

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
MARCH 31, 2025 AND 2024

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

INDEPENDENT AUDITORS' REVIEW REPORT

PWCR 24000737

To the Board of Directors and Shareholders of ENNOSTAR Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of ENNOSTAR Inc. and subsidiaries (the "Group") as at March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

As explained in Note 4(3), the financial statements of certain insignificant consolidated subsidiaries and information disclosed in Note 13 were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT\$5,204,911 thousand and NT\$6,822,933 thousand, constituting 8.96% and 10.88% of the consolidated total assets as at March 31, 2025 and 2024, respectively, total liabilities amounted to NT\$605,712 thousand and NT\$2,184,068 thousand, constituting 5.60% and 15.13% of the consolidated total liabilities as at March 31, 2025 and 2024 respectively, and the total comprehensive income (loss) amounted to NT\$88,539 thousand and NT(\$727,100) thousand, constituting (87.26%) and 86.30% of the consolidated total comprehensive income for the three months then ended, respectively. The balance of these investments accounted for using equity method amounting to NT\$2,109,930 thousand and NT\$2,353,602 thousand, respectively, and the comprehensive loss recognized from associates and joint ventures accounted for under the equity method amounting to NT\$107,544 thousand and NT\$74,919 thousand, respectively, were included.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent auditors as described in the *Basis for qualified conclusion* section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and 2024, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and

International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Li, Tien-Yi

Chou, Chien-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

May 9, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024

(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2025 and 2024 are reviewed, not audited)

| Assets | Notes | March 31, 2025 | | December 31, 2024 | | March 31, 2024 | | |
|---------------------------|----------------------------------|----------------|----------------------|-------------------|----------------------|----------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % | |
| Current assets | | | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 13,580,147 | 23 | \$ 14,677,812 | 25 | \$ 15,272,097 | 24 |
| 1110 | Financial assets at fair value | 6(2) | | | | | | |
| | through profit or loss - current | | 279 | - | - | - | 148,821 | - |
| 1136 | Current financial assets at | 6(4) and 8 | | | | | | |
| | amortised cost | | 1,241,405 | 2 | 644,017 | 1 | 1,046,284 | 2 |
| 1150 | Notes receivable, net | 6(5) and 8 | 906,713 | 2 | 748,305 | 1 | 809,379 | 1 |
| 1170 | Accounts receivable, net | 6(5) | 6,925,518 | 12 | 7,677,262 | 13 | 7,406,203 | 12 |
| 1180 | Accounts receivable - related | 7 | | | | | | |
| | parties, net | | 451,456 | 1 | 418,795 | 1 | 487,840 | 1 |
| 1200 | Other receivables | | 231,682 | - | 119,049 | - | 187,468 | - |
| 1210 | Other receivables - related | 7 | | | | | | |
| | parties | | 35,312 | - | 52,401 | - | 37,093 | - |
| 130X | Inventories | 6(6) | 5,173,328 | 9 | 4,729,684 | 8 | 4,724,355 | 8 |
| 1410 | Prepayments | | 442,251 | 1 | 534,956 | 1 | 572,838 | 1 |
| 1460 | Non-current assets held for sale | 6(11) | | | | | | |
| | - net | | - | - | 131,173 | - | 96,981 | - |
| 1470 | Other current assets | | 12,521 | - | 38,034 | - | 44,770 | - |
| 11XX | Current Assets | | <u>29,000,612</u> | <u>50</u> | <u>29,771,488</u> | <u>50</u> | <u>30,834,129</u> | <u>49</u> |
| Non-current assets | | | | | | | | |
| 1517 | Non-current financial assets at | 6(3) | | | | | | |
| | fair value through other | | | | | | | |
| | comprehensive income | | 5,118,792 | 9 | 5,272,388 | 9 | 3,479,901 | 6 |
| 1535 | Non-current financial assets at | 6(4) and 8 | | | | | | |
| | amortised cost | | 254,880 | - | 252,497 | - | 242,954 | - |
| 1550 | Investments accounted for | 6(7) and 7 | | | | | | |
| | using equity method | | 3,010,101 | 5 | 2,972,537 | 5 | 3,167,573 | 5 |
| 1600 | Property, plant and equipment | 6(8), 7 and 8 | 15,114,228 | 26 | 15,595,045 | 26 | 18,910,741 | 30 |
| 1755 | Right-of-use assets | 6(9) | 1,435,912 | 3 | 1,516,486 | 3 | 1,696,681 | 3 |
| 1760 | Investment property - net | | 586,187 | 1 | 586,322 | 1 | 646,267 | 1 |
| 1780 | Intangible assets | 6(10) | 1,347,562 | 2 | 1,382,416 | 2 | 1,583,844 | 2 |
| 1840 | Deferred income tax assets | | 1,767,699 | 3 | 1,775,732 | 3 | 1,750,011 | 3 |
| 1900 | Other non-current assets | 8 | 452,023 | 1 | 352,884 | 1 | 401,169 | 1 |
| 15XX | Non-current assets | | <u>29,087,384</u> | <u>50</u> | <u>29,706,307</u> | <u>50</u> | <u>31,879,141</u> | <u>51</u> |
| 1XXX | Total assets | | <u>\$ 58,087,996</u> | <u>100</u> | <u>\$ 59,477,795</u> | <u>100</u> | <u>\$ 62,713,270</u> | <u>100</u> |

(Continued)

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 AND MARCH 31, 2024

(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2025 and 2024 are reviewed, not audited)

| Liabilities and Equity | Notes | March 31, 2025 | | December 31, 2024 | | March 31, 2024 | | |
|--|--|----------------|----------------------|-------------------|----------------------|----------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | AMOUNT | % | |
| Current liabilities | | | | | | | | |
| 2100 | Short-term borrowings | 6(12) and 8 | \$ 450,000 | 1 | \$ 566,428 | 1 | \$ 352,817 | - |
| 2110 | Short-term notes and bills payable | 6(13) and 8 | 748,888 | 1 | 845,699 | 1 | 1,281,205 | 2 |
| 2120 | Financial liabilities at fair value through profit or loss - current | 6(2) | 39,592 | - | 75,337 | - | 61,690 | - |
| 2150 | Notes payable | | 11,677 | - | 10,877 | - | 3,061 | - |
| 2170 | Accounts payable | | 2,872,784 | 5 | 2,850,161 | 5 | 2,984,829 | 5 |
| 2180 | Accounts payable - related parties | 7 | 227,253 | 1 | 131,583 | - | 196,466 | - |
| 2200 | Other payables | 6(14) | 3,063,383 | 5 | 3,427,573 | 6 | 3,602,191 | 6 |
| 2230 | Current tax liabilities | | 39,500 | - | 36,057 | - | 43,382 | - |
| 2280 | Current lease liabilities | | 80,960 | - | 87,429 | - | 99,278 | - |
| 2320 | Long-term liabilities, current portion | 6(15) and 8 | 826,152 | 1 | 1,130,416 | 2 | 1,834,566 | 3 |
| 2399 | Other current liabilities - others | | 355,395 | 1 | 520,383 | 1 | 491,899 | 1 |
| 21XX | Current Liabilities | | <u>8,715,584</u> | <u>15</u> | <u>9,681,943</u> | <u>16</u> | <u>10,951,384</u> | <u>17</u> |
| Non-current liabilities | | | | | | | | |
| 2540 | Long-term borrowings | 6(15) and 8 | 215,748 | 1 | 257,791 | 1 | 1,475,546 | 2 |
| 2570 | Deferred tax liabilities | | 541,895 | 1 | 532,068 | 1 | 264,784 | 1 |
| 2580 | Non-current lease liabilities | | 1,187,745 | 2 | 1,263,801 | 2 | 1,428,974 | 2 |
| 2600 | Other non-current liabilities | 6(18) | 146,653 | - | 202,974 | - | 313,307 | 1 |
| 25XX | Non-current liabilities | | <u>2,092,041</u> | <u>4</u> | <u>2,256,634</u> | <u>4</u> | <u>3,482,611</u> | <u>6</u> |
| 2XXX | Total Liabilities | | <u>10,807,625</u> | <u>19</u> | <u>11,938,577</u> | <u>20</u> | <u>14,433,995</u> | <u>23</u> |
| Equity attributable to owners of parent company | | | | | | | | |
| Share capital | | | | | | | | |
| 3110 | Share capital - common stock | 6(19) | 7,379,405 | 13 | 7,379,405 | 13 | 7,529,405 | 12 |
| Capital surplus | | | | | | | | |
| 3200 | Capital surplus | 6(20) | 38,442,403 | 66 | 38,403,057 | 63 | 46,436,066 | 75 |
| Retained earnings | | | | | | | | |
| 3310 | Legal reserve | 6(21) | - | - | - | - | 216,945 | - |
| 3320 | Special reserve | | - | - | - | - | 154,927 | - |
| 3350 | Accumulated deficit | | (1,954,195) | (3) | (1,422,637) | (2) | (7,281,856) | (12) |
| Other equity interest | | | | | | | | |
| 3400 | Other equity interest | 6(22) | 2,159,490 | 3 | 1,951,165 | 4 | (290,814) | (1) |
| 3500 | Treasury shares | 6(19) | (135,163) | - | (135,163) | - | (135,163) | - |
| 31XX | Equity attributable to owners of the parent | | <u>45,891,940</u> | <u>79</u> | <u>46,175,827</u> | <u>78</u> | <u>46,629,510</u> | <u>74</u> |
| 36XX | Non-controlling interest | | <u>1,388,431</u> | <u>2</u> | <u>1,363,391</u> | <u>2</u> | <u>1,649,765</u> | <u>3</u> |
| 3XXX | Total equity | | <u>47,280,371</u> | <u>81</u> | <u>47,539,218</u> | <u>80</u> | <u>48,279,275</u> | <u>77</u> |
| Significant contingent liabilities and unrecognized contract commitments | | | | | | | | |
| 3X2X | Total liabilities and equity | | <u>\$ 58,087,996</u> | <u>100</u> | <u>\$ 59,477,795</u> | <u>100</u> | <u>\$ 62,713,270</u> | <u>100</u> |

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

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for loss per share amounts)
(Unaudited)

| Items | Notes | Three months ended March 31 | | | | |
|-------|--|-----------------------------|---------------|--------|---------------|-------|
| | | 2025 | | 2024 | | |
| | | AMOUNT | % | AMOUNT | % | |
| 4000 | Sales revenue | 6(23) and 7 | \$ 5,631,755 | 100 | \$ 5,582,952 | 100 |
| 5000 | Operating costs | 6(6)(29)(30) and 7 | (4,946,992) | (88) | (4,899,158) | (87) |
| 5900 | Operating margin | | 684,763 | 12 | 683,794 | 13 |
| 5910 | Unrealized profit from sales | | - | - | - | - |
| 5920 | Realized profit from sales | | - | - | (13) | - |
| 5950 | Net operating margin | | 684,763 | 12 | 683,781 | 13 |
| | Operating expenses | 6(29)(30) | | | | |
| 6100 | Selling expenses | | (229,582) | (4) | (220,332) | (4) |
| 6200 | General and administrative expenses | | (387,853) | (7) | (420,665) | (8) |
| 6300 | Research and development expenses | | (578,007) | (10) | (573,847) | (10) |
| 6450 | Expected credit loss | | (399) | - | (267) | - |
| 6000 | Total operating expenses | | (1,195,841) | (21) | (1,215,111) | (22) |
| 6500 | Other income and expenses - net | 6(24) | 34,794 | 1 | 9,617 | - |
| 6900 | Operating loss | | (476,284) | (8) | (521,713) | (9) |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(25) | 64,194 | 1 | 60,025 | 1 |
| 7010 | Other income | 6(26) | 82,699 | 1 | 114,317 | 2 |
| 7020 | Other gains and losses | 6(27) | 66,525 | 1 | 16,217 | - |
| 7050 | Finance costs | 6(28) | (22,029) | - | (44,250) | (1) |
| 7055 | Expected credit losses | | (4,266) | - | (24) | - |
| 7060 | Share of loss of associates and joint ventures accounted for using equity method | 6(7) | (122,242) | (2) | (138,217) | (2) |
| 7000 | Total non-operating income and expenses | | 64,881 | 1 | 8,068 | - |
| 7900 | Loss before income tax | | (411,403) | (7) | (513,645) | (9) |
| 7950 | Income tax expense | 6(31) | (25,846) | (1) | (82,381) | (2) |
| 8200 | Loss for the period | | (\$ 437,249) | (8) | (\$ 596,026) | (11) |

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ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for loss per share amounts)
(Unaudited)

| Items | Notes | Three months ended March 31 | | | | |
|---|----------|--|---------------------|-------------|---------------------|--------------|
| | | 2025 | | 2024 | | |
| | | AMOUNT | % | AMOUNT | % | |
| Other comprehensive income (loss) | | | | | | |
| Components of other comprehensive income that will not be reclassified to profit or loss | | | | | | |
| 8311 | | (Loss) gain on remeasurements of defined benefit plans | (\$ 575) | - | \$ 22 | - |
| 8316 | 6(3) | Unrealised gain (loss) from investments in equity instruments measured at fair value through other comprehensive income | 11,422 | - | (795,653) | (14) |
| 8320 | 6(7) | Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss | 123 | - | 896 | - |
| 8349 | 6(7)(31) | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | 2,376 | - | 178,814 | 3 |
| 8310 | | Components of other comprehensive income (loss) that will not be reclassified to profit or loss | 13,346 | - | (615,921) | (11) |
| Components of other comprehensive income that will be reclassified to profit or loss | | | | | | |
| 8361 | | Cumulative translation differences of foreign operations | 301,006 | 5 | 321,023 | 6 |
| 8370 | 6(7) | Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss | 21,617 | 1 | 48,361 | 1 |
| 8399 | 6(7)(31) | Income tax related to components of other comprehensive income that will be reclassified to profit or loss | (190) | - | 74 | - |
| 8360 | | Components of other comprehensive income that will be reclassified to profit or loss | 322,433 | 6 | 369,458 | 7 |
| 8300 | | Other comprehensive income (loss) | <u>\$ 335,779</u> | <u>6</u> | <u>(\$ 246,463)</u> | <u>(4)</u> |
| 8500 | | Total comprehensive loss | <u>(\$ 101,470)</u> | <u>(2)</u> | <u>(\$ 842,489)</u> | <u>(15)</u> |
| Loss attributable to: | | | | | | |
| 8610 | | Equity holders of the parent company | (\$ 441,777) | (8) | (\$ 467,176) | (9) |
| 8620 | | Non-controlling interest | \$ 4,528 | - | (\$ 128,850) | (2) |
| Comprehensive income (loss) attributable to: | | | | | | |
| 8710 | | Equity holders of the parent company | (\$ 126,912) | (2) | (\$ 733,670) | (13) |
| 8720 | | Non-controlling interest | \$ 25,442 | - | (\$ 108,819) | (2) |
| Loss per share (NT\$) | | | | | | |
| 9750 | 6(32) | Total basic loss per share | (\$ 0.60) | | (\$ 0.62) | |
| 9850 | 6(32) | Total diluted loss per share | (\$ 0.60) | | (\$ 0.62) | |

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

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

| | Equity attributable to owners of the parent | | | | | | | | | | Non-controlling interest | Total equity |
|--|---|------------------------------|-----------------|---------------|-----------------|---------------------|--|--|-----------------|---------------|--------------------------|---------------|
| | Notes | Retained earnings | | | | | Other equity interest | | | Total | | |
| | | Share capital - common stock | Capital surplus | Legal reserve | Special reserve | Accumulated deficit | Cumulative translation differences of foreign operations | Unrealised gain (loss) from financial assets measured at fair value through other comprehensive income | Treasury shares | | | |
| 2024 | | | | | | | | | | | | |
| Balance at January 1, 2024 | | \$ 7,529,405 | \$ 46,447,060 | \$ 216,945 | \$ 154,927 | (\$ 6,814,704) | (\$ 208,746) | \$ 184,450 | (\$ 135,163) | \$ 47,374,174 | \$ 1,770,562 | \$ 49,144,736 |
| Loss for the period | | - | - | - | - | (467,176) | - | - | - | (467,176) | (128,850) | (596,026) |
| Other comprehensive income (loss) for the period | | - | - | - | - | 24 | 349,427 | (615,945) | - | (266,494) | 20,031 | (246,463) |
| Total comprehensive income (loss) | | - | - | - | - | (467,152) | 349,427 | (615,945) | - | (733,670) | (108,819) | (842,489) |
| Changes in ownership interests in subsidiaries accounted for6(20) using equity method | | - | (2,575) | - | - | - | - | - | - | (2,575) | - | (2,575) |
| Change in equity of associates and joint ventures accounted 6(20) for using equity method | | - | (10,770) | - | - | - | - | - | - | (10,770) | - | (10,770) |
| Difference between consideration and carrying amount of 6(20) subsidiaries acquired and disposed | | - | 2,351 | - | - | - | - | - | - | 2,351 | - | 2,351 |
| Non-controlling interests | | - | - | - | - | - | - | - | - | - | (11,978) | (11,978) |
| Balance at March 31, 2024 | | \$ 7,529,405 | \$ 46,436,066 | \$ 216,945 | \$ 154,927 | (\$ 7,281,856) | \$ 140,681 | (\$ 431,495) | (\$ 135,163) | \$ 46,629,510 | \$ 1,649,765 | \$ 48,279,275 |
| 2025 | | | | | | | | | | | | |
| Balance at January 1, 2025 | | \$ 7,379,405 | \$ 38,403,057 | \$ - | \$ - | (\$ 1,422,637) | \$ 443,401 | \$ 1,507,764 | (\$ 135,163) | \$ 46,175,827 | \$ 1,363,391 | \$ 47,539,218 |
| Profit (loss) for the period | | - | - | - | - | (441,777) | - | - | - | (441,777) | 4,528 | (437,249) |
| Other comprehensive income (loss) for the period | | - | - | - | - | 72 | 301,135 | 13,802 | - | 314,865 | 20,914 | 335,779 |
| Total comprehensive income (loss) | | - | - | - | - | (441,849) | 301,135 | 13,802 | - | (126,912) | 25,442 | (101,470) |
| Changes in ownership interests in subsidiaries accounted for6(20) using equity method | | - | 2,352 | - | - | - | - | - | - | 2,352 | - | 2,352 |
| Change in equity of associates and joint ventures accounted 6(20) for using equity method | | - | 36,094 | - | - | (196,321) | - | - | - | (160,227) | - | (160,227) |
| Difference between consideration and carrying amount of 6(20) subsidiaries acquired and disposed | | - | 632 | - | - | - | - | - | - | 632 | - | 632 |
| Employee Stock Ownership Trust cancellation return | 6(20) | - | 268 | - | - | - | - | - | - | 268 | - | 268 |
| Disposal of equity investment measured at fair value through other comprehensive income | 6(22) | - | - | - | - | 106,612 | - | (106,612) | - | - | - | - |
| Non-controlling interests | | - | - | - | - | - | - | - | - | - | (402) | (402) |
| Balance at March 31, 2025 | | \$ 7,379,405 | \$ 38,442,403 | \$ - | \$ - | (\$ 1,954,195) | \$ 744,536 | \$ 1,414,954 | (\$ 135,163) | \$ 45,891,940 | \$ 1,388,431 | \$ 47,280,371 |

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

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

(Unaudited)

| | Notes | Three months ended March 31 | |
|--|-------------|-----------------------------|----------------|
| | | 2025 | 2024 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Loss before tax | | (\$ 411,403) | (\$ 513,645) |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation | 6(8)(9)(29) | 914,653 | 1,097,384 |
| Amortization | 6(10)(29) | 74,879 | 62,931 |
| Expected credit loss | 12(2) | 4,665 | 291 |
| Gain on disposal of investments | 6(27) | - | (14,364) |
| Net loss on financial assets at fair value through profit or loss | 6(27) | 35,264 | 99,284 |
| Interest expense | 6(28) | 22,029 | 44,250 |
| Interest income | 6(25) | (64,194) | (60,025) |
| Compensation cost of share-based payment | 6(17) | 247 | 418 |
| Share of loss of associates and joint ventures accounted for using equity method | 6(7) | 122,242 | 138,217 |
| Gain on disposal of property, plant and equipment | 6(27) | (45,839) | (2,959) |
| Loss on disposal of intangible assets | 6(27) | 242 | - |
| Gain on disposal of non-current assets held for sale | 6(27) | (61,169) | - |
| Gain from lease modification | 6(27) | (183) | (5) |
| Realized loss from sales | | - | 13 |
| Other income from recognition of long-term deferred revenues | 6(18) | (37,762) | (13,369) |
| Property, plant and equipment transferred to expense | 6(8) | 271 | - |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Financial assets at fair value through profit or loss | | (275) | 58,754 |
| Notes receivable | | (142,350) | (50,713) |
| Accounts receivable | | 775,537 | 436,993 |
| Other receivables | | (42,922) | (52,586) |
| Inventories | | (421,039) | (507,863) |
| Prepayments | | 97,600 | (8,248) |
| Other current assets | | 25,918 | 4,256 |
| Other non-current assets | | (2,264) | - |
| Changes in operating liabilities | | | |
| Financial liabilities at fair value through profit or loss - current | | (71,154) | (45,007) |
| Notes payable | | 365 | 1,256 |
| Accounts payable | | 82,403 | 325,487 |
| Other payables | | (298,926) | (250,458) |
| Other current liabilities | | (121,167) | (4,183) |
| Other non-current liabilities | | (2,619) | 2,890 |
| Cash inflow generated from operations | | 433,049 | 748,999 |
| Interest received | | 64,205 | 64,224 |
| Interest paid | | (17,635) | (39,465) |
| Income tax paid | | (3,974) | (12,573) |
| Net cash flows from operating activities | | <u>475,645</u> | <u>761,185</u> |

(Continued)

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)
(Unaudited)

| | Notes | Three months ended March 31 | |
|---|-------|-----------------------------|---------------|
| | | 2025 | 2024 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | | \$ 175,045 | \$ - |
| Acquisition of financial assets at amortised cost | | (582,179) | (112,313) |
| Acquisition of investments accounted for using equity method | | (288,750) | - |
| Proceeds from disposal of investments accounted for using equity method | 6(33) | 7,808 | 51,000 |
| Proceeds from disposal of non-current assets held for sale | | 113,711 | - |
| Acquisition of property, plant and equipment | 6(33) | (374,999) | (316,714) |
| Proceeds from disposal of property, plant and equipment | 6(33) | 54,384 | 202,446 |
| Decrease in refundable deposits | | 158 | 4,293 |
| Acquisition of intangible assets | 6(33) | (21,936) | (15,113) |
| Increase in other financial assets | | (6) | - |
| Increase in other non-current assets | | - | (14,787) |
| Net cash flows used in investing activities | | (916,764) | (201,188) |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| Decrease in short-term loans | 6(34) | (117,354) | (409,873) |
| Decrease in short-term notes and bills payable | 6(34) | (107,428) | (30,149) |
| Proceeds from long-term loans | 6(34) | 3,006 | - |
| Repayment of long-term loans | 6(34) | (349,353) | (413,498) |
| (Increase) decrease in guarantee deposits received | 6(34) | (480) | 93,737 |
| Repayment of principal portion of lease liabilities | 6(34) | (25,939) | (31,473) |
| Acquisition of ownership interests in subsidiaries | | (153,184) | (18,887) |
| Employee Stock Ownership Trust cancellation return | | 2,620 | - |
| Net cash flows used in financing activities | | (748,112) | (810,143) |
| Effects of foreign currency exchange | | 91,566 | (41,245) |
| Net decrease in cash and cash equivalents | | (1,097,665) | (291,391) |
| Cash and cash equivalents at beginning of period | | 14,677,812 | 15,563,488 |
| Cash and cash equivalents at end of period | | \$ 13,580,147 | \$ 15,272,097 |

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

ENNOSTAR INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

ENNOSTAR Inc. (the “Company”) was incorporated on January 6, 2021. The Company’s shares have been traded on the Taiwan Stock Exchange in the Republic of China since the date of its incorporation. The share exchange transaction, wherein the Company was established by Epistar Corporation (“Epistar”) and acquired all issued and outstanding ordinary shares of Epistar and Lextar Electronics Corp. (“Lextar”) by way of share exchange, has been approved both at Epistar’s board meeting on June 18, 2020 and special shareholders’ meeting on August 7, 2020. The share exchange was conducted at an exchange ratio of 1 ordinary share of Epistar and Lextar for 0.5 and 0.275 ordinary share of the Company, respectively. As a result, Epistar and Lextar became wholly-owned subsidiaries of the Company on January 6, 2021, and both of Epistar’s and Lextar’s ordinary shares have been delisted while the ordinary shares of the Company were listed starting from the same date under the symbol “3714”.

