	-
7510	Interest expense	(21,421)	(1)	(16,448)	(1)
7000	**Total non-operating income and expenses**	263,837	16	315,483	16
7900	PROFIT BEFORE INCOME TAX	338,821	21	479,469	24
7950	INCOME TAX EXPENSE (Note4 and 21)	(1,029)	-	(23,651)	(1)
	NET PROFIT FOR THE YEAR	337,792	21	455,818	23

(Continued)

ERIS TECHNOLOGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2023		2022	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME/(LOSS)				
8360	Items that will not be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	($ 1,226)	-	$ 905	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss(Note4 and 21)	245	-	(181)	-
8300	Other comprehensive income/(loss) for the year, net of income tax	(981)	-	724	-
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 336,811	21	$ 456,542	23
	EARNINGS PER SHARE (Note 22)				
9710	Basic	$ 6.73		$ 9.08	
9810	Diluted	$ 6.72		$ 9.06	

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

ERIS TECHNOLOGY CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

Code		**Share Capital** (Note 18)			**Retained Earnings** (Note 18)				**Other Equity**	
		Share (In Thousands)	**Amount**	**Capital Surplus** (Note 18)	**Legal Reserve**	**Special Reserve**	**Unappropriated Earnings**	**Total**	**Exchange Differences on Translating the Financial Statements of Foreign Operations**	**Total Equity**
A1	BALANCE AT JANUARY 1, 2022	44,428	$ 444,283	$ 402,511	$ 64,432	$ 2,013	$ 337,527	$ 403,972	($ 2,341)	$ 1,248,425
	Appropriation of 2021 earnings									
B1	Legal reserve	-	-	-	32,709	-	(32,709)	-	-	-
B3	Special reserve	-	-	-	-	328	(328)	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	(222,141)	(222,141)	-	(222,141)
		-	-	-	32,709	328	(255,178)	(222,141)	-	(222,141)
D1	2022 Net profit	-	-	-	-	-	455,818	455,818	-	455,818
D3	2022 after tax for Other comprehensive income/(loss)	-	-	-	-	-	-	-	724	724
D5	Total comprehensive income/(loss) for the year ended December 31, 2022	-	-	-	-	-	455,818	455,818	724	456,542
Z1	BALANCE AT DECEMBER 31, 2022	44,428	444,283	402,511	97,141	2,341	538,167	637,649	(1,617)	1,482,826
	Appropriation of 2022 earnings									
B1	Legal reserve	-	-	-	45,581	-	(45,581)	-	-	-
B3	Special reserve	-	-	-	-	(724)	724	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	(239,913)	(239,913)	-	(239,913)
B9	Stock dividends distributed by the Company	5,776	57,756	-	-	-	(57,756)	(57,756)	-	-
		5,776	57,756	-	45,581	(724)	(342,526)	(297,669)	-	(239,913)
D1	2023 Net profit	-	-	-	-	-	337,792	337,792	-	337,792
D3	2023 after tax for Other comprehensive income/(loss)	-	-	-	-	-	-	-	(981)	(981)
D5	Total comprehensive income/(loss) for the year ended December 31, 2023	-	-	-	-	-	337,792	337,792	(981)	336,811
Z1	BALANCE AT DECEMBER 31, 2023	50,204	$ 502,039	$ 402,511	$ 142,722	$ 1,617	$ 533,433	$ 677,772	($ 2,598)	$ 1,579,724

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

ERIS TECHNOLOGY CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$338,821	$479,469
A20010	Adjustments for:		
A20100	Depreciation expenses	111,068	107,613
A20200	Amortization expenses	12,027	8,457
A20300	Expected credit impairment loss	-	200
A20400	Net (gain)/loss on fair value changes of financial assets and debts designated as at fair value through profit or loss	(339)	-
A20900	Interest expense	21,421	16,448
A21200	Interest income	(2,538)	(770)
A22400	Profit and loss share of subsidiaries recognized using the equity method	(277,421)	(324,428)
A22500	(Gain)/loss on disposal or retirement of property, plant and equipment	(85)	1,140
A23900	Unrealized gain on transactions with associates and joint ventures	59	128
A23700	Write-downs of inventories	2,000	1,500
A24100	Unrealized (gain)/loss on foreign currency exchange	338	(3,613)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	379	683
A31150	Trade receivables	7,602	5,147
A31160	Trade receivables from related parties	38,093	61,748
A31180	Other receivables	(7,249)	6,264
A31190	Other receivables from related parties	(84)	(164)
A31200	Inventories	45,945	2,609
A31240	Prepayments and other current assets	1,720	(1,475)
A32150	Trade payables	(33,320)	(21,220)
A32160	Trade payables from related parties	85,845	(89,940)
A32180	Other payables	(36,896)	20,203
A32230	Other current liabilities	(3,695)	3,015
A33000	Cash generated from operations	303,691	273,014
A33100	Interest received	2,508	733
A33200	Received dividends from subsidiaries	293,422	180,000
A33300	Interest paid	(21,370)	(16,402)
A33500	Income tax paid	(24,742)	(19,015)
AAAA	Net cash generated from operating activities	553,509	418,330
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00040	Obtaining financial assets measured at amortized cost	(25,167)	(20,000)
B00050	Disposal of financial assets measured at amortized cost	15,000	27,943
B02700	Obtaining for property, plant and equipment	(49,900)	(103,579)
B02800	Proceeds from disposal of property, plant and equipment	220	1,076
B03800	Refundable deposits	15	14
B04500	Obtaining for intangible assets	(2,811)	(2,600)
B06700	Increase in other non-current assets	(13,709)	(7,366)
B07100	Increase in prepayments for equipment	(45,436)	(78,054)
B02200	Obtain equity in subsidiary	(1,000)	-
BBBB	Net cash used in investing activities	(122,788)	(182,566)

(Continued)

ERIS TECHNOLOGY CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00200	Proceeds from short-term borrowings increases	$ 100,000	$ -
C01600	Proceeds from long-term borrowings	469,475	250,000
C01700	Repayments of long-term borrowings	(605,011)	(282,194)
C03000	Received- guarantee deposit	-	12
C04020	Repayment of the principal portion of lease liabilities	(4,315)	(4,158)
C04500	Dividends paid to owners of the Company	(239,913)	(222,141)
CCCC	Net cash used in financing activities	(279,764)	(258,481)
EEEE	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	150,957	(22,717)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	232,422	255,139
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 383,379	$ 232,422

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

ERIS TECHNOLOGY CORPORATION

NOTES TO Independent FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. COMPANY HISTORY

Eris Technology Corporation (the "Company") was incorporated in the Republic of China ("ROC") in August 16, 1995. The Company mainly manufactures tests and sells rectifier diode, wafer and light-emitting diode.

The Securities and Futures Bureau of Financial Supervisory Commission approved The Company public offering of its capital stock on August 13, 2009. The Company shares have been listed on the Taipei Exchange ("TPEx") Mainboard since June 29, 2012.

In August 2012, Diodes International B.V. (Diodes B.V.) became the parent company of the Company with a shareholding ratio of more than 50%. Diodes Holding B.V. has merged and assumed all the rights and obligations of Diodes B.V. in January 2019, and the relevant operation was completed in August 2019.

Diodes Holding B.V. was acquired by Diodes Holdings UK Limited in January 2021 and it assumed all the rights and obligations. Ended of December 31, 2023, Diodes Holdings UK Limited held 51.07% of the Company's shares. The ultimate parent of the Company is Diodes Incorporated (Diodes), and the ultimate parent and its subsidiaries are hereinafter referred to as the Diodes Group, respectively.

The parent company only financial statements are presented in The Company functional currency, the New Taiwan dollar.

2. APPROVAL DATE AND PROCEDURES OF THE FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company board of directors on February 26, 2024.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND INTERPRETATIONS

a. For the first time, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) recognized and issued by the Financial Supervisory Commission (hereinafter referred to as the "FSC") (hereinafter referred to as "IFRSs")

   The application of the revised IFRSs approved and issued by the FSC will not result in a material change in the Company's accounting policies.

   a) Amendment to IAS 1 "Disclosure of Accounting Policies"

      When applying this amendment, the Company determines the significant accounting policy information that should be disclosed based on the definition of material. Accounting policy information is material if it can reasonably be expected to affect the decisions of principal users of general purpose financial statements based on those financial statements. also:

      - Accounting policy information related to insignificant transactions, other events or situations is not significant, and the company does not need to disclose such information.
      - The company may determine that relevant accounting policy information is significant due to

the nature of transactions, other events or circumstances, even if the amount is not significant.

- Not all accounting policy information related to significant transactions, other events or circumstances is material.

If accounting policy information is related to significant transactions, other events or circumstances, and the following circumstances exist, the information may be material:

(1) The company changes its accounting policies during the reporting period, and the change results in significant changes in the financial statement information;

(2) The company selects its applicable accounting policies from the options allowed by the standards;

(3) Due to the lack of specific standards, the Company establishes accounting policies in accordance with IAS 8 "Accounting Policies, Changes and Errors in Accounting Estimates";

(4) The company discloses relevant accounting policies that require the use of significant judgments or assumptions; or

(5) Involves complex accounting treatment requirements and users of financial statements rely on such information to understand such significant transactions, other events or circumstances.

Please refer to Note 4 for disclosure of relevant accounting policies.

b) Amendment to IAS 8 "Definition of Accounting Estimates"

The company will apply this amendment starting from January 1, 2023, and its stated accounting estimates refer to the monetary amounts affected by measurement uncertainty in the financial statements. When applying accounting policies, the Company may need to measure financial statement items using monetary amounts that cannot be directly observed but must be estimated. Therefore, measurement techniques and input values must be used to develop accounting estimates to achieve this purpose. If the impact of changes in measurement technology or input values on accounting estimates is not the correction of previous errors, these changes are changes in accounting estimates.

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2024

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 16 "Lease Liability in Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with contractual terms"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	January 1, 2024(Note 3)

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

Note 2: The seller and lessee shall retroactively apply the amendments to IFRS 16 to any sale and leaseback transactions signed 16 days after the initial application of IFRS.

Note 3: When this amendment is applied for the first time, some disclosure requirements are exempted.

As of the date of issuance of this individual financial report, the Company assesses that the amendments to the above standards and interpretations will not have a significant impact on the financial position and financial performance.

c. The IASB has issued IFRS accounting standards but has not yet been approved by the Financial Supervisory Commission and issued as effective.

As of the date, the following IFRSs that have been issued by the International Accounting Standards Board ("IASB"), but have yet to be endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or investment of assets between investors and their affiliates or joint ventures"	To be determined by IASB
IFRS 17 "Contracts of Insurance"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendment to IAS 21 "Lack of Convertibility"	January 1, 2025 (Note 2)

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

Note 2: Applicable to annual reporting periods starting after January 1, 2025. When the amendment is first applied, the impact will be recognized in retained earnings on the first application date. When the company uses non-functional currency as the currency of expression, the impact amount will be adjusted to the exchange difference of foreign operating institutions under equity on the first application date.

As of the date the individual financial statements were authorized for issue, The Company is continuously assessing the possible impact that the application of other standards and interpretations will have on The Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, other regulations and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

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

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

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

When the parent company prepares the individual financial report, it adopts the equity method for investment subsidiaries. In order to make the current year's profit and loss, other comprehensive profit and loss and equity in this individual financial report the same as the current year's profit and loss, other comprehensive profit and loss and equity attributable to the owners of the company in the company's consolidated financial report, certain differences in accounting treatment between the individual basis and the consolidated basis are adjusted that "Investments using the equity method", "Share of profit and loss of subsidiaries using the equity method", "Share of other comprehensive profits and losses of subsidiaries using the equity method" and related equity items.

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

Current assets include:

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

Current liabilities include:

1) It is held primarily for the purpose of trading;
2) It is due to be settled within 12 months after the reporting period; and
3) Liabilities for which settlement cannot be unconditionally deferred for at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the financial statements, transactions in currencies other than The Company functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction, which is not retranslated.

When preparing independent financial reports, the assets and liabilities of foreign operating organizations (including subsidiaries in the country where they operate or whose currency is different from that of the company) are converted into New Taiwan dollars at the exchange rate on each balance sheet date. Income and expense items are converted at the average exchange rate of the current period, and the resulting conversion difference is listed in other comprehensive income.

e. Inventories

Inventories include raw materials, finished goods, and work in progress, which are measured at the lower of cost and net realizable value. Comparing cost and net realizable value is based on individual items except for the same type of inventory. Net realizable value refers to the balance of the estimated selling price under normal circumstances minus the estimated cost required to complete the completion and the estimated cost required to complete the sale. The cost of inventory is calculated using the weighted average method.

f. Investments in subsidiaries

The Company invests the subsidiaries with the equity method.

A subsidiary refers to an individual that controlled by the Company.

Under the equity method, the investment is initially recognized at cost, and the carrying amount after the acquisition increases or decreases with the Company's share of the subsidiary's profit and loss and other comprehensive profit and loss and profit distribution. In addition, changes in other equities that the Company can enjoy in subsidiaries are recognized in proportion to shareholding.

When the change of the company's ownership interest in the subsidiary does not lead to the loss of control, it is treated as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly as equity.

When the Company's share of losses in a subsidiary equal or exceeds its interest in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that are substantially part of the Company's net investment in the subsidiary), continue to recognize losses in proportion to shareholding.

The amount of the acquisition cost exceeding the company's share of the net fair value of the identifiable assets and liabilities of the subsidiary that constitutes the business on the acquisition date is classified as goodwill, which is included in the carrying amount of the investment and shall not be amortized. Moreover, the excess of the share of the net fair value of the identifiable assets and liabilities of the subsidiary that constitutes the business on the date of acquisition over the cost of acquisition is recorded as current income.

In assessing impairment, the Company considers the cash-generating unit as a whole in its financial report and compares its recoverable amount with its carrying amount. If the recoverable amount of the asset increases subsequently, the reversal of the impairment loss shall be recognized as a benefit, but the carrying amount of the asset after the reversal of the impairment loss shall not exceed the amount of the asset in the case of an unrecognized impairment loss, the deduction shall be accrued. The carrying amount after amortization. Impairment losses attributable to goodwill cannot be reversed in subsequent periods.

If happened, it loses control over a subsidiary, the company measures its remaining investment in the former subsidiary at the fair value on the date of loss of control. The difference between the fair value of the remaining investment and any disposal price and the book value of the investment on the date of loss of control is included in the Current profit and loss. In addition, the accounting treatment of all amounts related to the subsidiary recognized in other comprehensive profit or loss is the same as that which must be followed by the Company to directly dispose of the relevant assets or liabilities.

Unrealized gains and losses from downstream transactions between the Company and its subsidiaries are eliminated from individual financial reports. Profits and losses arising from counter-current and side-stream transactions between the Company and its subsidiaries are recognized in the individual financial report only to the extent not related to the Company's interests in subsidiaries.

g. Property, plant, and equipment

Property, plant and equipment are stated at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment in the course of construction are carried at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

h. Investment property

Investment property refers to property held for the purpose of earning rent or capital appreciation or both. Owned investment property is initially measured at cost (including transaction costs), and subsequently measured at the amount of cost minus accumulated depreciation and accumulated impairment losses.

Investment property is depreciated on a straight-line basis.

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

i. Intangible assets

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

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

j. Impairment of assets related to real property, plant and equipment, right-of-use assets, investment property, intangible assets and contract costs

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets, investment property and intangible assets may be impaired. If there are any signs of impairment, estimate the recoverable amount of the asset. If the recoverable amount of an individual asset cannot be estimated, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

The inventory, real property, plant and equipment and intangible assets recognized in the customer contract are first recognized as impairment in accordance with the inventory impairment regulations and the above regulations, and the book value of the relevant assets is based on the contract cost. The amount after deducting the directly related costs is recognized as an impairment loss, and the book value of the contract cost-related assets is continuously included in the cash-generating unit to perform the impairment assessment of the cash-generating unit.

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

k. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments, and writ on the balance sheet.

In the original recognition of financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, that is measured at fair value plus transaction costs directly attributable to acquiring or issuing financial assets or financial liabilities. Transaction costs that are directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

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

<u>Financial assets measured at amortized cost.</u>

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

A. It is held under a business model for the purpose of holding financial assets to receive contractual cash flows;

B. The terms of the contract generate cash flows on specific dates, and that are solely payments of principal and interest on the principal amount outstanding.

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

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

A. For credit-impaired financial assets purchased or established, interest income is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.

B. For financial assets that are not credit-impaired purchased or initiated but subsequently become credit-impaired, interest income shall be calculated by multiplying the effective interest rate by the amortized cost of the financial asset from the next reporting period after the credit impairment.

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

b) Impairment of financial assets and contract assets

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

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

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

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

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

c) Derecognition of financial assets

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

When a financial asset measured at amortized cost is deducted as a whole, the difference between its carrying amount and the consideration received is recognized in profit or loss. When investments in debt instruments at fair value through other comprehensive profit or loss are deducted as a whole, the difference between their carrying amount and the sum of the consideration received plus any cumulative gain or loss recognized in other comprehensive profit or loss is recognized in profit or loss. When equity instrument investments at fair value through other comprehensive profit or loss are deducted as a whole, the accumulated profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2) Equity instruments

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

Equity instruments issued by the Company are recognized at the amount obtained after deducting direct issuance costs.

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

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross-currency swaps.

Derivatives are initially recognized at fair value when a derivative contract is entered into, and subsequently re-measured at fair value on the balance sheet date, and the gain or loss arising from subsequent measurement is directly included in profit or loss. When the fair value of a derivative is positive, it is classified as a financial asset; when the fair value is negative, it is classified as a financial liability.

l. Revenue recognition

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

1) Revenue from the sale of goods

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

When the material is removed for processing, the control of the ownership of the processed product has not been transferred, so revenue is not recognized when the material is removed.

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

m. Leasing

At the inception of a contract, The Company's assesses whether the contract is, or contains, a lease.

1) The Company's as lessor

When the lease clause transfers almost all the risks and rewards attached to the ownership of the asset to the lessee, it is classified as a financial lease. All other leases are classified as operating leases.

The operating leases, lease payments after deduction of lease incentives are recognized as income on a straight-line basis during the relevant lease period. The original direct cost incurred in obtaining an operating lease is added to the book value of the underlying asset and recognized as an expense during the lease period on a straight-line basis.

2) The Company's as lessee

The Company's recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability, lease benefits paid before the lease commencement less lease incentives received, original direct costs and estimated cost of restoring the underlying asset) and subsequently at cost less accumulated depreciation and the amount after the accumulated impairment loss is measured and adjusted for the re-measurement of the lease liability. The right-of-use asset is presented separately on the individual balance sheet.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

The lease liability was originally measured at the present value of the lease payments (included both fixed and in-substance fixed payments). If the interest rate implied by the lease is easily determined, the lease payment is discounted using that rate. If this rate is not readily determinable, the lessee incremental borrowing rate is used.

