



Stock Code : 3675

ERIS Technology Corporation

2024 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 April 25, 2025

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Deputy Spokesperson: Stella Wu / Director of the Administrative center
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II. Headquarters, Branches and PlantHeadquarters

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III. Common Share Transfer Agent and Registrar:

Name of Agent: KGI Securities Corporation
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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,
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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,

Looking back at 2024, the global political and economic landscape continued the unsettling atmosphere of the previous year, ending another turbulent period amidst ongoing turmoil. There is still no sign of a ceasefire in the Russia-Ukraine war, uncertainty lingers over a truce agreement in Gaza, and unresolved political developments such as the potential return of Trump-era tariff policies contribute to the instability. In response to these changes, global geopolitical tensions have only intensified, leading to the classification of the semiconductor industry as a strategic resource. For companies, the only viable path forward is to strengthen their operational capabilities—improving product quality, reducing manufacturing costs, managing supply chain risks, optimizing talent, and enhancing financial management. Only by solidifying their production capabilities can they hope to gain recognition and competitiveness in the market.

The year 2024 was an especially challenging one for Eris Tech. Corporation (hereinafter referred to as "ERIS" or "the Company"). Faced with limited resources, the Company had to approach various uncertainties with great caution and diligence in order to withstand the severe tests of the market. As a result, every decision had to be made with precision and prudence, accelerating at key moments to keep pace with the rapidly changing new era. In 2024, the Company successfully achieved three key milestones. First, on January 2, ERIS acquired a 40% stake in SeCos Corporation followed by its subsidiary, YeaShin Technology (hereinafter referred to as "YeaShin"), acquiring the remaining 60% stake on September 4, making SeCos a wholly owned subsidiary. Second, on June 3, the Company completed a capital increase of NT\$1,120.05 million in cash. Lastly, on the same day, YeaShin finalized the acquisition of wafer manufacturing business assets through a transaction with the Diodes Keelung Branch, officially completing the related contract. Following the vertical integration of upstream and downstream operations, ERIS Technology now has a fully equipped wafer fabrication facility upstream. This includes 6-inch wafers and certain high-end wafer products, which not only expand YeaShin's business scope but have also been certified and adopted by leading global manufacturers. These wafers serve as critical components in automotive electronics and AI server computing systems. At the same time, with the acquisition of SeCos's operational rights, the Company is now able to directly leverage SeCos's business network to penetrate the domestic electronics industry ecosystem, expand into the thermal component customer base, and access major ODM clients in the field of high-performance AI computing servers.

The following is a report on the Company's 2024 business performance, a summary of the 2025 business plan, and an outline of the Company's future development strategy:

1. 2024 Financial Performance

The Company successfully achieved the operational objectives set at the beginning of the year, which included: (1) completing the integration of old and new production capacities, focusing on full automation to effectively reduce manpower requirements; (2) installation, verification, and pilot production of the next-generation product line (referred to as “Small Signal”), which has entered mass production this year;

(3) realizing the benefits of wafer fab integration; and (4) incorporating SeCos into the product sales network. These four key areas have positioned ERIS to officially enter the field as a high-end IDM (Integrated Device Manufacturer) for discrete component solutions.

According to Note 32 of the financial statement disclosures regarding business combinations under common control:

The Company's full-year (before restatement) consolidated revenue was NT\$2,656,509 thousand, with gross profit of NT\$1,045,948 thousand. The gross margin increased by 1.83% compared to the same period last year, rising from 37.54% to 39.37%. Operating profit was NT\$444,994 thousand, and net profit after tax was NT\$460,327 thousand (net margin of 17.33%).

According to the certified public CPA's report, “To expand its operational scale, the Company, in June 2024, acquired the wafer business of the Keelung Branch of its affiliate, Diodes International Co., Ltd. (a Luxembourg company), for a cash consideration of NT\$723,820 thousand. The transaction consideration was determined based on the business value of the assets and liabilities on the effective date of the spin-off, plus a mutually agreed business premium. As this is a business combination under common control, it is accounted for retrospectively as if the entities had always been combined. However, since the financial information of the acquired business was integrated with other operations and no separate books were maintained prior to May 1, 2023, it is not practically feasible to reasonably allocate historical financial information. Therefore, the comparative financial statements have been restated retrospectively starting from May 1, 2023.”

(Restated figures) The full-year consolidated financial results for 2024 are as follows: Consolidated revenue: NT\$2,925,654 thousand; Gross profit: NT\$995,818 thousand; Operating profit: NT\$319,181 thousand; Profit before tax: NT\$353,162 thousand; Net profit for the period: NT\$338,742 thousand; Net profit attributable to owners of the parent: NT\$440,292 thousand; Net loss attributable to former interest under common control: NT\$(121,585) thousand; Net profit attributable to non-controlling interests: NT\$20,035 thousand. Earnings per share (EPS), calculated based on the weighted average number of

shares outstanding, was NT\$8.34 for the year. (All figures were verified by the CPA auditor for the current reporting period.)