The Company and its subsidiaries (collectively referred herein as the “Group”) are engaged in the research and development, design, manufacturing and sales of EPI wafers and chips of AlGaInP, AlGaAs and InGaN and light-emitting diode packages and modules.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on May 9, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

| New Standards, Interpretations and Amendments | Effective date by International Accounting Standards Board (IASB) |
|---|---|
| Amendments to IAS 21, ‘Lack of exchangeability’ | January 1, 2025 |

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

| New Standards, Interpretations and Amendments | Effective date by IASB |
|--|------------------------|
| Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘ Amendments to the classification and measurement of financial instruments’ | January 1, 2026 |

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

| <u>New Standards, Interpretations and Amendments</u> | <u>Effective date by IASB</u> |
|---|-------------------------------|
| Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’ | January 1, 2026 |
| Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’ | January 1, 2026 |
| Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’ | To be determined by IASB |
| IFRS 17, ‘Insurance contracts’ | January 1, 2023 |
| Amendments to IFRS 17, ‘Insurance contracts’ | January 1, 2023 |
| Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’ | January 1, 2023 |
| IFRS 18, ‘Presentation and disclosure in financial statements’ | January 1, 2027 |
| IFRS 19, ‘Subsidiaries without public accountability: disclosures’ | January 1, 2027 |
| Annual Improvements to IFRS Accounting Standards—Volume 11 | January 1, 2026 |

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment. The quantitative impact will be disclosed when the assessment is complete.

IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below, others are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.

B. The consolidated financial statements of the Group should be read together with the 2024 consolidated financial statements of the Group.

(2) Basis of preparation

A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

The principles used in the preparation of the financial statements were consistent with those used in the financial statements for the year ended December 31, 2024.

B. Subsidiaries included in the consolidated financial statements:

| Name of Investor | Name of Subsidiary | Main Business Activities | Ownership | | | Note |
|----------------------------|-----------------------------------|--|----------------|-------------------|----------------|------------------------------|
| | | | March 31, 2025 | December 31, 2024 | March 31, 2024 | |
| ENNOSTAR Inc. | Epistar Corporation | Manufacturing and sales of LED wafers and chips | 100% | 100% | 100% | |
| ENNOSTAR Inc. | Lextar Electronics Corp. | Manufacturing and sales of LED wafers, packages and modules | 100% | 100% | 100% | |
| ENNOSTAR Inc. | Harvestar Investment Corp. | General investment | 100% | 100% | 100% | Note 11 Note 12 |
| ENNOSTAR Inc. | Calystar Investment Corp. | General investment | 100% | 100% | 100% | Note 7 Note 11 Note 12 |
| ENNOSTAR Inc. | Amengine Corporation | Developing, manufacturing and sales of optical sensing modules | 75.96% | 75.96% | 75.96% | Note 11 Note 12 |
| ENNOSTAR Inc. | Unikorn Semiconductor Corporation | OEM manufacturing of iii-v semiconductors | - | - | 19.53% | Note 2 Note 11 |
| ENNOSTAR Inc. | Precistar Investment Corp. | General investment | - | - | 100% | Note 7 Note 11 |
| ENNOSTAR Inc. | Praistar Investment Corp. | General investment | - | - | 100% | Note 7 Note 11 |
| ENNOSTAR Inc. | Manastar Investment Corp. | General investment | - | - | 100% | Note 7 Note 11 |
| Harvestar Investment Corp. | Unikorn Semiconductor Corporation | OEM manufacturing of iii-v semiconductors | - | - | 15.45% | Note 2 Note 11 |
| Precistar Investment Corp. | Unikorn Semiconductor Corporation | OEM manufacturing of iii-v semiconductors | - | - | 7.08% | Note 2 Note 11 |

| Name of Investor | Name of Subsidiary | Main Business Activities | Ownership | | | Note |
|--------------------------------------|--|--|----------------|-------------------|----------------|------------------------------|
| | | | March 31, 2025 | December 31, 2024 | March 31, 2024 | |
| Praistar Investment Corp. | Unikorn Semiconductor Corporation | OEM manufacturing of iii-v semiconductors | - | - | 3.98% | Note 2 Note 11 |
| Epistar Corporation | Lighting Investment Corp. | General investment | 100% | 100% | 100% | Note 11 Note 12 |
| Epistar Corporation | Epistar JV Holding (BVI) Co., Ltd. | General investment | 100% | 100% | 100% | |
| Epistar Corporation | SH Optotech Co.,Ltd. | Sales of LED chips | - | - | 49.00% | Note 1 Note 11 |
| Epistar Corporation | Unikorn Semiconductor Corporation | OEM manufacturing of iii-v semiconductors | 100% | 100% | 11.89% | Note 2 Note 11 Note 12 |
| Epistar Corporation | GaN Force Corporation | Design, manufacturing and sales of semiconductor materials and modules | 64.32% | 64.32% | 64.32% | Note 4 Note 11 Note 12 |
| Epistar Corporation | Can Yang Investments Limited | General investment | 3.53% | 3.53% | 3.53% | Note 11 Note 12 |
| Epistar JV Holding (BVI) Co., Ltd. | Lite Star JV Holding (BVI) Co., Ltd. | General investment | 82.41% | 82.41% | 82.41% | Note 11 Note 12 |
| Epistar JV Holding (BVI) Co., Ltd. | United LED Corporation Hong Kong Limited | General investment | 74.86% | 74.86% | 74.86% | Note 11 Note 12 |
| Epistar JV Holding (BVI) Co., Ltd. | Episky (Hong Kong) Ltd. | General investment | 100% | 100% | 100% | Note 11 Note 12 |
| Epistar JV Holding (BVI) Co., Ltd. | HUGA Holding (SAMOA) Limited | General investment | 100% | 100% | 100% | Note 11 Note 12 |
| Epistar JV Holding (BVI) Co., Ltd. | Can Yang Investments Limited | General investment | 88.21% | 88.21% | 88.21% | Note 11 Note 12 |
| Lite Star JV Holding (BVI) Co., Ltd. | Epicrystal (Hong Kong) Co., Ltd. | General investment | 100% | 100% | 100% | Note 11 Note 12 |
| Epicrystal (Hong Kong) Co., Ltd. | Epicrystal Corporation (ChangZhou) Ltd. | Manufacturing and sales of LED wafers and chips | 93.38% | 93.38% | 93.38% | |

| Name of Investor | Name of Subsidiary | Main Business Activities | Ownership | | | Note |
|--|--|--|----------------|-------------------|----------------|-------------------------------|
| | | | March 31, 2025 | December 31, 2024 | March 31, 2024 | |
| United LED Corporation Hong Kong Limited | United LED Shan Dong Corporation | Information technology consulting services | 100% | 100% | 100% | Note 11 Note 12 Note 13 |
| Episky (Hong Kong) Ltd. | Episky Corporation (Xiamen) Ltd. | Manufacturing and sales of LED chips | 100% | 100% | 100% | |
| Episky Corporation (Xiamen) Ltd. | Epicrystal Corporation (ChangZhou) Ltd. | Manufacturing and sales of LED wafers and chips | 3.31% | 3.31% | 3.31% | |
| Episky Corporation (Xiamen) Ltd. | Shenzhen Epikylin Optoelectronics Co.,Ltd. | Sales of LED chips | 100% | 100% | 100% | Note 8 Note 12 |
| Lighting Investment Corp. | Lighting Investment Ltd. | General investment | 100% | 100% | 100% | Note 11 Note 12 |
| Lighting Investment Corp. | Can Yang Investments Limited | General investment | 6.87% | 6.87% | 6.87% | Note 11 Note 12 |
| Lighting Investment Corp. | GaN Force Corporation | Design, manufacturing and sales of semiconductor materials and modules | 35.68% | 35.68% | 35.68% | Note 4 Note 11 Note 12 |
| Lighting Investment Ltd. | Luxlite (HK) Corporation Limited | General investment | 100% | 100% | 100% | Note 8 Note 11 Note 12 |
| Lighting Investment Ltd. | Epistar (Hong Kong) Limited | General investment | - | - | 100% | Note 6 Note 11 |
| Can Yang Investments Limited | Jiangsu Canyang Optoelectronics Ltd. | Manufacturing and sales of LED wafers and chips | 100% | 100% | 100% | Note 11 |
| ProLight Opto Technology Corporation | ProLight Opto Holding Corporation | General investment | 100% | 100% | 100% | Note 11 Note 12 |
| ProLight Opto Holding Corporation | ProLight Opto Technology Corporation | General investment | 100% | 100% | 100% | Note 11 Note 12 |
| ProLight Opto Technology Corporation | Shanghai Welight Electronic Co., LTD | Wholesale and export and import of LED and related products | 100% | 100% | 100% | Note 11 Note 12 |
| Lextar Electronics Corp. | LEXTAR (SINGAPORE) PTE. LTD. | General investment | 100% | 100% | 100% | Note 12 |

| Name of Investor | Name of Subsidiary | Main Business Activities | Ownership | | | Note |
|---|--------------------------------------|---|----------------|-------------------|----------------|------------------------------|
| | | | March 31, 2025 | December 31, 2024 | March 31, 2024 | |
| Lextar Electronics Corp. | Liang Li Venture Corp. | General investment | 100% | 100% | 100% | Note 11 Note 12 |
| Lextar Electronics Corp. | Wellypower Optronics Corporation | General investment | 100% | 100% | 100% | Note 11 Note 12 |
| Lextar Electronics Corp. | Apower Optronics Corporation | General investment | 100% | 100% | 100% | Note 11 Note 12 |
| Lextar Electronics Corp. | Wellybond Corporation | General investment | 100% | 100% | 100% | Note 11 Note 12 |
| Lextar Electronics Corp. | Wellybond Optronics (H.K.) Limited | General investment | - | - | 100% | Note 5 Note 11 |
| Lextar Electronics Corp. | Trendylite Corporation | Sales of products | 53.84% | 53.84% | 100% | Note 9 Note 11 Note 12 |
| Lextar Electronics Corp. | Hexawave, Inc. | Manufacturing and sales of compound semiconductor materials and modules | 31.48% | 31.48% | 31.52% | Note 11 Note 12 |
| Lextar Electronics Corp. | Yenrich Technology Corporation | Manufacturing and sales of electronic component | 39.37% | 39.37% | 100% | Note 10 Note 11 |
| Lextar Electronics Corp. | ProLight Opto Technology Corporation | Manufacturing and sales of LED packages | 9.84% | 9.84% | 9.84% | Note 11 Note 12 |
| LEXTAR (SINGAPORE) PTE. LTD., Wellypower Optronics Corporation and Apower Optronics Corporation | Lextar Electronics (Suzhou) Corp. | Manufacturing and sales of LED and modules | 100% | 100% | 100% | Note 12 |
| LEXTAR (SINGAPORE) PTE. LTD. | Lextar Electronics Korea Ltd. | Sale of LED and after-sales service | 100% | 100% | 100% | Note 11 Note 12 |
| Liang Li Venture Corp. | ProLight Opto Technology Corporation | Manufacturing and sales of LED packages | 9.84% | 9.84% | 9.84% | Note 11 Note 12 |
| Wellybond Corporation | Vogito Innovation Co., Ltd. | Design, developing, researching and sales of health care products | 50.00% | 50.00% | 50.00% | Note 11 Note 12 |

| Name of Investor | Name of Subsidiary | Main Business Activities | Ownership | | | Note |
|------------------------------------|--------------------------------------|--|----------------|-------------------|----------------|--------------------|
| | | | March 31, 2025 | December 31, 2024 | March 31, 2024 | |
| Wellybond Corporation | ProLight Opto Technology Corporation | Manufacturing and sales of LED packages | 34.76% | 34.01% | 31.47% | Note 11 Note 12 |
| Wellybond Corporation | Hexawave, Inc. | Manufacturing and sales of compound semiconductor materials and modules | 31.47% | 31.47% | 31.52% | Note 11 Note 12 |
| Wellybond Corporation | WellyHertz Electronics Corp. | Manufacturing of electronic component | - | - | 87.46% | Note 9 Note 11 |
| Wellybond Corporation | Trendylite Corporation | Sales of products | 40.37% | 40.37% | - | Note 9 Note 12 |
| Lextar Electronics (Suzhou) Corp. | Lextar Electronics (Chuzhou) Corp. | Manufacturing and sales of LED and modules | 100% | 100% | 100% | |
| Lextar Electronics (Suzhou) Corp. | Chuzhou Bwin Technology Corp. | Developing, manufacturing, sales of metal and plastic technical products | 30.50% | 30.50% | 30.50% | Note 3 Note 11 |
| Lextar Electronics (Chuzhou) Corp. | Chuzhou Bwin Technology Corp. | Developing, manufacturing, sales of metal and plastic technical products | - | - | 66.40% | Note 3 Note 11 |

Note 1: Due to the control over the entity's financial and operational policies, this company is included in the consolidated financial statements. Liquidation has been completed in April 2024.

Note 2: Due to the reorganization, the shares of Unikorn Semiconductor Corporation originally held by ENNOSTAR Inc., Harvestar Investment Corp., Precistar Investment Corp., and Praistar Investment Corp are now hold by Epistar Corporation, as of March 31, 2025, the shareholding ratios of Epistar Corporation is 100%.

Note 3: Due to changes in equity, it has been excluded from the consolidated entity since June 2024.

Note 4: GaN Force Corporation has applied for liquidation in 2023.

Note 5: Wellybond Optronics (H.K) Limited had completed liquidation in June 2024.

Note 6: Epistar (Hong Kong) Corporation Limited had completed liquidation in September 2024.

Note 7: Calystar Investment Corp. merged with Precistar Investment Corp., Praistar Investment Corp. and Manastar Investment Corp. in September, 2024.

Note 8: Luxlite (HK) Corporation Limited and Shenzhen Epikylin Optoelectronics Co., Ltd. has applied for liquidation in 2024.

Note 9: Due to the merger of WellyHertz Electronics Corp. into Trendylite Corporation, WellyHertz Electronics Corp. has been excluded from the consolidated entity since May 2024. The shares of Trendylite Corporation is held by Lextar Electronics Corp. and Wellybond Corporation.

Note 10: Due to not participating in the cash capital increase of Yenrich Technology Corporation, the shareholding ratio has fallen below 50%, it has been excluded from the consolidated entity since June 2024.

Note 11: The financial statements of the entity as of and for the three months ended March 31, 2024 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiary.

Note 12: The financial statements of the entity as of and for the three months ended March 31, 2025 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiary.

Note 13: United LED Shan Dong Corporation has applied for liquidation in 2025.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interest that are material to the Group: None.

(4) Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There was no significant change in the reporting period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|---------------------------------------|-----------------------|--------------------------|-----------------------|
| Cash on hand and petty cash | \$ 1,060 | \$ 1,199 | \$ 1,623 |
| Checking accounts and demand deposits | 2,170,567 | 1,975,519 | 3,490,024 |
| Time deposits | 11,132,520 | 12,327,165 | 11,699,450 |
| Bonds sold under repurchase agreement | <u>276,000</u> | <u>373,929</u> | <u>81,000</u> |
| | <u>\$ 13,580,147</u> | <u>\$ 14,677,812</u> | <u>\$ 15,272,097</u> |

The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

(2) Financial assets and liabilities at fair value through profit or loss

| <u>Asset Items</u> | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|--|-----------------------|--------------------------|-----------------------|
| Current items: | | | |
| Financial assets mandatorily measured at fair value through profit or loss | | | |
| Listed stocks | \$ - | \$ - | \$ 185,580 |
| Derivatives | 279 | - | 55 |
| | <u>279</u> | <u>-</u> | <u>185,635</u> |
| Valuation adjustment | - | - | (36,814) |
| | <u>279</u> | <u>-</u> | <u>148,821</u> |
| Non-current items: | | | |
| Financial assets mandatorily measured at fair value through profit or loss | | | |
| Unlisted stocks | \$ 219,045 | \$ 218,083 | \$ 216,286 |
| Valuation adjustments | (219,045) | (218,083) | (216,286) |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 279</u> | <u>\$ -</u> | <u>\$ 148,821</u> |
| <u>Liability items</u> | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
| Current items: | | | |
| Financial liabilities held for trading derivatives | | | |
| | <u>\$ 39,592</u> | <u>\$ 75,337</u> | <u>\$ 61,690</u> |

A. The Group entered into contracts relating to derivative financial assets/liabilities which were not accounted for under hedge accounting. The information is listed below:

| <u>March 31, 2025</u> | | | |
|--|--|-----------------|-----------------------|
| <u>Financial instruments</u> | <u>Notional principal (in thousands)</u> | <u>Currency</u> | <u>Maturity date</u> |
| Forward foreign exchange contract - sell | USD 57,000 | USD to NTD | 2025.04.01~2025.08.20 |
| Forward foreign exchange contract - sell | USD 11,500 | USD to NTD | 2025.04.02~2025.06.20 |
| Forward foreign exchange contract - sell | USD 19,000 | USD to RMB | 2025.04.29~2025.07.28 |
| Foreign exchange swap | USD 5,600 | USD to NTD | 2025.04.02~2025.07.28 |
| <u>December 31, 2024</u> | | | |
| <u>Financial instruments</u> | <u>Notional principal (in thousands)</u> | <u>Currency</u> | <u>Maturity date</u> |
| Forward foreign exchange contract - sell | USD 74,200 | USD to NTD | 2025.01.02~2025.05.19 |
| Forward foreign exchange contract - sell | USD 8,500 | USD to NTD | 2025.01.08~2025.04.02 |
| Forward foreign exchange contract - sell | USD 7 | USD to JPY | 2025.01.23 |
| Forward foreign exchange contract - sell | USD 21,000 | USD to RMB | 2025.02.28~2025.04.29 |
| Foreign exchange swap | USD 9,000 | USD to NTD | 2025.01.03~2025.04.02 |

March 31, 2024

| Financial instruments | Notional principal (in thousands) | Currency | Maturity date |
|--|---|------------|-----------------------|
| Forward foreign exchange contract - sell | USD 60,000 | USD to NTD | 2024.04.01~2024.08.19 |
| Forward foreign exchange contract - sell | USD 8,500 | USD to NTD | 2024.04.03~2024.07.05 |
| Forward foreign exchange contract - sell | USD 38 | USD to JPY | 2024.04.24~2024.05.24 |
| Forward foreign exchange contract - sell | USD 23,000 | USD to RMB | 2024.04.19~2024.09.20 |

The Group entered into forward foreign exchange contracts to hedge exchange rate risk of export and import proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

- B. The net loss recognized by the Group amounted to \$35,264 and \$99,284 for the three months ended March 31, 2025 and 2024, respectively.
- C. Information on credit risk of financial assets/liabilities at fair value through profit or loss is provided in Notes 12(2) and (3).

(3) Financial assets at fair value through other comprehensive income

| Items | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|----------------------|---------------------|---------------------|---------------------|
| Non-current items: | | | |
| Equity instruments | | | |
| Listed stocks | \$ 478,019 | \$ 555,526 | \$ 766,781 |
| Unlisted stocks | 3,454,103 | 3,437,377 | 3,673,673 |
| | 3,932,122 | 3,992,903 | 4,440,454 |
| Valuation adjustment | 1,186,670 | 1,279,485 | (960,553) |
| | <u>\$ 5,118,792</u> | <u>\$ 5,272,388</u> | <u>\$ 3,479,901</u> |

- A. The Group has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$5,118,792, \$5,272,388 and \$3,479,901 as at March 31, 2025, December 31, 2024 and March 31, 2024, respectively.
- B. Aiming to satisfy the operating plan, the Group sold \$196,408 and \$0 of equity instruments at fair value and the cumulative income on disposal which was transferred from other equity to retained earnings amounted to \$106,612 and \$0 during the three months ended March 31, 2025 and 2024, respectively.
- C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

| Equity instruments at fair value through other comprehensive income | Three months ended March 31, 2025 | Three months ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Fair value change recognized in other comprehensive income (loss) | \$ 11,422 | (\$ 795,653) |
| Dividend income recognized in profit or loss held at end of period | \$ - | \$ - |

D. As of March 31, 2025, December 31, 2024 and March 31, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$5,118,792, \$5,272,388 and \$3,479,901, respectively.