Subsequently, the lease liability is measured on an amortized cost basis using the effective interest method, and the interest expense is apportioned over the lease term. If there is a change in the lease term, the Company re-measures the lease liability and adjusts the right-of-use asset relatively, but if the carrying amount of the right-of-use asset has been reduced to zero, the remaining re-measured amount is recognized in profit or loss. Lease liabilities are presented separately on the individual balance sheet.

n. Retirement benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Retirement benefits for defined contributions to retirement plans are recognized as expenses during the period of service provided by employees.

o. Taxation

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

1) Current tax

Income tax on undistributed surplus calculated in accordance with the income tax law of the Republic of China shall be recognized in the annual resolution of the shareholders' meeting.

Adjustments to income tax payable in previous years are included in current income tax.

2) Deferred tax

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

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

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

The carrying amount of deferred income tax assets is reviewed on each balance sheet date, and the carrying amount is reduced for those that are no longer likely to have sufficient taxable income to recover all or part of their assets. For those that have not been recognized as deferred income tax assets, they are also reviewed on each balance sheet date, and if they are likely to generate taxable income in the future for recovering all or part of their assets, the book amount will be increased.

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

3) Current and deferred taxes for the year

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

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

In the application of The Company accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Management will continue to review estimates and underlying assumptions. If the revision to the estimate value affects only the current period, it is recognized in the current period of the revision; if the revision to the accounting estimate affects both the current period and future periods, it is recognized in the current period of the revision and future periods.

Write-down of inventories

The net realizable value of inventories is the estimated selling price in the normal course of business less the estimated cost to be invested in completion and the estimated cost to complete the sale. These estimates are based on current market conditions and historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Foreign currency demand deposit	$ 111,118	$ 69,670
Demand deposits	271,244	161,811
Cash in hand	917	928
Check deposits	100	13
	$ 383,379	$ 232,422

The market interest rate range of demand deposits on the balance sheet date is as follows:

	December 31, 2023	December 31, 2022
Demand deposits	0.05%~1.45%	0.01%~1.05%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2023	December 31, 2022
Financial asset-current		
Hold for trading		
－ Currency Exchange contract	$ 339	$ -

The exchange contracts for which hedging accounting is not applicable and have not expired on the balance sheet date are as follows (December 31, 2022: None):

December 31, 2023

Currency	expiration period	Contract Amount（NTD Thousand）
USD : NTD	March 2024~ November 2024	USD 1,000 / NTD 29,749

As of December 31, 2023 and 2022, the company engaged in financial instruments measured at fair value through profit and loss, resulting in a net gain of NTD 3,809 thousand and a net loss of NTD 5,384 thousand, respectively.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2023	December 31, 2022
Current		
Unpledged time deposits		
Time deposits with original maturities of more than 3 months	$ 9,211	$ 9,213
Pledged time deposits		
Time deposits with original maturities of more than 3 months	14,416	14,515
Restricted demand deposit	42,191	32,066
	$ 65,818	$ 55,794
Non-current		
Pledged time deposits		
Restricted demand deposit	$ 10,057	$ 10,014

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

	December 31, 2023	December 31, 2022
Time deposits with original maturities of more than 3 months	2.49%～4.80%	1.80%～2.90%
Restricted demand deposit	0.58%～0.60%	0.40%～0.48%

Refer to Note 26 for information relating to investments in financial assets at amortized cost pledged as security.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31, 2023	December 31, 2022
Notes receivable		
Total book value at amortized cost	$ 689	$ 1,068
Trade receivables		
Total book value at amortized cost	$ 34,826	$ 40,911
Less: Allowance for impairment loss	(1,600)	(1,600)
Net accounts receivable	$ 33,226	$ 39,311

	December 31, 2023	December 31, 2022
Trade receivables from related parties		
Total book value at amortized cost	$ 284,237	$ 329,119

The company's credit period for sales of goods was about 30 days to 120 days , and no interest will be charged due to the short credit period.
In order to mitigate credit risks, the management of the company assigns a dedicated team to be responsible for the determination of credit dates, credit approvals and other monitoring procedures to ensure that appropriate actions have been taken for the collection of overdue accounts receivable. In addition, the company will review the recoverable amount of accounts receivable on the balance sheet date to ensure that accounts receivable that cannot be recovered have been properly deducted. Accordingly, the management of the company believes that the company's credit risk has been significantly reduced.
The company recognizes the allowance loss of accounts receivable based on the expected credit loss during the duration. The expected credit loss during the existence period takes into account the past default records of customers and the current financial situation and industrial economic situation.

The allowance losses for the Company's accounts receivable (including receivables from related parties) are as follows:

December 31, 2023

	Payment Terms 30 Days	Payment Terms 60 Days	Payment Terms of 90 days	Payment Terms of 120 days	Total
Gross carrying amount	$ 16,551	$ 289,241	$ 13,271	$ -	$ 319,063
Loss allowance (Lifetime ECLs)	(828)	(706)	(66)	-	(1,600)
Amortized cost	$ 15,723	$ 288,535	$ 13,205	$ -	$ 317,463

December 31, 2022

	Payment Terms 30 Days	Payment Terms 60 Days	Payment Terms of 90 days	Payment Terms of 120 days	Total
Gross carrying amount	$ 19,939	$ 334,079	$ 16,012	$ -	$ 370,030
Loss allowance (Lifetime ECLs)	(997)	(523)	(80)	-	(1,600)
Amortized cost	$ 18,942	$ 333,556	$ 15,932	$ -	$ 368,430

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

	2023	2022
AT THE BEGINNING OF THE YEAR	$ 1,600	$ 1,400
Add: The impairment loss is listed for the current year	-	200
AT THE END OF THE YEAR	$ 1,600	$ 1,600

The aging of receivables was as follows:

	December 31, 2023	December 31, 2022
Not past due	$ 318,293	$ 369,252
Less than 60 days overdue	637	224
61-90 days overdue	133	-
91-120 days overdue	-	554
	$ 319,063	$ 370,030

10. INVENTORIES

	December 31, 2023	December 31, 2022
Raw materials	$ 122,235	$ 97,830
Work in progress	31,815	62,129
Finished goods	19,919	61,955
	$ 173,969	$ 221,914

The cost of goods sold in 2023 and 2022 includes the price reduction of the revolving inventory and the sluggish loss of NTD2,000 thousand and NTD 1,500 thousand, respectively.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2023	%	December 31, 2022	%
Keep High Limited	$ 67,179	100	$ 63,353	100
Yea Shin Technology Co., Ltd. (“Yea Shin”)	681,746	100	702,860	100
Erishin Semiconductor Corporation (“Erishin”)	1,002	100	-	-
	$ 749,927		$ 766,213	

On April 3, 2008, Eris set up as of Jie Cheng with the investment in Mainland China companies through a company invested and established in a third region approved by the Investment Commission, Ministry of Economic Affairs. Jie Cheng mainly manufacturing of electronic parts and wholesaling of electronic components. December 31, 2023, the capital of Jie Cheng was US$650 thousand.

In order to vertically integrate upstream suppliers, expand new product business and respond to the group's development strategy, the company has successively acquired shares in Yea Shin Technology from 2018 to 2021. The company mainly business by electronic component manufacturing and electronic material wholesale business; as of 2023 As of the end of the year, Yea-Shin Technology's paid-in capital amounted to NT$29,342 thousand.

Due to business expansion needs, the company established the Erishin Semiconductor in accordance with the resolution of the board of directors on July 5, 2023. The company's main business is the manufacturing of electronic parts and components and the wholesale of electronic materials. As of December 31, 2023, Erishin Semiconductor's paid-in capital was NTD 1,000 thousand.

For the details of the investment subsidiaries indirectly held by the company, please refer to attached Tables 4 and 5.

The share of profits and losses and other comprehensive profits and losses of the subsidiaries that adopted the equity method in 2023 and 2022 are recognized based on the financial statements of the subsidiaries that have been audited by accountants during the same period.

12. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2023	December 31, 2022
Carrying amount of each category		
Land	$ 574,129	$ 574,129
Houses and buildings	311,007	316,783
Machinery Equipment	445,219	410,234
Transportation Equipment	2,713	3,959
Leasehold Improvements	37	225
Other Equipment	4,159	5,330
	$ 1,337,264	$ 1,310,660

	2023				
	Balance at January 1, 2023	Additions	Disposals	Reclassifications	Balance at December 31, 2023
Cost					
Land	$ 574,129	$ -	$ -	$ -	$ 574,129
Houses and buildings	397,955	12,548	15,701	7,564	402,366
Machinery Equipment	951,488	30,670	93,056	81,282	970,384
Transportation Equipment	13,586	-	-	-	13,586
Leasehold Improvements	4,371	-	4,067	-	304
Other Equipment	13,841	301	-	-	14,142
Total	1,955,370	$ 43,519	$ 112,824	$ 88,846	1,974,911
Accumulated depreciation					
Houses and buildings	81,172	$ 25,888	$ 15,701	$ -	91,359
Machinery Equipment	541,254	76,832	92,921	-	525,165
Transportation Equipment	9,627	1,246	-	-	10,873
Leasehold Improvements	4,146	188	4,067	-	267
Other Equipment	8,511	1,472	-	-	9,983
Total	644,710	$ 105,626	$ 112,689	$ -	637,647
Net amount	$ 1,310,660				$ 1,337,264

	2022				
	Balance at January 1, 2022	Additions	Disposals	Reclassifications	Balance at December 31, 2022
Cost					
Land	$ 574,129	$ -	$ -	$ -	$ 574,129
Houses and buildings	385,997	10,189	430	2,199	397,955
Machinery Equipment	857,070	98,231	110,123	106,310	951,488
Transportation Equipment	13,586	-	-	-	13,586
Leasehold Improvements	11,693	-	7,322	-	4,371
Other Equipment	14,754	754	1,667	-	13,841
Total	1,857,229	$ 109,174	$ 119,542	$ 108,509	1,955,370
Accumulated depreciation					
Houses and buildings	58,992	$ 22,610	$ 430	$ -	81,172
Machinery Equipment	574,182	74,979	107,907	-	541,254
Transportation Equipment	8,083	1,544	-	-	9,627
Leasehold Improvements	9,943	1,525	7,322	-	4,146
Other Equipment	8,633	1,545	1,667	-	8,511
Total	659,833	$ 102,203	$ 117,326	$ -	644,710
Net amount	$ 1,197,396				$ 1,310,660

As there was no sign of impairment in 2023 and 2022, the company did not conduct impairment assessment.

For the below items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Houses and buildings	
Main buildings	35-50 years
Building improvement	5-15 years
Machinery equipment	3-15 years
Transportation equipment	5 years
Leasehold Improvements	5 years
Other equipment	5 years

Property, plant and equipment used by the Company and pledged as collateral for bank borrowings are set out in Note 26.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amount of right-of-use assets		
Buildings	$ 5,807	$ 9,206

	2023	2022
Additions to right-of-use assets	$ 838	$ 3,332
Depreciation charge for right-of-use assets		
Buildings	$ 4,237	$ 4,206

b. Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amounts		
Current	$ 2,869	$ 3,961
Non-current	$ 3,012	$ 5,320

Range of discount rate for lease liabilities was as follows:

	December 31, 2023	December 31, 2022
Buildings	1.00%~1.80%	1.00%~1.25%

c. Other lease information

	2023	2022
Total cash outflow for leases	$ 4,391	$ 4,262

14. Investment properties measured at cost

	Buildings
Cost	
Beginning & year end	$ 60,139
Accumulated depreciation and impairment	
Balance at January 1, 2023	$ 4,311
Depreciation expense	1,205
Balance at December 31, 2023	$ 5,516
Balance at December 31, 2023	$ 54,623
Cost	
Begging & year end	$ 60,139
Accumulated depreciation and impairment	
Balance at January 1, 2022	$ 3,107
Depreciation expense	1,204
Balance at December 31, 2022	$ 4,311
Balance at December 31, 2022	$ 55,828

The lease term for investment properties is 2 years. The lessee does not have the preferential acquisition right of investment real estate at the end of the lease period.

The future minimum lease payments of non-cancellable operating lease commitments as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
1 year	$ 3,600	$ 2,100
2 year	2,100	-
	$ 5,700	$ 2,100

Investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Main buildings	50 years

Management was unable to reliably measure the fair value of investment property located at Luzhu Dist., Taoyuan City, because transactions are infrequent. The market for comparable properties is inactive and alternative reliable measurements of fair value are not available; therefore, the Group determined that the fair value of the investment property is not reliably measurable.
Refer to Note 26 for information relating to prepayments for property.

15.OTHERS INTANGIBLE ASSETS

	Patents	Computer software	Total
Cost			
Balance at January 1, 2023	$ 617	$ 19,671	$ 20,288
Obtained separately	-	2,811	2,811
Disposals	-	(565)	(565)
Balance at December 31, 2023	$ 617	$ 21,917	$ 22,534
Accumulated amortization			
Balance at January 1, 2023	$ 559	$ 5,519	$ 6,078
Amortization expenses	58	2,966	3,024
Disposals	-	(565)	(565)
Balance at December 31, 2023	$ 617	$ 7,920	$ 8,537
Carrying amount at December 31, 2023	$ -	$ 13,997	$ 13,997

	Patents	Computer software	Total
Cost			
Balance at January 1, 2022	$ 617	$ 18,908	$ 19,525
Obtained separately	-	2,600	2,600
Disposals	-	(1,837)	(1,837)
Balance at December 31, 2022	$ 617	$ 19,671	$ 20,288
Accumulated amortization			
Balance at January 1, 2022	$ 497	$ 4,716	$ 5,213
Amortization expenses	62	2,640	2,702
Disposals	-	(1,837)	(1,837)
Balance at December 31, 2022	$ 559	$ 5,519	$ 6,078
Carrying amount at December 31, 2022	$ 58	$ 14,152	$ 14,210

Amortization expenses are accrued on a straight-line basis over the following years of service:

Patents	10 years
Computer software	2-15 years

16. BORROWINGS

a. Short-term borrowings

	December 31, 2023	December 31, 2022
Secured borrowings		
Bank loans	$ 300,000	$ 400,000
Unsecured borrowings		
Line of credit borrowings	300,000	100,000
	$ 600,000	$ 500,000

The range of weighted average effective interest rates on bank loans was 1.60%~1.85% and 1.73%~2.00% per annum as of December 31, 2023 and 2022, respectively.

Refer to Note 26 for information relating to borrowings pledged as security.

b. Long-term borrowings

	December 31, 2023	December 31, 2022
Secured borrowings		
Bank loans (1)	$ 57,800	$ 63,349
Bank loans (2)	-	425,068
Bank loans (3)	40,751	46,572
Bank loans (4)	402,697	-
Bank loans (5)	-	50,000
Bank loans (6)	50,000	-
Bank loans (7)	-	100,000
Unsecured borrowings		
Bank loans (8)	6,673	8,468
Bank loans (9)	100,000	100,000
	657,921	793,457
Less: Current portions	(135,877)	(35,725)
Long-term borrowings	$ 522,044	$ 757,732

1) The bank loan of NT$140,000 thousand was obtained by the Group at the end of June 2018, which are pledged by the land and buildings owned by the Company as collateral, with an interest rate of the loan calculated by the 2year floating interest rate of time savings deposit plus 0.115% to be repaid in annual installments over 15 years. The maturity date of the loan was June 28, 2033. The effective interest rates were 1.7992% and 1.6078% as of December 31, 2023 and 2022, respectively.

2) The bank loan of NT$476,000 thousand was obtained by the Group at the end of May 2019, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by TAIBOR 3M plus 0.5% and a grace period of two years to be repaid after the period in one installment of 2% of the principal for every three months and to be repaid in a one-time payment at maturity for the rest of the principal. The maturity date of the loan was May 27, 2024, which was paid off in May 2023. The effective interest rates were 1.7093% as of December 31, 2022.

3) The bank loan of NT$49,000 thousand was obtained by the Group on July 1, 2020, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by the floating interest rate of one-month time savings deposit plus 0.08%, which should not be lower than 0.90%, and a grace period of two year to be averagely repaid after the period for the principal and the interests. The maturity date of the loan was June 30, 2030. The effective interest rates were 1.68% and 1.43% as of December 31 2023 and 2022, respectively.

4) The bank loan of NT$419,475 thousand was obtained by the Group on May 22, 2023, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by TAIBOR 3M plus 0.5%. The interest is calculated quarterly. Payment, the principal is amortized to a specified amount quarterly, and the remaining principal is paid off in one lump sum when due. The loan maturity date is May 21, 2028. The effective interest rates were 1.83% as of December 31, 2023.

5) The Group obtained a bank loan of NT$50,000 thousand on September 30, 2022. The bank loan was secured by the mortgage of the consolidate company's own land and buildings. The interest rate of

the loan was calculated based on the two-year fixed savings deposit flexible rate plus 0.082%. The principal is repaid once due. The maturity date of the loan is September 30, 2024, that was paid off in September 2023. The effective annual interest rate on December 31, 2022 was 1.6723%.

6) The Group obtained a bank loan of NT$50,000 thousand on September 28, 2023. The bank loan was secured by the mortgage of the consolidate company's own land and buildings. The interest rate of the loan was calculated based on the two-year fixed savings deposit flexible rate plus 0.082%. The principal is repaid once due. The maturity date of the loan is September 28, 2025. The effective annual interest rate on December 31, 2023 was 1.8044%.

7) The Group obtained a bank loan of NT$100,000 thousand at the end of 26 December, 2022, that bank loan was guaranteed by the Group current deposit, and the amount is 10% of the mobile balance. The loan interest rate is calculated based on the fixed savings deposit mobile interest rate plus 0.08%. The interest is calculated according to Monthly payment, and the principal will be repaid once due. The maturity date of the loan was December 26, 2024, which was paid off in December 2023. The effective annual interest rate as at 31 December 2022 was 1.43%.

8) The bank loan of NT$11,000 thousand was obtained by the Group on July 1, 2020, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by the floating interest rate of time savings deposit plus 0.08%, which should not be lower than 0.98%, and a grace period of one year to be averagely repaid after the period for the principal and the interests. The maturity date of the loan was June 30, 2027. The effective interest rates were 1.68% and 1.43% as of December 31 2023 and 2022, respectively.

9) The Group obtained a bank loan of NT$100,000 thousand at the end of 30 December, 2022. The loan interest rate was calculated according to TAIBOR 3M plus 0.5%. Interest is paid monthly. One-time payment. The maturity date of the loan was December 30, 2024. The effective annual interest rate as at 31 December 2023 and 2022 are 1.8000% and 1.8587% respectively.

Refer to Note 26 for information relating to borrowings pledged as security.