2. Financial income / expenditure and profitability analysis

Items		2024		2023	
		Before Restated	After Restated	Before Restated	After Restated
Financial structure	Debt-to-asset ratio (%)	42.15	41.50	50.08	43.64
	Long-term capital to fixed assets ratio (%)	179.39	178.47	137.36	135.97
Profitability	Return on assets (%)	11.68	8.07	11.18	2.20
	Return on shareholders' equity (%)	20.39	13.15	22.06	3.24
	Occupancy capital ratio (%)	Operating Income	81.33	58.35	62.05
		Pre-Tax income	86.80	64.56	59.88
	Net income rate (%)	17.33	11.58	19.42	2.96
	Earnings per share (NTD)	8.34	8.34	6.73	6.73

Notes: The above analysis is based on the disclosure in Note 32 of the financial statements regarding the business combination under common control.

3. Research and Development Status

In 2024 and 2023, ERIS's R&D expenses amounted to NT\$236,357 thousand and NT\$138,436 thousand, respectively, accounting for 8.08% and 6.84% of annual revenue. The 2024 R&D spending was primarily allocated to the development of automated packaging processes, optimization of the integration of new and existing production capacities, installation of next-generation product line equipment, new product development, and the cultivation of R&D talent. Looking ahead, the Company will continue to focus on optimizing manufacturing processes, developing new products, and gradually enhancing automated production capabilities to maximize capacity utilization.

Year Items	2024	2023 (After Restated)
Research Expense (thousand)	236,357	138,436
Net Revenues (thousand)	2,925,654	2,024,800
Percentage of R&D expenses relative to net revenue	8.08%	6.84%

4. Corporate Governance and Sustainability

ERIS continue to publish the fourth edition of the Sustainability Report. For detailed implementation and disclosures, please refer to the Market Observation Post System (MOPS). Sustainability remains a core operational principle at ERIS, reflecting the Company's commitment to innovation, social responsibility, and environmental symbiosis—values that have defined the Company since its founding.

Since its establishment, ERIS has not only focused on the growth of its core business but has also actively maintained positive engagement with various stakeholders. Through ongoing participation in social welfare initiatives and the development of an environmentally friendly supply chain, the Company fulfills its corporate social responsibility and pursues long-term sustainable development.

In line with its framework for shared social prosperity under sustainability, ERIS has outlined four key focus areas for 2024: Educational Support, Assistance for the Underprivileged, Community Care, and Environmental Protection.

- (1) Shared Social Prosperity also includes providing a supportive and caring workplace environment for employees. In 2024, the Company organized domestic and overseas employee trips, arranged health check-ups, offered on-site flu vaccinations, and continued to provide various benefits such as childcare subsidies and scholarship support for employees' children.
- (2) This year, the company responded to the public welfare fundraising campaign of the Used Shoes Rescue Project initiated by the "Used Shoes Rescue International Christian Care Association". Company colleagues collected about 15 bags of unused clothes, shoes and bags from their homes (including clothes, shoes and bags) and sent them to Africa through the association, sharing the joy of having clothes to wear, shoes to wear and bags to carry with local residents. We also hope that Taiwan's love can be transformed into blessings to help a group of forgotten children in Africa to have shoes to wear, to avoid suffering in life, and to no longer be separated from their dreams by tiny sand fleas eroding their feet. (Sand fleas are a disease common to all children in Africa who do not have shoes, and have been fatal to some children).
- (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 15 years. Thanks to the enthusiastic participation of the company's colleagues.
- (4) For three consecutive years, the Company has donated a total of NT\$3.5 million to the Health Screening Center of Tamsui Mackay Memorial Hospital. These contributions have supported the enhancement of community care equipment, the promotion of dementia-friendly initiatives, and the extension of healthcare services to underserved rural areas—continuing the Company's commitment to safeguarding the health of local residents.

- (5) The Company sponsored the "Sharing Love Golf Tournament" organized by National Taiwan University of Science and Technology, providing scholarships for outstanding underprivileged Indigenous students.
- (6) Environmental Protection (Internal Initiatives), After the replacement of the Company's central chiller system (500RT), the new system achieved a 37% reduction in electricity consumption compared to the same period last year, resulting in annual electricity cost savings of approximately NT\$3,403,512. At the same time, the Company also continued to optimize the operation of its variable-frequency air compressors, achieving an 18% energy savings rate and reducing annual electricity costs by about NT\$468,954. Looking ahead, we remain committed to advancing green manufacturing by continuously improving equipment efficiency and fulfilling our responsibility to protect the environment.

As we coexist within the same environment, ERIS embraces the spirit of "If we are hungry, others are hungry too," giving back to society, building a friendly and sustainable supply chain, and fulfilling our corporate social responsibility. We aspire for the Company to make a meaningful contribution to the protection of the Earth.

5. 2025 Business outlook

ERIS is positioning itself for 2025, guided by two key principles in the semiconductor industry: "winning with speed, and being cautious and pragmatic." Over the past three years, the Company has successfully integrated new and existing production capacities, focusing on full automation to effectively reduce manpower, and has completed the integration of its wafer fab (with ongoing new product development). Additionally, with the inclusion of SeCos, the Company has extended its product sales and brand presence into various electronics industry sectors. While 2025 faces external political challenges, ERIS will continue to enhance its operational capabilities. By improving product quality, manufacturing costs, supply chain risk management, talent optimization, and financial management, the Company aims to strengthen its operations, solidify its production capabilities, and position itself to gain market recognition.