E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Notes 12(2) and (3).

(4) Financial assets at amortised cost

| <u>Items</u> | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|---|-----------------------|--------------------------|-----------------------|
| Current items: | | | |
| Time deposits with maturity over three months | \$ 814,697 | \$ 136,637 | \$ - |
| Restricted bank deposits | <u>426,708</u> | <u>507,380</u> | <u>1,046,284</u> |
| | <u>\$ 1,241,405</u> | <u>\$ 644,017</u> | <u>\$ 1,046,284</u> |
| Non-current items: | | | |
| Restricted bank deposits | <u>\$ 254,880</u> | <u>\$ 252,497</u> | <u>\$ 242,954</u> |

A. Amounts recognized in profit or loss in relation to financial assets at amortised cost are listed below:

| | <u>Three months ended March 31, 2025</u> | <u>Three months ended March 31, 2024</u> |
|-----------------|--|--|
| Interest income | <u>\$ 1,830</u> | <u>\$ 1,369</u> |

B. As of March 31, 2025, December 31, 2024 and March 31, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$1,496,285, \$896,514 and \$1,289,238, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposit are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|--|-----------------------|--------------------------|-----------------------|
| Notes receivable | \$ 906,713 | \$ 748,305 | \$ 809,379 |
| Less: Allowance for uncollectible accounts | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$ 906,713</u> | <u>\$ 748,305</u> | <u>\$ 809,379</u> |
| Accounts receivable | \$ 6,945,637 | \$ 7,696,593 | \$ 7,418,803 |
| Less: Allowance for uncollectible accounts | <u>(20,119)</u> | <u>(19,331)</u> | <u>(12,600)</u> |
| | <u>\$ 6,925,518</u> | <u>\$ 7,677,262</u> | <u>\$ 7,406,203</u> |

A. The ageing analysis of accounts receivable and notes receivable is as follows:

| | March 31, 2025 | | December 31, 2024 | |
|----------------|---------------------|-------------------|---------------------|-------------------|
| | Accounts receivable | Notes receivable | Accounts receivable | Notes receivable |
| Not past due | \$ 6,873,769 | \$ 906,713 | \$ 7,323,226 | \$ 748,305 |
| Up to 30 days | 20,546 | - | 208,234 | - |
| 31 to 90 days | 20,630 | - | 138,802 | - |
| 91 to 180 days | 5,082 | - | 6,707 | - |
| Over 180 days | 25,610 | - | 19,624 | - |
| | <u>\$ 6,945,637</u> | <u>\$ 906,713</u> | <u>\$ 7,696,593</u> | <u>\$ 748,305</u> |

| | March 31, 2024 | |
|----------------|---------------------|-------------------|
| | Accounts receivable | Notes receivable |
| Not past due | \$ 7,303,393 | \$ 809,379 |
| Up to 30 days | 75,984 | - |
| 31 to 90 days | 16,383 | - |
| 91 to 180 days | 12,008 | - |
| Over 180 days | 11,035 | - |
| | <u>\$ 7,418,803</u> | <u>\$ 809,379</u> |

The above ageing analysis was based on past due date.

- B. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group had outstanding discounted notes receivable amounting to \$566,810, \$728,506 and \$227,346 respectively. The Group has payment obligations when the drawers of the notes refuse to pay for the notes at maturity. However, the credit rating of the aforesaid acceptance bank is extremely high, and the Group judges that the discounted notes receivable meets the requirements for delisting financial assets and will be deducted from notes receivable directly. The liabilities arising on discounted notes receivable are recognized in short-term borrowings, please refer to Note 6(12) for details.
- C. Details of the Group's notes receivable pledged to others as collateral are provided in Note 8.
- D. The Group holds collateral including commercial papers and financial assets as security for accounts receivable.
- E. As of March 31, 2025, December 31, 2024 and March 31, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the notes receivable held by the Group was \$906,713, \$748,305 and \$809,379, respectively; the maximum exposure to credit risk in respect of the amount that best represents the accounts receivable held by the Group was \$6,925,518, \$7,677,262 and \$7,406,203, respectively.
- F. Information on credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

| | March 31, 2025 | | |
|------------------|---------------------|---------------------------------|---------------------|
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | \$ 2,055,305 | (\$ 91,283) | \$ 1,964,022 |
| Work in progress | 1,330,705 | (161,679) | 1,169,026 |
| Finished goods | 2,195,052 | (154,772) | 2,040,280 |
| | <u>\$ 5,581,062</u> | <u>(\$ 407,734)</u> | <u>\$ 5,173,328</u> |
| | December 31, 2024 | | |
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | \$ 1,894,529 | (\$ 87,035) | \$ 1,807,494 |
| Work in progress | 1,247,000 | (156,154) | 1,090,846 |
| Finished goods | 1,978,387 | (147,043) | 1,831,344 |
| | <u>\$ 5,119,916</u> | <u>(\$ 390,232)</u> | <u>\$ 4,729,684</u> |
| | March 31, 2024 | | |
| | Cost | Allowance for valuation loss | Book value |
| Raw materials | \$ 1,723,481 | (\$ 164,517) | \$ 1,558,964 |
| Work in progress | 1,334,304 | (234,964) | 1,099,340 |
| Finished goods | 2,328,845 | (262,794) | 2,066,051 |
| | <u>\$ 5,386,630</u> | <u>(\$ 662,275)</u> | <u>\$ 4,724,355</u> |

The cost of inventories recognised as expense for the three months ended March 31, 2025 and 2024:

| | Three months ended March 31, 2025 | Three months ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Cost of goods sold | \$ 4,333,579 | \$ 4,220,013 |
| Scrap loss | 26,798 | 8,367 |
| Loss on market price decline (recovery benefits in market value) | 15,232 | (76,528) |
| Loss on idle capacity | 552,647 | 717,422 |
| Other | 18,736 | 29,884 |
| | <u>\$ 4,946,992</u> | <u>\$ 4,899,158</u> |

For the three months ended March 31, 2024, the gain on reversal of decline in market value was caused by the increase in the utilization rate of the Group.

(7) Investments accounted for using equity method

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|---|-----------------------|--------------------------|-----------------------|
| Associates: | | | |
| Tyntek Corporation | \$ 1,027,678 | \$ 1,035,709 | \$ 1,019,901 |
| GCS Holdings, Inc. | 900,171 | 783,236 | 813,970 |
| LEADSTAR Micro-Crystal Display Corporation (Jiangsu) Ltd. | 570,885 | 591,157 | 643,254 |
| Changzhou Chemsemi Co., Ltd. | 303,268 | 339,654 | 530,112 |
| LEDOLUX Sp. Zo.O. | 54,411 | 50,639 | 12,107 |
| TE OPTO CORPORATION | 48,300 | 45,979 | 45,190 |
| iReach Corporation | 36,862 | 45,469 | 50,846 |
| LEDAZ Co.,Ltd. | 28,487 | 25,941 | 6,397 |
| Yenrich Technology Corporation | 28,297 | 38,022 | - |
| Interlight Optotech (HK) Co., Limited. | 7,935 | 7,834 | 7,776 |
| Chuzhou Bwin Technology Corp. | 3,548 | 8,635 | - |
| Domi-Star Optoelectronics Corporation | 259 | 262 | 308 |
| WellyWave Semiconductors Inc. | - | - | 37,712 |
| | <u>\$ 3,010,101</u> | <u>\$ 2,972,537</u> | <u>\$ 3,167,573</u> |

A. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

As of March 31, 2025, December 31, 2024 and March 31, 2024, the carrying amount of the Group's individually immaterial associates amounted to \$3,010,101, \$2,972,537 and \$3,167,573, respectively.

| Attributable to the Group: | <u>Three months ended March 31, 2025</u> | <u>Three months ended March 31, 2024</u> |
|--|--|--|
| Loss for the period from continuing operations | (\$ 122,242) | (\$ 138,217) |
| Other comprehensive income | 21,852 | 49,235 |
| Total comprehensive loss | <u>(\$ 100,390)</u> | <u>(\$ 88,982)</u> |

B. The fair value of the Group's material associates with quoted market prices is as follows:

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|--------------------|-----------------------|--------------------------|-----------------------|
| GCS Holdings, Inc. | \$ 3,227,015 | \$ 3,340,296 | \$ 744,819 |
| Tyntek Corporation | 787,037 | 1,035,813 | 811,476 |
| | <u>\$ 4,014,052</u> | <u>\$ 4,376,109</u> | <u>\$ 1,556,295</u> |

C. In the second quarter of 2024, due to not participating in the cash capital increase of Yenrich Technology Corp., the Group lost control over the company. Yenrich Technology Corp. is considered as an associate company since June 2024.

D. In the second quarter of 2024, the Group sold 66.4% shares of Chuzhou Bwin Technology Corp., so, Chuzhou Bwin Technology Corp. is considered as an associate company since June 2024.

E. During the first quarter of 2024, the Group disposed all shares of Joint Power Exponext, Ltd.

F. During the second quarter of 2024, the Group disposed all shares of WellyWave Semiconductors Inc.

(8) Property, plant and equipment

| | Land | Buildings and structures | Machinery | Office equipment | Leasehold improvements | Others | Construction in progress and equipment to be inspected | Total |
|--|---------------------|--------------------------|---------------------|------------------|------------------------|-------------------|--|----------------------|
| At January 1, 2025 | | | | | | | | |
| Cost | \$ 1,558,195 | \$ 17,349,825 | \$ 43,336,727 | \$ 395,564 | \$ 349,381 | \$ 1,593,671 | \$ 1,437,554 | \$ 66,020,917 |
| Accumulated depreciation and impairment | - | (10,855,504) | (37,726,147) | (327,741) | (294,047) | (1,222,433) | - | (50,425,872) |
| | <u>\$ 1,558,195</u> | <u>\$ 6,494,321</u> | <u>\$ 5,610,580</u> | <u>\$ 67,823</u> | <u>\$ 55,334</u> | <u>\$ 371,238</u> | <u>\$ 1,437,554</u> | <u>\$ 15,595,045</u> |
| <u>2025</u> | | | | | | | | |
| Opening net book amount at January 1 | \$ 1,558,195 | \$ 6,494,321 | \$ 5,610,580 | \$ 67,823 | \$ 55,334 | \$ 371,238 | \$ 1,437,554 | \$ 15,595,045 |
| Additions | - | 780 | 27,016 | 2,594 | - | 6,431 | 279,751 | 316,572 |
| Transfer | - | 4,572 | 313,580 | 155 | - | 73,290 | (391,597) | - |
| Disposals | - | - | (41) | - | - | - | - | (41) |
| Reclassifications | - | - | - | - | - | - | (271) | (271) |
| Investment property reclassification | - | 1,961 | - | - | - | - | - | 1,961 |
| Depreciation charge | - | (190,024) | (652,330) | (7,812) | (3,440) | (32,900) | - | (886,506) |
| Net exchange differences | - | 35,267 | 40,392 | 381 | 144 | 5,523 | 5,761 | 87,468 |
| Closing net book amount at March 31 | <u>\$ 1,558,195</u> | <u>\$ 6,346,877</u> | <u>\$ 5,339,197</u> | <u>\$ 63,141</u> | <u>\$ 52,038</u> | <u>\$ 423,582</u> | <u>\$ 1,331,198</u> | <u>\$ 15,114,228</u> |
| At March 31, 2025 | | | | | | | | |
| Cost | \$ 1,558,195 | \$ 17,426,765 | \$ 42,456,044 | \$ 403,469 | \$ 336,851 | \$ 1,674,749 | \$ 1,331,198 | \$ 65,187,271 |
| Accumulated depreciation and impairment | - | (11,079,888) | (37,116,847) | (340,328) | (284,813) | (1,251,167) | - | (50,073,043) |
| | <u>\$ 1,558,195</u> | <u>\$ 6,346,877</u> | <u>\$ 5,339,197</u> | <u>\$ 63,141</u> | <u>\$ 52,038</u> | <u>\$ 423,582</u> | <u>\$ 1,331,198</u> | <u>\$ 15,114,228</u> |
| At January 1, 2024 | | | | | | | | |
| Cost | \$ 1,558,195 | \$ 17,837,732 | \$ 44,842,113 | \$ 400,288 | \$ 346,879 | \$ 1,885,365 | \$ 1,924,246 | \$ 68,794,818 |
| Accumulated depreciation and impairment | - | (10,156,640) | (37,040,262) | (321,220) | (276,822) | (1,534,902) | - | (49,329,846) |
| | <u>\$ 1,558,195</u> | <u>\$ 7,681,092</u> | <u>\$ 7,801,851</u> | <u>\$ 79,068</u> | <u>\$ 70,057</u> | <u>\$ 350,463</u> | <u>\$ 1,924,246</u> | <u>\$ 19,464,972</u> |
| <u>2024</u> | | | | | | | | |
| Opening net book amount at January 1 | \$ 1,558,195 | \$ 7,681,092 | \$ 7,801,851 | \$ 79,068 | \$ 70,057 | \$ 350,463 | \$ 1,924,246 | \$ 19,464,972 |
| Additions | - | 1,190 | 2,032 | 118 | 813 | 3,920 | 395,053 | 403,126 |
| Transfer | - | 35,028 | 467,652 | 7,486 | 800 | 20,932 | (531,898) | - |
| Disposals | - | (354) | (3,431) | - | - | (217) | - | (4,002) |
| Reclassified to non-current assets held for sale | - | - | (399) | - | - | - | - | (399) |
| Reclassifications | - | - | 80,669 | - | - | (80,669) | 10,419 | 10,419 |
| Investment property reclassification | - | 2,921 | - | - | - | - | - | 2,921 |
| Depreciation charge | - | (221,603) | (802,942) | (8,376) | (4,346) | (27,580) | - | (1,064,847) |
| Net exchange differences | - | 31,267 | 42,204 | 392 | 188 | 2,414 | 22,086 | 98,551 |
| Closing net book amount at March 31 | <u>\$ 1,558,195</u> | <u>\$ 7,529,541</u> | <u>\$ 7,587,636</u> | <u>\$ 78,688</u> | <u>\$ 67,512</u> | <u>\$ 269,263</u> | <u>\$ 1,819,906</u> | <u>\$ 18,910,741</u> |
| At March 31, 2024 | | | | | | | | |
| Cost | \$ 1,558,195 | \$ 17,933,147 | \$ 44,763,915 | \$ 409,947 | \$ 350,057 | \$ 1,585,988 | \$ 1,819,906 | \$ 68,421,155 |
| Accumulated depreciation and impairment | - | (10,403,606) | (37,176,279) | (331,259) | (282,545) | (1,316,725) | - | (49,510,414) |
| | <u>\$ 1,558,195</u> | <u>\$ 7,529,541</u> | <u>\$ 7,587,636</u> | <u>\$ 78,688</u> | <u>\$ 67,512</u> | <u>\$ 269,263</u> | <u>\$ 1,819,906</u> | <u>\$ 18,910,741</u> |

Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(9) Leasing arrangements—lessee

- A. The Group leases various assets including land, buildings, machinery, transportation equipment and office equipment. Rental contracts are typically made for periods of 2 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise of buildings, transportation equipment and office equipment. Low-value assets comprise of office equipment.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|--------------------------|------------------------|--------------------------|------------------------|
| | <u>Carrying amount</u> | <u>Carrying amount</u> | <u>Carrying amount</u> |
| Land | \$ 1,339,709 | \$ 1,408,163 | \$ 1,526,718 |
| Buildings | 44,313 | 51,768 | 80,561 |
| Machinery | 25,729 | 26,714 | 50,543 |
| Transportation equipment | 4,206 | 6,932 | 9,103 |
| Office equipment | 21,170 | 22,909 | 29,756 |
| Other equipment | 785 | - | - |
| | <u>\$ 1,435,912</u> | <u>\$ 1,516,486</u> | <u>\$ 1,696,681</u> |

| | <u>Three months ended</u> | <u>Three months ended</u> |
|--------------------------|----------------------------|----------------------------|
| | <u>March 31, 2025</u> | <u>March 31, 2024</u> |
| | <u>Depreciation charge</u> | <u>Depreciation charge</u> |
| Land | \$ 14,140 | \$ 16,045 |
| Buildings | 3,744 | 5,888 |
| Machinery | 1,532 | 1,862 |
| Transportation equipment | 1,510 | 1,310 |
| Office equipment | 2,530 | 2,865 |
| Other equipment | 41 | - |
| | <u>\$ 23,497</u> | <u>\$ 27,970</u> |

- D. For the three months ended March 31, 2025 and 2024, the additions to right-of-use assets were \$1,763 and \$57,040, respectively.

- E. The information on profit and loss accounts relating to lease contracts is as follows:

| | <u>Three months ended</u> | <u>Three months ended</u> |
|---------------------------------------|---------------------------|---------------------------|
| | <u>March 31, 2025</u> | <u>March 31, 2024</u> |
| <u>Items affecting profit or loss</u> | | |
| Interest expense on lease liabilities | \$ 5,415 | \$ 6,245 |
| Expense on short-term lease contracts | 10,394 | 5,245 |
| Expense on leases of low-value assets | 1,707 | 814 |

- F. For the three months ended March 31, 2025 and 2024, the Group's total cash outflow for leases were \$43,307 and \$33,979, respectively.

(10) Intangible assets

| | <u>Patents</u> | <u>Goodwill</u> | <u>Software</u> | <u>Others</u> | <u>Total</u> |
|---|-------------------|-------------------|-------------------|------------------|---------------------|
| At January 1, 2025 | | | | | |
| Cost | \$ 2,762,430 | \$ 754,266 | \$ 690,825 | \$ 141,443 | \$ 4,348,964 |
| Accumulated amortisation and impairment | (2,241,500) | - | (586,198) | (138,850) | (2,966,548) |
| | <u>\$ 520,930</u> | <u>\$ 754,266</u> | <u>\$ 104,627</u> | <u>\$ 2,593</u> | <u>\$ 1,382,416</u> |
| <u>2025</u> | | | | | |
| Opening net book amount as at January 1 | \$ 520,930 | \$ 754,266 | \$ 104,627 | \$ 2,593 | \$ 1,382,416 |
| Additions | 2,323 | - | 9,789 | - | 12,112 |
| Disposals | (242) | - | - | - | (242) |
| Reclassifications | 51 | - | (51) | - | - |
| Amortisation charge | (34,016) | - | (12,464) | (432) | (46,912) |
| Net exchange differences | <u>3</u> | <u>-</u> | <u>185</u> | <u>-</u> | <u>188</u> |
| Closing net book amount as at March 31 | <u>\$ 489,049</u> | <u>\$ 754,266</u> | <u>\$ 102,086</u> | <u>\$ 2,161</u> | <u>\$ 1,347,562</u> |
| At March 31, 2025 | | | | | |
| Cost | \$ 2,766,584 | \$ 754,266 | \$ 702,587 | \$ 141,444 | \$ 4,364,881 |
| Accumulated amortisation and impairment | (2,277,535) | - | (600,501) | (139,283) | (3,017,319) |
| | <u>\$ 489,049</u> | <u>\$ 754,266</u> | <u>\$ 102,086</u> | <u>\$ 2,161</u> | <u>\$ 1,347,562</u> |
| | <u>Patents</u> | <u>Goodwill</u> | <u>Software</u> | <u>Others</u> | <u>Total</u> |
| At January 1, 2024 | | | | | |
| Cost | \$ 2,920,200 | \$ 763,034 | \$ 633,286 | \$ 187,087 | \$ 4,503,607 |
| Accumulated amortisation and impairment | (2,206,784) | (8,768) | (518,340) | (129,113) | (2,863,005) |
| | <u>\$ 713,416</u> | <u>\$ 754,266</u> | <u>\$ 114,946</u> | <u>\$ 57,974</u> | <u>\$ 1,640,602</u> |
| <u>2024</u> | | | | | |
| Opening net book amount as at January 1 | \$ 713,416 | \$ 754,266 | \$ 114,946 | \$ 57,974 | \$ 1,640,602 |
| Additions | 1,446 | - | 3,646 | - | 5,092 |
| Amortisation charge | (45,438) | - | (13,092) | (4,401) | (62,931) |
| Net exchange differences | <u>1,129</u> | <u>-</u> | <u>(916)</u> | <u>868</u> | <u>1,081</u> |
| Closing net book amount as at March 31 | <u>\$ 670,553</u> | <u>\$ 754,266</u> | <u>\$ 104,584</u> | <u>\$ 54,441</u> | <u>\$ 1,583,844</u> |
| At March 31, 2024 | | | | | |
| Cost | \$ 2,933,870 | \$ 763,034 | \$ 637,450 | \$ 187,956 | \$ 4,522,310 |
| Accumulated amortisation and impairment | (2,263,317) | (8,768) | (532,866) | (133,515) | (2,938,466) |
| | <u>\$ 670,553</u> | <u>\$ 754,266</u> | <u>\$ 104,584</u> | <u>\$ 54,441</u> | <u>\$ 1,583,844</u> |

Details of amortisation on intangible assets are as follows:

| | Three months ended March 31, 2025 | Three months ended March 31, 2024 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Operating costs | \$ 11,708 | \$ 22,021 |
| Selling expenses | 197 | 162 |
| Administrative expenses | 23,178 | 28,423 |
| Research and development expenses | 11,829 | 12,325 |
| | <u>\$ 46,912</u> | <u>\$ 62,931</u> |

(11) Non-current assets held for sale and discontinued operations

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|-------------------------------|-----------------------|--------------------------|-----------------------|
| Property, plant and equipment | \$ - | \$ 131,173 | \$ 96,981 |

A. The Company signed a contract for selling the Shandong factory and land use rights on March 5, 2024, so the amount of property, plant and equipment were recognized as non-current assets held for sale in the first quarter of 2024, and the transaction was completed in the first quarter of 2025.