17. OTHER LIABILITIES

	December 31, 2023	December 31, 2022
Other payables		
Payables for salaries or bonuses	$ 56,515	$ 77,053
Payables for processing fees	14,783	17,760
Payables for equipment fees	3,605	9,986
Others	42,700	56,107
	$ 117,603	$ 160,906

18. EQUITY

a. Share capital

Ordinary shares

	December 31, 2023	December 31, 2022
Number of shares authorized (in thousands)	70,000	70,000
Shares authorized	$ 700,000	$ 700,000
Number of shares issued and fully paid (in thousands)	50,204	44,428
Shares issued	$ 502,039	$ 444,283

Fully paid common shares, which have a par value of NT$10, carry one vote per share and a right to dividends.

b. Capital surplus

	December 31, 2023	December 31, 2022
Issuance of ordinary shares	$ 401,662	$ 401,662
Others	849	849
	$ 402,511	$ 402,511

The capital surplus from the premium from issuance of shares over the par value and the portion received as endowments may be used to offset a deficit; in addition, when a company has no deficit, it may also be distributed as cash dividends or transferred to share capital with a limit of transferring to a certain percentage of the paid-in capital every year.

c. Retained earnings and dividends policy

According to the provisions of the earnings distribution policy of the company's articles of association, if there is a surplus in the annual final accounts, taxes shall be paid in accordance with the law, and after making up the accumulated losses, another 10% shall be set aside as the statutory surplus reserve, and the rest shall be set aside or transferred to the special surplus reserve according to laws and regulations; If there is still a balance and the accumulated undistributed surplus, the Board of Directors will formulate a surplus distribution proposal and submit a resolution to the shareholders' meeting to distribute dividends to shareholders. Please refer to employee benefits expense in Note 20-4.

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

The appropriations of earnings for 2022 and 2021 approved in the shareholders' meetings on May 16, 2023 and May 16, 2022, respectively, were as follows:

	December 31, 2022	December 31, 2021
Legal reserve	$ 45,581	$ 32,709
Special reserve	($ 724)	$ 328
Cash dividends	$ 239,913	$ 222,141
Stock dividends	$ 57,756	$ -
Cash dividends of per share NT$	$ 5.4	$ 5.0
Stock dividends of per share NT$	$ 1.3	$ -

The surplus distribution proposal for 2023 is yet to be proposed by the board of directors, which is expected to be held in April 2024.

19. REVENUE

	2023	2022
Revenue from contracts with customers		
Revenue from the sale of goods	$ 1,591,873	$,998,569

Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Trade receivables and Notes (Note 9)	$ 318,152	$ 369,498	$ 437,986
Contract liabilities			
Sale of goods	$ 697	$ 244	$ 17

Changes in contract liabilities are mainly attributable to the difference between the time when performance obligations are satisfied and when the customer pays.
Revenue recognized in the current year that was included in the contract liability balance at the beginning of the year and from the performance obligations satisfied in the previous periods is as follows:

	2023	2022
From contract liabilities at the start of the year		
Sale of goods	$ 244	$ 17

The surplus distribution proposal for 2023 is yet to be proposed by the board of directors, which is expected to be held in April 2024.

20. NET PROFIT

Additional information on net profit for the year includes the following items:

a. Net profit
   1) Depreciation and amortization

	2023	2022
Property, plant and equipment	$ 105,626	$ 102,203
Right-of-use assets	4,237	4,206
Investment properties	1,205	1,204
Unamortized expenses	9,003	5,755
Intangible assets	3,024	2,702
Total	$ 123,095	$ 116,070
An analysis of depreciation by function		
Operating costs	$ 55,428	$ 57,679
Operating expenses	55,640	49,934
	$ 111,068	$ 107,613

	2023	2022
An analysis of amortization by function		
Operating costs	$ 8,259	$ 4,648
Operating expenses		
Marketing expense	587	519
G&A expense	704	637
RD expense	2,477	2,653
	$ 12,027	$ 8,457

2) Gains or losses on foreign currency exchange

	2023	2022
Foreign exchange gains	$ 21,318	$ 54,137
Foreign exchange losses	(23,958)	(44,384)
	($ 2,640)	$ 9,753

3) Employee benefits expense

	2023	2022
Post-employment benefits		
Defined benefit plans	$ 7,723	$ 7,551
Salaries and bonus	234,228	267,758
	$ 241,951	$ 275,309

An analysis of employee benefits expense by function		
Operating costs	$ 123,755	$ 144,407
Operating expenses	118,196	130,902
	$ 241,951	$ 275,309

4) Employees' compensation

The Company sets aside 1%~5% of the profit before tax income for the current year before distribution of employees' compensation as the employees' compensation in compliance with the Articles of Incorporation. The employees' compensation for the years ended December 31, 2023 and 2022, which have need to wait for the BOD approved by 2023 Employees' compensation. For 2022 had been approved by the BOD on Feb.24, 2023, were estimated as follows:

Estimated rate

	2023	2022
Employees' compensation	1.68%	2.24%

Amount

	2023	2022
Employees' compensation	$ 5,800	$ 11,000

If there is a change in the amount after the annual independent financial statements is passed, it will be treated according to the change in accounting estimates, and adjusted and recorded in the following year.

There is no difference between the actual amounts of employees' compensation paid and the amounts recognized in the independent financial statements for the years ended December 31, 2022 and 2021.

Information on the employees' compensation by The Company Board of Directors resolution that was available at the Market Observation Post System (M.O.P.S.) website of the Taiwan Stock Exchange.

21. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	2023	2022
Current tax		
In respect of the current year	$ 11,994	$ 31,097
Adjustments for prior years	(12,269)	(8,294)
	(275)	22,803
Deferred tax		
In respect of the current year	1,304	848
Adjustments for prior years	$ 1,029	$ 23,651

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

	2023	2022
Profit before tax from continuing operations	$ 338,821	$ 479,469
Income tax expense on net profit before tax calculated at statutory tax rate	$ 67,765	$ 95,894
The equity method recognizes domestic investment interests	(54,474)	(64,007)
Non-deductible expenses	7	58
Adjustments for prior years' tax	(12,269)	(8,294)
Income tax expense recognized in profit or loss	$ 1,029	$ 23,651

b. Income tax recognized in other comprehensive income

	2023	2022
Deferred tax		
In respect of the current period:		
Translations of foreign operations	$ 245	($ 181)
Total income tax recognized in other comprehensive income	$ 245	($ 181)

c. Current income tax liability

	December 31, 2023	December 31, 2022
Income tax payable	$ 4,201	$ 29,218

d. Deferred tax assets and liabilities

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

	2023			
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Reversals of inventory write-downs	$ 2,140	$ 400	$ -	$ 2,540
Payables for annual leave	1,083	-	-	1,083
Provisions	669	(387)	-	282
Translations of foreign operations	404	-	245	649
Others	350	(257)	-	93
	$ 4,646	($ 244)	$ 245	$ 4,647
Deferred tax liabilities				
Investments accounted for using the equity method	$ 8,968	$ 1,011	$ -	$ 9,979
Unrealized Foreign exchange income	301	(19)	-	282
Financial assets measured at fair value through profit or loss	-	68	-	68
	$ 9,269	$ 1,060	$ -	$ 10,329

	2022			
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Reversals of inventory write-downs	$ 1,840	$ 300	$ -	$ 2,140
Payables for annual leave	1,213	(130)	-	1,083
Debt Provisions	698	(29)	-	669
Translations of foreign operations	585	-	(181)	404
Unrealized Foreign exchange loss	14	(14)	-	-
Others	146	204	-	350
	$ 4,496	$ 331	($ 181)	$ 4,646
Deferred tax liabilities				
Investments accounted for using the equity method	$ 8,090	$ 878	$ -	$ 8,968
Unrealized Foreign exchange income	-	301	-	301
	$ 8,090	$ 1,179	$ -	$ 9,269

e. Income tax verification situation

The company's profitable business income tax declarations as of the year before 2021 have been approved by the tax collection agency.

2. EARNINGS PER SHARE

Unit: per share/NTD

	2023	2022
Basic earnings per share	$ 6.73	$ 9.08
Diluted earnings per share	$ 6.72	$ 9.06

When calculating earnings per share, the impact of the free allotment has been retrospectively adjusted, and the base date of the free allotment is set on October 6, 2023. Due to retrospective adjustments, the changes in basic and diluted earnings per share in 2022 are as follows:

Unit: per share/NTD

	Before retrospective adjustment	After retrospective adjustment
Basic earnings per share	$ 10.26	$ 9.08
Diluted earnings per share	$ 10.24	$ 9.06

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

Net profit for the year

	2023	2022
Net profit used to calculate basic earnings per share	$ 337,792	$ 455,818
Used to calculate net profit per diluted earnings per share	$ 337,792	$ 455,818

Number of shares

Unit: thousand shares

	2023	2022
Weighted average number of common shares used to calculate basic earnings per share	50,204	50,204
Potential impact of common stock with dilution:		
Remuneration to employees	28	82
Weighted average number of common shares used to calculate diluted earnings per share	50,232	50,286

If the company can choose to pay employee compensation in stock or cash, when calculating diluted earnings per share, it is assumed that employee compensation will be issued in shares, and when the potential common stock has a dilutive effect, it will be included in the weighted average number of outstanding shares to calculate Diluted earnings per share. When calculating the diluted earnings per share before deciding on the number of shares for employee compensation in the following year, the dilutive effect of these potential ordinary shares will also be considered.

23. CAPITAL MANAGEMENT

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

24. FINANCIAL INSTRUMENTS

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

(1) Fair value hierarchy (December 31, 2022: None)

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Derivatives	$ -	$ 339	$ -	$ 339

There are no transfers between Level 1 and Level 2 fair value measurements in 2023 and 2022.

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

Financial instrument category	Evaluation techniques and input values
Derivatives – Exchange Contracts	Discounted cash flow method: estimate future cash flows based on the observable forward exchange rate at the end of the period and the exchange rate specified in the contract, and discount them separately at a discount rate that reflects the credit risk of each counterparty.

b. Types of financial instruments

	December 31, 2023	**December 31, 2022**
Financial assets		
Financial assets at amortized cost (Note 1)	$ 784,230	$ 671,426
Measured at fair value through profit or loss Held for trading	339	-
Financial liabilities		
Amortized cost (Note 2)	1,572,194	1,666,814

Note 1: The balance includes cash, debt instrument investments, notes receivable, accounts receivable, other receivables (excluding tax refunds receivable) and guarantee deposits and other financial assets measured at amortized cost.

Note 2: The balance includes short-term borrowings, accounts payable, other payables, long-term borrowings and guarantee deposits and other financial liabilities measured at amortized cost.

c. Financial risk management objectives and policies

The Company’s major financial instruments include notes receivable, accounts receivable, other receivables, accounts payable, borrowings and lease liabilities. The Company's financial risk management objective is to manage market risk, credit risk and liquidity risk associated with its operating activities. In order to reduce related risks, the management of the company is committed to identifying, evaluating and avoiding market uncertainty, so as to reduce the potential adverse impact of market changes on the company's financial performance.

1) Market risk

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

a) Foreign currency risk

The company is engaged in sales and purchase transactions denominated in foreign currencies, which has caused the company to risk exposure to exchange rate fluctuations. In order to avoid the decrease in the value of foreign currency assets and the fluctuation of future cash flow due to exchange rate changes, the company analyzes foreign currency assets and foreign currency liabilities receipts and payments, maturity period and other factors, and considers the risk of foreign currency net positions, and then uses foreign currency exchange for profit, and also contracts, borrowing foreign currency loans, etc ., to avoid relevant exchange rate risks. Therefore, company's internal auditor will continue to review compliance with policies and the risk limit. The application of cross-currency swap contracts and forward foreign exchange contracts by the policies adopted by the Board of Directors, and the company does not enter into transactions of cross-currency swap contracts and forward foreign exchange contracts for speculative purposes.

For the carrying amount of monetary assets and monetary liabilities denominated in non-functional currencies of the company at the balance sheet date, please refer to Note 29.

In addition, the sensitivity analysis on foreign currency exchange rate risk is mainly for the calculation of foreign currency monetary items (mainly US dollar items) and derivative instruments on the end date of the financial reporting period. When the functional currency of the independent appreciates/depreciates by 1% against the US dollar, the company's net profit after tax in 2023 would decrease/increase byNT$1,355 thousand; the net profit after tax in 2022 would decrease/increase by NT$546 thousand.

Since the aforementioned sensitivity analysis is based on the foreign currency exposure amount on the balance sheet date, the management believes that the sensitivity cannot reflect the mid-year exposure.

b) Interest rate risk

Interest rate risk refers to the risk of changes in the fair value of financial instruments or changes in cash flows due to fluctuations in market interest rates. Because the company holds financial assets and liabilities with fixed interest rates, it has fair value exposure to changes in interest rates; because it holds financial assets and liabilities with floating interest rates, it has cash flow exposures to changes in interest rates. The management of the company regularly monitors changes in market interest rates, and adjusts the position of financial assets and liabilities with floating interest rates to make the interest rates of the company approach market interest rates to respond to the risks arising from changes in market interest rates.

The carrying amount of The Company’s financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
Financial assets	$ 23,627	$ 23,728
Financial liabilities	5,881	9,281
Cash flow interest rate risk		
Financial assets	434,610	273,561
Financial liabilities	1,257,921	1,293,457

The fixed-rate financial assets/liabilities held by the company are measured at amortized cost, so they are not included in the analysis; the floating-rate financial asset/liability analysis method assumes that the amount of assets/liabilities in circulation on the balance sheet date is reported During the period, they are all in circulation. The company uses an increase/decrease of 0.25% in market interest rates as a reasonable risk assessment for reporting interest rate changes to the management. Under the circumstance that all other variables remain unchanged, if the market interest rate rises/decreases by 0.25%, the company's net profit after tax in 2023 would decrease/increase by NT$1,647 thousand; the net profit after tax in 2022 would decrease/increase by NT$2,040thousand.

2) Credit risk

Credit risk refers to the risk of the company's financial losses caused by the counterparty's default of contract obligations. The policy adopted by the company is to only trade with creditworthy objects in order to reduce the risk of financial losses, and to continuously monitor the credit risk insurance and the credit status of the trading objects. On the balance sheet date, the company's maximum credit risk amount is equivalent to the book value of the financial assets on the account.

The credit risk of the company’s accounts receivable is mainly concentrated in the company’s largest customer parent company, Diodes Group. As of December 31, 2023 and 2022, the ratio of total accounts receivable from the aforementioned customers was 87% respectively. However, since it is an affiliated enterprise transaction, there should be no credit risk.

3) Liquidity risk

The management of the company maintains sufficient cash and bank financing lines to support working capital and reduce liquidity risks.

a) Liquidity and interest risk rate table for non-derivative financial liabilities

The following table details the analysis of the remaining contractual maturity of non-derivative financial liabilities during the agreed repayment period of the company. It is based on the earliest possible repayment date of the company and is compiled based on the undiscounted cash flow of financial liabilities, which includes interest And principal cash flow.

December 31, 2023

	Weighted Average Effective Rate (%)	Payment on Sight or Less than 3 Month 3 Month	3 Months to 1 Year	1-2 Years	2-5 Years	Over 5 Years
Non-derivative financial liabilities						
Non-interest bearing		$ 377,533	$ -	$ -	$ -	$ -
Lease liability	1.11%	1,080	1,832	1,788	1,249	-
Variable interest rate instruments	1.79%	463,480	286,165	94,921	415,600	40,062
		$ 842,093	$ 287,997	$ 96,709	$ 416,849	$ 40,062

December 31, 2022

	Weighted Average Effective Rate (%)	Payment on Sight or Less than 3 Month 3 Month	3 Months to 1 Year	1-2 Years	2-5 Years	Over 5 Years
Non-derivative financial liabilities						
Non-interest bearing		$ 373,345	$ -	$ -	$ -	$ -
Lease liability	1.06%	1,079	2,955	2,350	3,032	-
Variable interest rate instruments	1.70%	413,356	136,323	672,194	43,798	53,376
		$ 787,780	$ 139,278	$ 674,544	$ 46,830	$ 53,376

b) Financing facilities

The company's use of bank financing facilities on the balance sheet date is as follows:

	December 31, 2023	December 31, 2022
Secured bank overdraft facilities:		
Amount used	$ 1,257,921	$ 1,293,457
Amount unused	250,000	350,000
	$ 1,507,921	$ 1,643,457

25. TRANSACTIONS WITH RELATED PARTIES

a. Related party name and category

Related Party	Nature of Relationship
Diodes Taiwan S.A R.L., Taiwan Branch (“Diodes (TW)”)	Sister company
Diodes Taiwan S.A R.L., KL Branch (“Diodes (KL)”)	Sister company
Diodes Hong Kong Limited（Diodes (HK)）	Sister company
Jiecheng Electronic (Shanghai) Co., Ltd. (“Jiecheng Electronic”)	Subsidiary
Yea Shin Technology Corp. (“Yea Shin”)	Subsidiary

b. Sales of goods

Line Item	Related Party Category/Name	2023	2022
Sales	Sister company		
	Diodes (HK)	$ 747,427	$ 840,745
	Diodes (TW)	621,100	832,192
	Subsidiary	28,164	34,776
		$ 1,396,691	$ 1,707,713

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

c. Purchases of goods

Related Party Category/Name	2023	2022
Subsidiary		
Yea Shin	$ 776,278	$ 842,453
Jiecheng Electronic	21,846	16,678
	$ 798,124	$ 859,131

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

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31, 2023	December 31, 2022
Trade receivables from related parties	Sister company		
	Diodes (TW)	$ 78,746	$ 215,735
	Diodes (HK)	199,565	103,451
	Subsidiary	5,926	9,933
		$ 284,237	$ 329,119
Other receivables from related parties	Subsidiary		
	Yea Shin	$ 1,104	$ 1,020

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment loss was recognized for trade receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	December 31, 2023	December 31, 2022
Trade payables from related parties	Subsidiary		
	Yea Shin	$ 248,317	$ 165,090
	Jiecheng Electronic	-	2,324
		$ 248,317	$ 167,414

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

f. Lease agreement

Operating lease rental

The company leases the right to use the building to its subsidiary 〝Yea shin〞 for a period of 2 year. As of December 31, 2023 and 2022, the total lease payments that will be received in the future are NT$5,700 thousand and NT$ 2,100 thousand. The lease income recognized in both 2023 and 2022 was NT$ 3,429 thousand.

g. Others

Line Item	Related Party Category/Name	2023	2022
Processing fee (Listed on the cost of goods sold)	Subsidiary	$ 14,231	$ 14,915
Miscellaneous expenses (accounted operating expenses)	Subsidiary	5,057	2,028
		$ 19,288	$ 16,943

h. Compensation of major management personnel

	2023	2022
Short-term employee benefits	$ 19,695	$ 18,971
Post-employment benefits	108	108
	$ 19,803	$ 19,079

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

i. Transactions with other related parties

On July 5, 2023, the company passed a resolution of the board of directors and approved the acquisition of the wafer manufacturing business to be divided by the related party Diodes Taiwan S.A R.L., Keelung Branch in cash by the company or the newly established subsidiary. The two parties also signed a split contract, agreeing that Diodes Taiwan S.A R.L., Keelung Branch would split and transfer the assets and liabilities (subject assets and liabilities) related to its wafer manufacturing business to the company or a newly established subsidiary, and continue to operate at the original location after the split. The calculation of the split consideration is based on the operating value of the underlying assets and liabilities on the base date of split plus the operating premium agreed upon by both parties, and is adjusted based on the underlying assets and liabilities at the time of delivery. The transaction has been approved by the extraordinary shareholders' meeting on August 21, 2023. The company also plans to increase cash capital to complete the aforementioned transaction. Please refer to Note 28 (2) for details of the relevant cash capital increase.

26. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31, 2023	December 31, 2022	Nature
Bank time deposits (classified as financial assets at amortized cost)	$ 14,416	$ 14,515	endorsements/guarantees and short-term borrowings
Bank demand deposits (classified as financial assets at amortized cost)	52,248	42,080	Short-term and long-term borrowings
Property and plant	831,754	837,885	Short-term and long-term borrowings
Investment properties	54,623	55,828	Short-term and long-term borrowings
	$ 953,041	$ 950,308	

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

Due to the replacement of production line equipment and business expansion, the company has promised to purchase and order machinery and equipment, system software, and decoration projects. The payment amount is listed below:

	December 31, 2023	**December 31, 2022**
Amount of Contract Commitments	$ 138,197	$ 198,032
Amount Paid (classified as prepayments for equipment)	$ 87,992	$ 131,402

28. SIGNIFICANT POST-PERIOD EVENTS

(1) In order to expand the scale of operations and enter into downstream domestic and foreign trading and import and export sales, the company passed the resolution of the board of directors on December 20, 2023 to purchase other holdings from shareholders of Secos Co., Ltd. for NTD 25 in cash per share. There are common shares issued by Secos Co., Ltd.The company has acquired 40% of the equity of Secos Co., Ltd. in January 2024 with a cash payment of NTD180,000 thousands. It is judged that it has control over the company, so it was as a subsidiary.

(2) In order to reinvest in subsidiaries and repay bank loans, the company passed the resolution of the board of directors on February 26, 2024, to increase cash capital and issue new shares through public subscription. The number of new shares issued is capped at 5,000 ordinary shares. The total amount of funds expected to be raised is NT$1,000,000 thousand.

29. INFORMATION ON ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES WITH SIGNIFICANT EFFECTS

The following information is aggregated and expressed in foreign currencies other than the Company's functional currency, and the exchange rates disclosed refer to the exchange rates at which these foreign currencies are converted to the functional currency. Significant foreign currency assets and liabilities are as follows:

Unit: Foreign currency/NT$ thousands, Except for Exchange Rate

	December 31, 2023			
	Foreign Currency	Exchange rate ($)	Functional Currency	NTD
Financial assets				
Monetary items				
USD	$ 10,945	30.705 (USD:NTD)	$ 336,066	$ 336,066
RMB	1,403	4.327(RMB:NTD)	6,071	6,071
Non-monetary items				
Derivatives				
USD	1,000	30.705 (USD:NTD)	30,705	30,705
Investments accounted for using the equity method				
USD	2,188	30.705 (USD:NTD)	67,179	67,179
Financial liabilities				
Monetary items				
USD	6,664	30.705 (USD:NTD	204,618	204,618

	December 31, 2022			
	Foreign Currency	Exchange rate ($)	Functional Currency	NTD
Financial assets				
Monetary items				
USD	$ 6,622	30.71 (USD:NTD)）	$ 203,362	$ 203.362
RMB	1,420	4.408（RMB:NTD）	6,259	6,259
Non-monetary items				
Investments accounted for using the equity method				
USD	2,063	30.71 (USD:NTD)	63,353	63,353
Financial liabilities				
Monetary items				
USD	4,399	30.71 (USD:NTD)	135,093	135,093

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	2023		2022	
Foreign Currencies	**Exchange Rate**	**Net Foreign Exchange Gains (Losses)**	**Exchange Rate**	**Net Foreign Exchange Gains (Losses)**
USD	30.708 (USD:NTD)	($ 2,130)	29.20 (USD:NTD)	$ 10,933
EUR	33.980 (EUR:NTD)	(796)	32.72 (EUR:NTD)	(1,020)
Others		286		(160)
		($ 2,640)		$ 9,753

29. Note Disclosure Items

a. Information about significant transactions and investees:

1) Financing provided to others: None.

2) Endorsements/guarantees provided to others: Please refer to Attached Table 1.

3) Marketable securities held at end of period (excluding investments in subsidiaries): None.

4) Marketable securities acquired and disposed of amounting to NT$300 million or 20% of the paid-in capital or more: None.
5) Acquisition of property amounting to NT$300 million or 20% of paid-in capital or more: None.
6) Disposal of property amounting to NT$300 million or 20% of paid-in capital or more: None.
7) Purchases or sales with related parties amounting to NT$100 million or 20% of paid-in capital or more: Please refer to Attached Table 2.
8) Receivables from related parties amounting to NT$100 million or 20% of paid-in capital or more: Please refer to Attached Table 3.
9) Trading in derivative instruments: Please refer to Note 7.

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

c. Information on investments in Mainland China:
1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Please refer to Attached Table 5.
2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Please refer to Attached Table 6.
   b) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Please refer to Attached Table 6.
   c) The amount of property transactions and the amount of the resultant gains or losses: None.
   d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Please refer to Attached Table 1.
   e) The highest balance, the end of the period balance, the interest rate intervals, and total current period interest with respect to the financing of funds: None.
   f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services: None.

d. Information on major shareholders: names of shareholders with a shareholding ratio of 5% or more as well as number and proportion of shares held: Please refer to Attached Table 7.

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee Name of Company	Endorsee/Guarantee Relationship (Note 1)	Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Cumulative Amount of Endorsements/ Guarantees to the Net Equity Stated in the Latest Financial Statements (%)	Maximum Limit of Endorsement/ Guarantee (Note 2)	Endorsements/ Guarantees Provided by Parent for Subsidiary	Endorsements/ Guarantees Provided by Subsidiary for Parent	Endorsements/ Guarantees Provided for Subsidiary in Mainland China
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	(2)	$ 157,972	$ 30,000	$ 30,000	$ -	$ 9,212	1.90%	$ 473,917	Y	N	Y

Note 1: Relationship between the endorser/guarantor and the endorsee/guarantee is classified into the following seven categories:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50 % of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Escrow with joint and several guarantees between companies in the same industry for performance guarantees of pre-construction homes under the Consumer Protection Act.

Note 2: The total amount of the company's external endorsement guarantee and the limit of the single company's endorsement guarantee shall not exceed 30% and 10% of the company's net worth, respectively. The maximum limit of this endorsement guarantee is calculated based on the company's net value on December 31, 2023.

TABLE 2

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer (Seller)	Counterparty	Relationship	Transaction Details				Details and Reasons for Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	Ratio of Total Purchases (Sales) (%)	Credit Period	Unit Price	Credit Period	Balance	Ratio of Notes/Accounts Receivable (Payable) (%)	
Eris Technology Corporation	Diodes Hong Kong Ltd.	Same as the Company's ultimate parent company	Sale	($ 747,427)	46.85%	60 days	None	None	$ 199,565	62.41%	-
Eris Technology Corporation	Diodes Taiwan S.A R.L., Taiwan Branch	Same as the Company's ultimate parent company	Sale	(621,100)	38.93%	60 days	None	None	78,746	24.63%	-
Eris Technology Corporation	Yea Shin Technology Corp.	The Company's subsidiary	Purchase	776,278	84.55%	60 days	None	None	(248,317)	95.53%	

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

DECEMBER 31, 2023

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

Company recording the receivables	Counterparty	Relationship	Balance Receivables from Related Parties	Turnover rate	Overdue Receivables from Related Parties		Amounts of Receivables from Related Parties Received in Subsequent Period (Note 1)	Amount of Loss Allowance
					Amount	Actions Taken		
Eris Technology Corporation	Diodes Hong Kong Ltd.	Same as the Company’s ultimate parent company	$199,565	4.93	-	—	$132,395	$ -
YeaShin Technology Co.,Ltd.	Eris Technology Corporation	Parent Company	248,317	3.76	-	—	160,054	-

Note 1: The amount recovered as of the date of the accountant’s audit report

TABLE 4

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES

FOR THE YEAR ENDED DECEMBER 31, 2023

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

Name of Investor	Name of Investee	Location	Principal Business Activities	Original Investment Amount (Note 1)		Ending Balance			Net Income (Loss) of the Investee for the Period (Note 2 and6)	Investment Profit (Loss) Recognized for the Period (Note 2 and 3)	Note
				End of the Period	Year-end of the last year	Number of shares (in thousands)	Ratio (%)	Carrying Amount (Note 3)			
Eris Technology Corporation	Keep High Limited	Seychelles	Holding company	$ 20,776 (US$670/thousand)	$ 20,776 (US$670/thousand)	N/A	100	$ 67,179	$ 4,718 (US$ 154/ thousand)	$ 5,053 (Note 4)	Subsidiaries
	Yea Shin Technology Corp.	Taiwan	Manufacturing of electronic parts and wholesaling of electronic components	381,078	381,078	29,342	100	681,746	279,072	272,366 (Note 4)	Subsidiaries
	Erishin Semiconductor Corporation	Taiwan	Engaged in manufacturing of electronic components and wholesaling of electronic materials	1,000	-	100	100	1,002	2	2	Subsidiary
Keep High Limited	Forever Eagle Incorporation	Mauritius	Holding company	20,473 (US$660/thousand)	20,473 (US$660/thousand)	N/A	100	67,847 (US$ 2,210 /thousand)	4,718 (US$ 154/ thousand)	4,718 (US$ 154/ thousand)	Sub-subsidiaries

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

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

Note 3: The calculation is based on the financial statements reviewed by the certified accountants of the parent company in Taiwan during the same period.

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

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

TABLE 5

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee in Mainland China	Principal Business Activities	Paid-in Capital (Note 1)	Method of Investments	Accumulated Amount of Investments Remitted Outward from Taiwan at Beginning of Period (Note 1)	Amount of Investments Remitted or Repatriated for the Period		Accumulated Amount of Investments Remitted Outward from Taiwan at End of Period (Note 1)	Income (Loss) of the Investee for the Period	Shareholding Ratio of The Company's Direct or Indirect Investment	Investment Gain (Loss) Recognized for the Period (Note 2 and 5)	Carrying Amount of Investments at End of Period	Accumulated Repatriation of Investment Income at End of Period
					Remitted	Repatriated						
Jiecheng Electronic (Shanghai) Co., Ltd.	Wholesaling of electronic components and international trading business	$ 20,170 (US$ 650/thousand)	Indirectly investment in Mainland China through companies registered in a third region	$ 20,170 (US$ 650/thousand)	$ -	$ -	$ 20,170 (US$ 650/thousand)	$ 4,718 (RMB 1,080/ thousand)	100%	$ 4,718 (RMB 1,080/ thousand)	$ 67,847	$ -

Accumulated Amount of Investments in Mainland China Remitted Outward from Taiwan at End of Period (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on the Amount of Investment in Mainland China Stipulated by Investment Commission, MOEA (Note 4)
$20,170 (US$650/thousand)	$19,958 (US$650/thousand)	$947,834

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

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

Note 3: Translation was based on the period-end exchange rate of USD on December 31, 2023.

Note 4: The information was calculated as 60% of the Company’s net worth on December 31, 2023

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

TABLE 6

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Counterparty	Transaction Details			Details and Reasons for Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
	Purchases (Sales)	AMOUNT	Ratio of Total Purchases (Sales) (%)	Unit price	Credit Period	Balance	Ratio of Notes/Accounts Receivable (Payable) (%)	
Jiecheng Electronic (Shanghai) Co., Ltd.	Sales	($ 5,283)	0.33%	None	None	$ 30	0.01%	-
Jiecheng Electronic (Shanghai) Co., Ltd.	Purchases	21,846	2.38%	None	None	-	-	-

TABLE7

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Major Shareholder's information

FOR THE YEAR ENDED DECEMBER 31, 2023

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

Name of major shareholder	Shares	
	Number of shares held	Shareholding ratio
Yuanta Commercial Bank is entrusted with the custody of Diodes Holdings UK Limited Investment Account.	25,636,992	51.07%

Note 1: Information on major shareholders in this table is the information on shareholders holding more than 5% of the common stocks and preferred stocks that are completed the non-physical registration and delivered (including treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. Share capital indicated in the Company's consolidated financial statements may differ from the actual number of shares that have been completed the non-physical registration and delivered as a result of the different basis of preparation.

Note 2: In the above table, if the shareholder entrusts his/her shares to the trust, disclosure shall be made by the individual account of the trustee who opened the trust account of the grantor. As for the shareholders' declarations for insider equity holdings exceeding 10% in accordance with the Securities and Exchange Act, their shareholding includes their own shares plus their delivery of trust and shares with the right to make decisions on trust property, etc. For information on the declaration for insider equity, please refer to the Market Observatory Post System (website: http://mops.twse.com.tw).

§Statements of Major Accounting Items§

ERIS TECHNOLOGY CORPORATION

Statement of Cash

DECEMBER 31, 2023

Statement 1 | Unit: NT$ Thousands

Item	Summary	Amount
Cash on hand		$ 917
Check and demand deposit		100
Taiwan dollar demand deposit		271,244
Foreign currency demand deposit	Including USD 3,432 thousands、 HKD 16Thousands and CNY 134 thousands(Note)	111,118
Total		$ 383,379

Note: Exchange rates USD$1=NTD$30.705, HKD$1=NTD$3.929, EUR$1=NTD$33.980, CNY$1=NTD$4.327.

ERIS TECHNOLOGY CORPORATION

Statement of Notes receivable and Trade receivable
DECEMBER 31, 2023

Statement 2 | Unit: NT$ Thousands

Name of Customer	Amount
Notes receivable - Non-related person	
Customer A	$ 414
Customer B	207
Customer C	48
Others（Note）	20
Total	$ 689
Trade Receivable - Non-Related Persons	
Customer D	$ 7,415
Customer E	7,001
Customer F	3,028
Customer G	2,869
Customer H	2,165
Customer I	1,807
Customer J	1,757
Others（Note）	8,784
	34,826
Less: Allowance for impairment loss	(1,600)
Total	$ 33,226
Trade Receivable - Related Persons	
Diodes Hong Kong Limited	$ 199,565
Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg)	78,746
Others（Note）	5,926
Total	$ 284,237

Note: The balance of all the accounts did note exceed 5% of the balance under this account.

ERIS TECHNOLOGY CORPORATION

Statement of Inventories
DECEMBER 31, 2023

Statement 3 | Unit: NT$ Thousands

Item	Amount	
	Cost	Market price (Note)
Raw materials	$ 127,621	$ 134,368
Work in progress	33,904	34,365
Finished goods	25,144	30,729
	186,669	$ 199,462
Less：Allowance for Inventory Valuation and Obsolescence Losses	(12,700)	
Total	$ 173,969	

Note: The market price is calculated based on replacement cost or net realizable value.

ERIS TECHNOLOGY CORPORATION

Statement of Investment associated for the equity method
FOR THE YEARS ENDED DECEMBER 31, 2023

Statement 4 Unit: NT$ Thousands

	Opening Balance			Increase or decrease this year		Profit and loss share of subsidiaries recognized using the equity method	Exchange differences on translating the financial statements of foreign operations	Closing Balance			Price of net equity		
	Number of shares (in thousands)	Ratio (%)	Amount	Number of shares (in thousands)	Amount			Number of shares (in thousands)	Ratio (%)	Amount	(Note 1)	Provided as guaranter or pledge	Note
Equity Method Valuation													
Keep High Limited	-	100	$ 63,353	-	($ 1)	$ 5,053	($ 1,226)	-	100	$ 67,179	$ 67,894	None	Note 2
Yea Shin Technology Corp.	29,342	100	702,860	-	(293,480)	272,366	-	29,342	100	681,746	677,927	None	Note 3
Erishin Semiconductor Corporation .	-	-	-	100	1,000	2	-	100	100	1,002	1,002	None	
			$766,213		($292,481)	$277,421	($ 1,226)			$749,927	$746,823		

Note 1: The net equity value is calculated based on the financial statements of the invested company and the company's shareholding ratio.
Note 2: The increase or decrease in this year refers to the change in unrealized gross profit of sales NT$ (1) thousand.
Note 3: The increase or decrease in this year is due to the change of unrealized gross profit of sales of NT$(58) thousand and the distribution of cash dividends NT$(293,422) thousand.

ERIS TECHNOLOGY CORPORATION

Statement of Trade Payables

DECEMBER 31, 2023

Statement 5 Unit: NT$ Thousands

Name of supplier	Amount
Trade Payables - Non-related person	
Supplier A	$ 2,419
Supplier B	1,274
Supplier C	1,223
Supplier D	1,029
Supplier E	813
Supplier F	607
Others（Note）	4,248
Total	$ 11,613
Trade Payables - Related Persons	
Yea Shin Technology Corp.	$ 248,317

Note: The balance of all the accounts did note exceed 5% of the balance under this account.

ERIS TECHNOLOGY CORPORATION

Statement of Operating Revenue

FOR THE YEARS ENDED DECEMBER 31, 2023

Statement 6 Unit: NT$ Thousands

Item	Quantity	Amount
Diodes & Transistor	2,295,947,464	$1,561,324
Wafer	49,969,220	27,717
Others	569,000	2,832
Net operating revenue		$1,591,873

ERIS TECHNOLOGY CORPORATION

Statement of Operating Costs
FOR THE YEARS ENDED DECEMBER 31, 2023

Statement 7 | Unit: NT$ Thousands

Item	Amount
Raw materials used	
Raw materials at the beginning of the year	$ 102,720
Materials purchased for the period	688,922
Sample pick-up	(20,575)
Raw materials at the end of the year	(127,621)
Raw materials used	643,446
Direct labor	49,001
Manufacturing expense（Statement 8）	253,339
Work-In-Progress at the beginning of the year	63,422
Purchases in this period	2,684
Others	53,763
Work-In-Progress at the end of the year	(33,904)
Cost of finished goods	1,031,751
Finished goods at the beginning of the year	66,472
Purchases in this period	226,512
Sample pick-up	(43,270)
Others	(395)
Finished goods at the end of the year	(25,144)
Cost of good sold	1,255,926
Revenue from sale of scraps	(14,107)
Loss on decline in value of inventories, slump and obsolescence	2,000
Others	(816)
Operating Costs	$ 1,243,003

ERIS TECHNOLOGY CORPORATION

Statement of Manufacturing Expense

FOR THE YEARS ENDED DECEMBER 31, 2023

Statement 8 Unit: NT$ Thousands

Item	Amount
Salary and bonus expenses	$ 50,452
Depreciation	55,428
Hydropower gas fee	33,176
Sample fee	34,637
Miscellaneous expenses	26,277
Others（Note）	53,369
Total	$ 253,339

Note: The balance of all the accounts did note exceed 5% of the balance under this account.