6. Our Vision

ERIS Technology has officially entered its 30th year since its founding, consistently upholding the belief: "Focus on the core business, and pursue sustainable operations." The Company firmly believes that this management philosophy is the foundation for long-term success. ERIS continues to accelerate its global expansion, strengthen its product portfolio, enhance key technologies, build quality service systems, and refine its market positioning strategies. These efforts aim to maintain the Company's competitive advantage and embrace a new future.

In terms of corporate sustainability, guided by the principle "Take from society, give back to society," ERIS will continue its commitment to sustainability across four key areas: corporate governance, environmental protection, social prosperity, and innovation breakthroughs. The Company is driving its digital vision forward, "Using technological innovation to improve quality of life and the environment," through active collaboration

between internal technical resources and external partners. ERIS is dedicated to pursuing sustainable business growth and profitability, preparing itself for the beginning of its fourth decade of success.

We would like to express our sincere gratitude to all shareholders for their long-standing support and encouragement. The management team and all employees of the Company will continue to work hard to create the greatest value for the Company and its 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:
President & CEO:
Chief Financial Officer:

Jonathan Chang
Jonathan Chang
Doris Hsu

II. Corporate Governance Report

2.1 Directors, Supervisors and Management Team

1. Information on the Company's BOD members

As of March 30, 2025

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%	1,455,283	2.66%	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%	27,925,357	51.05%	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 March 30, 2025

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

Major shareholders of the Company's major institutional shareholders

As of March 30, 2025

Name of Institutional Shareholders	Major Shareholders
Diodes Incorporated	BlackRock Inc (15.6%) 、 FMR LLC (12.5%) 、 The Vanguard Group(12.2%)

Professional qualifications and independence analysis of directors and supervisors

Name \ Criteria	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

2. Management Team

As of March 30, 2025

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 (Notes)	R.O.C.	Holmes Wu	2021.07.26	NA	NA	NA	NA	NA	NA	BS in Law of Cultural University	NA	NA	NA	NA

Notes: Mr. Wu, the internal auditor of our company, resigned on 2025.02.25

3. Remuneration of Directors, Supervisors, President, and Vice President

Remuneration of Directors

As of December 31, 2024

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			
Chairman	Jonathan Chang																						
Director	DIODES HOLDINGS UK. Representative Gary Yu Maxine Lai Patricia Hwang	0	0	0	0	0	0	220	220	220 0.05%	220 0.05%	8,240	8,240	0	0	420	0	0	0	8,880 2.02%	8,880 2.02%	0	
Independent Director	Jackie Ding Kun Shan Lin Ed Tang	2,160	2,160	0	0	0	0	400	400	2,560 0.58%	2,560 0.58%	0	0	0	0	0	0	0	0	2,560 0.58%	2,560 0.58%	0	

Remuneration of the President and Vice President

Unit: NT\$ thousands / As of December 31, 2024

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	10,924	0	0	6,136	6,136	817	0	927	0	16757 3.81%	18,167 4.13%	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	Wenyi Huang
NT\$5,000,001 ~ NT\$10,000,000	Jonathan Chang	Jonathan Chang 、Calvin Chu
Over NT\$10,000,000	0	0
Total	3	3

Managers and employee bonuses

Unit: NT\$ thousands / As of December 31, 2024

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				

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 (%)							
	2023				2024			
	Parent Company only	%	All of companies in financial statements	%	Parent Company only	%	All of companies in financial statements	%
Board of Directors	3,060	0.91	3,060	0.91	2,780	0.63	2,780	0.63
presidents and vice president	17,535	5.19	18,913	5.60	16,757	3.81	18,169	4.13

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.

2.2 Implementation of Corporate Governance

1. Board of Directors

The number of board meetings in the most recent year (2024) and 2025 as of the printing date of this annual report is 8 [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	8	0	100	
Director	Representative of DIODES HOLDINGS UK: Gary Yu	8	0	100	
Director	Representative of DIODES HOLDINGS UK: Maxine Lai	8	0	100	
Director	Representative of DIODES HOLDINGS UK: Patricia Hwang	8	0	100	
Independent director	Jackie Ding	8	0	100	
Independent director	Kun Shan Lin	8	0	100	
Independent director	ED Tang	8	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	2024/01/01- 2024/12/31	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.