B. The Company's Board of Directors resolved to dispose of microelectronic equipment to Global Communication Semiconductors, LLC on April 26, 2024. The asset related to the transaction was recognized as non-current assets held for sale in the second quarter of 2024, and the transaction was completed in the third quarter of 2024.

C. The Group entered into an order with FITTECH Co., Ltd. on December 24, 2024. The amount of property, plant and equipment were recognized as non-current assets held for sale in the fourth quarter of 2024, and the transaction was completed in the first quarter of 2025.

(12) Short-term borrowings

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|--|-----------------------|--------------------------|-----------------------|
| Bank borrowings-unsecured borrowings | \$ 450,000 | \$ 566,428 | \$ 203,315 |
| Liabilities on discounted notes receivable | - | - | 149,502 |
| | <u>\$ 450,000</u> | <u>\$ 566,428</u> | <u>\$ 352,817</u> |
| Interest rate range-NTD | 2.74% | 2.84% | - |
| Interest rate range-foreign currency | - | 3.20% | 3.2%~3.7% |
| Interest rate range - discounted notes | - | - | 1.55%~1.56% |

Pursuant to the syndicated loan agreement, the Company and its subsidiaries should meet certain financial covenants which are calculated based on each of their annual audited consolidated financial statements. The Company and its subsidiaries agreed to maintain the current ratio, debt ratio, debt service coverage ratio and tangible net assets as defined in financial covenants.

As of March 31, 2025, December 31, 2024 and March 31, 2024, Epistar Corporation has endorsements to Ennostar Inc. totalling \$750,000, \$750,000 and \$3,250,000, respectively.

(13) Short-term notes and bills payable

| March 31, 2025 | | | | |
|----------------------------------|--------|---------------------|---|--------|
| Rate (%) | Amount | Name of bank | Collaterals | |
| Payables for bankers' acceptance | - | \$ <u>748,888</u> | FUBON BANK (China) | Note 8 |
| | | | BANK OF COMMUNICATIONS | |
| | | | Industrial and Commercial Bank of China | |
| | | | China Construction Bank (CCB) | |
| | | | Xiamen Bank | |
| | | | Bank of China | |
| December 31, 2024 | | | | |
| Rate (%) | Amount | Name of bank | Collaterals | |
| Payables for bankers' acceptance | - | \$ <u>845,699</u> | AGRICULTURAL BANK OF CHINA | Note 8 |
| | | | BANK OF COMMUNICATIONS | |
| | | | Industrial and Commercial Bank of China | |
| | | | FUBON BANK (China) | |
| | | | China Construction Bank (CCB) | |
| | | | Xiamen Bank | |
| Bank of China | | | | |
| March 31, 2024 | | | | |
| Rate (%) | Amount | Name of bank | Collaterals | |
| Payables for bankers' acceptance | - | \$ <u>1,281,205</u> | AGRICULTURAL BANK OF CHINA | Note 8 |
| | | | BANK OF JIANGSU | |
| | | | BANK OF COMMUNICATIONS | |
| | | | BANK OF CHINA | |
| | | | Huishang Bank Corporation Limited | |
| | | | BANK OF CTBC | |

(14) Other payables

| Items | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|---|---------------------|---------------------|---------------------|
| Payables on wages, salaries and bonus | \$ 952,004 | \$ 1,146,834 | \$ 860,421 |
| Payables on processing fees | 460,935 | 461,023 | 402,639 |
| Payables on machinery and equipment | 334,545 | 417,648 | 736,982 |
| Payables on consumable goods and equipment repair expense | 317,881 | 327,012 | 322,426 |
| Payables on personnel expense | 229,122 | 205,965 | 268,857 |
| Payables on gas expense | 74,973 | 75,955 | 69,612 |
| Payables on reticle expense | 11,980 | 19,890 | 21,166 |
| Payables on intangible assets | 10,483 | 10,401 | 41,506 |
| Payables on insurance expense | 5,102 | - | 12,297 |
| Compensation due to employees, directors and supervisors | 624 | 88,290 | 88,840 |
| Others | 665,734 | 674,555 | 777,445 |
| | <u>\$ 3,063,383</u> | <u>\$ 3,427,573</u> | <u>\$ 3,602,191</u> |

(15) Long-term borrowings

| <u>Type of borrowings</u> | <u>Borrowing period and repayment term</u> | <u>March 31, 2025</u> |
|---|--|-----------------------|
| Bank borrowings | | |
| Unsecured borrowings | Before September 15, 2025 | \$ 152,322 |
| Unsecured borrowings | Before September 15, 2025 | 147,959 |
| Unsecured borrowings | Before September 15, 2025 | 100,000 |
| Unsecured borrowings | Before September 15, 2025 | 133,713 |
| Unsecured borrowings | Before February 15, 2026 | 223,509 |
| Unsecured borrowings | Before April 15, 2027 | 101,351 |
| Unsecured borrowings | Before January 22, 2030 | 3,046 |
| Secured borrowings | Before June 30, 2029 | <u>180,000</u> |
| | | 1,041,900 |
| Less: Current portion of long-term borrowings | | (826,152) |
| | | <u>\$ 215,748</u> |
| Interest rate range | | <u>0.925%~2%</u> |

| <u>Type of borrowings</u> | <u>Borrowing period and repayment term</u> | <u>December 31, 2024</u> |
|---|--|--------------------------|
| Bank borrowings | | |
| Unsecured borrowings | Before September 15, 2025 | \$ 228,483 |
| Unsecured borrowings | Before September 15, 2025 | 221,938 |
| Unsecured borrowings | Before September 15, 2025 | 150,000 |
| Unsecured borrowings | Before September 15, 2025 | 200,569 |
| Unsecured borrowings | Before February 15, 2026 | 288,704 |
| Unsecured borrowings | Before April 15, 2027 | 113,513 |
| Secured borrowings | Before June 30, 2029 | <u>185,000</u> |
| | | 1,388,207 |
| Less: Current portion of long-term borrowings | | (1,130,416) |
| | | <u>\$ 257,791</u> |
| Interest rate range | | <u>0.925%~1.775%</u> |

| <u>Type of borrowings</u> | <u>Borrowing period and repayment term</u> | <u>March 31, 2024</u> |
|---|--|-----------------------|
| Bank borrowings | | |
| Unsecured borrowings | Before September 15, 2025 | \$ 456,965 |
| Unsecured borrowings | Before May 15, 2026 | 179,544 |
| Unsecured borrowings | Before September 15, 2025 | 523,050 |
| Unsecured borrowings | Before November 15, 2025 | 435,840 |
| Unsecured borrowings | Before September 15, 2025 | 300,000 |
| Unsecured borrowings | Before September 15, 2025 | 401,139 |
| Unsecured borrowings | Before February 15, 2026 | 499,824 |
| Unsecured borrowings | Before April 15, 2027 | 150,000 |
| Secured borrowings | Before June 12, 2028 | 63,750 |
| Secured borrowings | Before March 15, 2028 | 100,000 |
| Secured borrowings | Before June 30, 2029 | <u>200,000</u> |
| | | 3,310,112 |
| Less: Current portion of long-term borrowings | | (1,834,566) |
| | | <u>\$ 1,475,546</u> |
| Interest rate range | | <u>0.925%~1.905%</u> |

Pursuant to the bank loan agreements with Mega Bank, the Company and its subsidiaries should meet certain financial covenants which are calculated based on each of their annual audited consolidated financial statements or semi-annual reviewed consolidated financial statements. The Company and its subsidiaries agreed to maintain the current ratio, debt ratio as defined in financial covenants.

(16) Pensions

- A. (a) The Company and its domestic subsidiaries have defined benefit pension plans in accordance with the Labor Standards Law, covering all regular employees for services provided prior to July 1, 2005, and employees who choose to remain in the defined benefit pension plan subsequent to the enforcement of the Labor Pension Act on July 1, 2005. Under the defined benefit pension plan, employees are entitled to two base points for every year of service for the first 15 years and one base point for each additional year thereafter, up to a maximum of 45 base points. The pension payment to employees is computed based on years of service and average salaries or wages of the last nine months prior to approved retirement. The Company contributes an amount equal to 2% of salaries and wages paid each month to a pension fund. The pension fund is administered by a pension fund monitoring committee and deposited under the Committee's name in the Bank of Taiwan. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.
- (b) For the aforementioned pension plan, the Group (reversed) recognised pension costs of (\$242) and \$234 for the three months ended March 31, 2025 and 2024 respectively.
- (c) Expected contributions to the defined benefit pension plans of the Company for the year ending March 31, 2026 amount to \$8,032.
- B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Group's mainland China subsidiaries have funded defined contribution plans. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on a certain percentage stipulated by the government. Other than the monthly contributions, the Group does not have further obligations.
- (c) The pension costs under the defined contribution pension plans of the Group for the three months ended March 31, 2025 and 2024 were \$97,073 and \$103,990, respectively.

(17) Share-based payment

A. Employee stock options:

- (a) For the three months ended March 31, 2025, the Group's restricted stocks to employees arrangement was as follows:

| Type of arrangement | Grant date | Quantity granted (thousand shares) | Vesting conditions |
|---|------------|---------------------------------------|--------------------|
| Employee stock option- United LED Corporation Hong Kong Limited | 2010.08.01 | 1,500 | Note 1 |
| Employee stock option- Unikorn Semiconductor Corporation | 2022.05.06 | 9,518 | Note 2 |
| Employee stock option- Unikorn Semiconductor Corporation | 2023.04.27 | 1,482 | Note 2 |
| Employee stock option- Hexawave, Inc. | 2022.08.10 | 3,000 | Note 3 |
| Employee stock option- Hexawave, Inc. | 2023.04.25 | 500 | Note 3 |

Note 1: 30% upon completion of 1 year's service; 60% upon completion of 2 years' service; 100% upon completion of 3 years' service.

Note 2: For 1 and 2 years from the date of issuance of stock options, the employees could exercise the stock options of 50% and 50% of the shares, respectively, which was based on the employees' individual performance indicators. Employees of the subsidiary, Unikorn Semiconductor Corporation, waived all their stock options in the second quarter of 2024.

Note 3: Employees were able to exercise 30%, 30% and 40% of their stock options after 1 year, 2 years and 3 years from the grant date, respectively.

(b) Details of the share-based payment arrangements are as follows:

| | 2025 | | 2024 | |
|--|---------------------------------|---|---------------------------------|---|
| | No. of shares (in thousands) | Weighted-average exercise price (in US dollars) | No. of shares (in thousands) | Weighted-average exercise price (in US dollars) |
| Options outstanding from beginning to the end of the period - United LED Corporation Hong Kong Limited | <u>1,049</u> | \$ 0.0001 | <u>1,049</u> | \$ 0.0001 |
| Options exercisable at end of the period - United LED Corporation Hong Kong Limited | <u>1,049</u> | 0.0001 | <u>1,049</u> | 0.0001 |

| | 2025 | | 2024 | |
|--|----------------|------------------|----------------|------------------|
| | No. of shares | Weighted-average | No. of shares | Weighted-average |
| | (in thousands) | exercise price | (in thousands) | exercise price |
| | | (in NTD) | | (in NTD) |
| Options outstanding at beginning of the period - Unikorn Semiconductor Corporation | - | \$ 5 | 5,688 | \$ 5 |
| Options forfeited - Unikorn Semiconductor Corporation | - | 5 | (176) | 5 |
| Options outstanding at end of the period - Unikorn Semiconductor Corporation | - | 5 | <u>5,512</u> | 5 |
| Options exercisable at end of the period - Unikorn Semiconductor Corporation | - | 5 | <u>358</u> | 5 |

| | 2025 | | 2024 | |
|--|----------------|------------------|----------------|------------------|
| | No. of shares | Weighted-average | No. of shares | Weighted-average |
| | (in thousands) | exercise price | (in thousands) | exercise price |
| | | (in NTD) | | (in NTD) |
| Options outstanding from beginning to the end of the period - Hexawave, Inc. | <u>3,081</u> | \$ 10 | <u>3,134</u> | \$ 10 |
| Options exercisable at end of the period - Hexawave, Inc. | <u>1,531</u> | 10 | <u>534</u> | 10 |

B. Expenses incurred on share-based payment transactions are shown below:

| | Three months ended | Three months ended |
|----------------|--------------------|--------------------|
| | March 31, 2025 | March 31, 2024 |
| Equity-settled | <u>\$ 247</u> | <u>\$ 418</u> |

(18) Long-term deferred revenue (shown under “Other non-current liabilities”)

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-------------------------------------|-------------------|-------------------|-------------------|
| Deferred government grants revenue | \$ 100,318 | \$ 135,275 | \$ 158,131 |
| Deferred technical services revenue | <u>4,978</u> | <u>5,284</u> | <u>6,246</u> |
| | <u>\$ 105,296</u> | <u>\$ 140,559</u> | <u>\$ 164,377</u> |

The Company and subsidiaries obtained government grants for acquisitions of equipment, technology investments and research projects and recognized such grants as revenue over the economic lives of those assets. Government grants revenue recognized for the three months ended March 31, 2025 and 2024 were \$37,627 and \$25,318 (shown under “Other income and expenses-net” and “Other revenue”), respectively.

(19) Share capital

A. As of March 31, 2025, the Company’s authorized capital was \$15,000,000, consisting of 1,500,000 thousand shares of ordinary stock (including 50,000 thousand shares reserved for employee stock options), and the paid-in capital was \$7,379,405 with a par value of \$10 (in dollars) per share.

Movements of the Company's outstanding ordinary shares are as follows (expressed in thousands of shares):

| | <u>2025</u> | <u>2024</u> |
|--|----------------|----------------|
| January 1 (March 31) | <u>736,658</u> | <u>751,658</u> |
| B. The stockholders at their annual stockholders' meeting on May 31, 2022 adopted a resolution to raise additional cash through private placement with the effective date set on July 8, 2022, which will be used for capital expenditure of constructing/building a 6-inch wafer plant for Micro LEDs and purchasing the equipment related to epitaxy and LED chips, etc. The resolution issue 70,000 thousand shares of ordinary shares at a price of NT\$51.82 per share for a total amount of \$3,627,400 through private placement and had been registered. Pursuant to the Securities and Exchange Act of the ROC, the common shares raised through the private placement are subject to certain transfer restrictions and cannot be listed on the stock exchange until three years after they have been issued and have applied for retroactive handling of public issuance procedures. Other than these restrictions, the rights and obligations of the ordinary shares raised through the private placement are the same as other issued common shares. | | |
| C. Treasury shares | | |

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

(Unit: share in thousands/ dollars in thousands)

| | <u>2025</u> | | | | |
|---------------------------------|---------------------|-----------------|-----------------|--------------------|-------------------|
| <u>Reason for reacquisition</u> | <u>At January 1</u> | <u>Increase</u> | <u>Decrease</u> | <u>At March 31</u> | <u>Book value</u> |
| Held by subsidiaries | 1,282 | - | - | 1,282 | \$ 135,163 |

| | <u>2024</u> | | | | |
|---------------------------------|---------------------|-----------------|-----------------|--------------------|-------------------|
| <u>Reason for reacquisition</u> | <u>At January 1</u> | <u>Increase</u> | <u>Decrease</u> | <u>At March 31</u> | <u>Book value</u> |
| Held by subsidiaries | 1,282 | - | - | 1,282 | \$ 135,163 |

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the rules governing share repurchase by the Group, treasury shares should be reissued to the employees within three years from the reacquisition date and shares not reissued within the three-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(e) The retirement procedure of the 15,000 thousand treasury shares that were purchased by the Group to enhance the Company's credit rating and the stockholders' equity had been completed. In addition, the registration for the change had been completed on October 15, 2024.

D. Information of the Company's shares held by subsidiaries is as follows:

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|---------------------------|------------------------------|------------------------------|------------------------------|
| Lighting Investment Corp. | <u>1,282 thousand shares</u> | <u>1,282 thousand shares</u> | <u>1,282 thousand shares</u> |
| Book value | \$ 135,163 | \$ 135,163 | \$ 135,163 |
| Fair value | \$ 50,397 | \$ 53,603 | \$ 49,115 |

(20) Capital surplus

Pursuant to the Company Act, capital surplus, including additional paid-in capital in excess of par and donation, shall be exclusively used to cover accumulated deficit or to issue new stock or cash to shareholders in proportion to their ownership when the Company has no accumulated deficit. However, pursuant to the R.O.C. Securities and Exchange Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stock and donations can be capitalized once a year, provided that the Company has no accumulated deficit and the amount to be capitalized does not exceed 10% of the paid-in capital.

| | <u>Share premium</u> | <u>Treasury share transactions</u> | <u>Changes in ownership interests in subsidiaries accounted for using equity method</u> | <u>Change in net equity of associates and joint ventures accounted for using equity method</u> |
|--|----------------------|------------------------------------|---|--|
| At January 1, 2025 | \$ 37,876,528 | \$ 270,407 | \$ 53,606 | \$ 202,516 |
| Change in equity of associates and joint ventures accounted for using equity method | - | - | - | 36,094 |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | - | - | 632 | - |
| Changes in ownership interests in subsidiaries accounted for using equity method | - | - | 2,352 | - |
| Employee Stock Ownership Trust cancellation return | 268 | - | - | - |
| At March 31, 2025 | <u>\$ 37,876,796</u> | <u>\$ 270,407</u> | <u>\$ 56,590</u> | <u>\$ 238,610</u> |
| | <u>Share premium</u> | <u>Treasury share transactions</u> | <u>Changes in ownership interests in subsidiaries accounted for using equity method</u> | <u>Change in net equity of associates and joint ventures accounted for using equity method</u> |
| At January 1, 2024 | \$ 45,765,290 | \$ 86,753 | \$ 381,275 | \$ 213,742 |
| Change in equity of associates and joint ventures accounted for using equity method | - | - | - | (10,770) |
| Difference between consideration and carrying amount of subsidiaries acquired and disposed | - | - | 2,351 | - |
| Changes in ownership interests in subsidiaries accounted for using equity method | - | 950 | (3,525) | - |
| At March 31, 2024 | <u>\$ 45,765,290</u> | <u>\$ 87,703</u> | <u>\$ 380,101</u> | <u>\$ 202,972</u> |

(21) Retained earnings

A. In accordance with the Company's Articles of Incorporation, 10% of current year's earnings, after paying all taxes and dues and covering prior years' losses, shall be appropriated as legal

reserve until the total equals the issued share capital. Special reserve shall be appropriated or reversed when needed. The remaining earnings along with the prior years' accumulated unappropriated earnings are considered as distributable earnings, and shall be distributed by the Board of Directors. When issuing new shares, the distribution shall be submitted through a resolution at the shareholders' meeting. If the distribution is in cash, it shall be resolved by the Board of Directors. The distribution shall be based on the proportion of shares held by each shareholder.

- B. The Company appropriates earnings based on the factors such as current and future investment environment, capital needs, domestic and overseas competition and capital budget, along with the consideration of shareholders' interest and capital adequacy. The appropriation of cash dividends shall not be lower than 10% of the total dividend appropriated to shareholders.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the special reserve is reversed accordingly and could be included in the distributable earnings.
- E. The appropriations of 2023 loss and dividends had been resolved at the shareholders' meeting on May 24, 2024. It was decided to offset the loss with capital surplus and distribute cash dividends of \$677,646 (approximately \$0.9 dollars per share).
- F. The appropriations of 2024 loss had been approved by the Board of Directors on February 21, 2025. It was decided to offset the loss with capital surplus.
- G. The Board of Directors approved a resolution to distribute cash dividends with capital surplus amounting to \$664,146 (approximately \$0.9 dollars per share) on May 9, 2025.