ERIS TECHNOLOGY CORPORATION

Statement of Selling and Marketing Expenses
FOR THE YEARS ENDED DECEMBER 31, 2023

Statement 9 Unit: NT$ Thousands

Item	Amount
Salary and bonus expenses	$ 23,997
Hydropower gas fee	12,587
Export expenses	4,944
Insurance fee	2,943
Others（Note）	11,917
Total	$ 56,388

Note: The balance of all the accounts did note exceed 5% of the balance under this account.

ERIS TECHNOLOGY CORPORATION

Statement of General And Administrative Expenses
FOR THE YEARS ENDED DECEMBER 31, 2023

Statement 10 | Unit: NT$ Thousands

Item	Amount
Salary and bonus expenses	$ 40,093
Miscellaneous expenses	13,650
Depreciation	16,741
Professional service fees	7,338
Others（Note）	24,657
Total	$ 102,479

Note: The balance of all the accounts did note exceed 5% of the balance under this account.

ERIS TECHNOLOGY CORPORATION

Statement of Research And Development Expenses
FOR THE YEARS ENDED DECEMBER 31, 2023

Statement 11 | Unit: NT$ Thousands

Item	Amount
Salary and bonus expenses	$ 33,943
Depreciation	37,154
Miscellaneous expenses	10,264
Sample fee	9,781
Others（Note）	23,877
Total	$ 115,019

Note: The balance of all the accounts did note exceed 5% of the balance under this account.

ERIS TECHNOLOGY CORPORATION

Statement of Employee Benefit Expenses
FOR THE YEARS ENDED DECEMBER 31, 2023

Statement 12 Unit: NT$ Thousands

	2023			2022		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Salary expenses	$90,409	$98,033	$188,442	$109,336	$110,464	$219,800
Labor and Health Insurance Costs	12,638	7,773	20,411	11,232	7,956	19,188
Pension Costs（Confirmation of appropriation）	3,610	4,113	7,723	3,271	4,280	7,551
Compensation for directors	-	2,160	2,160	-	1,840	1,840
Other employee benefitx	17,098	6,117	23,215	20,568	6,362	26,930
Total employee benefit expenses	$123,755	$118,196	$241,951	$144,407	$130,902	$275,309

Note:
1. The number of employees in this year and the previous year was 318 and 310 respectively, of which the number of directors who were not concurrently employees was 6.
2. Other information that should be disclosed:
   (1) The average employee benefit expenses in 2023 and 2022 were NT$769thousand and NT$900 thousand respectively ("Total employee benefit expenses - Total directors' remuneration" / "Number of employees - number of directors who are not concurrent employees").
   (2) The average employee salary expenses in 2023 and 2022 were NT$604 thousand and NT$723 thousand respectively (Total salary expenses/Number of employees - number of directors who are not concurrently employees).
   (3) Adjustment and change of average employee salary expenses -16.46% ("Average employee salary expenses for the current year - Average employee salary expenses for the previous year"/Average employee salary expenses for the previous year).
   (4) The performance evaluation and remuneration of directors, supervisors (members of the audit committee) and managers should refer to the normal payment situation of the industry, and consider the rationality of the relationship with individual performance, company operating performance and future risks.
   (5) The company replaces the supervisor with the audit committee, and there is no remuneration for the supervisor.

Eris Technology Corporation and Subsidiaries

Consolidated Financial Statements
with Independent Auditors' Report
for the Years Ended
December 31, 2023 and 2022

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

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

Table of Contents

Representation Letter

The entities that are required to be included in the combined financial statements of Eris Technology Corporation as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated and Separate Financial Statements." In addition, the information required to be disclosed in the combined financial statements and is included in the consolidated financial statements. Consequently, Eris Technology Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Eris Technology Corporation
Chairman: Jonathan Chang
Date: Feb. 26, 2024

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
Code	**Assets**	**Amount**	**%**	**Amount**	**%**
	Current assets				
1100	Cash (Notes 4 and 6)	$ 581,159	19	$ 493,065	15
1110	Financial assets at fair value through profit or loss – Current (Notes 4 and 7)	339	-	-	-
1136	Financial assets at amortized cost - current (Notes 4, 8 and 26)	65,818	2	55,794	2
1150	Notes receivable (Notes 4, 9 and 19)	953	-	1,494	-
1170	Net trade receivables (Notes 4, 9 and 19)	72,525	2	91,272	3
1180	Trade receivables from related parties (Notes 4, 9, 19 and 25)	278,311	9	319,186	10
1200	Other receivables (Note 4)	9,632	-	3,841	-
130X	Inventories (Notes 4, 5 and 10)	237,732	8	308,850	10
1470	Prepayments and other current assets	11,198	-	14,000	-
11XX	**Total current assets**	1,257,667	40	1,287,502	40
	Non-current assets				
1535	Financial assets at amortized cost – non-current (Notes 4, 8 and 26)	10,057	-	10,014	-
1600	Property, plant and equipment (Notes 4, 12 and 26)	1,539,827	49	1,527,867	48
1755	Rights-of-use assets (Notes 4 and 13)	6,309	-	9,717	-
1805	Goodwill (Notes 4 and 14)	24,070	1	24,070	1
1821	Other intangible assets (Note 4 and 15)	13,997	-	14,210	1
1840	Deferred tax assets (Note 4, 5 and 21)	205,089	6	166,172	5
1915	Prepayments for equipment (Note 27)	88,106	3	132,373	4
1920	Refundable deposits	3,749	-	3,768	-
1990	Other non-current assets	15,654	1	12,608	1
15XX	**Total non-current assets**	1,906,858	60	1,900,799	60
1XXX	**Total assets**	$ 3,164,525	100	$ 3,188,301	100
Code	**Liabilities and Equity**				
	Current Liabilities				
2100	Short-term borrowings (Note16 and 26)	$ 600,000	19	$ 500,000	16
2170	Trade payables	146,170	5	157,357	5
2180	Trade payables-related (Note 4 and 25)	4,526	-	-	-
2200	Other payables(Note 17)	150,407	5	197,325	6
2230	Current tax liabilities (Note 4 and 21)	4,255	-	29,261	1
2280	Lease liabilities - current (Notes 4 and 13)	3,373	-	4,474	-
2320	Current portions of long-term borrowings (Note16 and 26)	135,877	4	35,725	1
2399	Other current liabilities (Note 19)	4,796	-	9,000	-
21XX	**Total current liabilities**	1,049,404	33	933,142	29
	Non-current liabilities				
2540	Long-term borrowings (Note16 and 26)	522,044	17	757,732	24
2570	Deferred tax liabilities (Note 4 and 21)	10,329	-	9,269	-
2580	Lease liabilities - non-current (Notes 4 and 13)	3,012	-	5,320	-
2645	Deposit Margin	12	-	12	-
25XX	**Total non-current liabilities**	535,397	17	772,333	24
2XXX	**Total liabilities**	1,584,801	50	1,705,475	53
	Equity (Note 11 and 18)				
3100	Ordinary share	502,039	16	444,283	14
3200	Capital surplus	402,511	13	402,511	13
	Retained earnings				
3310	Legal reserve	142,722	4	97,141	3
3350	Special reserve	1,617	-	2,341	-
3300	Unappropriated earnings	533,433	17	538,167	17
3400	**Total retained earnings**	677,772	21	637,649	20
	Other equity	(2,598)	-	(1,617)	-
3XXX	**Total equity**	1,579,724	50	1,482,826	47
	Total Liabilities and Equity	$ 3,164,525	100	$ 3,188,301	100

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

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the year ended December 31, 2023 and 2022

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

Code		2023 Amount	2023 %	2022 Amount	2022 %
	Operation Revenue (Note 4, 19 and 25)				
4110	Sales	$ 1,742,866	100	$2,184,741	100
4170	Less: Sales return and allowance	(3,498)	-	(7,124)	-
4000	**Net Revenue**	**1,739,368**	**100**	**2,177,617**	**100**
5000	Cost of good Sales (Note 10, 20 and 25)	1,086,491	62	1,373,131	63
5900	**Gross Profit**	652,877	38	804,486	37
	Operating Expenses (Note 20)				
6100	Selling and marketing	59,316	4	74,056	3
6200	General and administrative expenses	143,623	8	161,728	8
6300	Research and development	138,436	8	135,191	6
6450	Expected credit impairment loss (Notes 9)	-	-	638	-
6000	**Total operating expenses**	341,375	20	371,613	17
6900	**Net operating Income**	311,502	18	432,873	20
	Non-operating income and expenses:				
7100	Interest income	4,040	-	1,205	-
7190	Other income	1,225	-	432	-
7210	Gains on disposal of property, plant and equipment	85	-	(1,140)	-
7230	Foreign exchange loss, net (Note 20 and 29)	1,552	-	32,107	1
7235	Net gain (loss) on financial debt at fair value through profit or loss(Note 7)	3,809	-	(5,384)	-
7510	Interest expense	(21,616)	(1)	(16,484)	(1)
7000	**Total non-operating income and expenses**	(10,905)	(1)	10,736	-
7900	**Profit before Tax**	$ 300,597	17	$ 443,609	20
7950	**Less: Income tax benefits (Note 4, 5 and 21)**	37,195	2	12,209	1
8200	**Net Profit**	337,792	19	455,818	21

(Continued)

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the year ended December 31, 2023 and 2022

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

		2023		2022	
Code		**Amount**	**%**	**Amount**	**%**
	Other comprehensive income /(loss)				
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	(1,226)	-	905	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss(Note4 and 21)	245	-	(181)	-
8300	Other comprehensive income/(loss) for the year, (net of income tax)	(981)	-	724	-
8500	**Total comprehensive income**	$ 336,811	19	$ 456,542	21
	Earnings per share (Note 22)				
9710	**Basic earnings per share**	$ 6.73		$ 9.08	
9810	**Diluted earnings per share**	$ 6.72		$ 9.06	

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

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the year ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Code		Share Capital (Notes 18)			Retained Earnings (Notes 18)					
		Ordinary Share (In Thousands)	Amount	Capital Surplus (Notes 18)	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Total Equity
A1	Balance at January 1, 2022	44,428	$ 444,283	$ 402,511	$ 64,432	$ 2,013	$ 337,527	$ 403,972	($ 2,341)	$ 1,248,425
	Appropriation and distribution of 2021 earnings:									
B1	Legal reserve	-	-	-	32,709	-	(32,709)	-	-	-
B3	Special reserve	-	-	-	-	328	(328)	-	-	-
B5	Cash dividends distributed of ordinary share	-	-	-	-	-	(222,141)	(222,141)	-	(222,141)
		-	-	-	32,709	328	(255,178)	(222,141)	-	(222,141)
D1	2022 Net profit	-	-	-	-	-	455,818	455,818	-	455,818
D3	2022 Other comprehensive after tax income/(loss)	-	-	-	-	-	-	-	724	724
D5	Total comprehensive income/(loss) for the year ended December 31, 2022	-	-	-	-	-	455,818	455,818	724	456,542
Z1	Balance at December 31, 2022	44,428	444,283	402,511	97,141	2,341	538,167	637,649	(1,617)	1,482,826
	Appropriation and distribution of 2022 earnings:									
B1	Legal reserve	-	-	-	45,581	-	(45,581)	-	-	-
B3	Special reserve	-	-	-	-	(724)	724	-	-	-
B5	Cash dividends distributed of ordinary share	-	-	-	-	-	(239,913)	(239,913)	-	(239,913)
B9	Stock dividends distributed of ordinary share	5,776	57,756	-	-	-	(57,756)	(57,756)	-	-
		5,776	57,756	-	45,581	(724)	(342,526)	(297,669)	-	(239,913)
D1	2023 Net profit	-	-	-	-	-	337,792	337,792	-	337,792
D3	2023 Other comprehensive income/(loss)	-	-	-	-	-	-	-	(981)	(981)
D5	Total comprehensive income/(loss) for the year ended December 31, 2023	-	-	-	-	-	337,792	337,792	(981)	336,811
Z1	Balance at December 31, 2023	50,204	$ 502,393	$ 402,511	$ 142,722	$ 1,617	$ 533,433	$ 677,772	($ 2,598)	$ 1,579,724

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

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the year ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Code		2023	2022
	Cash flows from operating activities:		
A10000	**Net profit before tax**	$ 300,597	$ 443,609
A20010	**Adjustments:**		
A20100	Depreciation expenses	130,012	126,748
A20200	Amortization expenses	14,000	11,196
A20300	Expected credit impairment loss	-	638
A20400	Net gain on fair value changes of financial assets and debts designated as at fair value through profit or loss	(339)	-
A20900	Interest expense	21,616	16,484
A21200	Interest income	(4,040)	(1,205)
A22500	(Gain)/loss on disposal retirement of property, plant and equipment	(85)	1,140
A23800	Write-downs of inventories	2,000	(3,500)
A24100	Unrealized loss on foreign currency exchange	8,281	1,386
A30000	**Net changes in operating assets and liabilities**		
A31130	Notes receivable	541	1,618
A31150	Trade receivables	20,117	46,739
A31160	Trade receivables - related parties	29,147	58,919
A31180	Other receivables	(5,791)	7,067
A31200	Inventories	69,118	35,120
A31240	Prepayments and other current assets	2,832	(3,774)
A32150	Trade payables	(9,001)	(102,801)
A32160	Trade payables - related parties	4,526	-
A32180	Other payables	(40,537)	18,605
A32230	Other current liabilities	(4,204)	1,316
A33000	**Cash generated from operations**	538,790	659,305
A33100	Interest received	4,010	1,168
A33300	Interest paid	(21,529)	(16,438)
A33500	Income tax paid	(25,382)	(19,424)
AAAA	**Net cash flows generated from operating activities**	495,889	624,611
	Cash flows from (used in) investing activities:		
B00040	Purchase of financial assets at amortized cost	(25,167)	(20,000)
B00050	Proceeds from sale of financial assets at amortized cost	15,000	27,943
B02700	Payments for property, plant and equipment	(51,437)	(124,940)
B02800	Proceeds from disposal of property, plant and equipment	220	1,076
B03800	Refundable deposits	14	14
B04500	Payments for intangible assets	(2,811)	(2,600)
B06700	Payments for other non-current assets	(14,023)	(9,046)
B07100	Increase in prepayments for equipment	(46,579)	(79,075)
BBBB	**Net cash flows from used in investing activities**	(124,783)	(206,628)

(Continued)

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the year ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Code		2023	2022
	Cash flows generated from (used in) financing activities:		
C00200	Proceeds from short-term borrowings	$ 100,000	$ -
C01600	Proceeds from long-term borrowings	469,475	250,000
C01700	Repayments of long-term borrowings	(605,011)	(282,194)
C03000	Repayment of the principal portion of lease liabilities	-	12
C04020	Lease principal repayment	(6,249)	(6,087)
C04500	Payment of cash dividends	(239,913)	(222,141)
CCCC	**Net cash generated from used in financing activities**	(281,698)	(260,410)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(1,314)	859
EEEE	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	88,094	158,432
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	493,065	334,633
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 581,159	$ 493,065

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

1. COMPANY HISTORY

Eris Technology Corporation (the "Company") was incorporated in the Republic of China ("ROC") in August 16, 1995. The Company mainly manufactures tests and sells rectifier diode, wafer and light-emitting diode.

The Securities and Futures Bureau of Financial Supervisory Commission approved The Company public offering of its capital stock on August 13, 2009. The Company shares have been listed on the Taipei Exchange ("TPEx") Mainboard since June 29, 2012.

In August 2012, Diodes International B.V. (Diodes B.V.) became the parent company of the Company with a shareholding ratio of more than 50%. Diodes Holding B.V. has merged and assumed all the rights and obligations of Diodes B.V. in January 2019, and the relevant operation was completed in August 2019. Diodes Holding B.V. was acquired by Diodes Holdings UK Limited in January 2021 and it assumed all the rights and obligations. Ended of December 31, 2023, Diodes Holdings UK Limited held 51.07% of the Company's shares. The ultimate parent of the Company is Diodes Incorporated (Diodes), and the ultimate parent and its subsidiaries are hereinafter referred to as the Diodes Group, respectively.

The parent company only financial statements are presented in The Company functional currency, the New Taiwan dollar.

2. APPROVAL DATE AND PROCEDURES OF THE FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company board of directors on February 26, 2024.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND INTERPRETATIONS

a. For the first time, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) recognized and issued by the Financial Supervisory Commission (hereinafter referred to as the "FSC") (hereinafter referred to as "IFRSs")
Except for the following instructions, the application of the revised IFRS accounting standards approved and promulgated by the Financial Supervisory Commission will be not cause significant changes in the Group's accounting policies:

(a) Amendment to IAS 1 "Disclosure of Accounting Policies"
When this amendment is applied, the consolidated company determines the significant accounting policy information that should be disclosed based on the definition of material. Accounting policy information is material if it can reasonably be expected to affect the decisions of principal users of general purpose financial statements based on those financial statements. In addition,

- Accounting policy information related to insignificant transactions, other items/events or circumstances is not material and the consolidated company is not required to disclose such information.

- The consolidated company may determine that the relevant accounting policy information is significant due to the nature of the transaction, other items or circumstances, even if the amount is not significant .
- Not all accounting policy information related to significant transactions, other events or circumstances is material.

If accounting policy information relates to significant transactions, other items/events or circumstances, and the following circumstances exist, the information may be material:

(1) The consolidated company changes its accounting policies during the reporting period, and the change results in significant changes in the financial statement information;

(2) The consolidated company selects its applicable accounting policy from the options allowed by the standards;

(3) Due to the lack of specific standards, the consolidated company's accounting policies are established in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";

(4) The consolidated company discloses relevant accounting policies that require the use of significant judgments or assumptions; or

(5) Deal with the complex accounting treatment requirements and users of financial statements rely on such information to understand such significant transactions, other events or circumstances.

Please refer to Note 4 for disclosure of relevant accounting policies.

(b) Amendment to IAS 8 "Definition of Accounting Estimates"

The consolidated company will apply this amendment starting from January 1, 2023, and its express accounting estimates refer to the monetary amounts affected by measurement uncertainty in the financial statements. The consolidated company applies accounting policies, it may be necessary to measure financial statement items in monetary amounts that cannot be directly observed but must be estimated. Therefore, measurement techniques and inputs must be used to develop accounting estimates to achieve this purpose. If the impact of changes in measurement technology or input values on accounting estimates is not the correction of previous errors, these changes are changes in accounting estimates.

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2024

New publish, Revised or Amended Standards and Interpretations	**Effective Date Announced by IASB**
Amendment to IFRS 16 “Lease Liabilities in Sale and Leaseback”	January 1, 2024(Note 2)
Amendments to IAS 1 "Classification of liabilities as current or non-current"	January 1, 2024
Amendments to IAS 1 “Non-current liabilities with contractual terms”	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	January 1, 2024(Note 3)

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

Note 2: The seller as the same lessee shall retroactively apply the amendments to IFRS 16 to any sale and leaseback transactions signed 16 days after the initial application of IFRS.

Note 3: When this amendment is applied for the first time, some disclosure requirements are exempted.