2. Audit Committee (or Attendance of Supervisors at Board Meetings)

A. Audit Committee

A total of 3 (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

The number of Audit Committee in the most recent year (2024) and 2025 as of the printing date of this annual report is 7 [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	7	0	100	
Independent director/ Committee Members	Kun Shan Lin	7	0	100	
Independent director/ Committee Members	ED Tang	7	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. 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' with reference to the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies,' which was approved by the Board of Directors on April 19, 2023. This is to effectively implement the spirit of corporate governance, maximize shareholders' interests, and ensure sustainable business operations. For details regarding the Company's corporate governance practices, please refer to the 'Corporate Governance Report' section of this annual report. The actual implementation does not differ significantly from the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.’”	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	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	
			period). trades the company’s stocks or other equity securities it holds.	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p> <p>(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p> <p>(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?</p> <p>(4) Does the company regularly evaluate the independence of CPAs?</p>	✓		<p>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.</p> <p>The company has established a salary and remuneration committee and an audit committee to 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.</p> <p>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.</p> <p>The company has completed the performance evaluation results of board operations and self-evaluation of board members from January 1, 2024 to December 31, 2024, 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 25, 2025, and will be uploaded to the Public Information Observation Station before March 30, 2025.</p> <p>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</p>	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																									
			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 the company.</td><td>conform to</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,</td><td>conform to</td></tr></table>		Evaluation Items	Evaluation result	Whether the appointed accountant has no direct or indirect significant financial interest in the company.	conform to	Whether the appointed accountant has any inappropriate interest in the company.	conform to	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.)	conform to	Whether there is no appointed accountant to use the account in his own name for others.	conform to	Whether the appointed accountants and audit service team members do not hold shares in the company.	conform to	Whether there is no money loan between the appointed accountant and the company.	conform to	Whether there is no joint investment or interest-sharing relationship between the appointed accountant and the company.	conform to	Whether the appointed accountant does not concurrently perform regular work of the company, receive a fixed salary or serve as a director.	conform to	Whether the appointment of accountants does not involve the company's decision-making management functions.	conform to	Whether the appointed accountant does not receive any commission related to the business.	conform to	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,	conform to
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Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<div>or any collateral blood relationship.</div> <div>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?</div> <div>conform to</div>	
4. Has the TWSE/TPEX listed company been equipped with competent and appropriate 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)?	✓		<p>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 authority. The main responsibilities of the corporate governance manager include the following:</p> <p>(1) Handle matters related to board of directors and shareholders' meetings in accordance with the law.</p> <p>(2) Prepare minutes of board of directors and shareholders meetings.</p> <p>(3) Assist directors in taking office and continuing their education.</p> <p>(4) Provide the directors with the information they need to carry out their business.</p> <p>(5) Assist directors to comply with laws.</p> <p>(6) Other matters stipulated in the company's articles of association or contract, etc.</p> <p>The company's corporate governance-related business execution status in 2023 is as follows:</p> <p>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 2024, 5 meetings of the board of directors, 5 meetings of the audit committee, and 3 meetings of the salary and remuneration committee were completed.</p> <p>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.</p> <p>3. Arrange a 6-hour course for all directors, company managers and other insiders, with the themes of "The Technological Development and Applications of the Chatbot ChatGPT" and "Practical Sharing on M&A Cases."</p> <p>4. Arrange for independent directors to communicate with the internal auditor and CPA at quarterly audit committee meetings.</p> <p>5. Handle the performance evaluation of the board of directors in 2024, and upload the</p>	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			performance evaluation results to the public information observatory before March 30, 2025. The board of directors report on February 25, 2025.	
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 and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The company follows the Global Sustainability Reporting Standards (GRI Standards) and the reference stakeholder engagement standards (AA1000 Stakeholder 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 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.	None
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	✓		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	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	
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?			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.	
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.)?	✓		<p>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.</p> <p>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.</p> <p>3. Situation of Directors' Further Education: On October 28, 2024, the Company arranged a 6-hour training session for all directors, the general manager, the corporate governance officer, and other internal managers. The topics covered were “Technological Development and Applications of the Chatbot ChatGPT” and “Practical Sharing on M&A Cases.”</p> <p>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.</p> <p>5. Implementation of consumer or customer protection policy: Implement quality policy in accordance with ISO standards.</p>	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	
			<p>6. The Company’s Purchase of Liability Insurance for Directors and Supervisors and Its Social Responsibility: The Company’s directors uphold the principle of integrity in management and have not been involved in any litigation or illegal activities. Liability insurance has been purchased for directors and independent directors (For the year 2025, the insured amount is USD 5 million. A summary of the key terms of the insurance policy was reported to the Board of Directors on February 25, 2025).</p> <p>7. Code of Conduct for Directors and Managers, Code of Conduct for Employees (please refer to Chinese version of pages 41-43)</p> <p>8. Supplier relationship: In order to maintain the company's long-term advantages in new technology research 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 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.</p> <p>9. 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.</p>	
<p>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.</p> <p>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</p>				