(22) Other equity items

| | 2025 | | |
|---|----------------------|-------------------------|---------------------|
| | Currency translation | Unrealized gain or loss | Total |
| At January 1 | \$ 443,401 | \$ 1,507,764 | \$ 1,951,165 |
| Revaluation - gross | - | 11,426 | 11,426 |
| Revaluation - tax | - | 2,376 | 2,376 |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | - | (106,612) | (106,612) |
| Currency translation | | | |
| -Group | 301,325 | - | 301,325 |
| -Tax on Group | (190) | - | (190) |
| At March 31 | <u>\$ 744,536</u> | <u>\$ 1,414,954</u> | <u>\$ 2,159,490</u> |
| | 2024 | | |
| | Currency translation | Unrealized gain or loss | Total |
| At January 1 | (\$ 208,746) | \$ 184,450 | (\$ 24,296) |
| Revaluation - gross | - | (794,764) | (794,764) |
| Revaluation - tax | - | 178,819 | 178,819 |
| Currency translation | | | |
| -Group | 349,353 | - | 349,353 |
| -Tax on Group | 74 | - | 74 |
| At March 31 | <u>\$ 140,681</u> | <u>(\$ 431,495)</u> | <u>(\$ 290,814)</u> |

(23) Operating revenue

| | <u>Three months ended</u> <u>March 31, 2025</u> | <u>Three months ended</u> <u>March 31, 2024</u> |
|--|--|--|
| Revenue from contracts with customers: | | |
| Sales revenue | \$ 5,521,651 | \$ 5,523,289 |
| Services revenue | 80,322 | 28,638 |
| Other operating revenue | <u>29,782</u> | <u>31,025</u> |
| | <u>\$ 5,631,755</u> | <u>\$ 5,582,952</u> |

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines and geographical regions:

| <u>Three months ended</u> <u>March 31, 2025</u> | <u>Epi/Chip</u> | <u>Packages/</u> <u>Modules</u> | <u>Other</u> | <u>Total</u> |
|--|-----------------|------------------------------------|--------------|---------------------|
| Sales revenue | \$ 3,417,731 | \$ 1,941,790 | \$ 162,130 | \$ 5,521,651 |
| Services revenue | - | - | 80,322 | 80,322 |
| Other operating revenue | - | - | 29,782 | <u>29,782</u> |
| | | | | <u>\$ 5,631,755</u> |

| <u>Three months ended</u> <u>March 31, 2024</u> | <u>Epi/Chip</u> | <u>Packages/</u> <u>Modules</u> | <u>Other</u> | <u>Total</u> |
|--|-----------------|------------------------------------|--------------|---------------------|
| Sales revenue | \$ 3,664,451 | \$ 1,665,313 | \$ 193,525 | \$ 5,523,289 |
| Services revenue | - | - | 28,638 | 28,638 |
| Other operating revenue | - | - | 31,025 | <u>31,025</u> |
| | | | | <u>\$ 5,582,952</u> |

(24) Other income and expenses— net

| | <u>Three months ended</u> <u>March 31, 2025</u> | <u>Three months ended</u> <u>March 31, 2024</u> |
|---------------------------|--|--|
| Other income | | |
| Royalty income | \$ 823 | \$ 922 |
| Government grants revenue | <u>33,971</u> | <u>8,695</u> |
| Total | <u>\$ 34,794</u> | <u>\$ 9,617</u> |

(25) Interest income

| | <u>Three months ended</u> <u>March 31, 2025</u> | <u>Three months ended</u> <u>March 31, 2024</u> |
|------------------------------------|--|--|
| Interest income from bank deposits | \$ 61,609 | \$ 57,148 |
| Other interest income | <u>2,585</u> | <u>2,877</u> |
| | <u>\$ 64,194</u> | <u>\$ 60,025</u> |

(26) Other income

| | <u>Three months ended</u> <u>March 31, 2025</u> | <u>Three months ended</u> <u>March 31, 2024</u> |
|---------------------------|--|--|
| Rental income | \$ 42,825 | \$ 49,426 |
| Government grant revenues | 3,656 | 16,623 |
| Other income-other | 36,218 | 48,268 |
| | <u>\$ 82,699</u> | <u>\$ 114,317</u> |

(27) Other gains and losses

| | <u>Three months ended</u> <u>March 31, 2025</u> | <u>Three months ended</u> <u>March 31, 2024</u> |
|--|--|--|
| Gain on disposal of property, plant and equipment | \$ 45,839 | \$ 2,959 |
| Gain on disposal of non-current assets held for sale | 61,169 | - |
| Loss on disposal of intangible assets | (242) | - |
| Gain on disposal of investments | - | 14,364 |
| Profit from lease modification | 183 | 5 |
| Net currency exchange gain | 32,338 | 131,853 |
| Net loss on financial assets at fair value through profit or loss | (35,264) | (99,284) |
| Miscellaneous losses | (37,498) | (33,680) |
| | <u>\$ 66,525</u> | <u>\$ 16,217</u> |

(28) Finance costs

| | <u>Three months ended</u> <u>March 31, 2025</u> | <u>Three months ended</u> <u>March 31, 2024</u> |
|------------------------|--|--|
| Interest expense | \$ 7,285 | \$ 17,551 |
| Other interest expense | 14,744 | 26,699 |
| | <u>\$ 22,029</u> | <u>\$ 44,250</u> |

(29) Expenses by nature

| | <u>Three months ended</u> <u>March 31, 2025</u> | <u>Three months ended</u> <u>March 31, 2024</u> |
|---------------------------|--|--|
| Employee benefit expenses | \$ 1,842,075 | \$ 1,939,742 |
| Depreciation (Note) | \$ 914,653 | \$ 1,097,384 |
| Amortisation | \$ 74,879 | \$ 62,931 |

Note: Depreciation amounting to \$11,012 and \$22,792 were recognized as miscellaneous expenses for the three months ended March 31, 2025 and 2024, respectively.

(30) Employee benefit expenses

| | <u>Three months ended</u> <u>March 31, 2025</u> | <u>Three months ended</u> <u>March 31, 2024</u> |
|-------------------------------------|--|--|
| Wages and salaries | \$ 1,517,366 | \$ 1,607,649 |
| Labor and health insurance expenses | 97,239 | 108,923 |
| Pension costs | 96,883 | 103,618 |
| Other personnel expenses | 130,587 | 119,552 |
| | <u>\$ 1,842,075</u> | <u>\$ 1,939,742</u> |

- A. According to the Articles of Incorporation of the Company, the Company shall distribute employees' compensation and directors' remuneration based on 0.1%~15% and no higher than 2% of the distributable profit of the current year, respectively. If the Company has accumulated deficit, earnings should be reserved to cover losses.
- B. For the three months ended March 31, 2025 and 2024, the employees' compensation and directors' remuneration was not estimated, because the Company incurred a loss during this period.
- C. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense :

| | <u>Three months ended</u> <u>March 31, 2025</u> | <u>Three months ended</u> <u>March 31, 2024</u> |
|---|--|--|
| Current tax: | | |
| Current tax on profits for the period | \$ 3,786 | \$ 25,134 |
| Total current tax | 3,786 | 25,134 |
| Deferred tax: | | |
| Origination and reversal of temporary differences | 22,060 | 57,247 |
| Total deferred tax | 22,060 | 57,247 |
| Income tax expense | <u>\$ 25,846</u> | <u>\$ 82,381</u> |

(b) The income tax relating to components of other comprehensive (income) loss is as follows:

| | <u>Three months ended</u> <u>March 31, 2025</u> | <u>Three months ended</u> <u>March 31, 2024</u> |
|---|--|--|
| Change in fair value of financial assets at fair value through other comprehensive income | (\$ 2,341) | (\$ 178,999) |
| Currency translation differences | 267 | 84 |
| Share of other comprehensive income of associates | (112) | 22 |
| Remeasurement of defined benefit obligations | - | 5 |
| Total | <u>(\$ 2,186)</u> | <u>(\$ 178,888)</u> |

- B. The Company's income tax returns through 2023 have been assessed and approved by the Tax Authority. Income tax returns of the Company's significant subsidiaries, Epistar and Lextar through 2022 have been assessed and approved by the Tax Authority, respectively.

B. Investing activities with partial cash received

| | Three months ended March 31, 2025 | Three months ended March 31, 2024 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Sale of property, plant and equipment | \$ 45,880 | \$ 6,961 |
| Add: Opening balance of receivables | 10,252 | 32 |
| Less: Ending balance of receivables | (1,748) | (39) |
| Add: Ending balance of advances | - | 195,492 |
| Cash collected during the year | <u>\$ 54,384</u> | <u>\$ 202,446</u> |

C. Cash received from disposal of ownership interests in subsidiaries and associates

| | Three months ended March 31, 2025 | Three months ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Disposal proceeds | \$ 7,808 | \$ 51,000 |
| Net cash provided by disposal of subsidiaries and associates | <u>\$ 7,808</u> | <u>\$ 51,000</u> |

(34) Changes in liabilities from financing activities

| | Short-term borrowing | Short-term notes and bills payable | Long-term borrowing | Lease liabilities | Guarantee deposits received | Liabilities from financing activities gross |
|--|-------------------------|--|------------------------|----------------------|-----------------------------------|--|
| At January 1, 2025 | \$ 566,428 | \$ 845,699 | \$ 1,388,207 | \$ 1,351,230 | \$ 49,526 | \$ 4,201,090 |
| Changes in cash flow from financing activities | (117,354) | (107,428) | (346,347) | (25,939) | (480) | (597,548) |
| Effect of interest | - | - | - | 5,415 | - | 5,415 |
| Changes in other non-cash items | - | - | - | (62,362) | (19,164) | (81,526) |
| Impact of changes in foreign exchange rate | 926 | 10,617 | 40 | 361 | 504 | 12,448 |
| At March 31, 2025 | <u>\$ 450,000</u> | <u>\$ 748,888</u> | <u>\$ 1,041,900</u> | <u>\$ 1,268,705</u> | <u>\$ 30,386</u> | <u>\$ 3,539,879</u> |
| | | | | | | Liabilities from financing activities gross |
| At January 1, 2024 | \$ 747,136 | \$ 1,295,140 | \$ 3,723,610 | \$ 1,503,284 | \$ 26,403 | \$ 7,295,573 |
| Changes in cash flow from financing activities | (409,873) | (30,149) | (413,498) | (31,473) | 93,737 | (791,256) |
| Effect of interest | - | - | - | 6,245 | - | 6,245 |
| Changes in other non-cash items | - | - | - | 49,107 | - | 49,107 |
| Impact of changes in foreign exchange rate | 15,554 | 16,214 | - | 1,089 | 979 | 33,836 |
| At March 31, 2024 | <u>\$ 352,817</u> | <u>\$ 1,281,205</u> | <u>\$ 3,310,112</u> | <u>\$ 1,528,252</u> | <u>\$ 121,119</u> | <u>\$ 6,593,505</u> |

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

| Names of related parties | Relationship with the Group |
|--|-----------------------------|
| LEDAZ Co., Ltd. | Associates |
| Yenrich Technology Corporation | Associates (Note 1) |
| LEADSTAR Micro-Crystal Display Corporation (Jiangsu) Ltd. | Associates |
| Changzhou Chemsemi Co., Ltd. | Associates |
| iReach Corporation | Associates |
| Chuzhou Bwin Technology Corp. | Associates (Note 2) |
| Tyntek Corporation | Associates |
| TE OPTO Corporation | Associates |
| Domi-Star OPTO Corporation | Associates |
| AUO (Vietnam) Company Limited | Other related parties |
| D-Tech Optoelectronics, Inc. | Other related parties |
| Global Communication Semiconductors, LLC | Other related parties |
| Seoul Semiconductor Co., Ltd. | Other related parties |
| AUO (Kunshan) Co., Ltd. | Other related parties |
| AUO Corporation | Other related parties |
| AUO (Xiamen) Co., Ltd. | Other related parties |
| AUO (Suzhou) Co., Ltd. | Other related parties |
| AUO Crystal Corp. | Other related parties |
| AUO Megainsight Smart Manufacturing (Suzhou) Corp., Ltd | Other related parties |
| AUO Digitech Taiwan Inc. | Other related parties |
| Intermate Co., Ltd. (Suzhou) | Other related parties |
| Bridgelux Optoelectronics (Xiamen) Co., Ltd. | Other related parties |
| Ronly Venture Corp. | Other related parties |
| AUO Education Service Corp. | Other related parties |
| Darwin Precisions Corporation | Other related parties |
| Darwin Precision (Xiamen) Corporation | Other related parties |
| AUO Display Plus Corporation | Other related parties |
| Fortech Electronics (Suzhou) Co., Ltd. | Other related parties |
| Play Nitride Display Co., Ltd. | Other related parties |

Note 1: Since June 2024, due to the change of shareholding ratio, the relationship with this company changed from a consolidated company to an associate.

Note 2: Since June 2024, due to the sale of equity, the Group lost control and the entity has been reclassified as an associate.

(2) Significant related party transactions and balances

A. Operating revenue:

| | Three months ended March 31, 2025 | Three months ended March 31, 2024 |
|-----------------------|--------------------------------------|--------------------------------------|
| Other related parties | \$ 193,327 | \$ 227,251 |
| Associates | 129,780 | 121,769 |
| Total | <u>\$ 323,107</u> | <u>\$ 349,020</u> |

All product sales prices and payment terms have no significant difference between related parties and third parties.

B. Purchases:

| | Three months ended March 31, 2025 | Three months ended March 31, 2024 |
|-----------------------|--------------------------------------|--------------------------------------|
| Other related parties | \$ 2,486 | \$ 706 |
| Associates | 84,689 | 44,672 |
| Total | <u>\$ 87,175</u> | <u>\$ 45,378</u> |

All product purchases prices and payment terms have no significant difference between related parties and third parties.

C. Receivables from related parties (Notes receivable and accounts receivable):

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-----------------------|-------------------|-------------------|-------------------|
| Other related parties | \$ 273,799 | \$ 261,513 | \$ 308,349 |
| Associates | 177,657 | 157,282 | 179,491 |
| Total | <u>\$ 451,456</u> | <u>\$ 418,795</u> | <u>\$ 487,840</u> |

The receivables from related parties arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest.

D. Other receivables from related parties:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-----------------------|------------------|-------------------|------------------|
| Other related parties | \$ 23,989 | \$ 26,757 | \$ 24,851 |
| Associates | 11,323 | 25,644 | 12,242 |
| Total | <u>\$ 35,312</u> | <u>\$ 52,401</u> | <u>\$ 37,093</u> |

The other receivables from related parties arise mainly from rent and service.

E. Payables from related parties:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-----------------------|-------------------|-------------------|-------------------|
| Other related parties | \$ 2,605 | \$ 3,730 | \$ 765 |
| Associates | 224,648 | 127,853 | 195,701 |
| Total | <u>\$ 227,253</u> | <u>\$ 131,583</u> | <u>\$ 196,466</u> |

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

F. Property transactions:

(a) Acquisition of property, plant and equipment:

| | Three months ended March 31, 2025 | | Three months ended March 31, 2024 | |
|------------------------------|--------------------------------------|--------------------|--------------------------------------|--------------------|
| | Acquisition proceeds | Accrued payable | Acquisition proceeds | Accrued payable |
| Changzhou Chemsemi Co., Ltd. | \$ 57,241 | \$ - | \$ - | \$ - |
| Other related parties | 21,263 | - | 3,315 | - |
| | <u>\$ 78,504</u> | <u>\$ -</u> | <u>\$ 3,315</u> | <u>\$ -</u> |

(b) Acquisition of financial assets:

| | Accounts | Number of shares | | Three months ended |
|---------------------|---|------------------|---------|--------------------|
| | | (thousands) | Objects | March 31, 2025 |
| | | | | Consideration |
| Ronly Venture Corp. | Investments accounted for using equity method | 3,500 | Stock | \$ <u>288,750</u> |

For the three months ended March 31, 2024: None.

(3) Key management compensation

| | Three months ended | Three months ended |
|---|--------------------|--------------------|
| | March 31, 2025 | March 31, 2024 |
| Salaries and other short-term employee benefits | \$ 24,878 | \$ 43,693 |
| Post-employment benefits | 506 | 727 |
| Total | \$ <u>25,384</u> | \$ <u>44,420</u> |

8. PLEGDED ASSETS

The Group's assets pledged as collateral are as follows:

| Pledgred assets | Carrying amounts | | | Purpose |
|---|---------------------|---------------------|---------------------|--|
| | March 31, 2025 | December 31, 2024 | March 31, 2024 | |
| Bank deposits (shown in "Current financial assets at amortised cost and non-current financial assets at amortised cost") | \$ 440,653 | \$ 521,036 | \$ 954,437 | Payables for bankers' acceptance |
| Time deposits (Shown in "Current financial assets at amortised cost, non-current financial assets at amortised cost and other non-current assets") | 220,754 | 218,053 | 316,257 | Long-term borrowings, lease deposit, customs deposit, plant deposit, dormitory security deposit, payables for bankers' acceptances |
| Notes receivable | 17,421 | 6,400 | 369,775 | Payables for bankers' acceptance |
| Land, building and structures | 543,079 | 543,802 | 482,574 | Long-term borrowings |
| Machinery and office equipment | - | - | 99,530 | Long-term borrowings |
| | \$ <u>1,221,907</u> | \$ <u>1,289,291</u> | \$ <u>2,222,573</u> | |

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|-------------------------------|-------------------|-------------------|-------------------|
| Property, plant and equipment | \$ <u>780,306</u> | \$ <u>824,117</u> | \$ <u>451,893</u> |

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital risk management

The Group's capital management policy is established taking into account the industry characteristics, the Group's future development and changes in external environments. The Group plans the working capital, capital expenditures, investments and dividends required for the future based on the capital management policy, makes financial analysis, and examines its capital structure periodically and makes appropriate adjustments to ensure that every company within the Group may grow and operate indefinitely.

(1) Financial instruments

A. Financial instruments by category

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|--|-----------------------|--------------------------|-----------------------|
| <u>Financial assets</u> | | | |
| Financial assets at fair value through profit or loss | | | |
| Financial assets mandatorily measured at fair value through profit or loss | \$ 279 | \$ - | \$ 148,821 |
| Financial assets at fair value through other comprehensive income | | | |
| Designation of equity instrument | 5,118,792 | 5,272,388 | 3,479,901 |
| Financial assets at amortised cost | | | |
| Cash and cash equivalents | 13,580,147 | 14,677,812 | 15,272,097 |
| Financial assets at amortised cost | 1,496,285 | 896,514 | 1,289,238 |
| Notes receivable | 906,713 | 748,305 | 809,379 |
| Accounts receivable | 6,925,518 | 7,677,262 | 7,406,203 |
| Accounts receivable - related parties | 451,456 | 418,795 | 487,840 |
| Other receivables | 231,682 | 119,049 | 187,468 |
| Other receivables - related parties | 35,312 | 52,401 | 37,093 |
| Guarantee deposits paid | 51,212 | 51,257 | 49,438 |
| Other financial assets | 9 | 3 | 3 |
| | <u>\$ 28,797,405</u> | <u>\$ 29,913,786</u> | <u>\$ 29,167,481</u> |

| | <u>March 31, 2025</u> | <u>December 31, 2024</u> | <u>March 31, 2024</u> |
|---|-----------------------|--------------------------|-----------------------|
| <u>Financial liabilities</u> | | | |
| Financial liabilities at fair value through profit and loss | | | |
| Financial liabilities held for trading | \$ 39,592 | \$ 75,337 | \$ 61,690 |
| Financial liabilities at amortised cost | | | |
| Short-term borrowings | 450,000 | 566,428 | 352,817 |
| Short-term notes and bills payable | 748,888 | 845,699 | 1,281,205 |
| Notes payable | 11,677 | 10,877 | 3,061 |
| Accounts payable | 2,872,784 | 2,850,161 | 2,984,829 |
| Accounts payable - related parties | 227,253 | 131,583 | 196,466 |
| Other payables | 3,063,383 | 3,427,573 | 3,602,191 |
| Long-term borrowings (including current portion) | 1,041,900 | 1,388,207 | 3,310,112 |
| Long-term accounts payable | 4,051 | 4,000 | - |
| Guarantee deposits received | 30,386 | 49,526 | 121,119 |
| | <u>\$ 8,489,914</u> | <u>\$ 9,349,391</u> | <u>\$ 11,913,490</u> |
| Lease liabilities (including current portion) | <u>\$ 1,268,705</u> | <u>\$ 1,351,230</u> | <u>\$ 1,528,252</u> |

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The purpose of risk management is to minimise potential adverse effects arising from uncertainty on the Group's financial performance. The Group hedges foreign exchange rate by undertaking forward exchange contracts and exchange rate options; it also undertakes interest rate exchange contracts to convert future variable cash flows into fixed ones. The derivatives undertaken by the Group are used exclusively for hedging purposes and not as trading or speculative instruments.
- (b) Risk management is carried out by treasury and finance departments of the Group under policies approved by the Board of Directors. Treasury and finance departments of the Group identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, RMB and JPY. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

- ii. Management has set up a policy to require the Group to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.
- iii. The Group's businesses involve some non-functional currency operations (the functional currency of the Company and certain subsidiaries is NTD while that of other subsidiaries are USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

| | March 31, 2025 | | |
|--|---|--------------------------|---|
| (Foreign currency: functional currency) | <u>Foreign currency amount (in thousands)</u> | <u>Exchange rate</u> | <u>Book value (in thousands of NTD)</u> |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | \$ 149,884 | 33.2050 | \$ 4,976,900 |
| RMB:NTD | 105,685 | 4.5730 | 483,298 |
| <u>Non-monetary items</u> | | | |
| USD:NTD | 57,823 | 33.2050 | 1,919,999 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | 31,797 | 33.2050 | 1,055,819 |
| RMB:NTD | 139,390 | 4.5730 | 637,430 |
| | December 31, 2024 | | |
| (Foreign currency: functional currency) | <u>Foreign currency amount (in thousands)</u> | <u>Exchange rate</u> | <u>Book value (in thousands of NTD)</u> |
| <u>Financial assets</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | \$ 169,026 | 32.7850 | \$ 5,541,532 |
| RMB:NTD | 98,644 | 4.4780 | 441,729 |
| <u>Non-monetary items</u> | | | |
| USD:NTD | 57,823 | 32.7850 | 1,895,714 |
| <u>Financial liabilities</u> | | | |
| <u>Monetary items</u> | | | |
| USD:NTD | 33,253 | 32.7850 | 1,090,211 |
| RMB:NTD | 129,501 | 4.4780 | 579,906 |

| March 31, 2024 | | | | |
|--|------------------------------|-----------------|------------------------------|------------------------------|
| | <u>Foreign currency</u> | <u>Exchange</u> | <u>Book value</u> | <u>(in thousands of NTD)</u> |
| (Foreign currency: functional currency) | <u>amount (in thousands)</u> | <u>rate</u> | <u>amount (in thousands)</u> | <u>(in thousands of NTD)</u> |
| <u>Financial assets</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | \$ 184,129 | 32.0000 | \$ 5,892,128 | |
| RMB:NTD | 149,014 | 4.4080 | 656,854 | |
| <u>Non-monetary items</u> | | | | |
| USD:NTD | 57,823 | 32.0000 | 1,850,336 | |
| <u>Financial liabilities</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | 62,046 | 32.0000 | 1,985,472 | |
| RMB:NTD | 136,819 | 4.4080 | 603,098 | |
| <u>Non-monetary items</u> | | | | |
| USD:NTD | 31,547 | 32.0000 | 1,009,504 | |

iv. Please refer to the following table for the details of unrealized exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group.

| Three months ended March 31, 2025 | | | | |
|--|------------------------------|-----------------|------------------------------|------------------------------|
| | <u>Foreign currency</u> | <u>Exchange</u> | <u>Book value</u> | <u>(in thousands of NTD)</u> |
| (Foreign currency: functional currency) | <u>amount (in thousands)</u> | <u>rate</u> | <u>amount (in thousands)</u> | <u>(in thousands of NTD)</u> |
| <u>Unrealized exchange gain (loss)</u> | | | | |
| <u>Financial assets</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | \$ - | 33.2050 | \$ 45,439 | |
| RMB:NTD | - | 4.5730 | 7,604 | |
| <u>Financial liabilities</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | - | 33.2050 | (12,685) | |
| RMB:NTD | - | 4.5730 | (8,526) | |

| Three months ended March 31, 2024 | | | | |
|--|---|---|------------------|-------------------------------------|
| Unrealized exchange gain (loss) | | | | |
| | Foreign currency amount (in thousands) | | Exchange rate | Book value (in thousands of NTD) |
| (Foreign currency: functional currency) | | | | |
| <u>Financial assets</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | \$ | - | 32.0000 | \$ 104,446 |
| RMB:NTD | | - | 4.4080 | 3,858 |
| <u>Financial liabilities</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | | - | 32.0000 | (50,806) |
| RMB:NTD | | - | 4.4080 | (4,819) |

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

| Three months ended March 31, 2025 | | | | |
|--|---------------------|----|-----------------------------|---|
| Sensitivity analysis | | | | |
| | Degree of variation | | Effect on profit or loss | Effect on other comprehensive income |
| (Foreign currency: functional currency) | | | | |
| <u>Financial assets</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | 1% | \$ | 49,769 | \$ - |
| RMB:NTD | 1% | | 4,833 | - |
| <u>Financial liabilities</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | 1% | (| 10,558) | - |
| RMB:NTD | 1% | (| 6,374) | - |

| Three months ended March 31, 2024 | | | | |
|--|---------------------|----|-----------------------------|---|
| Sensitivity analysis | | | | |
| | Degree of variation | | Effect on profit or loss | Effect on other comprehensive income |
| (Foreign currency: functional currency) | | | | |
| <u>Financial assets</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | 1% | \$ | 58,921 | \$ - |
| RMB:NTD | 1% | | 6,569 | - |
| <u>Financial liabilities</u> | | | | |
| <u>Monetary items</u> | | | | |
| USD:NTD | 1% | (| 19,855) | - |
| RMB:NTD | 1% | (| 6,031) | - |

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 10% with all other variables held constant, post-tax profit for the three months ended March 31, 2025 and 2024 would have increased/decreased by \$3,931 and \$8,713, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$511,879 and \$347,990, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and interest rate risk

- i. The Group's interest rate risk arises from bank deposits, short-term borrowings and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings at variable rate were denominated in the USD, RMB and NTD.
- ii. Based on the simulations performed on sensitivity analysis for interest rate risk, the maximum impact on post-tax profit of a 0.1% shift would be increased/decreased of \$12,088 and \$11,609 for the three months ended March 31, 2025 and 2024, respectively. The simulation is done on a quarterly basis to ensure that the potential maximum loss is within the limit set by the management.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. The Group adopts the assumptions that the default occurs when the contract payments are overdue for 90 days.
- iii. The Group adopts the following assumptions to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- v. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the simplified approach using provision matrix, loss rate methodology to estimate expected credit loss under the provision matrix basis.

- vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group's written-off financial assets that are still under recourse procedures all amounted to \$945,844, \$945,844 and \$949,854, respectively.
- vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable and other receivables. As of March 31, 2025, December 31, 2024 and March 31, 2024, the provision matrix, loss rate methodology is as follows:

| | Not past due | Up to 30 days past due | 31~90 days past due | 91~180 days past due | Over 180 days past due | Total |
|--------------------------|--------------|---------------------------|------------------------|-------------------------|---------------------------|--------------|
| <u>March 31, 2025</u> | | | | | | |
| Expected loss rate | 0% | 0~0.89% | 0~100% | 0~50% | 0~100% | |
| Total book value | \$ 8,495,067 | \$ 23,798 | \$ 25,394 | \$ 5,082 | \$ 106,757 | \$ 8,656,098 |
| Loss allowance | \$ - | \$ - | \$ 6,073 | \$ 152 | \$ 99,192 | \$ 105,417 |
| | Not past due | Up to 30 days past due | 31~90 days past due | 91~180 days past due | Over 180 days past due | Total |
| <u>December 31, 2024</u> | | | | | | |
| Expected loss rate | 0~100% | 0~15.6% | 0~32.46% | 0~40.31% | 0~100% | |
| Total book value | \$ 8,644,972 | \$ 209,607 | \$ 152,119 | \$ 9,818 | \$ 99,208 | \$ 9,115,724 |
| Loss allowance | \$ 4,022 | \$ 62 | \$ 1,716 | \$ 149 | \$ 93,963 | \$ 99,912 |
| | Not past due | Up to 30 days past due | 31~90 days past due | 91~180 days past due | Over 180 days past due | Total |
| <u>March 31, 2024</u> | | | | | | |
| Expected loss rate | 0~1% | 0~15.6% | 0~33% | 0~94% | 0~100% | |
| Total book value | \$ 8,798,623 | \$ 96,867 | \$ 16,512 | \$ 12,008 | \$ 92,683 | \$ 9,016,693 |
| Loss allowance | \$ 65 | \$ 395 | \$ 1,268 | \$ 2,182 | \$ 84,800 | \$ 88,710 |
| | | Individual provision | | Group provision | | Total |
| <u>March 31, 2025</u> | | | | | | |
| Expected loss rate | | 100% | | 0%~100% | | |
| Total book value | | \$ 77,078 | | \$ 8,579,020 | | \$ 8,656,098 |
| Loss allowance | | \$ 77,078 | | \$ 28,339 | | \$ 105,417 |
| <u>December 31, 2024</u> | | | | | | |
| Expected loss rate | | 100% | | 0%~100% | | |
| Total book value | | \$ 74,474 | | \$ 9,041,250 | | \$ 9,115,724 |
| Loss allowance | | \$ 74,474 | | \$ 25,438 | | \$ 99,912 |
| <u>March 31, 2024</u> | | | | | | |
| Expected loss rate | | 100% | | 0%~100% | | |
| Total book value | | \$ 68,981 | | \$ 8,947,712 | | \$ 9,016,693 |
| Loss allowance | | \$ 68,981 | | \$ 19,729 | | \$ 88,710 |

viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable, and other receivables are as follows:

| | 2025 | |
|---------------------------------|--|-------------------|
| | Accounts receivable (including notes receivable) | Other receivables |
| At January 1 | \$ 19,331 | \$ 80,581 |
| Provision for impairment | 399 | 4,266 |
| Effect of exchange rate changes | 389 | 451 |
| At March 31 | <u>\$ 20,119</u> | <u>\$ 85,298</u> |
| | 2024 | |
| | Accounts receivable (including notes receivable) | Other receivables |
| At January 1 | \$ 12,155 | \$ 75,082 |
| Provision for impairment | 267 | 24 |
| Effect of exchange rate changes | 178 | 1,004 |
| At March 31 | <u>\$ 12,600</u> | <u>\$ 76,110</u> |

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and external regulatory or legal requirements.
- ii. Surplus cash are invested in interest bearing current accounts, time deposits and money market deposits, with appropriate maturities or sufficient liquidity to provide sufficient headroom and meet the above-mentioned forecasts. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group held money market position of \$13,580,147, \$14,677,812 and \$15,420,918, respectively, and those are expected to readily generate cash inflows for managing liquidity risk.
- iii. The Group has the following undrawn borrowing facilities:

| | March 31, 2025 | December 31, 2024 | March 31, 2024 |
|--------------------------|----------------------|----------------------|----------------------|
| Floating rate: | | | |
| Expiring within one year | \$ 11,897,109 | \$ 11,725,544 | \$ 12,730,728 |
| Expiring beyond one year | <u>11,424,380</u> | <u>11,418,680</u> | <u>14,064,160</u> |
| | <u>\$ 23,321,489</u> | <u>\$ 23,144,224</u> | <u>\$ 26,794,888</u> |

- iv. The table below shows analysis of the Group's derivative and non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| <u>Derivative financial liabilities:</u> | | | | |
|--|-------------------------|------------------------------|------------------------------|---------------------|
| March 31, 2025 | <u>Less than 1 year</u> | <u>Between 1 and 5 years</u> | <u>Between 5 and 7 years</u> | <u>Over 7 years</u> |
| Financial liabilities at fair value through profit or loss | \$ 39,592 | \$ - | \$ - | \$ - |
| <u>Non-derivative financial liabilities:</u> | | | | |
| March 31, 2025 | <u>Less than 1 year</u> | <u>Between 1 and 5 years</u> | <u>Between 5 and 7 years</u> | <u>Over 7 years</u> |
| Short-term borrowings | \$ 450,000 | \$ - | \$ - | \$ - |
| Short-term notes and bills payable | 748,888 | - | - | - |
| Notes payable | 11,677 | - | - | - |
| Accounts payable (including related parties) | 3,100,037 | - | - | - |
| Other payables | 3,063,383 | - | - | - |
| Lease liabilities | 101,632 | 316,441 | 127,628 | 981,536 |
| Long-term borrowings (including current portion) | 830,197 | 219,487 | - | - |
| Long-term payables | - | 4,051 | - | - |
| Guarantee deposits received | 27,736 | 1,926 | - | 724 |
| <u>Derivative financial liabilities:</u> | | | | |
| December 31, 2024 | <u>Less than 1 year</u> | <u>Between 1 and 5 years</u> | <u>Between 5 and 7 years</u> | <u>Over 7 years</u> |
| Financial liabilities at fair value through profit or loss | \$ 75,337 | \$ - | \$ - | \$ - |
| <u>Non-derivative financial liabilities:</u> | | | | |
| December 31, 2024 | <u>Less than 1 year</u> | <u>Between 1 and 5 years</u> | <u>Between 5 and 7 years</u> | <u>Over 7 years</u> |
| Short-term borrowings | \$ 566,428 | \$ - | \$ - | \$ - |
| Short-term notes and bills payable | 845,699 | - | - | - |
| Notes payable | 10,877 | - | - | - |
| Accounts payable (including related parties) | 2,981,744 | - | - | - |
| Other payables | 3,427,573 | - | - | - |
| Lease liabilities | 106,616 | 330,567 | 131,375 | 1,017,757 |
| Long-term borrowings (including current portion) | 1,137,520 | 261,363 | - | - |
| Long-term payables | - | 4,000 | - | - |
| Guarantee deposits received | 46,876 | 1,926 | - | 724 |
| <u>Derivative financial liabilities:</u> | | | | |
| March 31, 2024 | <u>Less than 1 year</u> | <u>Between 1 and 5 years</u> | <u>Between 5 and 7 years</u> | <u>Over 7 years</u> |
| Financial liabilities at fair value through profit or loss | \$ 61,690 | \$ - | \$ - | \$ - |
| <u>Non-derivative financial liabilities:</u> | | | | |
| March 31, 2024 | <u>Less than 1 year</u> | <u>Between 1 and 5 years</u> | <u>Between 5 and 7 years</u> | <u>Over 7 years</u> |
| Short-term borrowings | \$ 352,817 | \$ - | \$ - | \$ - |
| Short-term notes and bills payable | 1,281,205 | - | - | - |
| Notes payable | 3,061 | - | - | - |
| Accounts payable (including related parties) | 3,181,295 | - | - | - |
| Other payables | 3,602,191 | - | - | - |
| Lease liabilities | 123,077 | 399,527 | 156,878 | 1,143,534 |
| Long-term borrowings (including current portion) | 1,848,954 | 1,409,053 | 108,067 | - |
| Guarantee deposits received | 114,592 | 1,926 | - | 4,601 |

v. The Group does not expect the timing of the estimated cash outflows through the maturity date analysis will be significantly earlier, or expect the actual cash flow amount will be significantly different.

C. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

| March 31, 2025 | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|---|---------------------|------------------|---------------------|---------------------|
| Assets | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Derivatives | \$ - | \$ 279 | \$ - | \$ 279 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | <u>1,809,626</u> | <u>-</u> | <u>3,309,166</u> | <u>5,118,792</u> |
| Total | <u>\$ 1,809,626</u> | <u>\$ 279</u> | <u>\$ 3,309,166</u> | <u>\$ 5,119,071</u> |
| Liabilities | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Derivatives | <u>\$ -</u> | <u>\$ 39,592</u> | <u>\$ -</u> | <u>\$ 39,592</u> |
| December 31, 2024 | | | | |
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Assets | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | <u>\$ 1,779,641</u> | <u>\$ -</u> | <u>\$ 3,492,747</u> | <u>\$ 5,272,388</u> |
| Liabilities | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Derivatives | <u>\$ -</u> | <u>\$ 75,337</u> | <u>\$ -</u> | <u>\$ 75,337</u> |
| March 31, 2024 | | | | |
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Assets | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Equity securities | \$ 148,766 | \$ - | \$ - | \$ 148,766 |
| Derivatives | - | 55 | - | 55 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity securities | <u>935,634</u> | <u>-</u> | <u>2,544,267</u> | <u>3,479,901</u> |
| Total | <u>\$ 1,084,400</u> | <u>\$ 55</u> | <u>\$ 2,544,267</u> | <u>\$ 3,628,722</u> |
| Liabilities | | | | |
| <u>Recurring fair value measurements</u> | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| Derivatives | <u>\$ -</u> | <u>\$ 61,690</u> | <u>\$ -</u> | <u>\$ 61,690</u> |

- (b) The methods and assumptions the Group used to measure fair value are as follows:
- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

| | Listed stocks | Closed-end fund | Open-end fund |
|---------------------|---------------|-----------------|-----------------|
| Market quoted price | Closing price | Closing price | Net asset value |

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
 - iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market and foreign exchange swap contracts, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
 - iv. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3)E.
 - v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- (c) The following chart is the movement of Level 3 for the three months ended March 31, 2025 and 2024:

| | 2025 | 2024 |
|---|-----------------------|-----------------------|
| | Financial instruments | Financial instruments |
| At January 1 | \$ 3,492,747 | \$ 3,101,227 |
| Losses recognised in other comprehensive income | (203,619) | (705,303) |
| Disposals | (6,600) | - |
| Effect of exchange rate changes | 26,638 | 148,343 |
| At March 31 | \$ 3,309,166 | \$ 2,544,267 |

- D. Treasury department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent

information to make results close to current market conditions, confirming the resource of information independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

E. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

| | Fair value at March 31, 2025 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
|-----------------------------------|------------------------------------|-----------------------------|---|-----------------------------|--|
| Non-derivative equity instrument: | | | | | |
| Unlisted stocks | \$ 3,156,790 | Market comparable companies | Price to book ratio multiple | 1.73~2.39 | The higher the multiple, the higher the fair value. |
| | | | Discount for lack of marketability | 20% ~ 30% | The higher the discount for lack of marketability, the lower the fair value. |
| Unlisted stocks | 149,876 | Market comparable companies | Enterprise value multiple (EV/Revenue) on March 31, 2025 | 2.66 | The higher the enterprise value multiple, the higher the fair value. |
| | | | Liquidity discount ratio on March 31, 2025 | 30% | The higher the liquidity discount ratio, the lower the fair value. |
| Unlisted stocks | 2,500 | Net asset value | N/A | - | N/A |
| | Fair value at December 31, 2024 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
| Non-derivative equity instrument: | | | | | |
| Unlisted stocks | \$ 3,316,905 | Market comparable companies | Price to book ratio multiple | 1.85~2.56 | The higher the multiple, the higher the fair value. |
| | | | Discount for lack of marketability | 20% ~ 30% | The higher the discount for lack of marketability, the lower the fair value. |
| Unlisted stocks | 173,342 | Market comparable companies | Enterprise value multiple (EV/Revenue) on December 31, 2024 | 3.05 | The higher the enterprise value multiple, the higher the fair value. |
| | | | Liquidity discount ratio on December 31, 2024 | 30% | The higher the liquidity discount ratio, the lower the fair value. |
| Unlisted stocks | 2,500 | Net asset value | N/A | - | N/A |
| | Fair value at March 31, 2024 | Valuation technique | Significant unobservable input | Range (weighted average) | Relationship of inputs to fair value |
| Non-derivative equity instrument: | | | | | |
| Unlisted stocks | \$ 2,495,735 | Market comparable companies | Price to book ratio multiple | 1.13~1.77 | The higher the multiple, the higher the fair value. |
| | | | Discount for lack of marketability | 20% ~30% | The higher the discount for lack of marketability, the lower the fair value. |
| Unlisted stocks | 46,032 | Market comparable companies | Enterprise value multiple (EV/Revenue) on March 31, 2024 | 1.40 | The higher the enterprise value multiple, the higher the fair value. |
| | | | Liquidity discount ratio on March 31, 2024 | 26.69% | The higher the liquidity discount ratio, the lower the fair value. |
| Unlisted stocks | 2,500 | Net asset value | N/A | - | N/A |

F. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

| | | March 31, 2025 | | | | |
|-------------------|--|---------------------------------|------------------------|---|------------------------|-------------|
| | | Recognised in profit or loss | | Recognised in other comprehensive income | | |
| Input | Change | Favourable change | Unfavourable change | Favourable change | Unfavourable change | |
| Financial assets | | | | | | |
| Equity instrument | Discount for lack of marketability | ±1% | \$ - | \$ - | \$ 33,092 | (\$ 33,092) |
| | | December 31, 2024 | | | | |
| | | Recognised in profit or loss | | Recognised in other comprehensive income | | |
| Input | Change | Favourable change | Unfavourable change | Favourable change | Unfavourable change | |
| Financial assets | | | | | | |
| Equity instrument | Discount for lack of marketability | ±1% | \$ - | \$ - | \$ 34,927 | (\$ 34,927) |
| | | March 31, 2024 | | | | |
| | | Recognised in profit or loss | | Recognised in other comprehensive income | | |
| Input | Change | Favourable change | Unfavourable change | Favourable change | Unfavourable change | |
| Financial assets | | | | | | |
| Equity instrument | Discount for lack of marketability | ±1% | \$ - | \$ - | \$ 25,443 | (\$ 25,443) |

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 4.
- E. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 5.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 9.

14. SEGMENT INFORMATION

(1) General information:

The Group is engaged in the research and development, design, manufacturing and sales of EPI wafers and chips of AlGaInP, AlGaAs and InGaN and LED packages and modules. The Chief Operating Decision-Maker assesses performance by each operating result of each sub-group within the consolidated report.

(2) Segment information

The accounting policy of operating segments is provided in Note 4. The Chief Operating Decision-Maker assesses the performance of the operating segments based on the financial statements of operating segments. The measurement of profit is based on the income from continuing operations.

(3) Information about segment profit or loss, assets and liabilities:

The segment information provided to the Chief Operating Decision-Maker for the reportable segments and reconciliations is as follows:

Three months ended March 31, 2025

| | <u>Epistar Group</u> | <u>Lextar Group</u> | <u>Others</u> | <u>Consolidated</u> |
|----------------------------------|----------------------|---------------------|---------------|---------------------|
| Revenues from external customers | \$ 3,493,466 | \$ 2,138,289 | \$ - | \$ 5,631,755 |
| Segment loss | (290,462) | (123,107) | (23,680) | (437,249) |
| <u>March 31, 2025</u> | | | | |
| Segment assets | \$ 41,434,877 | \$ 11,748,126 | \$ 4,904,993 | \$ 58,087,996 |

Three months ended March 31, 2024

| | <u>Epistar Group</u> | <u>Lextar Group</u> | <u>Others</u> | <u>Consolidated</u> |
|----------------------------------|----------------------|---------------------|---------------|---------------------|
| Revenues from external customers | \$ 3,554,610 | \$ 1,906,366 | \$ 121,976 | \$ 5,582,952 |
| Segment loss | (322,447) | (18,974) | (254,605) | (596,026) |
| <u>March 31, 2024</u> | | | | |
| Segment assets | \$ 43,611,905 | \$ 12,491,423 | \$ 6,609,942 | \$ 62,713,270 |

ENNOSTAR INC.
Loans to others
Three months ended March 31, 2025

Expressed in thousands of NTD
(Except as otherwise indicated)

Table 1

| No. | Creditor | Borrower | General ledger account | Is a related party | Maximum outstanding balance during the three months ended 31-Mar-25 | Balance at 31-Mar-25 | Actual amount drawn down | Interest rate | Nature of loan | Amount of transactions with the borrower | Reason for short-term financing | Allowance for doubtful accounts | Collateral | | Limit on loans granted to a single party | Ceiling on total loans granted | Footnote |
|-----|---|----------------------------------|-----------------------------------|--------------------|---|----------------------|--------------------------|---|----------------------|--|---------------------------------|---------------------------------|-----------------|------------|--|--------------------------------|----------|
| | | | | | | | | | | | | | Item | Value | | | |
| 1 | Epistar Corporation | Unikom Semiconductor Corporation | Other receivables-related parties | Y | \$ 800,000 | \$ 800,000 | \$ 700,000 | 1.91% | Short-term financing | \$ - | Working capital | \$ - | Promissory Note | \$ 800,000 | \$ 3,284,287 | \$ 9,852,860 | Note 1 |
| 2 | Epicrystal Corporation (Changzhou) Ltd. | Episky Corporation (Xiamen) Ltd | Other receivables-related parties | Y | 1,624,320 | 823,140 | 823,140 | 0.98% | Short-term financing | - | Working capital | - | Promissory Note | 823,140 | 1,757,142 | 1,757,142 | Note 2 |
| 3 | United LED Shan Dong Corporation | Episky Corporation (Xiamen) Ltd. | Other receivables-related parties | Y | 146,336 | 146,336 | - | Markup on short-term cost of capital | Short-term financing | - | Working capital | - | Promissory Note | 146,336 | 160,101 | 160,101 | Note 3 |
| 4 | Lextar Electronics (Chuzhou) Corp. | Episky Corporation (Xiamen) Ltd. | Other receivables-related parties | Y | 823,140 | 823,140 | - | Reference to short-term cost of capital | Short-term financing | - | Working capital | - | Promissory Note | 823,140 | 3,889,085 | 3,889,085 | Note 4 |

Note 1: Limit on loans granted by Epistar Corporation, the ceiling to total loans granted is 30% of its net asset and to a single party is 10% of its net asset.

Note 2: Limit on loans granted by the subsidiary of Epistar, Epicrystal Corp. (Changzhou), limit on total loans is 40% of the Epicrystal Corp. (Changzhou)'s net asset, and 30% of the net asset based on the latest financial statements of Ennostar Inc., and to a single party is 40% of the Epicrystal Corp. (Changzhou)'s net asset, and 10% of the net asset based on the latest financial statements of Ennostar Inc.

Note 3: Limit on loans granted by the subsidiary of Epistar, United LED Shan Dong, limit on total loans is 40% of the United LED Shan Dong's net asset, and 30% of the net asset based on the latest financial statements of Ennostar Inc., and to a single party is 40% of the United LED Shan Dong's net asset, and 10% of the net asset based on the latest financial statements of Ennostar Inc.