As of the date of issuance of this consolidated financial report, the consolidated company assesses that the amendments to the above standards and interpretations will not have a significant impact on the financial position and financial performance.

c. The IASB has issued IFRS accounting standards but has not yet been approved by the Financial Supervisory Commission and issued as effective.

New publish, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or investment of assets between investors and their affiliates or joint ventures"	To be determined by IASB
IFRS 17 "Contracts of Insurance"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendment to IAS 21 "Lack of Convertibility"	January 1, 2025(Note 2)

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

Note 2: Applicable to annual reporting periods starting after January 1, 2025. When the amendment is first applied, the impact will be recognized in retained earnings on the first application date. When the company uses non-functional currency as the currency of expression, the impact amount will be adjusted to the exchange difference of foreign operating institutions under equity on the first application date.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
3) Level 3 inputs are unobservable inputs for an asset or liability.

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

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

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

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

d. Basis of consolidation

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

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

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

When the change in the consolidated company's ownership interest in the subsidiary did not result in a loss of control, it is treated as an equity transaction. The carrying amounts of the consolidated companies and non-controlling interests have been adjusted to reflect changes in their relative interests in subsidiaries. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and attributed to the owners of the Company.

For details of subsidiaries, shareholding ratios and business items, please refer to Note 11 and Schedules 5 and 6.

e. Business combination

Business mergers are handled by the acquisition method. Acquisition-related costs are included as expenses in the period in which the costs are incurred and the labor services are obtained.

Goodwill is the sum of the fair value of the transfer consideration, the amount of non-controlling interests of the acquire, and the fair value of the acquirer’s previously held equity at the acquisition date, which exceeds the identifiable assets and commitments acquired on the acquisition date net debt measurement.

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

For the measurement of identifiable assets acquired and liabilities assumed due to a business combination has not yet been completed, they will be recognized at a provisional amount on the balance sheet date, and retrospective adjustments or additional assets or liabilities will be recognized during the measurement period to reflect the relevant acquisitions , that could reflected to new information on existing facts and circumstances.

f. Foreign currencies

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

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

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

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

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

g. Inventories

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

h. Property, Plant and Equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

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

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

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

i. Goodwill

The goodwill obtained from a business combination is based on the amount of goodwill recognized on the acquisition date as the cost, and subsequently measured by the cost minus the accumulated impairment loss.
For the purpose of impairment testing, goodwill is accounted to each cash-generating unit or group of cash-generating units (referred to as "cash-generating units") that the amalgamating company expects to benefit from the synergy of the merger.
Amortized goodwill cash-generating unit performs an impairment test on the unit every year (and when there are indications that the unit may have been impaired) by comparing the book value of the unit containing goodwill and its recoverable amount. If the goodwill allocated to the cash-generating unit is obtained from a business combination of the current year, the unit shall be tested for impairment before the end of the current year. If the recoverable amount of the cash-generating unit of amortized goodwill is lower than its book value, the impairment loss is to reduce the book amount of the cash-generating unit's amortized goodwill first, and then reduce the proportion of the book value of the other assets in the unit by each The carrying amount of the asset. Any impairment loss is directly recognized as the current loss. The loss of goodwill impairment shall not be reversed in the subsequent period.
When disposing of a certain operation within the amortized goodwill cash-generating unit, the amount of goodwill related to the dispositioned operation is included in the book value of the operation to determine the disposition of profits and losses.

j. Intangible assets

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

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

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

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

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

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

<u>Financial assets measured at amortized cost.</u>

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

A. It is held under a certain business model, the purpose of which is to hold financial assets to collect contractual cash flows; and

B. The terms of the contract generate cash flows on a specific date, and these cash flows are all interest on the payment of the principal and the amount of principal in circulation.

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

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

A. For purchased or created credit-impaired financial assets, interest income is calculated by multiplying the effective interest rate after credit adjustment by the amortized cost of the financial asset.

B. For financial assets that are not purchased or original credit impairment, but subsequently become credit impairment, it should use the effective interest rate multiplied by the amortized cost of the financial asset to calculate the interest income from the next reporting period after the impairment.

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

b) Impairment of financial assets and contract assets

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

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

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

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

m. Revenue recognition

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

<u>Revenue from the sale of goods</u>

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

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

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

n. Leasing

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

<u>The Company's as lessee</u>

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

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

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

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

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

o. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

p. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes

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

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

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

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

Assumption and major sources of estimation uncertainty:

1) Write-down of inventories

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

2) Income Tax

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

6. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Foreign currency demand deposit	$ 177,727	$ 137,040
Demand deposits	402,356	354,992
Cash on hand	976	1,020
Check deposits	100	13
	$ 581,159	$ 493,065

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

	December 31, 2023	December 31, 2022
Bank balance	0.05%-1.45%	0.01%-1.05%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2023	December 31, 2022
Financial assets-current		
Held for trading		
－ Exchange contract	$ 339	$ -

The consolidated company’s exchange contracts that have not yet expired and have not yet expired on the balance sheet date are as follows (December 31, 2022: None) :

December 31, 2023

Currency	Expiration period	Contract amount (NT$ thousands)
USD : NTD	March ~Nomenber,2024	USD 1,000 / NTD 29,749

In 2023 and 2022, the consolidated company's engagement in financial instruments measured at fair value through profit and loss generated net profits of NT$3,809 thousand and net losses of NT$5,384 thousand respectively.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2023	December 31, 2022
Current		
Unpledged time deposits to bank		
Time deposits with original maturities of more than 3 months	$ 9,211	$ 9,213
Pledged time deposits		
Time deposits with original maturities of more than 3 months	14,416	14,515
Restricted demand deposit	42,191	32,066
	$ 65,818	$ 55,794
Non-current		
Pledged time deposits to bank		
Restricted demand deposit	$ 10,057	$ 10,014

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

	December 31, 2023	December 31, 2022
Time deposits with original maturities of more than 3 months	2.49%-4.80%	1.80%-2.90%
Restricted demand deposit	0.58%-0.60%	0.40%-0.48%

Please refer to Note 26 for information on pledges of financial assets measured at amortized cost.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31, 2023	December 31, 2022
Notes receivable		
Measured at amortized cost		
total book value	$ 953	$ 1,494
Trade receivables		
Measured at amortized cost		
total book value	$ 76,057	$ 95,192
Less: Allowance for loss	(3,532)	(3,920)
Net Accounts Receivable	$ 72,525	$ 91,272
Trade receivables from related parties		
Measured at amortized cost		
total book value	$ 278,311	$ 319,186

The credit period of the consolidate company for commodity sales is about 30 days to 120 days. Since the credit period is short, no interest will be calculated.

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

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

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

December 31, 2023

	Payment Terms 30 Days	Payment Terms 60 Days	Payment Terms of 90 days	Payment Terms of 120 days	Others	Total
Gross carrying amount	$ 19,507	$ 292,359	$ 40,508	$ 1,580	$ 414	$354,368
Loss allowance (Expected credit losses during the duration)	(975)	(1,939)	(202)	(2)	(414)	(3,532)
Amortized cost	$ 18,532	$ 290,420	$ 40,306	$ 1,578	$ -	$350,836

December 31, 2022

	Payment Terms 30 Days	Payment Terms 60 Days	Payment Terms of 90 days	Payment Terms of 120 days	Others	Total
Gross carrying amount	$ 21,693	$ 345,705	$ 44,737	$ 1,423	$ 820	$ 414,378
Loss allowance (Expected credit losses during the duration)	(1,085)	(1,791)	(223)	(1)	(820)	(3,920)
Amortized cost	$ 20,608	$ 343,914	$ 44,514	$ 1,422	$ -	$ 410,458

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

	2023	2022
AT THE BEGINNING OF THE YEAR	$ 3,920	$ 8,026
Add: The impairment loss is listed for the current year	-	638
Less: The impairment losses written off for the period	(368)	(4,757)
Foreign exchange translation gains and losses	(20)	13
AT THE END OF THE YEAR	$ 3,532	$ 3,920

The aging of receivables analysis was as follows:

	December 31, 2023	December 31, 2022
Not past due	$ 352,735	$ 406,942
Less than 60 days overdue	831	3,104
61-90 days overdue	269	-
91-120 days overdue	-	671
More than 120 days overdue	533	3,661
	$ 354,368	$ 414,378

10. INVENTORIES

	December 31, 2023	December 31, 2022
Raw materials	$ 136,380	$ 113,524
Work in progress	76,615	114,591
Finished goods	24,737	80,735
	$ 237,732	$ 308,850

The cost of goods sold in 2023 includes inventory depreciation and slack losses of NT$ 2,000 thousand; the cost of goods sold in 2022 includes the price reduction of the revolving inventory and the sluggish loss of NTD3,500 thousands.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

The main bodies of this consolidated financial statements are as follows:

Investor	Name of Subsidiary	Nature of Activities	Proportion of Ownership (%) December 31, 2023	Proportion of Ownership (%) December 31, 2022
Eris Technology Co. ("Eris")	Keep High Ltd. ("Keep High")	Holding company	100%	100%
Eris Technology Co. ("Eris")	Yea Shin Technology Co., Ltd. ("Yea Shin")	Manufacturing of electronic parts and wholesaling of electronic components	100%	100%
Eris Technology Co. ("Eris")	Erishin Semiconductor Corporation (" Erishin")	Manufacturing of electronic parts and wholesaling of electronic components	100%	-
Keep High	Forever Eagle Incorporation ("Forever")	Holding company	100%	100%
Forever	Jie Cheng Electronic (Shanghai) Co., Ltd. ("Jie Cheng")	Wholesaling of electronic components and international trading business	100%	100%

On April 3, 2008, Eris set up as of Jie Cheng with the investment in Mainland China companies through a company invested and established in a third region approved by the Investment Commission, Ministry of Economic Affairs. Jie Cheng mainly manufacturing of electronic parts and wholesaling of electronic components. December 31, 2023, the capital of Jie Cheng was US$650 thousand.

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

12. PROPERTY, PLANT AND EQUIPMENT

Book amount of each category	December 31, 2023	December 31, 2022
Land	$ 574,129	$ 574,129
Buildings	387,879	399,103
Machinery Equipment	570,608	544,792
Transportation Equipment	2,801	4,049
Leasehold Improvements	38	226
Other Equipment	4,372	5,568
	$ 1,539,827	$ 1,527,867

	2023					
	Balance at January 1, 2023	Additions	Disposal	Reclassifications	Effect of movements in exchange rates	Balance at December 31, 2023
Cost						
Land	$ 574,129	$ -	$ -	$ -	$ -	$ 574,129
Buildings	537,698	12,548	17,905	7,564	-	539,905
Machinery Equipment	1,190,852	32,207	93,056	83,282	-	1,213,285
Transportation Equipment	15,411	-	-	-	(34)	15,377
Leasehold Improvements	4,371	-	4,067	-	-	304
Other Equipment	15,061	301	-	-	31	15,393
Total	2,337,522	$ 45,056	$ 115,028	$ 90,846	($ 3)	2,358,393
Accumulated depreciation						
Buildings	138,595	$ 31,336	$ 17,905	$ -	$ -	152,026
Machinery Equipment	646,060	89,538	92,921	-	-	642,677
Transportation Equipment	11,362	1,246	-	-	(32)	12,576
Leasehold Improvements	4,145	188	4,067	-	-	266
Other Equipment	9,493	1,543	-	-	(15)	11,021
Total	809,655	$ 123,851	$ 114,893	$ -	($ 47)	818,566
Carrying amount at December 31, 2023	$ 1,527,867					$ 1,539,827

	2022					
	Balance at January 1, 2022	Additions	Disposal	Reclassifications	Effect of movements in exchange rates	Balance at December 31, 2022
Cost						
Land	$ 574,129	$ -	$ -	$ -	$ -	$ 574,129
Buildings	524,376	11,553	430	2,199	-	537,698
Machinery Equipment	1,066,519	118,228	111,537	117,642	-	1,190,852
Transportation Equipment	15,385	-	-	-	26	15,411
Leasehold Improvements	11,693	-	7,322	-	-	4,371
Other Equipment	15,932	754	1,667	-	42	15,061
Total	2,208,034	$ 130,535	$ 120,956	$ 119,841	$ 68	2,337,522
Accumulated depreciation						
Buildings	111,505	$ 27,520	$ 430	$ -	$ -	138,595
Machinery Equipment	666,961	88,420	109,321	-	-	646,060
Transportation Equipment	9,792	1,545	-	-	25	11,362
Leasehold Improvements	9,943	1,524	7,322	-	-	4,145
Other Equipment	9,544	1,604	1,667	-	12	9,493
Total	807,745	$ 120,613	$ 118,740	$ -	$ 37	809,655
Carrying amount at December 31, 2022	$ 1,400,289					$ 1,527,867

As there was no sign of impairment in 2023 and 2022, the company did not conduct impairment assessment.

For the below items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Office's main buildings	35-50 years
Building improvement	5-15 years
Machinery equipment	3-15 years
Transportation equipment	5 years
Leasehold Improvements	5 years
Other equipment	5 years

Property, plant and equipment used by the Company and pledged as collateral for bank borrowings are set out in Note 26.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2023	December 31, 2022
Book amount of right-of-use asset	$ 6,309	$ 9,717

	2023	2022
Additions to right-of-use assets	$ 2,762	$ 5,621
Depreciation charge for right-of-use assets		
Buildings	$ 6,161	$ 6,135

b. Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amounts		
Current	$ 3,373	$ 4,474
Non-current	$ 3,012	$ 5,320

Range of discount rate for lease liabilities was as follows:

	December 31, 2023	December 31, 2022
Buildings	1.00%~1.80%	1.00%~1.25%

c. Other lease information

	2023	2022
Total cash outflow for leases	$ 6,336	$ 6,087

14. GOODWILL

	December 31, 2023	December 31, 2022
Cost	$ 24,070	$ 24,070

The company had acquired Yea-shin Technology in July 2018, which generated a related goodwill of NT$24,070 thousand, that was mainly due to the expected future benefits of the subsidiary.

No impairment losses were recognized or reversed in 2023 and 2022.

15. OTHERS INTANGIBLE ASSETS

Cost	Patents	Computer software	Total
Balance at January 1, 2023	$ 617	$ 19,671	$ 20,288
Obtained separately	-	2,811	2,811
Disposals	-	(565)	(565)
Balance at December 31, 2023	$ 617	$ 21,917	$ 22,534
Accumulated amortization and Loss			
Balance at January 1, 2023	$ 559	$ 5,519	$ 6,078
Amortization expenses	58	2,966	3,024
Disposals	-	(565)	(565)
Balance at December 31, 2023	$ 617	$ 7,920	$ 8,537
Carrying amount at December 31, 2023	$ -	$ 13,997	$ 13,997
Cost			
Balance at January 1, 2022	$ 617	$ 18,908	$ 19,525
Obtained separately	-	2,600	2,600
Disposals	-	(1,837)	(1,837)
Balance at December 31, 2022	$ 617	$ 19,671	$ 20,288

Accumulated amortization and Loss	Patents	Computer software	Total
Balance at January 1, 2022	$ 497	$ 4,716	$ 5,213
Amortization expenses	62	2,640	2,702
Disposals	-	(1,837)	(1,837)
Balance at December 31, 2022	$ 559	$ 5,519	$ 6,078
Carrying amount at December 31, 2022	$ 58	$ 14,152	$ 14,210

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Patents	10 years
Computer software	2-15 years

16. BORROWINGS

a. Short-term borrowings

	December 31, 2023	**December 31, 2022**
Secured borrowings		
Bank loans	$ 300,000	$ 400,000
Unsecured borrowings		
Line of credit borrowings	300,000	100,000
	$ 600,000	$ 500,000

The range of weighted average effective interest rates on bank loans was 1.60%~1.85% and 1.73%~2.00% per annum as of December 31, 2023 and 2022, respectively.
Please refer to Note 26 for details of the pledged assets of the secured loan.

b. Long-term borrowings

	December 31, 2023	December 31, 2022
Secured borrowings		
Bank loans (1)	$ 57,800	$ 63,349
Bank loans (2)	-	425,068
Bank loans (3)	40,751	46,572
Bank loans (4)	402,697	-
Bank loans (5)	-	50,000
Bank loans (6)	50,000	-
Bank loans (7)	-	100,000
Unsecured borrowings		
Bank loans (8)	6,673	8,468
Bank loans (9)	100,000	100,000
	657,921	793,457
Less: Current portions	(135,877)	(35,725)
Long-term borrowings	$ 522,044	$ 757,732

1) The bank loan of NT$140,000 thousand was obtained by the Group at the end of June 2018, which are pledged by the land and buildings owned by the Company as collateral, with an interest rate of the loan calculated by the interest rate of time savings deposit plus 0.115% to be repaid in annual installments over 15 years. The maturity date of the loan was June 28, 2033. The effective interest rates were 1.7992% and 1.6078% as of December 31 , 2023 and 2022,respectively.

2) The bank loan of NT$476,000 thousand was obtained by the Group at the end of May 2019, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by TAIBOR 3M plus 0.5% and a grace period of two years to be repaid after the period in one installment of 2% of the principal for every three months and to be repaid in a one-time payment at maturity for the rest of the principal. The maturity date of the loan was May 27, 2024. It had been paid off by the May 2023. The effective interest rates were 1.7093% as of December 31, 2022.

3) The bank loan of NT$49,000 thousand was obtained by the Group on July 1, 2020, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by the floating interest rate of one-month time savings deposit plus 0.08%, which should not be lower than 0.90%, and a grace period of two year to be averagely repaid after the period for the principal and the interests. The maturity date of the loan was June 30, 2030. The effective interest rates were 1.68% and 1.43% as of December 31 2023 and 2022, respectively.

4) The consolidated company obtained a bank loan of NT$419,475 thousand on May 22, 2023. The bank loan was secured by the mortgage of the company's own land and buildings. The loan interest rate is calculated based on the three-month TAIBOR plus 0.5%. The interest is calculated quarterly. Payment, the principal is amortized to a specified amount quarterly, and the remaining principal is

paid off in one lump sum when due. The loan maturity date is May 21, 2028. The effective interest rates were 1.83% as of December 31, 2023.

5) The Group obtained a bank loan of NT$50,000 thousand on September 30, 2022. The bank loan was secured by the mortgage of the consolidate company's own land and buildings. The interest rate of the loan was calculated based on the two-year fixed savings deposit flexible rate plus 0.082%. The principal is repaid once due. The maturity date of the loan is September 30, 2024. It had been pain off by September 30, 2023. The effective annual interest rate on December 31, 2022 was 1.6723%.

6) The bank loan of NT$50,000 thousand was obtained by the Group on September 28, 2023. The bank loan was secured by the Group own land and buildings as a mortgage guarantee. The loan interest rate is based on the two-year fixed deposit mobile interest rate plus 0.082% mobile interest calculation. The principal shall be paid off once upon maturity. The maturity date of the loan is September 28, 2025. The effective annual interest rate on December 31, 2023 was 1.8044%.