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons																												
	Yes	No	Abstract Illustration																													
<p>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.</p> <p>The performance evaluation of functional committees will continue in 2024, and the board of directors report on February 25, 2025 has been submitted. It is planned to upload the results of this performance evaluation before March 30, 2025 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.</p> <p>The company has issued the Fourth edition before October 30, 2024; 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</p> <p>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.</p> <p>The reporting cycle is once a year.</p> <p>10. Other important information on the operation of corporate governance:</p> <p>(1) The company purchases liability insurance for directors and managers</p> <p>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.</p> <p>(2) Directors’ and supervisors’ training records:</p> <table><tr><th rowspan="2">Title</th><th rowspan="2">Name</th><th rowspan="2">Training hours</th><th colspan="2">Study period</th><th rowspan="2">Sponsoring Organization</th><th rowspan="2">Course</th></tr><tr><th>From</th><th>To</th></tr><tr><td rowspan="4">Directors</td><td>Jonathan Chang</td><td rowspan="4">6H</td><td rowspan="4">2024/10/28</td><td rowspan="4">2024/10/28</td><td rowspan="4">(Taiwan) Corporate Governance Association</td><td rowspan="4">Technological Development and Applications of the Chatbot ChatGPT.</td></tr><tr><td>Gary Yu</td></tr><tr><td>Maxine Lai</td></tr><tr><td>Patricia Hwang</td></tr><tr><td rowspan="3">Independent directors</td><td>Jackie Ding</td><td rowspan="3">6H</td><td rowspan="3">2024/10/28</td><td rowspan="3">2024/10/28</td><td rowspan="3">(Taiwan) Corporate Governance Association</td><td rowspan="3">Practical Sharing on M&A Cases.</td></tr><tr><td>Kun Shan Lin</td></tr><tr><td>Ed Tang</td></tr></table>					Title	Name	Training hours	Study period		Sponsoring Organization	Course	From	To	Directors	Jonathan Chang	6H	2024/10/28	2024/10/28	(Taiwan) Corporate Governance Association	Technological Development and Applications of the Chatbot ChatGPT.	Gary Yu	Maxine Lai	Patricia Hwang	Independent directors	Jackie Ding	6H	2024/10/28	2024/10/28	(Taiwan) Corporate Governance Association	Practical Sharing on M&A Cases.	Kun Shan Lin	Ed Tang
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	Kun Shan Lin																															
	Ed Tang																															
<ul style="list-style-type: none">Operation of risk management <p>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</p>																																

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

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			Independence Criteria (Note)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks
		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	1	2	3	4	5	6	7	8	9	10		
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).

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 4 (A) Remuneration Committee meetings were held in the previous period. The Salary and Remuneration Committee will meet 4 times in the most recent year (2024) and 2025 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	4	0	100	
Committee Member	Jackie Ding	4	0	100	
Committee Member	Ed Tang	4	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 2024 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
2024/02/01	"2023 Annual Managers' Year-end Bonus Payment Proposal" and "2024 Annual Managers' Compensation Payment Standards"	Approved	Approved by the BOD
2024/02/26	Establishment of the 2024 Guidelines for Employee Subscription of Shares through Cash Capital Increase	Approved	Approved by the BOD
2024/07/26	The case of managers who manager case of issued 2023 employee compensation	Approved	Approved by the BOD
2025/01/13	"2024 Annual Managers' Year-end Bonus Payment Proposal"	Approved	Approved by the BOD

5. Implementation of sustainable development/Guidelines and Regulations

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

6. Other Important Information Regarding Corporate Governance: None.

7. Internal Control Systems

Please refer to page 72 of the Chinese annual report.

8. Major Resolutions of Shareholders' Meeting and Board Meetings

Please refer to page 44 of the Chinese annual report.

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

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

2.4 Replacement of CPA

A. Regarding the former CPA

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

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

C. 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 2024.

2.5 Changes in Shareholding of Directors, Supervisors, Managers and Major

Shareholders: NONE

1. Shares Trading with Related Parties: None
2. Shares Pledge with Related Parties: None

2.6 Relationship among the Top Ten Shareholders

Please refer to Chinese version on pages 48.

As of 03/30/2025

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	27,925,357	51.05%	None	None	None	None	None	None	None
Jonathan Chang	1,455,283	2.66%	None	None	None	None	None	None	None
Taiwan Life insurance	945,145	1.73%	None	None	None	None	None	None	None
Allianz Taiwan Intelligence Trends Fund	921,150	1.68%	None	None	None	None	None	None	None
Allianz Taiwan Fund	702,259	1.28%	None	None	None	None	None	None	None
J.P.Morgan Securities plc	525,560	0.96%	None	None	None	None	None	None	None
UBS Europe SE	266,037	0.49%	None	None	None	None	None	None	None
Labor Insurance Fund	255,000	0.47%	None	None	None	None	None	None	None
Sheng Ge Investment Co., Ltd.	245,046	0.45%	None	None	None	None	None	None	None
Barclays Capital Securities Limited--Barclays Capital Securities Limited SBL/PB	231,412	0.42%	None	None	None	None	None	None	None

2.7 Ownership of Shares in Affiliated Enterprises

As of 03/30/2025 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.	49,342,218	96.1%	-	-	49,342,218	96.1%
Erishin Semiconductor Corporation	100,000	100%	-	-	100,000	100%
Secos Corporation	7,200,000	40%	10,800,000	60%	18,000,000	100%

III. Capital Overview

3.1 Capital and Shares

1. Source of Capital

A. Type of Stock

As of 03/30/2025

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Share	54,703,923	15,296,077	70,000,000	Listed on TPEx

Issued Shares

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	—	
2024.06	248.9	70,000	700,000	54,704	547,039	Cash Capital Increase 4500,000	—	