Note 4: Limit on loans granted by Lextar Electronics (Chuzhou) Corp. to ENNOSTAR Inc. and a fellow subsidiary that is 100% controlled by the ENNOSTAR Inc. located outside Taiwan, limit on total loans is net asset of the Company, and to a single party is net asset of the Company. The maximum term of the financing is three years.

ENNOSTAR INC.
Provision of endorsements and guarantees to others
Three months ended March 31, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

| Number (Note 1) | Endorser/ guarantor | Party being endorsed/guaranteed Company name | Relationship with the endorser/ guarantor (Note 2) | Limit on endorsements/ guarantees provided for a single party (Note 3) | Maximum outstanding endorsement/ guarantee amount as of March 31, 2025 | Outstanding endorsement/ guarantee amount at March 31, 2025 | Actual amount drawn down | Amount of endorsements /guarantees secured with collateral | Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company | Ceiling on total amount of endorsements/ guarantees provided (Note 3) | Provision of endorsements /guarantees by parent company to subsidiary | Provision of endorsements/ guarantees by subsidiary to parent company | Provision of endorsements/ guarantees to the party in Mainland China | Footnote |
|--------------------|------------------------|--|--|---|--|--|-----------------------------------|--|---|--|--|--|--|----------|
| | | | | | | | | | | | | | | |
| 1 | Epistar Corporation | ENNOSTAR Inc. | 3 | \$ 9,852,860 | \$ 750,000 | \$ 750,000 | \$450,000 | - | 2.28 | \$ 9,852,860 | N | Y | N | Note 3 |

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly or indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor parent company and its subsidiaries jointly own directly or indirectly more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 90% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note3: In accordance with the Epistar's Procedures for Provision of endorsements and guarantees to others: the ceiling on total endorsements/guarantees is 30% of the Company's net asset, and the limit on endorsements/guarantees to a single party is 30% of its net asset.

ENNOSTAR INC.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
March 31, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

| | | | | As of March 31, 2025 | | | | |
|----------------------------|---|---|--|----------------------|------------|---------------|------------|----------|
| Securities held by | Marketable securities | Relationship with the securities issuer | General ledger account | Number of shares | Book value | Ownership (%) | Fair value | Footnote |
| Harvestar Investment Corp. | Amengine Corporation (Preferred stock) | Controlled by the same entity | Non-current investments in equity instruments at fair value through other comprehensive income | 500,000 | \$ 2,500 | - | \$ 2,500 | |
| Epistar Corporation | E&E Japan Co.Ltd. (Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 140 | 2,143 | 17.07 | 2,143 | |
| Epistar Corporation | NATEC CORPORATION (Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 120,000 | 1,748 | 7.50 | 1,748 | |
| Epistar Corporation | BISSOL LED CO., LTD. (Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 1,000 | 147 | 10.00 | 147 | |
| Epistar Corporation | Lynk Labs,Inc. (Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 92,523 | - | 7.39 | - | |
| Epistar Corporation | Advanced Photoelectronic Technology Limited (Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 1,339,235 | 317,056 | 13.68 | 317,056 | |
| Epistar Corporation | Dominant Opto Technologies Sdn. Bhd. (Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 35,000,000 | 880,606 | 10.00 | 880,606 | |
| Epistar Corporation | XENIO CORPORATION (Stock) | None | Non-current financial assets at fair value through profit or loss | 7,878 | - | 0.06 | - | |

| | | | | As of March 31, 2025 | | | | |
|-----------------------------------|--|---|--|-----------------------|--------------|---------------|--------------|----------|
| Securities held by | Marketable securities | Relationship with the securities issuer | General ledger account | Number of shares | Book value | Ownership (%) | Fair value | Footnote |
| Epistar Corporation | PlayNitride Inc. (Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 9,137,338 | \$ 1,434,562 | 7.76 | \$ 1,434,562 | |
| Epistar Corporation | OSTENDO TECHNOLOGIES,INC. (Stock) | None | Non-current financial assets at fair value through profit or loss | 67,500 | - | 0.04 | - | |
| Epistar Corporation | PHECDA TECHNOLOGY CO., LTD | None | Non-current investments in equity instruments at fair value through other comprehensive income | 600,000 | - | 2.11 | - | |
| Epistar Corporation | ELIT FINE CERAMICS CO., LTD. | None | Non-current financial assets at fair value through profit or loss | 2,200,000 | - | 4.49 | - | |
| Epistar Corporation | Nanocrystal Technology Inc. | None | Non-current financial assets at fair value through profit or loss | 6,000,000 | - | 11.11 | - | |
| Epistar JV Holding (BVI) Co.,Ltd. | Bridgelux Optoelectronics (Xiamen) Co., Ltd.(Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 56,316,532 | 1,658,916 | 18.77 | 1,658,916 | |
| Episky Corporation(Xiamen) Ltd. | China Firstar Optoelectronic Materials Co., Ltd. (Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | Cash RMB 7,500,000 | - | 15.00 | - | |
| Episky Corporation(Xiamen) Ltd. | APT Electronics Co., Ltd.(Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 4,678,240 | 87,500 | 0.87 | 87,500 | |

Table 3-2

| | | | | As of March 31, 2025 | | | | |
|---------------------------------|---|--|--|----------------------|------------|---------------|------------|----------|
| Securities held by | Marketable securities | Relationship with the securities issuer | General ledger account | Number of shares | Book value | Ownership (%) | Fair value | Footnote |
| Episky Corporation(Xiamen) Ltd. | Zhongke Electric Material (Beijing) Co.,Ltd.(Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 8,064,516 | \$ 46,836 | 3.72 | \$ 46,836 | |
| Lighting Investment Corporation | Oree Advanced Illumination Solutions, Inc. (Stock) | None | Non-current financial assets at fair value through profit or loss | 79,407 | - | 5.00 | - | |
| Lighting Investment Corporation | TERA XTAL TECHNOLOGY CORPORATION (Stock) | None | Non-current financial assets at fair value through profit or loss | 795,000 | - | 0.42 | - | |
| Lighting Investment Corporation | XENIO CORPORATION (Stock) | None | Non-current financial assets at fair value through profit or loss | 16,463 | - | 0.13 | - | |
| Lighting Investment Corporation | FormoLight Technologies, Inc. (Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 2,038,230 | 15,950 | 10.00 | 15,950 | |
| Lighting Investment Corporation | Advanced Photoelectronic Technology Limited (Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 562,018 | 133,054 | 5.74 | 133,054 | |
| Lighting Investment Corporation | Edison Opto Corp. (Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 512,000 | 11,366 | 0.35 | 11,366 | |
| Lighting Investment Corporation | iReach Corporation (Preferred stock) | Investments accounted for using equity method of Epistar Corporation | Non-current investments in equity instruments at fair value through other comprehensive income | 370,000 | 1,891 | - | 1,891 | |

Table 3-3

| | | | | As of March 31, 2025 | | | | |
|-------------------------------------|---|---|--|-----------------------|------------|---------------|------------|----------|
| Securities held by | Marketable securities | Relationship with the securities issuer | General ledger account | Number of shares | Book value | Ownership (%) | Fair value | Footnote |
| Lighting Investment Corporation | ENNOSTAR Inc. (Stock) | Parent company of Epistar Corporation | Current financial assets at fair value through profit or loss | 1,282,377 | \$ 50,397 | 0.17 | \$ 50,397 | Note 1 |
| Lighting Investment Ltd. | Verticle Inc. (Stock) | None | Non-current financial assets at fair value through profit or loss | 582,983 | - | 3.00 | - | |
| Lighting Investment Ltd. | Achrolux Inc. (Stock) | None | Non-current financial assets at fair value through profit or loss | 987,500 | - | 6.91 | - | |
| Lighting Investment Ltd. | PlayNitride Inc. (Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 2,065,082 | 324,218 | 1.75 | 324,218 | |
| Lighting Investment Ltd. | Advanced Photoelectronic Technology Limited (Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 200,000 | 47,349 | 2.04 | 47,349 | |
| HUGA Holding (SAMOA) Ltd. | Zhongke Electric Material (Beijing) Co.,Ltd.(Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 17,741,935 | 103,040 | 8.19 | 103,040 | |
| Jiangsu Canyang Optoelectronics Ltd | C-Star (Yangzhou) technology Co., Ltd | None | Non-current investments in equity instruments at fair value through other comprehensive income | Cash RMB 5,000,000 | 10,430 | 13.96 | 10,430 | |
| Wellybond Corporation | Wellysun Inc.(Stock) | None | Non-current investments in equity instruments at fair value through other comprehensive income | 2,400,000 | 39,480 | 4.91 | 39,480 | |

Note 1: Transferred from the Epistar's stocks held as treasury shares.

Table 3-4

ENNOSTAR INC.

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

Three months ended March 31, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

| Purchaser/seller | Counterparty | Relationship with the counterparty | Purchases (sales) | Transaction | | Credit term | Differences in transaction terms | | Notes/accounts receivable (payable) | | Footnote |
|---|---|------------------------------------|-------------------|--------------|---------------------------------------|---------------------------------|----------------------------------|-------------|-------------------------------------|---|----------|
| | | | | Amount | Percentage of total purchases (sales) | | Unit price | Credit term | Balance | Percentage of total notes/accounts receivable (payable) | |
| Episky Corporation (Xiamen) Ltd. | Epistar Corporation | Note 1 | Sales | (\$ 204,238) | (3.63) | 90 days after monthend closing | Normal | Normal | \$ 205,451 | 2.48 | |
| Epistar Corporation | Episky Corporation (Xiamen) Ltd. | Note 1 | Sales | (401,928) | (7.14) | 90 days after monthend closing | Normal | Normal | 434,372 | 5.24 | |
| Epicrystal Corporation (Changzhou) Ltd. | Episky Corporation (Xiamen) Ltd. | Note 1 | Sales | (424,507) | (7.54) | 180 days after monthend closing | Normal | Normal | 995,040 | 12.01 | |
| Epicrystal Corporation (Changzhou) Ltd. | Epistar Corporation | Note 1 | Sales | (239,366) | (4.25) | 90 days after monthend closing | Normal | Normal | 258,308 | 3.12 | |
| Jiangsu Canyang Optoelectronics Ltd. | Episky Corporation (Xiamen) Ltd. | Note 1 | Sales | (178,879) | (3.18) | 120 days after monthend closing | Normal | Normal | 340,216 | 4.11 | |
| Jiangsu Canyang Optoelectronics Ltd. | Epicrystal Corporation (Changzhou) Ltd. | Note 1 | Sales | (207,929) | (3.69) | 90 days after monthend closing | Normal | Normal | 252,015 | 3.04 | |
| Lextar Electronics (Chuzhou) Corp. | Lextar Electronics Corporation | Note 1 | Sales | (718,531) | (12.76) | 120 days after monthend closing | Normal | Normal | 993,800 | 12.00 | |
| Episky Corporation (Xiamen) Ltd. | Epicrystal Corporation (Changzhou) Ltd. | Note 1 | Purchases | 424,507 | 11.88 | 180 days after monthend closing | Normal | Normal | (995,040) | (31.98) | |
| Episky Corporation (Xiamen) Ltd. | Epistar Corporation | Note 1 | Purchases | 401,928 | 11.25 | 90 days after monthend closing | Normal | Normal | (434,372) | (13.96) | |
| Episky Corporation (Xiamen) Ltd. | Jiangsu Canyang Optoelectronics Ltd. | Note 1 | Purchases | 178,879 | 5.01 | 120 days after monthend closing | Normal | Normal | (340,216) | (10.93) | |
| Epistar Corporation | Episky Corporation (Xiamen) Ltd. | Note 1 | Purchases | 204,238 | 5.72 | 90 days after monthend closing | Normal | Normal | (205,451) | (6.60) | |

Table 4-1

| Purchaser/seller | Counterparty | Relationship with the counterparty | Transaction | | | | Differences in transaction terms | | Notes/accounts receivable (payable) | | Footnote |
|---|---|------------------------------------|-------------------|------------|---------------------------------------|---------------------------------|----------------------------------|-------------|-------------------------------------|---|----------|
| | | | Purchases (sales) | Amount | Percentage of total purchases (sales) | Credit term | Unit price | Credit term | Balance | Percentage of total notes/accounts receivable (payable) | |
| Epistar Corporation | Epicrystal Corporation (Changzhou) Ltd. | Note 1 | Purchases | \$ 239,366 | 6.70 | 90 days after monthend closing | Normal | Normal | (\$ 258,308) (| 8.30) | |
| Epicrystal Corporation (Changzhou) Ltd. | Jiangsu Canyang Optoelectronics Ltd. | Note 1 | Purchases | 207,929 | 5.82 | 90 days after monthend closing | Normal | Normal | (252,015) (| 8.10) | |
| Lextar Electronics Corp. | Lextar Electronics (Chuzhou) Corp. | Note 1 | Purchases | 718,531 | 20.11 | 120 days after monthend closing | Normal | Normal | (993,800) (| 31.94) | |

Note 1: Investee company accounted for using equity method directly and indirectly.

Table 4-2

ENNOSTAR INC.

Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more

March 31, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

| Creditor | Counterparty | Relationship with the counterparty | Balance as at March 31, 2025 | | | Turnover rate | Overdue receivables | | Amount collected subsequent to the balance sheet date | Allowance for doubtful debts |
|--|--|---------------------------------------|------------------------------|------------------|------------|---------------|---------------------|-----------------|---|---------------------------------|
| | | | Accounts receivable | Other receivable | Total | | Amount | Action taken | | |
| Episky Corporation (Xiamen) Ltd. | Epistar Corporation | Note 2 | \$ 205,451 | \$ 5,539 | \$ 210,990 | 0.27 | \$ - | - | \$ - | \$ - |
| Epistar Corporation | Episky Corporation (Xiamen) Ltd. | Note 2 | 434,372 | 920 | 435,292 | 0.24 | 520 | Note 1 | 170,118 | - |
| Epistar Corporation | Unikom Semiconductor Corporation | Note 2 | 6,431 | 707,450 | 713,881 | - | - | - | - | - |
| Epistar Corporation | LEDAZ Co., Ltd | Note 2 | 103,064 | 7,677 | 110,741 | 0.19 | 7,677 | Note 1 | - | 7,677 |
| Epicrystal Corporation (Changzhou) Ltd. | Episky Corporation (Xiamen) Ltd. | Note 2 | 995,040 | 825,201 | 1,820,241 | 0.06 | - | - | 158,650 | - |
| Epicrystal Corporation (Changzhou) Ltd. | Epistar Corporation | Note 2 | 258,308 | - | 258,308 | 0.27 | - | - | - | - |
| Jiangsu Canyang Optoelectronics Ltd. | Episky Corporation (Xiamen) Ltd. | Note 2 | 340,216 | - | 340,216 | 0.12 | - | - | 107,736 | - |
| Jiangsu Canyang Optoelectronics Ltd. | Epicrystal Corporation (Changzhou) Ltd. | Note 2 | 252,015 | 2,276 | 254,291 | 0.23 | - | - | - | - |
| Lextar Electronics Corporation | AUO (Suzhou) Co., Ltd. | Other related parties | 115,428 | - | 115,428 | 2.98 | - | - | - | - |
| Lextar Electronics Corporation | Lextar Electronics (Chuzhou) Corp. | Note 2 | 171,409 | 11,809 | 183,218 | 4.92 | - | - | 20,529 | - |
| Lextar Electronics (Chuzhou) Corp. | Lextar Electronics Corporation | Note 2 | 993,800 | - | 993,800 | 3.09 | - | - | 32,361 | - |

Note 1: All the overdue amounts are being actively collected. Epistar Corporation has recovered \$191 overdue from Episky Corporation (Xiamen) Ltd. after the balance sheet date.

Note 2: Investee company accounted for using the equity method directly and indirectly.

ENNOSTAR INC.
Significant inter-company transactions during the reporting periods
Three months ended March 31, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction | | | Percentage of consolidated total operating revenues or total assets (Note 3) |
|--------------------|---|-----------------------------------|--------------------------|-------------------------|------------|---|---|
| | | | | General ledger account | Amount | Transaction terms | |
| 0 | ENNOSTAR Inc. | Epistar Corporation | 1 | Other operating revenue | \$ 116,049 | Based on contract terms | 2.06 |
| 1 | Epistar Corporation | Episky Corporation (Xiamen) Ltd. | 3 | Sales | 401,928 | Conducted in the ordinary course of business with terms similar to those with third parties | 7.14 |
| 1 | Epistar Corporation | Episky Corporation (Xiamen) Ltd. | 3 | Accounts receivable | 434,372 | Conducted in the ordinary course of business with terms similar to those with third parties | 0.75 |
| 1 | Epistar Corporation | Unikorn Semiconductor Corporation | 3 | Other receivable | 707,450 | Based on contract terms | 1.22 |
| 2 | Episky Corporation (Xiamen) Ltd. | Epistar Corporation | 3 | Sales | 204,238 | Conducted in the ordinary course of business with terms similar to those with third parties | 3.63 |
| 2 | Episky Corporation (Xiamen) Ltd. | Epistar Corporation | 3 | Accounts receivable | 205,451 | Conducted in the ordinary course of business with terms similar to those with third parties | 0.35 |
| 3 | Epicrystal Corporation (Changzhou) Ltd. | Episky Corporation (Xiamen) Ltd. | 3 | Sales | 424,507 | Conducted in the ordinary course of business with terms similar to those with third parties | 7.54 |
| 3 | Epicrystal Corporation (Changzhou) Ltd. | Epistar Corporation | 3 | Sales | 239,366 | Conducted in the ordinary course of business with terms similar to those with third parties | 4.25 |

Table 6-1

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction | | | Percentage of consolidated total operating revenues or total assets (Note 3) |
|--------------------|--|---|--------------------------|------------------------|------------|---|---|
| | | | | General ledger account | Amount | Transaction terms | |
| 3 | Epicrystal Corporation (Changzhou) Ltd. | Episky Corporation (Xiamen) Ltd. | 3 | Accounts receivable | \$ 995,040 | Conducted in the ordinary course of business with terms similar to those with third parties | 1.71 |
| 3 | Epicrystal Corporation (Changzhou) Ltd. | Epistar Corporation | 3 | Accounts receivable | 258,308 | Conducted in the ordinary course of business with terms similar to those with third parties | 0.44 |
| 3 | Epicrystal Corporation (Changzhou) Ltd. | Episky Corporation (Xiamen) Ltd. | 3 | Other receivable | 825,201 | Based on contract terms | 1.42 |
| 4 | Jiangsu Canyang Optoelectronics Ltd. | Episky Corporation (Xiamen) Ltd. | 3 | Sales | 178,879 | Conducted in the ordinary course of business with terms similar to those with third parties | 3.18 |
| 4 | Jiangsu Canyang Optoelectronics Ltd. | Epicrystal Corporation (Changzhou) Ltd. | 3 | Sales | 207,929 | Conducted in the ordinary course of business with terms similar to those with third parties | 3.69 |
| 4 | Jiangsu Canyang Optoelectronics Ltd. | Episky Corporation (Xiamen) Ltd. | 3 | Accounts receivable | 340,216 | Conducted in the ordinary course of business with terms similar to those with third parties | 0.59 |
| 4 | Jiangsu Canyang Optoelectronics Ltd. | Epicrystal Corporation (Changzhou) Ltd. | 3 | Accounts receivable | 252,015 | Conducted in the ordinary course of business with terms similar to those with third parties | 0.43 |
| 5 | Lextar Electronics Corporation | Lextar Electronics (Chuzhou) Corp. | 3 | Accounts receivable | 171,409 | Conducted in the ordinary course of business with terms similar to those with third parties | 0.30 |

Table 6-2

| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | Transaction | | | Percentage of consolidated total operating revenues or total assets (Note 3) |
|--------------------|---------------------------------------|--------------------------------|--------------------------|------------------------|------------|--|---|
| | | | | General ledger account | Amount | Transaction terms | |
| 6 | Lextar Electronics (Chuzhou) Corp. | Lextar Electronics Corporation | 3 | Sales | \$ 718,531 | Conducted in the ordinary course of business with terms similar to those with third parties | 12.76 |
| 6 | Lextar Electronics (Chuzhou) Corp. | Lextar Electronics Corporation | 3 | Accounts receivable | 993,800 | Conducted in the ordinary course of business with terms similar to those with third parties | 1.71 |

Note 1: Parent company is '0'.The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs

to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice.

For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Disclosure of the transactions over 100 million New Taiwan dollars only and the related party transactions for counterparty are not disclosed.

ENNOSTAR INC.