7) The Group obtained a bank loan of NT$100,000 thousand at the end of 26 December, 2022 , that bank loan was guaranteed by the Group current deposit, and the amount is 10% of the mobile balance. The loan interest rate is calculated based on month the fixed savings deposit floating interest rate plus 0.08%. The principal will be repaid once due. The maturity date of the loan was December 26, 2024. It had been paid off by December 2023. The effective annual interest rate on December 31, 2022 was 1.43%.

8) The bank loan of NT$11,000 thousand was obtained by the Group on July 1, 2020, with an interest rate of the loan calculated by the floating interest rate of one-month time savings deposit plus 0.08%, which should not be lower than 0.90%, and a grace period of one year to be averagely repaid after the period for the principal and the interests. The maturity date of the loan was June 30, 2027. The effective interest rates were 1.68% and 1.43% as of December 31 2023 and 2022, respectively.

9) The bank loan of NT$100,000 thousand was obtained by the Group on December 30, 2022, which are pledged by the land and buildings owned by the Group as collateral, with an interest rate of the loan calculated by TAIBOR 3M plus 0.5% to be paid monthly for the interests and repaid in a one-time payment at maturity for the principal. The maturity date of the loan was December 30, 2024. The effective annual interest rates were 1.8000% and 1.8587% as of December 31, 2023 and 2022, respectively.

Refer to Note 26 for information relating to borrowings pledged as security.

17. OTHER LIABILITIES

	December 31, 2023	December 31, 2022
Other payables		
Payables for salaries or bonuses	$ 71,509	$ 91,547
Payables for processing fees	14,783	17,760
Payables for equipment fees	3,605	9,986
Others	60,510	78,032
	$ 150,407	$ 197,325

18. EQUITY

a. Share capital

Ordinary shares

	December 31, 2023	December 31, 2022
Number of shares authorized (in thousands)	70,000	70,000
Shares authorized	$ 700,000	$ 700,000
Number of shares issued and fully paid (in thousands)	50,204	44,428
Shares issued	$ 502,039	$ 444,283

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

b. Capital surplus

	December 31, 2023	December 31, 2022
Issuance of ordinary shares	$ 401,662	$ 401,662
Others	849	849
	$ 402,511	$ 402,511

The capital surplus from the premium from issuance of shares over the par value and the portion received as endowments may be used to offset a deficit; in addition, when a company has no deficit, it may also be distributed as cash dividends or transferred to share capital with a limit of transferring to a certain percentage of the paid-in capital every year.

c. Retained earnings and dividends policy

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

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

The appropriations of earnings for 2022 and 2021 approved in the shareholders' meetings on May 16, 2023 and May 16, 2022, respectively, were as follows:

	2022	2021
Legal reserve	$ 45,581	$ 32,709
Special reserve	($ 724)	$ 328
Cash dividends	$ 239,913	$ 222,141
Stock dividends	$ 57,756	$ -
Cash dividends of per share NT$	$ 5.4	$ 5.0
Stock dividends of per share NT$	$ 1.3	$ -

The surplus distribution proposal for 2023 is yet to be proposed by the board of directors, which is expected to be held in April 2024.

19. REVENUE

	2023	2022
Revenue from contracts with customers		
Revenue from the sale of goods	$1,739,368	$2,177,617

a. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Trade receivables and Notes (Note 9)	$ 351,789	$ 411,952	$ 523,247
Contract liabilities (included other current Liabilities)			
Sale of goods	$ 719	$ 264	$ 38

Changes in contract liabilities are mainly attributable to the difference between the time when performance obligations are satisfied and when the customer pays.

Revenue recognized in the current year that was included in the contract liability balance at the beginning of the year and from the performance obligations satisfied in the previous periods is as follows:

	2023	2022
From contract liabilities at the start of the year		
Sale of goods	$ 264	$ 38

20. NET PROFIT

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

1) Depreciation and amortization

	2023	2022
Property, plant and equipment	$ 123,851	$ 120,613
Right-of-use assets	6,161	6,135
Unamortized expenses	10,976	8,494
Intangible assets	3,024	2,702
	$ 144,012	$ 137,944
An analysis of depreciation by function		
Operation cost	$ 65,068	$ 60,135
Operating expenses	64,944	66,613
	$ 130,012	$ 126,748
An analysis of amortization by function		
Operation cost	$ 10,185	$ 7,387
Operating expenses		
Marketing expense	587	519
Management expense	751	637
R&D expense	2,477	2,653
	$ 14,000	$ 11,196

2) Gains or losses on foreign currency exchange

	2023	2022
Foreign exchange gains	$ 35,837	$ 94,578
Foreign exchange losses	(34,285)	(62,471)
Net profit	$ 1,552	$ 32,107

3) Employee benefits expense

	2023	2022
Post-employment benefits		
Defined benefit plans	$ 10,126	$ 10,125
Salaries and bonus	299,376	331,528
	$ 309,502	$ 341,653
An analysis of employee benefits expense by function		
Operating costs	$ 155,834	$ 179,929
Operating expenses	153,668	161,724
	$ 309,502	$ 341,653

4) Employees' compensation

According to the Articles of Association, the company allocates 1% to 5% of the pre-tax profits before deducting and distributing employee remuneration as employee remuneration in the current year. The employee compensation for 2023 and 2022 was as following. The estimated employee compensation for 2023 is yet to be approved by the board of directors. The estimated employee compensation for 2022 was approved by the BOD on February 20, 2023:

Estimated rate

	2023	2022
Employees' compensation	1.68%	2.24%

Amount

	2023	2022
Employees' compensation	$ 5,800	$ 11,000

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

There is no difference between the actual distribution amount of employee compensation for 2022 and 2021 and the amount recognized in the 2022 and 2021 consolidated financial statements.

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

21. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	2023	2022
Current tax		
In respect of the current year	$ 12,270	$ 31,237
Adjustments for prior years	(11,853)	(8,294)
	417	22,943
Deferred income tax		
In respect of the current year	(37,612)	(35,152)
Income tax recognized in profit or loss	($ 37,195)	($ 12,209)

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

	2023	2022
Profit before tax from continuing operations	$ 300,597	$ 443,609
Income tax expense calculated at the statutory rate	$ 116,155	$ 153,578
The equity method recognizes domestic investment interests	(54,474)	(64,007)
Nondeductible expenses in determining taxable income	13	110
Deductible temporary differences and loss deductions not recognized	(87,036)	(93,596)
Adjustments for prior years' tax	(11,853)	(8,294)
Income tax expense recognized in profit or loss	($ 37,195)	($ 12,209)

Subsidiaries Keep High Company and Forever Company are established in the tax-free zone, and only need to pay the annual fee each year, so there are no income tax expenses and deferred income tax assets and liabilities. In addition, in accordance with the "Enterprise Income Tax Law of the People's Republic of China", the applicable tax rate of Shanghai Jie-cheng in 2023 and 2022, that due to the local income tax preferential conditions, the preferential tax rate was 5%, and it did not generate Significant deferred income tax assets and liabilities.

b. Income tax recognized in other comprehensive income

	2023	2022
Deferred tax		
In respect of the current period:		
Translations of foreign operations	$ 245	($ 181)
Income tax recognized in other comprehensive income	$ 245	($ 181)

c. Income tax assessments

	December 31, 2023	December 31, 2022
Current tax liabilities	$ 4,255	$ 29,261

d. Deferred tax assets and liabilities

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

	2023			
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary difference				
Reversals of inventory write-downs	$ 3,979	$ 400	$ -	$ 4,379
Payables for annual leave	1,083	-	-	1,083
Provisions	959	(472)	-	487
Translations of foreign operations	404	-	245	649
Unrealized Foreign exchange loss	536	559	-	1,095
Others	374	(362)	-	12
	7,335	125	245	7,705
Loss carry forwards	158,837	38,547	-	197,384
	$ 166,172	$ 38,672	$ 245	$ 205,089
	$ 3,979	$ 400	$ -	$ 4,379
Deferred tax liabilities				
Temporary difference				
Investments accounted for using the equity method	$ 8,968	$ 1,011	$ -	$ 9,979
Unrealized Foreign exchange income	301	(19)	-	282
Financial assets measured at fair value through profit or loss	-	68	-	68
	$ 9,269	$ 1,060	$ -	$ 10,329

	2022			
	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary difference				
Reversals of inventory write-downs	$ 4,679	($ 700)	$ -	$ 3,979
Payables for annual leave	1,213	(130)	-	1,083
Provisions	1,340	(381)	-	959
Translations of foreign operations	585	-	(181)	404
Unrealized Foreign exchange loss	66	470	-	536
FVTPL financial assets	557	(557)	-	-
Others	231	143	-	374
	8,671	(1,155)	(181)	7,335
Loss carry forwards	121,351	37,486	-	158,837
	$ 130,022	$ 36,331	($ 181)	$ 166,172

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liabilities				
Temporary difference				
Investments accounted for using the equity method	$ 8,090	$ 878	$ -	$ 8,968
Unrealized Foreign exchange income	-	301	-	301
	$ 8,090	$ 1,179	$ -	$ 9,269

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

	December 31, 2023	December 31, 2022
Loss carryforwards		
Expiry in 2026	$ -	$ 3,437
Expiry in 2027	136,511	573,007
Expiry in 2028	263,942	263,942
	$ 400,453	$ 840,386

f. Information about unused loss deduction

As of December 31,2023, the relevant information about loss deduction is as follows:

Un-deduction balance	Last year of deduction
$ 34,640	2025
354,191	2026
650,614	2027
347,927	2028
$1,387,372	

g. Income tax verification situation

The company and its subsidiary Yea-sin Technology's income tax declaration cases for profitable businesses as of 2021 years have been approved by the tax collection agency.

22. EARNINGS PER SHARE

Unit: per share/NTD

	2023	2022
Basic earnings per share	$ 6.73	$ 9.08
Diluted earnings per share	$ 6.72	$ 9.06

When calculating earnings per share, the impact of the free allotment has been retrospectively adjusted, and the base date of the free allotment is set on October 6, 2023.

Due to retrospective adjustments, the changes in basic and diluted earnings per share in 2022 were as follows:

Unit: per share/NTD

	Before retrospective adjustment	After retrospective adjustment
Basic earnings per share	$ 10.26	$ 9.08
Diluted earnings per share	$ 10.24	$ 9.06

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

Net profit for the year

	2023	2022
Net profit used to calculate basic earnings per share	$ 337,792	$ 455,818
Used to calculate net profit per diluted earnings per share	$ 337,792	$ 455,818

Number of shares

Unit: thousand shares

	2023	2022
Weighted average number of common shares used to calculate basic earnings per share	50,204	50,204
Impact of potentially dilutive common shares:		
Employee compensation	28	82
Weighted average number of common shares used to calculate diluted earnings per share	50,232	50,286

If the Company can choose to pay employee compensation in stocks or cash, when calculating diluted earnings per share, it is assumed that the employee compensation will be in the form of stock issuance, and the weighted average number of outstanding shares will be included when the potential ordinary shares have a dilutive effect. Calculate diluted earnings per share. When calculating diluted earnings per share before deciding on the number of shares to distribute employee compensation in the following year, the dilutive effect of these potential ordinary shares will also continue to be considered.

23. CAPITAL RISK MANAGEMENT

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

24. FINANCIAL INSTRUMENTS

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

1. Fair value hierarchy (December 31, 2022: None)

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Derivatives	$ -	$ 339	$ -	$ 339

There are no transfers between Level 1 and Level 2 fair value measurements in 2023 and 2022.

2. Valuation techniques and inputs for Level 2 fair value measurements

Financial instrument categories	Evaluation techniques and input values
Derivatives – Exchange Contracts	Discounted cash flow method: estimate future cash flows based on the observable forward exchange rate at the end of the period and the exchange rate specified in the contract, and discount them separately at a discount rate that reflects the credit risk of each counterparty.

b. Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at amortized cost (Note 1)	$ 1,015,824	$ 974,787
Measured at fair value through profit or loss Held for trading	339	-
Financial liabilities		
Amortized cost (Note 2)	1,477,303	1,545,677

Note 1: The balance includes cash, debt instrument investments, notes receivable, accounts receivable, other receivables (excluding tax refunds receivable) and guarantee deposits and other financial assets measured at amortized cost.

Note 2: The balance includes short-term borrowings, accounts payable, other payables, long-term borrowings and guarantee deposits and other financial liabilities measured at amortized cost.

c. Financial risk management objectives and policies

The main financial instruments of the consolidate company include notes receivable, accounts receivable, other receivables, accounts payable, borrowings and lease liabilities. The financial risk management objective of the consolidate company is to manage market risk, credit risk and liquidity risk related to operating activities. In order to reduce related risks, the management of the merged company is committed to identifying, assessing and avoiding market uncertainties, so as to reduce the potential adverse impact of market changes on the company's financial performance.

1) Market risk

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

a) Exchange rate risk

The (consolidated) company is engaged in foreign currency-denominated sales and purchase transactions, thus causing the (consolidated) company to risk exposure to exchange rate fluctuations. In order to avoid the decrease in the value of foreign currency assets and the fluctuation of future cash flow due to exchange rate changes, the consolidated company analyzes the foreign currency assets and foreign currency liabilities receipts and payments amount, maturity period and other factors, and considers the risk of foreign currency net positions, and then uses foreign currency exchange for profit. Contracts, borrowing foreign currency loans, etc., to avoid relevant exchange rate risks. Internal auditors continue to review compliance with policies and the risk limit. The application of cross-currency swap contracts and forward foreign exchange contracts by the Group is governed by the policies approved by the Board of Directors, and the Group does not enter into transactions of cross-currency swap contracts and forward foreign exchange contracts for speculative purposes.

The carrying amount of monetary assets and monetary liabilities denominated in non-functional currencies of the consolidated company at the balance sheet date (including monetary items denominated in non-functional currencies that have been written off in the consolidated financial statements), please refer to Note 29.

The sensitivity analysis of foreign currency exchange rate risk is mainly based on the calculation of foreign currency monetary items (mainly U.S. dollar items) and derivatives at the end of the financial reporting period. When the functional currency of the merged entity appreciates/depreciates by 1% against the US dollar, the net profit after tax of the company in 2023 will decrease/increase by NTD1,687 thousand; the net profit after tax in 2022 will decrease/increase by NTD888 thousand.

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

b) Interest rate risk

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

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

	December 31, 2023	**December 31, 2022**
Fair value interest rate risk		
-Financial assets	$ 23,627	$ 23,728
-Financial liabilities	6,385	9,794
Cash flow interest rate risk		
-Financial assets	632,331	534,112
-Financial liabilities	1,257,921	1,293,457

The fixed-rate financial assets/liabilities held by the company are measured at amortized cost, so they are not included in the analysis; the floating-rate financial asset/liability analysis method assumes that the amount of assets/liabilities in circulation on the balance sheet date is reported

During the period, they are all in circulation. The company uses an increase/decrease of 0.25% in market interest rates as a reasonable risk assessment for reporting interest rate changes to the management. Under the circumstance that all other variables remain unchanged, if the market interest rate rises/decreases by 0.25%, the company's net profit after tax in 2023 will decrease/increase by NT$1,233 thousand; the net profit after tax in 2022 will decrease/increase by NT$1,506 thousand.

2) Credit risk

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

The credit risk of the consolidated company’s accounts receivable is mainly concentrated in the Diodes Group, the parent company of the consolidated company’s largest customer. As of December 31, 2023 and 2022, the ratio of total accounts receivable from the aforementioned customers was 79% and 77%, respectively. However, since it is an affiliated enterprise transaction, there should be no credit risk.

3) Liquidity risk

The management of the company maintains sufficient cash and bank financing lines to support working capital and reduce liquidity risks.

a) Liquidity and interest risk rate table for non-derivative financial liabilities

The following table details the analysis of the remaining contractual maturity of non-derivative financial liabilities during the agreed repayment period of the company. It is based on the earliest possible repayment date of the company and is compiled based on the undiscounted cash flow of financial liabilities, which includes interest And principal cash flow.

December 31, 2023

	Weighted Average Effective Rate (%)	Payment on Sight or Less than 3 Month	3 Months to 1 Year	1-2 Year(s)	2-5 Years	Over 5 Years
Non-derivative financial liabilities						
Non-interest bearing		$ 301,103	$ -	$ -	$ -	$ -
Lease liabilities	1.12%	1,583	1,832	1,788	1,249	-
Floating-rate instruments	1.79%	463,480	286,165	94,921	415,600	40,062
		$ 766,166	$ 287,997	$ 96,709	$ 416,849	$ 40,062

December 31, 2022

	Weighted Average Effective Rate (%)	Payment on Sight or Less than 3 Month	3 Months to 1 Year	1-2 Year(s)	2-5 Years	Over 5 Years
Non-derivative financial liabilities						
Non-interest bearing		$354,682	$ -	$ -	$ -	$ -
Lease liabilities	1.07%	1,593	2,955	2,350	3,032	-
Floating-rate instruments	1.70%	413,356	136,323	672,194	43,798	53,376
		$769,631	$ 139,278	$ 674,544	$ 46,830	$ 53,376

b) Financing facilities

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

	December 31, 2023	December 31, 2022
Secured bank overdraft facilities:		
-Amount used	$ 1,257,921	$ 1,293,457
-Amount unused	300,000	480,710
	$ 1,557,921	$ 1,774,167

25. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

Related Party	Nature of Relationship
Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg) (“Diodes (TW)”)	Sister company
Diodes Taiwan S.A R.L., Keelung Branch (Luxembourg) (“Diodes (KL)”)	Sister company
Diodes Hong Kong Limited (“Diodes (HK)”)	Sister company
Shanghai Kaihong Electronic Co., Ltd. (“Kaihong Electronics”)	Sister company

b. Sales of goods

Line Item	Related Party Category/Name	2023	2022
Sales	Sister company		
	Diodes (HK)	$ 747,427	$ 840,745
	Diodes (TW)	621,100	832,192
	Kaihong Electronics	5,321	7,062
		$ 1,373,848	$ 1,679,999

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

c. Purchases of goods

Related Party Category/Name	2023	2022
Sister company		
Diodes (HK)	$ 163	$ -
Diodes (TW)	4,491	-
	$ 4,654	$ -

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

d. Receivables from related parties

Line Item	Related Party Category/Name	December 31, 2023	December 31, 2022
Trade receivables from	Sister company		
related parties	Diodes (TW)	$ 78,746	$ 215,735
	Diodes (HK)	199,565	103,451
		$ 278,311	$ 319,186

The outstanding trade receivables from related parties are unsecured. At the end of 2023 and 2022, no allowance for losses was provided for the accounts receivable from related parties.

e. Amounts payable to related parties

Line Item	Related Party Category/Name	December 31, 2023	December 31, 2022
Trade receivables from	Sister company		
related parties	Diodes (TW)	$ 4,526	$ -

f. Compensation of major management personnel

	2023	2022
Short-term employee benefits	$ 21,073	$ 18,971
Post-employment benefits	108	108
	$ 21,181	$ 19,079

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

g. Transactions with other related parties

On July 5, 2023, the company passed a resolution of the board of directors and approved the acquisition of the wafer manufacturing business to be divided by the related party Diodes Taiwan S.A R.L., Keelung Branch (“Diodes (KL)”) in cash by the company or the newly established subsidiary. The two parties also signed a split contract, agreeing that Diodes (KL)would split and transfer the assets and liabilities (subject assets and liabilities) related to its wafer manufacturing business to the company or a newly established subsidiary and continue to operate at the original location after the split.