B. Information Related to the Consolidated Reporting System : None

2. List of Major Shareholders

As of 03/30/2025

Shareholder's Name	Shareholding	
	Shares	Percentage %
Diodes Holdings UK	27,925,357	51.05%
Jonathan Chang	1,455,283	2.66%
Taiwan Life insurance	945,145	1.73%
Allianz Taiwan Intelligence Trends Fund	921,150	1.68%
Allianz Taiwan Fund	702,259	1.28%
J.P.Morgan Securities plc	525,560	0.96%
UBS Europe SE	266,037	0.49%
Labor Insurance Fund	255,000	0.47%
Sheng Ge Investment Co., Ltd.	245,046	0.45%
Barclays Capital Securities Limited--Barclays Capital Securities Limited SBL/PB	231,412	0.42%

3. 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:

Explanation: The Company operates in the capital- and technology-intensive semiconductor industry and is currently in a growth phase. To align with the Company's long-term capital planning and ensure sustainable operations and stable growth, the dividend policy adopts a residual dividend policy. The Company distributes cash dividends annually, amounting to no less than 10% of the total of cash dividends and stock dividends combined.(Please refer to page 50 of the Chinese annual report.)

B. Proposed Distribution of Dividend

The 2024 surplus distribution plan was approved by the board of directors on February 25, 2025. It is proposed to distribute a cash dividend of NT\$5.0 per share. The dividend payout ratio is 60%.

Years.	2023	2024
Cash Dividends (NT\$)	5.00	5.0
EPS (NT\$)	6.73	8.34
dividend payout ratio %	74.29%	60.00%

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

4. 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 2024
Approved in Board of Directors Meeting:

(1) Recommended Distribution of Employee Bonus: (NT\$ thousands)

Employee Bonus – in Cash	\$8,000
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3.2 Corporate Bonds: None

3.3 Global Depository Receipts: None

3.4 Employee Stock Options: None

3.5 Financing Plans and Implementation:

The Company's cash capital increase for the year 2024 has been successfully completed, and the use of funds is consistent with the fundraising plan.

IV. Operational Highlights

4.1 Business Activities

Please refer to page 52 of the Chinese annual report.

4.2 The revenue proportion of the Company's main business operations

Unit: NT\$ thousands

Major Products \ Year	2023 (After Restated)		2024	
	Amount	%	Amount	%
Diodes	1,681,413	83.04	2,137,857	73.08
wafer	339,537	16.77	721,586	24.66
other	3,850	0.19	66,211	2.26
Total	2,024,800	100.00	2,925,654	100.00

4.3 Human Resources

Year		2022	2023	3/31/2024
Number of Employees	Manager	33	61	61
	Sales & Marketing	197	273	255
	Operator	157	205	180
	Total	387	539	496
Average Age		36.21	35.88	38.44
Average Years of Service		4.69	5.17	4.06
Education distribution %	Ph.D.	0	0.4	0.4
	Masters	5.7	4.8	5.0
	Bachelor's Degree	54.2	61.2	62.7
	Senior High School	37.1	30.6	29.0
	Below Senior High School	3.0	3.0	2.9

4.4 Environmental Protection Expenditure

Please refer to page 60 of the Chinese annual report.

4.5 Labor Relations

Please refer to page 60-61 of the Chinese annual report.

4.6 IT Security Control

Please refer to page 61-63 of the Chinese annual report.

4.7 Important Contracts

Please refer to page 63 of the Chinese annual report.

V. Review and Analysis of Financial Condition and Performance, and Risk Factors

5.1 Analysis of Financial Status

Analysis of Financial Performance

Unit: NT\$ thousands

Item \ Year	2024	2023 (After Restated)	Difference	
			Amount	%
Current Assets	2,258,341	1,540,119	718,222	46.63
Non-Current Assets	2,093,999	2,022,384	71,615	3.54
Other Assets	667,296	367,114	300,182	81.77
Total Assets	5,019,636	3,929,617	1,090,019	27.74
Current Liabilities	1,282,461	1,179,683	102,778	8.71
Non-Current Liabilities	800,514	535,397	265,117	49.52
Total Liabilities	2,082,975	1,715,080	367,895	21.45
Ordinary Share	547,039	502,039	45,000	8.96
Capital surplus	1,517,949	402,511	1,115,438	277.12
Retained Earnings	797,232	677,772	119,460	17.63
Other Equity Interest	(686)	(2,598)	1,912	(73.60)
Total Equity	-	-	-	-

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) Equity Held by Previous Owners under Common Control:

In 2024, due to the merger with Dar Chi Lung Plant and the assumption of its operations, the transaction was treated as a business combination under common control. In accordance with interpretations issued in Taiwan, it is regarded as a merger from the beginning, resulting in the restatement of prior period comparative financial statements.

(2) Total Assets, Liabilities, and Equity:

Primarily due to the addition of new subsidiaries and a cash capital increase in 2024.

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

5.2 Operating Performance

1. Analysis of Financial Performance

Unit: NT\$ thousands

Item \ Year	2024	2023 (After Restated)	Difference	
			Amount	%
Net Sales	2,925,654	2,024,800	900,854	44.49
Cost of Sales	1,929,836	1,565,163	364,673	23.30
Gross Profit	995,818	459,637	536,181	116.65
Operating Expenses	676,637	428,565	248,072	57.88
Operating Income	319,181	31,072	288,109	927.23
Non-operating Income (Expense)	33,981	(8,337)	42,318	(507.59)
Profit Before Tax	353,162	22,735	330,427	1,453.38
Income Tax	(14,420)	37,195	(51,615)	(138.77)
Net Profit (loss)	338,742	59,930	278,812	465.29
<p>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:</p> <p>In 2024, due to the merger with the Diodes KeeLung Plant and the assumption of its operations, the transaction was classified as a business combination under common control. In accordance with the interpretive letters issued by the competent authority in Taiwan, the merger is accounted for as if it had occurred from the beginning, resulting in the restatement of prior period comparative financial statements.</p>				

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.

5.3 Analysis of Cash Flow

1. Analysis of Changes in Cash Flows in the Most Recent Fiscal Year

Year Item	2024	2023 (After Restated)	Increase (Decrease) Change	Change Rate (%)
Cash Flow Ratio (%)	563,776	254,631	309,145	121.41
Cash Flow Adequacy Ratio (%)	(327,443)	(208,067)	(119,376)	57.37
Cash Reinvestment Ratio (%)	99,577	42,844	56,733	132.42
Description of major changes: (1) Operating Activities: Primarily due to increased profitability in fiscal year 2024. (2) Investing Activities: Mainly due to increased expenditures on the acquisition of property, plant, and equipment in fiscal year 2024. (3) Financing Activities: Primarily due to cash capital increase in fiscal year 2024.				

2. Plan for Improving Liquidity Shortage: Not Applicable.

3. 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
919,532	458,479	(535,520)	842,491	NA	NA

5.4. Major Capital Expenditure Items: None

5.5 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	2024 Investment Gain or Loss	Policies	Action Plan	Investment Plan for the coming year
Keep High Limited	1,284	Primarily due to the recognition of investment income from the subsidiary, Forever Eagle Incorporation.		
Yea Shin Technology Corp	266,029	Mainly attributable to increased overall demand driven by market forces.	—	—
ErisHin Semiconductor Corporation	5	Primarily due to the recognition of interest income from deposits.	—	—
Forever Eagle Incorporation	11,817	Primarily due to the recognition of investment income from the equity investment in the subsidiary, Jiecheng Electronic Trading (Shanghai) Co., Ltd.	—	—
Jiecheng Electronic (Shanghai) Co., Ltd	1,129	Primarily engaged in trade and sales activities in the China market.	—	—

5.6 Analysis of Risk Management

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 fiscal years 2023 and 2024 were NT\$22,921 thousand and NT\$28,225 thousand, respectively, accounting for 1.13% and 0.96% of operating revenue for each period. The ratios remain low and do not have a material impact on the Company's financial position.

Countermeasures: The Company will continuously monitor interest rate trends in the financial markets and manage the portfolio of floating-rate and fixed-rate loans and time deposits in order to minimize potential impacts from interest rate fluctuations.

(2) Foreign exchange rates

The Company primarily conducts transactions denominated in U.S. dollars, which provides a natural hedge against exchange rate fluctuations. Additionally, the Company engages in foreign exchange and interest rate swap contracts to mitigate currency risks. In fiscal year 2023, foreign exchange gains (losses) and gains (losses) from derivative financial instruments were NT\$344 thousand and NT\$3,809 thousand, respectively, representing 0.02% and 0.19% of total operating revenue. In fiscal year 2024, these figures were NT\$46,265 thousand and NT\$2,465 thousand, accounting for 1.58% and 0.08% of total operating revenue, respectively. The impact remains relatively small and does not pose a material threat to the Company's operations.

Countermeasures: The Company's Finance and Accounting Department continuously monitors exchange rate trends and maintains close communication with banks to stay informed of the latest domestic and international exchange rate developments. In addition, the Company manages its net foreign currency positions through the timely use of derivative financial instruments to reduce potential foreign exchange risks.

(3) Inflation

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

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:

(1) The Company does not engage in high-risk or highly leveraged investments, nor in lending funds to others or providing endorsements and guarantees. The Company has established internal procedures such as the "Procedures for Lending Funds to Others," "Procedures for Endorsements and Guarantees," and "Procedures for Acquisition or Disposal of Assets," all of which have been approved by the Board of Directors and the Shareholders' Meeting. Any future lending of funds, provision of guarantees, or acquisition/disposal of assets will be conducted in accordance with these established procedures.

(2) Currently, the Company engages in hedging financial instruments primarily involving currency options, cross-currency swaps, and forward foreign exchange contracts. The main purpose of these transactions is to mitigate risks arising from exchange rate fluctuations. In fiscal years 2023 and 2024, gains from such financial instruments were NT\$3,809 thousand and NT\$2,465 thousand, respectively, representing 0.19% and 0.08% of annual operating

revenue—an immaterial proportion. Going forward, the Company will continue to periodically evaluate and flexibly adjust its hedging strategies based on operational conditions and market trends.