The calculation of the split consideration is based on the operating value of the underlying assets and liabilities on the base date of split plus the operating premium agreed upon by both parties, and is adjusted based on the underlying assets and liabilities at the time of delivery. The transaction has been approved by the extraordinary shareholders' meeting on August 21, 2023. The company also plans to increase cash capital to complete the aforementioned transaction. Please refer to Note 28 (2) for details of the relevant cash capital increase.

26. PLEDGED ASSETS

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

	December 31, 2023	December 31, 2022	Nature
Bank time deposits (classified as financial assets at amortized cost)	$ 14,416	$ 14,515	endorsements/guarantees and short-term borrowings
Bank demand deposits (classified as financial assets at amortized cost)	52,248	42,080	Short-term and long-term borrowings
Properties and plant	886,377	893,713	Short-term and long-term borrowings
	$ 953,041	$ 950,308	

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Due to the company has demand for replace production line equipment and business expansion that the company has promised to invest/bought properties, land and plant, order machinery and equipment, and system software...etc. The payment amount is listed below:

	December 31, 2023	December 31, 2022
Amount of Contract Commitments	$ 138,577	$ 201,380
Amount Paid (classified as prepayments for equipment)	$ 88,106	$ 132,373

28. SIGNIFICANT POST-PERIOD EVENTS

(1) In order to expand the scale of operations and enter into downstream domestic and foreign trading and import and export sales, the company passed the resolution of the board of directors on December 20, 2023 to purchase other holdings from shareholders of Secos Co., Ltd. for NTD 25 in cash per share. There are common shares issued by Secos Co., Ltd.

The company has acquired 40% of the equity of Secos Co., Ltd. in January 2024 with a cash payment of NTD180,000 thousands. It is judged that it has control over the company, so it was as a subsidiary.

(2) In order to re-invest in subsidiaries and repay bank loans, the company passed the resolution of the board of directors on February 26, 2024, to increase cash capital and issue new shares through public subscription. The number of new shares issued is capped at 5,000 thousand ordinary shares. The total amount of funds expected to be raised is NTD1,000,000 thousands.

29. SIGNIFICANTLY INFLUENCING FOREIGN CURRENCY ASSETS AND LIABILITIES INFORMATION

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

Unit: Foreign currency/NT$ thousands, Except for Exchange Rate

	December 31, 2023			
	Foreign Currency	Exchange rate ($)	Functional Currency	NTD
Financial assets				
Monetary items				
USD	$ 11,997	30.7050 (USD:NTD)	$ 368,368	$ 368,368
USD	2,394	7.0961 (USD:RMB)	16,988	73,508
RMB	1,403	4.3270 (RMB:NTD）	6,071	6,071
Non-monetary items				
Derivatives				
USD	1,000	30.7050 (USD:NTD)	30,705	30.705
Investing accounted for using the equity method				
USD	2,188	30.7050 (USD:NTD)	67,179	67,179
RMB	15,680	0.1409 (RMB:USD）	2,210	67,874
Financial liabilities				
Monetary items				
USD	8,973	30.7050 (USD:NTD)	275,516	275,516

	December 31, 2022			
	Foreign Currency	Exchange rate ($)	Functional Currency	NTD
Financial assets				
Monetary items				
USD	$ 8,376	30.7100 (USD:NTD)	$ 257,227	$ 257,227
USD	1,186	6.9669 (USD:RMB)	8,263	36,422
RMB	1,420	4.4080 (RMB:NTD)	6,259	6,259
Non-monetary items				
Investments accounted for using the equity method				
USD	2,063	30.7100 (USD:NTD)	63,353	63,353
RMB	14,600	0.1435 (RMB:USD)	2,096	64,335
Financial liabilities				
Monetary items				
USD	6,086	30.7100 (USD:NTD)	186,901	186,901
USD	98	6.9669 (USD:RMB)	683	3,010

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

Unit: NT$ Thousands, Except for Exchange Rate

	2023		**2022**	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	30.708 (USD:NTD)	$ 1,742	29.20 (USD:NTD)	$ 33,262
USD	7.032 (USD:RMB)	320	6.669 (USD:RMB)	25
EUR	33.980 (EUR:NTD)	(795)	32.72 (EUR:NTD)	(1,020)
Others		285		(160)
		$ 1,552		$ 32,107

30. SUPPLEMENTARY DISCLOSURES

a. Information on significant transactions：
   1) Financing provided to others：None
   2) Endorsements/guarantees provided：Please refer to Attached Table 1
   3) Marketable securities held (excluding investments in subsidiaries)：None
   4) Marketable securities acquired and disposed of amounting to NT$300 million or 20% of the paid-in capital or more：None
   5) Acquisition of individual real estate at costs of at least NT$300 million, or above of 20% the paid-in capital：None
   6) Disposal of individual real estate at prices of at least NT$300 million, or above of 20% the paid-in capital：None
   7) Purchases or sales with related parties amounting to NT$100 million or 20% of paid-in capital or more：Please refer to Attached Table 2
   8) Receivables from related parties amounting reach NT$100 million or 20% of the paid-in capital：Please refer to Attached Table3

9) Trading in derivative instruments：Please refer to Note 7

10) Other: Business relations and important transactions and amounts between parent and subsidiary companies and between subsidiaries：Please refer to Attached Table 4

b. Intercompany relationships and significant intercompany transactions：Please refer to Attached Table 5

c. Information on investments in Mainland China：

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area：Please refer to Attached Table 6

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses：

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period：Please refer to Attached Table 7

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period：Please refer to Attached Table 7

c) The amount of property transactions and the amount of the resultant gains or losses：None

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes：Please refer to Attached Table 1

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds：None

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services：None

d. Information on major shareholders: names of shareholders with a shareholding ratio of 5% or more as well as number and proportion of shares held：Please refer to Attached Table 8.

31. SEGMENT INFORMATION

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

- Eris Technology and Jie Cheng - mainly manufacturing and selling in diodes.
- Yea Shin - mainly manufacturing and selling in wafers.

a. Segment revenues and operating results

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

	2023			
	ERIS Technology & Jie Cheng	YEA SHIN	Adjustment and Write-off	Total
Revenue from external customers	$ 1,642,338	$ 97,030	$ -	$ 1,739,368
Inter-segment revenue	24,690	793,508	(818,198)	-
Segment revenue	$ 1,667,028	$ 890,538	($ 818,198)	$ 1,739,368
Segment income	$ 342,510	$ 279,072	($ 283,790)	$ 337,792
Segment assets	$ 3,327,619	$ 840,017	($ 1,003,111)	$ 3,164,525
Segment liabilities	$ 1,680,047	$ 162,090	($ 257,336)	$ 1,584,801

	2022			
	ERIS Technology & Jie Cheng	YEA SHIN	Adjustment and Write-off	Total
Revenue from external customers	$ 2,043,873	$ 133,744	$ -	$2,177,617
Inter-segment revenue	30,888	857,631	(888,519)	-
Segment revenue	$ 2,074,761	$ 991,375	($ 888,519)	$2,177,617
Segment income	$ 460,188	$ 323,718	($ 328,088)	$ 455,818
Segment assets	$ 3,291,107	$ 832,155	($ 934,961)	$3,188,301
Segment liabilities	$ 1,743,927	$ 139,878	($ 178,330)	$1,705,475

b. Product category of business revenues

	2023	2022
Diodes & Transistor	$ 1,681,413	$ 2,124,333
Wafer	54,105	46,823
Others	3,850	6,461
	$ 1,739,368	$ 2,177,617

c. Geographical information:

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

	Revenue from external customers		Non-current Assets	
	2023	2022	December 31, 2023	December 31, 2022
Taiwan	$ 828,293	$ 1,099,382	$ 1,663,084	$ 1,709,597
Asia	850,580	990,037	809	960
Europe	33,949	58,087	-	-
North USA	26,546	29,540	-	-
Australia	-	571	-	-
	$ 1,739,368	$ 2,177,617	$ 1,663,893	$ 1,710,557

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

d. Important customers' information:

	2023	2022
A Group	$ 1,373,848	$ 1,672,937
B Customer	47,031	64,950
	$ 1,420,879	$ 1,737,887

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

For the Year end December 31, 2023

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Provided to An Individual Entity (Note 2)	Maximum Endorsement/ Guarantee Balance for the Period	Outstanding Balance of Endorsements/ Guarantees at the End of the Period	Actual Drawing Amount	Amount of Endorsements/ Guarantees Collateralized by Property	Ratio of Cumulative Amount of Endorsements/ Guarantees to the Net Equity Stated in the Latest Financial Statements	Maximum Limit of Endorsement/ Guarantee (Note 2)	Endorsements/ Guarantees Provided by Parent for Subsidiary	Endorsements/ Guarantees Provided by Subsidiary for Parent	Endorsements/ Guarantees Provided for Subsidiary in Mainland China
		Name of Company	Relationship (Note 1)										
0	Eris Technology Corp.	Jie Cheng Electronic (Shanghai) Co., Ltd.	(2)	$ 157,972	$ 30,000	$ 30,000	$ -	$ 9,212	1.90%	$ 473,917	Y	N	Y

Note 1: Relationship between the endorser/guarantor and the endorsee/guarantee is classified into the following seven categories:

(1) A company with which it does business.

(2) A company in which the public company directly and indirectly holds more than 50% of the voting shares.

(3) A company that directly and indirectly holds more than 50% of the voting shares in the public company.

(4) A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.

(5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.

(7) Escrow with joint and several guarantees between companies in the same industry for performance guarantees of pre-construction homes under the Consumer Protection Act.

Note 2: The total amount of the company's external endorsement guarantee and the limit of the single company's endorsement guarantee shall not exceed 30% and 10% of the company's net worth, respectively. The maximum limit of this endorsement guarantee is calculated based on the company's net value on December 31, 2023.

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ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

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

For the Year end December 31, 2023

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

Buyer (Seller)	Counterparty	Relationship	Transaction Details				Details and Reasons for Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	Ratio of Total Purchases (Sales) (%)	Credit Period	Unit Price	Credit Period	Balance	Ratio of Notes/Accounts Receivable (Payable) (%)	
Eris Technology Corporation	Diodes Hong Kong Ltd.	Same as The Group ultimate parent company	Sale	($ 747,427)	46.85%	60 days	None	None	$ 199,565	56.17%	-
Eris Technology Corporation	Diodes Taiwan S.A R.L., Taiwan Branch (Luxembourg)	Same as The Group ultimate parent company	Sale	(621,100)	38.93%	60 days	None	None	78,746	22.17%	-
Eris Technology Corporation	Yea-Shin Technology Corp.	The Company's subsidiary	Purchase	776,278	84.55%	60 days	None	None	(248,317)	95.53%	Note 1

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

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING REACH NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

December 31, 2023

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

Company recording the receivables	Counterparty	Relationship	Balance Receivables from Related Parties	Turnover rate	Overdue Receivables from Related Parties		Amounts of Receivables from Related Parties Received in Subsequent Period (Note 1)	Amount of Loss Allowance
					AMOUNT	Actions Taken		
Eris Technology Corp.	Diodes Hong Kong Limited	Same as the Company's ultimate parent company	$ 199,565	4.93	$ -	—	$ 132,395	-
Yea Shin Technology Co., Ltd.	Eris Technology Corp.	Parent company	248,317	3.76	-	—	160,054	-

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

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

For the Year end December 31, 2023

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

No. (Note 1)	Investee Company	Counterparty	Relationship with Investor (Note 2)	Transactions Details			
				Ledger Account	Amount (Note 4)	Transaction Term	Ratio of Consolidated Total Revenue or Total Assets (Note 3)
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Accounts receivable	$ 30	–	0.00%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Sales revenue	5,283	No significant difference compared with general customers	0.30%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Purchase	21,846	No significant difference compared with general customers	1.25%
0	Eris Technology Corporation	Jiecheng Electronic (Shanghai) Co., Ltd.	1	Other operating expenses	989	No significant difference compared with general customers	0.06%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Accounts receivable	5,896	–	0.19%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Accounts payable	248,317	–	7.85%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Other Accounts receivable	1,104	–	0.03%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Sales revenue	22,881	No significant difference compared with general customers	1.31%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Purchase	776,278	No significant difference compared with general customers	44.54%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Outsourced	14,231	No significant difference compared with general customers	0.82%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Other operating expenses	4,068	No significant difference compared with general customers	0.23%
0	Eris Technology Corporation	Yea Shin Technology Corp.	1	Rent	3,429	No significant difference compared with general customers	0.20%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Other Accounts receivable	766	–	0.02%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Accounts payable	276	–	0.01%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Another income	3,365	No significant difference compared with general customers	0.19%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Sales revenue	2,773	No significant difference compared with general customers	0.16%
1	Yea Shin Technology Corp.	Jiecheng Electronic (Shanghai) Co., Ltd.	3	Purchase	1,809	No significant difference compared with general customers	0.10%

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

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

Note 2: Relationships with the investor are classified into the following three categories to remark the category only:

1. Parent company to subsidiaries.
2. Subsidiaries to the parent company.
3. Subsidiaries to subsidiaries.

Note 3: Regarding the ratio of the transaction amount to consolidated total operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet accounts, and based on the accumulated amount for the interim to consolidated total operating revenues for income statement accounts.

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

TABLE 5

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

RELATED INFORMATION ON NAME OF INVESTEE, LOCATION, AND SO ON

For the Year end December 31, 2023

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

Name of Investor	Name of Investee	Location	Principal Business Activities	Original Investment Amount (Note 1)		Ending Balance			Net Income (Loss) of the Investee for the Period (Note 2 and 6)	Investment Profit (Loss) Recognized for the Period (Note 2 and 6)	Note
				End of the Period	Year-end of the last year	Number of shares (in thousands)	Ratio (%)	Carrying Amount (Note 3)			
Eris Technology Corp.	Keep High Limited	SEYCHELLES	Holding of investments	$ 20,776 (USD 670 thousand)	$ 20,776 (USD 670 thousand)	N/A	100	$ 67,179	$ 4,718 (USD 154 thousand)	$ 5,053 (Note 4)	Subsidiary
	Yea Shin Technology Co., Ltd.	Taiwan	Engaged in manufacturing of electronic components and wholesaling of electronic materials	381,078	381,078	29,342	100	681,746	279,072	272,366 (Note 4)	Subsidiary
	Erishin Semiconductor Corporation	Taiwan	Engaged in manufacturing of electronic components and wholesaling of electronic materials	1,000	-	100	100	1,002	2	-	Subsidiary
Keep High Limited	Forever Eagle Incorporation	MAURITIUS	Holding of investments	20,473 (USD 660 thousand)	20,473 (USD 660 thousand)	N/A	100	67,847 (USD 2,210 thousand)	4,718 (USD 154 thousand)	4,718 (USD 118 thousand)	Sub-subsidiary

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

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

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

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

Note 5: The calculation is based on the financial statements reviewed by the certified accountants of the parent company in Taiwan during the same period.

Note 6: Please refer to Table 6 for related information on investee in Mainland China.

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

For the Year end December 31, 2023

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

Investee in Mainland China	Principal Business Activities	Paid-in Capital (Note 1)	Method of Investments	Accumulated Amount of Investments Remitted Outward from Taiwan at Beginning of Period (Note 1)	Amount of Investments Remitted or Repatriated for the Period		Accumulated Amount of Investments Remitted Outward from Taiwan at End of Period (Note 1)	Income (Loss) of the Investee for the Period	Shareholding Ratio of The Company's Direct or Indirect Investment	Investment Gain (Loss) Recognized for the Period (Note 2, 5 and 6)	Carrying Amount of Investments at End of Period (Note 6)	Accumulated Repatriation of Investment Income at End of Period
					Remitted	Repatriated						
Jie Cheng Electronic (Shanghai) Co., Ltd.	Wholesaling of electronic materials and international trading business	$ 20,170 (USD 650 thousand)	Indirectly investment in Mainland China through companies registered in a third region	$ 20,170 (USD650 thousand)	$ -	$ -	$ 20,170 (USD 650 thousand)	$ 4,718 (RMB 1,080 thousand)	100%	$ 4,718 (RMB 1,080 thousand)	$ 67,847	$ -

Accumulated Amount of Investments in Mainland China Remitted Outward from Taiwan at End of Period (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on the Amount of Investment in Mainland China Stipulated by Investment Commission, MOEA (Note 4)
$20,170 (USD 650 thousand)	$19,958 (USD 650 thousand)	$ 947,834

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

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

Note 3: Translation was based on the period-end exchange rate at December 31, 2023

Note 4: The information was calculated as 60% of the Company’s net worth at December 31, 2023

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

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

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

ANY OF THE FOLLOWING SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OF LOSSES, AND OTHERS RELATED INFORMATION

For the Year end December 31, 2023

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

Counterparty	Transaction Details			Transaction Details		Notes/Accounts Receivable (Payable)		
	Purchases (Sales)	AMOUNT	Ratio of Total Purchases (Sales) (%)	Unit price	Credit Period	Balance	Ratio of Notes/Accounts Receivable (Payable) (%)	Note
Jiecheng Electronic (Shanghai) Co., Ltd.	Sales	($ 8,056)	0.46%	None	None	$ 30	0.01%	Note 1
Jiecheng Electronic (Shanghai) Co., Ltd.	Purchases	23,655	1.36%	None	None	(276)	0.18%	Note 1
Jiecheng Electronic (Shanghai) Co., Ltd.	Other income	(3,365)	-	None	None	766	7.96%	Note 1

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

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

ERIS TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON MAJOR SHAREHOLDERS

For the Year end December 31, 2023

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

Name of Major Shareholders	Shares	
	Number of Shares Held	Shareholding Ratio
Yuanta Commercial Bank is entrusted with the custody of Diodes Holdings UK Limited Investment Account.	25,636,992	51.07%

Note 1: Information on major shareholders in this table is the information on shareholders holding more than 5% of the common stocks and preferred stocks that are completed the non-physical registration and delivered (including treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. Share capital indicated in the Company's consolidated financial statements may differ from the actual number of shares that have been completed the non-physical registration and delivered as a result of the different basis of preparation.

Note 2: In the above table, if the shareholder entrusts his/her shares to the trust, disclosure shall be made by the individual account of the trustee who opened the trust account of the grantor. As for the shareholders' declarations for insider equity holdings exceeding 10% in accordance with the Securities and Exchange Act, their shareholding includes their own shares plus their delivery of trust and shares with the right to make decisions on trust property, etc. For information on the declaration for insider equity, please refer to the Market Observatory Post System (website: http://mops.twse.com.tw).