3. Future Research & Development Projects and Corresponding Budget

Unit: NT\$ thousands

Item	2024	2025 Budget
Research & development expenses	236,357	244,322

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.

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

Since its establishment, the Company has continuously strengthened its technological capabilities, verification and analysis competence, and the composition of its technical team to provide higher-quality services to customers. As a result, the Company has developed strong adaptability to rapid changes in the technology industry. The management team remains highly vigilant to any technological or industry-related developments that may impact the Company's business and operations, and proactively implements preventive measures as needed. As of the most recent fiscal year and up to the date of publication of this annual report, there have been no material impacts on the Company's financial or operational performance resulting from technological or industry changes.

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

Since its establishment, the Company has continuously strengthened its technological capabilities, verification and analysis competence, and the composition of its technical team to provide higher-quality services to customers. As a result, the Company has developed strong adaptability to rapid changes in the technology industry. The management team remains highly vigilant to any technological or industry-related developments that may impact the Company's business and operations, and proactively implements preventive measures as needed. As of the most recent fiscal year and up to the date of publication of this annual report, there have been no material impacts on the Company's financial or operational performance resulting from technological or industry changes.

7. Expected Benefits, Potential Risks, and Countermeasures of the Merger and Acquisition (M&A):

The selection of M&A targets is primarily based on alignment with the Company's business development strategy. Given the close operational integration with the acquired entities, the Company expects to effectively manage risks related to business integration, investment returns, and financial performance.

8. Expected Benefits, Potential Risks, and Countermeasures of Plant Expansion:

To support the production of diverse products for various customers at the most suitable locations, the Company continues to expand potential manufacturing sites in Taiwan and other regions, aiming to deliver customized and comprehensive production service solutions.

However, the establishment of new plants will lead to increased operating costs, including the purchase of equipment, workforce expansion, and employee training. If revenue does not grow in tandem, this may adversely affect the Company's financial performance. To mitigate expansion-related risks, the Company will continue to optimize manufacturing processes, improve product quality, and reduce resource consumption while delivering higher-quality services. Additionally, the Company is actively strengthening partnerships with major international clients to secure more orders and improve capacity utilization.

9. Risks and Countermeasures Associated with Procurement or Sales Concentration:

(1) Procurement Concentration Risk

The Company's procurement is primarily concentrated in wafer sourcing. However, the Company has multiple qualified and certified wafer suppliers. Overall, the Company's wafer supply remains stable, and there is no significant risk of over-concentration. As of the date of this annual report, all suppliers have maintained acceptable standards in both quality and delivery timelines, with no instances of material shortages or supply disruptions.

(2) Sales Concentration Risk

The Company's primary customer is the Dar Group, with sales to this group accounting for 79.94% and 69.90% of the Company's total revenue in fiscal years 2023 and 2024, respectively. Broadly speaking, diodes are categorized as power management components and are essential to the safety and stability of electronic device operations. Therefore, once international diode manufacturers select supply chain partners, they are generally reluctant to make changes unless there are serious quality issues, in order to avoid disruptions to the stability of their electronic devices.

The Company has demonstrated sufficient technical capabilities and yield quality to meet international standards and has been rigorously approved as a qualified supplier to the Dar Group. The long-standing partnership between the two parties has been strong, and order volume from the Dar Group has continued to increase over time, indicating a stable relationship.

In addition, the Company will continue to foster long-term relationships with customers and actively develop new OEM clients to expand its business scale. This strategy aims to meet the growing needs of both existing and new clients, thereby mitigating the risk associated with sales concentration. While there is a current degree of customer concentration, the associated risk is considered limited.

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

11. Effects of, Risks Relating to and Response to the Changes in Management Rights : None

12. Litigation or Non-litigation Matters

13. Other Major Risks: None

5.7 Other Material Matters: None.

VI. Special Disclosure

6.1 Related Party Information

(1) Consolidated Business Report of Affiliates:

Relevant information can be found on the Market Observation Post System (MOPS) at

<https://doc.twse.com.tw/server-java/t57sb01>

(2) Consolidated Financial Statements of Affiliates: None.

(3) Affiliate Report:

Relevant information can be found on the Market Observation Post System (MOPS) at

<https://doc.twse.com.tw/server-java/t57sb01>

6.2 Status of Private Placement of Securities in the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report:

As of the end of the most recent quarter prior to the publication of this annual report, the Company has not issued or privately placed any securities that are either still in progress or have been completed in the most recent fiscal year but with anticipated benefits yet to be realized.

6.3 Other Necessary Supplementary Explanations:

(1) Disclosure of Unfulfilled Commitments Related to the Company's OTC Listing

Please refer to Chinese version p71

(2) Audit Committee Review Report on the Financial Statements for the Most Recent Fiscal Year: Please refer to Chinese version p73.

(3) If the Company or any of its affiliates has experienced financial difficulties in the most recent fiscal year or up to the date of publication of the annual report, such instances and their impact on the Company's financial condition should be disclosed: None.

6.4. Material Events in the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report That May Have a Significant Impact on Shareholders' Equity or the Price of Securities as Defined in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act: None.