Information on investees (Excluding Information on Investment in Mainland China)

Three months ended March 31, 2025

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2025 | | | | | Footnote |
|---------------|--------------------------------|----------------|---|------------------------------|---------------------------------|----------------------------------|---------------|---------------|---|--|----------|
| | | | | Balance as at March 31, 2025 | Balance as at December 31, 2024 | Number of shares | Ownership (%) | Book value | Net profit (loss) of the investee for the three months ended March 31, 2025 | Investment income (loss) recognised by the Company for the three months ended March 31, 2025 | |
| ENNOSTAR Inc. | Epistar Corporation | Taiwan | Resarching, developing, manufacturing and sales of LED wafers and chips | \$ 38,234,780 | \$ 38,234,780 | 1,207,079,188 | 100.00 | \$ 32,792,469 | (\$ 306,242) | (\$ 303,036) | |
| ENNOSTAR Inc. | Lextar Electronics Corporation | Taiwan | Manufacturing and sales of LED wafers, chips, packages and modules | 10,724,646 | 10,724,646 | 514,916,380 | 100.00 | 9,806,208 | (111,882) | (125,064) | |
| ENNOSTAR Inc. | Harvestar Investment Corp. | Taiwan | General investment | 1,150,000 | 1,150,000 | 115,000,000 | 100.00 | 621,490 | (2,323) | (2,323) | |
| ENNOSTAR Inc. | Tyntek Corporation | Taiwan | Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade | 584,583 | 584,583 | 23,799,000 | 7.92 | 622,194 | (1,779) | (168) | Note1 |
| ENNOSTAR Inc. | Amengine Corporation | Taiwan | Developing, manufacturing and sales of optical sensing modules | 40,212 | 40,212 | 6,922,000 | 75.96 | 4,043 | (198) | (150) | |
| ENNOSTAR Inc. | GCS Holding Inc. | Cayman Islands | OEM manufacturing of GaAs / InP / GaN / SiC wafers for RF and optoelectronics | 431,990 | 431,990 | 9,028,000 | 7.95 | 286,582 | (80,129) | (628) | Note1 |

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2025 | | | | | Footnote |
|----------------------------|---------------------------|----------------|---|------------------------------|---------------------------------|----------------------------------|---------------|------------|---|--|----------|
| | | | | Balance as at March 31, 2025 | Balance as at December 31, 2024 | Number of shares | Ownership (%) | Book value | Net profit (loss) of the investee for the three months ended March 31, 2025 | Investment income (loss) recognised by the Company for the three months ended March 31, 2025 | |
| ENNOSTAR Inc. | Calystar Investment Corp. | Taiwan | General investment | \$ 440,000 | \$ 440,000 | 45,355,925 | 100.00 | \$ 367,986 | (\$ 1,400) | (\$ 1,400) | |
| Harvestar Investment Corp. | GCS Holding Inc. | Cayman Islands | OEM manufacturing of GaAs / InP / GaN / SiC wafers for RF and optoelectronics | 433,099 | 433,099 | 9,013,000 | 7.94 | 337,379 | (80,129) | (461) | Note1 |
| Harvestar Investment Corp. | Tyntek Corporation | Taiwan | Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade | 263,864 | 263,864 | 13,089,000 | 4.35 | 257,200 | (1,779) | (1,905) | Note1 |
| Calystar Investment Corp. | GCS Holding Inc. | Cayman Islands | OEM manufacturing of GaAs / InP / GaN / SiC wafers for RF and optoelectronics | 265,135 | 265,135 | 6,500,000 | 5.72 | 181,886 | (80,129) | (337) | Note1 |
| Calystar Investment Corp. | Tyntek Corporation | Taiwan | Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade | 151,238 | 151,238 | 8,094,000 | 2.69 | 143,808 | (1,779) | (1,178) | Note1 |

Table 7-2

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2025 | | | | | Footnote |
|-----------------------------------|-----------------------------------|----------------|---|------------------------------|---------------------------------|----------------------------------|---------------|------------|---|--|----------|
| | | | | Balance as at March 31, 2025 | Balance as at December 31, 2024 | Number of shares | Ownership (%) | Book value | Net profit (loss) of the investee for the three months ended March 31, 2025 | Investment income (loss) recognised by the Company for the three months ended March 31, 2025 | |
| Unikorn Semiconductor Corporation | GCS Holding Inc. | Cayman Islands | OEM manufacturing of GaAs / InP / GaN / SiC wafers for RF and optoelectronics | \$ 1,051 | \$ 1,051 | 20,000 | 0.02 | \$ 865 | (\$ 80,129) | (\$ 1) | Note1 |
| Epistar Corporation | iReach Corporation | Taiwan | Manufacturing, sales, packaging and module design of semiconductor light emitting devices | 70,000 | 70,000 | 7,000,000 | 34.30 | 36,862 | (13,300) | (8,728) | |
| Epistar Corporation | Epistar JV Holding (BVI) Co.,Ltd. | Cayman Islands | General investment | 14,960,129 | 14,960,129 | 48,278 | 100.00 | 9,176,727 | 1,398 | 46,276 | |
| Epistar Corporation | Lighting Investment Corporation | Taiwan | General investment | 1,561,814 | 1,561,814 | 191,478,518 | 100.00 | 2,139,249 | 7,182 | 7,565 | |
| Epistar Corporation | Unikorn Semiconductor Corporation | Taiwan | Original equipment manufacturer of III-V semiconductor | 1,340,825 | 1,340,825 | 336,485,000 | 100.00 | (264,055) | (82,900) | (82,900) | |
| Epistar Corporation | TE Opto Corporation | Taiwan | Sales of LED chips | 9,200 | 9,200 | 920,000 | 40.00 | 48,300 | 5,802 | 2,321 | |
| Epistar Corporation | GaN Force Corporation | Taiwan | Design, manufacturing and sales of semiconductor materials and modules | 77,700 | 77,700 | 1,118,600 | 64.32 | 737 | 13 | 8 | |
| Epistar Corporation | Tyntek Corporation | Taiwan | Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade | 1,243 | 1,243 | 50,000 | 0.02 | 1,173 | (1,779) | (3) | Note1 |

Table 7-3

| | | | | Initial investment amount | | Shares held as at March 31, 2025 | | | | | |
|------------------------------------|--|------------------------|---|------------------------------|---------------------------------|----------------------------------|---------------|------------|---|---|----------|
| Investor | Investee | Location | Main business activities | Balance as at March 31, 2025 | Balance as at December 31, 2024 | Number of shares | Ownership (%) | Book value | Net profit (loss) | Investment | Footnote |
| | | | | | | | | | of the investee for the three months ended March 31, 2025 | income (loss) recognised by the Company for the three months ended March 31, 2025 | |
| Epistar Corporation | Can Yang Investments Limited | Hong Kong | General investment | \$ 66,745 | \$ 66,745 | 2,679,063 | 3.53 | \$ 63,588 | \$ 27,495 | \$ 969 | |
| Epistar Corporation | GCS Holding Inc. | Cayman Islands | OEM manufacturing of GaAs / InP / GaN / SiC wafers for RF and optoelectronics | 288,750 | - | 3,500,000 | 3.08 | 93,459 | (80,129) | (54) | Note 1 |
| Epistar JV Holding (BVI) Co.,Ltd. | HUGA Holding (SAMOA) Limited | Samoa | General investment | 334,967 | 334,967 | 12,551,035 | 100.00 | 106,743 | 30 | 30 | |
| Epistar JV Holding (BVI) Co.,Ltd. | LiteStar JV Holding (BVI) CO., Ltd. | British Virgin Islands | General investment | 3,408,835 | 3,408,835 | 10,882 | 82.41 | 3,380,748 | (27,726) | (22,849) | |
| Epistar JV Holding (BVI) Co.,Ltd. | United LED Corporation (Hong Kong) Limited | Hong Kong | General investment | 2,029,760 | 2,029,760 | 67,000,165 | 74.86 | 349,576 | 84,548 | 63,293 | |
| Epistar JV Holding (BVI) Co.,Ltd. | Episky (Hong Kong) Limited | Hong Kong | General investment | 2,124,096 | 2,124,096 | Cash USD 68,000,000 | 100.00 | 57,798 | (21,916) | (21,916) | |
| Epistar JV Holding (BVI) Co.,Ltd. | Can Yang Investments Limited | Hong Kong | General investment | 4,391,621 | 4,391,621 | 67,045,899 | 88.21 | 1,591,205 | 27,495 | 24,253 | |
| Lighting Investment Ltd. | LEDAZ CO., Ltd. | Korea | Engineering service of LED | 48,166 | 48,166 | 88,460 | 28.13 | 19,014 | 17,105 | 802 | |
| Lighting Investment Ltd. | Interlight Optotech (HK) Co.,Limited | Hong Kong | Sales of LED packages | 12,806 | 12,806 | 429,000 | 30.00 | 7,935 | - | - | |
| Lighting Investment Ltd. | Luxlite (HK) Corporation Limited | Hong Kong | General investment | 133,979 | 133,979 | 3,800,000 | 100.00 | 320,329 | - | - | |
| LiteStar JV Holding (BVI) Co.,Ltd. | Epicrystal (Hong Kong) Co. Ltd. | Hong Kong | General investment | 4,403,034 | 4,403,034 | 146,600,000 | 100.00 | 4,102,050 | (27,693) | (27,693) | |
| Lighting Investment Corporation | LEDAZ CO., Ltd. | Korea | Engineering service of LED | 23,993 | 23,993 | 44,065 | 14.01 | 9,473 | 17,105 | 544 | |
| Lighting Investment Corporation | Lighting Investment Ltd. | British Virgin Islands | General investment | 152,701 | 152,701 | 45,643 | 100.00 | 1,099,892 | 5,642 | 5,642 | |
| Lighting Investment Corporation | Can Yang Investments Limited | Hong Kong | General investment | 72,436 | 72,436 | 5,218,605 | 6.87 | 123,927 | 27,495 | 1,889 | |

Table 7-4

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2025 | | | | | Footnote |
|---|---|----------|---|------------------------------|---------------------------------|----------------------------------|---------------|------------|---|--|----------|
| | | | | Balance as at March 31, 2025 | Balance as at December 31, 2024 | Number of shares | Ownership (%) | Book value | Net profit (loss) of the investee for the three months ended March 31, 2025 | Investment income (loss) recognised by the Company for the three months ended March 31, 2025 | |
| Lighting Investment Corporation | LEDOLUX Sp.Zo.O. | Poland | Manufacturing and sales of LED products | \$ 133,455 | \$ 133,455 | 156,994 | 60.00 | \$ 54,411 | (\$ 125) | (\$ 75) | |
| Lighting Investment Corporation | Tyntek Corporation | Taiwan | Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade | 1,276 | 1,276 | 50,000 | 0.02 | 767 | (1,779) | - | Note1 |
| Lighting Investment Corporation | GaN Force Corporation | Taiwan | Design, manufacturing and sales of semiconductor materials and modules | 641 | 641 | 620,400 | 35.68 | 729 | 13 | 5 | |
| Lighting Investment Corporation | Domi-Star Optoelectronics Corporation | Taiwan | Design and sales of LED lighting product | 490 | 490 | 49,000 | 49.00 | 259 | (7) | (3) | |
| Episky Corporation (Xiamen) Ltd | Epicrystal Corporation (Changzhou) Ltd. | China | Manufacturing and sales of LED wafers and chips | 147,472 | 147,472 | Cash USD 5,200,000 | 3.31 | 145,404 | (29,656) | (982) | |
| Epicrystal Corporation (Changzhou) Ltd. | Changzhou Chemsemi Co., Ltd. | China | OEM manufacturing of compound semiconductor RFID wafers and optoelectronic wafers | 469,590 | 469,590 | Cash RMB 63,685,809 | 10.20 | 303,268 | (460,958) | (65,917) | |
| Episky Corporation (Xiamen) Ltd | LEADSTAR Micro-Crystal Display Corporation (JiangSu) Ltd. | China | Developing, manufacturing and sales of LED packages, modules and related applications | 164,862 | 164,862 | Cash RMB 38,800,000 | 9.70 | 122,026 | (69,488) | (6,740) | |
| Episky Corporation (Xiamen) Ltd | Shenzhen Epikylin Optoelectronics Co.,Ltd | China | Sales of LED chips | 43,770 | 43,770 | Cash RMB 10,000,000 | 100.00 | 213,947 | 23 | 23 | |

Table 7-5

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2025 | | | | | Footnote |
|--------------------------------|--------------------------------------|------------------------|---|------------------------------|---------------------------------|----------------------------------|---------------|--------------|---|--|----------|
| | | | | Balance as at March 31, 2025 | Balance as at December 31, 2024 | Number of shares | Ownership (%) | Book value | Net profit (loss) of the investee for the three months ended March 31, 2025 | Investment income (loss) recognised by the Company for the three months ended March 31, 2025 | |
| Lextar Electronics Corporation | Lextar (Singapore) Pte. Ltd. | Sinapore | General investment | \$ 2,709,310 | \$ 2,709,310 | 90,270,000 | 100.00 | \$ 2,715,492 | (\$ 16,991) | (\$ 16,991) | |
| Lextar Electronics Corporation | Wellypower Optronics Corporation | British Virgin Islands | General investment | 44,898 | 44,898 | 5,153,061 | 100.00 | 178,530 | (1,293) | (1,293) | |
| Lextar Electronics Corporation | Apower Optronics Corporation | British Virgin Islands | General investment | 381,638 | 381,638 | 31,600,000 | 100.00 | 1,280,405 | (9,538) | (9,538) | |
| Lextar Electronics Corporation | Liang Li Venture Corp. | Taiwan | General investment | 175,374 | 175,374 | 18,000,000 | 100.00 | 106,165 | (994) | (994) | |
| Lextar Electronics Corporation | Wellybond Corporation | Taiwan | General investment | 996,484 | 746,484 | 100,000,000 | 100.00 | 661,542 | (12,244) | (12,244) | |
| Lextar Electronics Corporation | Trendylite Corporation | Taiwan | Sales of products | 20,874 | 20,874 | 3,150,000 | 53.84 | 27,655 | (4,589) | (2,471) | |
| Lextar Electronics Corporation | Hexawave, Inc. | Taiwan | Manufacturing and sales of compound semiconductor materials and modules | 147,506 | 147,506 | 12,716,000 | 31.48 | 11,138 | (16,653) | (5,242) | |
| Lextar Electronics Corporation | Yenrich Technology Corporation | Taiwan | Research, development and sales of electronic component | 505,487 | 505,487 | 7,538,471 | 39.37 | 28,297 | (24,702) | (9,725) | |
| Lextar Electronics Corporation | ProLight Opto Technology Corporation | Taiwan | Manufacturing and sales of LED packages | 99,081 | 99,081 | 6,700,000 | 9.84 | 67,752 | (10,824) | (1,066) | |
| Lextar Electronics Corporation | Tyntek Corporation | Taiwan | Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade | 1,304 | 1,304 | 50,000 | 0.02 | 852 | (1,779) | (37) | Note1 |

Table 7-6

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2025 | | | | | Footnote |
|------------------------------|---|-----------|---|------------------------------|---------------------------------|----------------------------------|---------------|------------|---|--|----------|
| | | | | Balance as at March 31, 2025 | Balance as at December 31, 2024 | Number of shares | Ownership (%) | Book value | Net profit (loss) of the investee for the three months ended March 31, 2025 | Investment income (loss) recognised by the Company for the three months ended March 31, 2025 | |
| Lextar (Singapore) Pte. Ltd. | Lextar Electronics Korea Ltd. | Korea | Sale of LED and after-sales service | \$ 3,025 | \$ 3,025 | 22,000 | 100.00 | \$ 5,322 | \$ 130 | \$ 130 | |
| Lextar (Singapore) Pte. Ltd. | Aurora International Lighting Corporation Limited | Hong Kong | Sales of lighting | 204,136 | 204,136 | 2,000,000 | 20.00 | - | - | - | |
| Wellybond Corporation | Vogito Innovation Co., Ltd. | Taiwan | Design, developing, researching and sales of health care products | 1,000 | 1,000 | 100,000 | 50.00 | 4,858 | 444 | 222 | |
| Wellybond Corporation | Hexawave, Inc. | Taiwan | Manufacturing and sales of compound semiconductor materials and modules | 147,494 | 147,494 | 12,715,000 | 31.47 | 11,137 | (16,653) | (5,241) | |
| Wellybond Corporation | Trendylite Corporation | Taiwan | Sales of products | 18,312 | 18,312 | 2,361,538 | 40.37 | 20,732 | (4,589) | (1,853) | |
| Wellybond Corporation | ProLight Opto Technology Corporation | Taiwan | Manufacturing and sales of LED packages | 331,412 | 326,817 | 23,650,160 | 34.76 | 239,226 | (10,824) | (3,680) | |
| Wellybond Corporation | Tyntek Corporation | Taiwan | Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade | 1,288 | 1,288 | 50,000 | 0.02 | 836 | (1,779) | (38) | Note 1 |
| Liang Li Venture Corp. | ProLight Opto Technology Corporation | Taiwan | Manufacturing and sales of LED packages | 96,604 | 96,604 | 6,700,000 | 9.84 | 67,752 | (10,824) | (1,066) | |

Table 7-7

| Investor | Investee | Location | Main business activities | Initial investment amount | | Shares held as at March 31, 2025 | | | | | Footnote |
|--------------------------------------|--------------------------------------|------------|---|------------------------------|---------------------------------|----------------------------------|---------------|------------|---|--|----------|
| | | | | Balance as at March 31, 2025 | Balance as at December 31, 2024 | Number of shares | Ownership (%) | Book value | Net profit (loss) of the investee for the three months ended March 31, 2025 | Investment income (loss) recognised by the Company for the three months ended March 31, 2025 | |
| Liang Li Venture Corp. | Tyntek Corporation | Taiwan | Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade | \$ 1,293 | \$ 1,293 | 50,000 | 0.02 | \$ 848 | (\$ 1,779) | (\$ 37) | Note1 |
| ProLight Opto Technology Corporation | Prolight Opto Holding Corporation | Seychelles | General investment | 4,402 | 4,402 | 150,000 | 100.00 | 7,261 | 2,080 | 2,080 | |
| Prolight Opto Holding Corporation | ProLight Opto Technology Corporation | Seychelles | General investment | 4,403 | 4,403 | 150,000 | 100.00 | 5,071 | 2,080 | 2,080 | |
| Lextar Electronics (Suzhou) Corp. | Lextar Electronics (Chuzhou) Corp. | China | Manufacturing and sales of LED and modules | 3,094,825 | 3,094,825 | Cash RMB 700,000,000 | 100.00 | 3,889,084 | (20,977) | (20,977) | |
| Lextar Electronics (Suzhou) Corp. | Chuzhou Bwin Technology Corp. | China | Developing, manufacturing, sales of metal and plastic technical products. | 138,913 | 138,913 | Cash RMB 30,500,000 | 30.50 | 3,548 | (12,045) | (5,202) | |

Note1: The group is the director of the investee, which indicates that the Group has significant influence over the investee. Accordingly, the Group listed the investee as an associate.

ENNOSTAR INC.
Information on investments in Mainland China
Three months ended March 31, 2025

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method (Note 1) | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025 | Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2025 | | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025 | Net income of investee for the three months ended March 31, 2025 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the three months ended March 31, 2025 | Book value of investments in Mainland China as of March 31, 2025 | Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025 | Footnote |
|---|---|-----------------|----------------------------|--|---|-------------------------|---|--|--|--|--|--|----------|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| LEADSTAR Micro-Crystal Display Corporation (JiangSu) Ltd. | Developing, manufacturing and sales of LED packages, modules and related applications | \$ 1,829,200 | 1 | \$ 583,428 | \$ - | \$ - | \$ 583,428 | \$ 28,760 | 33.63 | (\$ 24,672) | \$ 448,859 | \$ - | 2(3) 、6 |
| Episky Corporation (Xiamen) Ltd. | Manufacturing and sales of LED chips | 2,039,775 | 2 | 2,124,096 | - | - | 2,124,096 | (21,916) | 100.00 | (21,916) | 1,919,181 | - | 2(2) |
| United LED Shan Dong Corporation | Information technology consulting services | 2,349,855 | 2 | 1,824,844 | - | - | 1,824,844 | 84,386 | 74.86 | 63,171 | 363,629 | - | 2(3) |
| Epicrystal Corporation (Changzhou) Ltd. | Manufacturing and sales of LED wafers and chips | 4,637,927 | 2 | 3,423,550 | - | - | 3,423,550 | (29,656) | 76.95 | (22,822) | 3,380,498 | - | 2(2) |
| Bridgelux Optoelectronic (Xiamen) Co.,Ltd. | Manufacturing and sales of LED wafers, chips, packages and modules | 1,371,900 | 2 | 1,461,593 | - | - | 1,461,593 | - | 18.77 | - | 1,658,916 | - | 2(3) |

| Investee in Mainland China | Main business activities | Paid-in capital | Investment method (Note 1) | Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025 | Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three months ended March 31, 2025 | | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025 | Net income of investee for the three months ended March 31, 2025 | Ownership held by the Company (direct or indirect) | Investment income (loss) recognised by the Company for the three months ended March 31, 2025 | Book value of investments in Mainland China as of March 31, 2025 | Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025 | Footnote |
|--|---|-----------------|----------------------------|--|---|-------------------------|---|--|--|--|--|--|----------|
| | | | | | Remitted to Mainland China | Remitted back to Taiwan | | | | | | | |
| APT Electronics Co., Ltd. | Developing, manufacturing and sale of LED extension and chip, module and light instrument | \$ 2,279,671 | 3 | \$ 296,108 | \$ - | \$ - | \$ 296,108 | \$ - | 8.09 | \$ - | \$ - | \$ - | 2(3) |
| Zhongke Electric Material (Beijing) Co.,Ltd. | Developing, manufacturing and sale of gallium arsenide single crystal and wafers | 990,513 | 2 | 96,084 | - | - | 96,084 | - | 8.19 | - | - | - | 2(3) |
| Jiangsu Canyang Optoelectronics Ltd. | Manufacturing and sales of LED wafers and chips | 5,739,141 | 2 | 2,598,418 | - | - | 2,598,418 | 13,728 | 98.61 | 13,537 | 1,837,797 | - | 2(2) |
| Lextar Electronics (Suzhou) Corp. | Manufacturing and sales of LED and modules | 3,956,514 | 2 | 3,585,860 | - | - | 3,585,860 | (30,219) | 100.00 | (30,219) | 3,933,222 | - | 2(3) |
| Shanghai Welight Electronic Co., LTD. | Wholesale and export and import of LED and related electronic products | 4,274 | 2 | 4,695 | - | - | 4,695 | 1,934 | 54.44 | 1,053 | 7,314 | - | 2(3) |

Table 8-2

| Company name | Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025 | Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) | Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA |
|--------------------------------|---|--|---|
| ENNOSTAR Inc. | \$ 436,383 | \$ 306,962 | \$ 45,891,940 |
| Epistar Corporation | \$ 11,824,693 | \$ 15,077,653 | \$ 32,842,866 |
| Lextar Electronics Corporation | \$ 3,737,600 | \$ 4,198,743 | \$ 8,561,458 |

Note 1: The investments are classified in three types; they are numbered as follows:

1. Direct investment in Mainland China companies;
2. Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
3. Other ways.

Note 2: Investment income or loss in this period:

The bases for recognition of investment income or loss are classified into four types; they are numbered as follows:

1. The financial statements that are reviewed by the international accounting firm which has a cooperative relationship with the R.O.C. accounting firm;
2. The financial statements that are reviewed by the R.O.C. parent company's independent auditors;
3. The financial statements that are not reviewed by the independent auditors;
4. Others.

Note 3: The amount disclosed was based on Investment Commission, MOEA Regulation No. 09704604680 announced on August 29, 2008.

Note 4: The numbers in the table shall be expressed in NTD. Foreign currencies shall be translated into NTD at the exchange rate prevailing on the financial reporting date.

Note 5: The 'amounts' are expressed in thousands of New Taiwan dollars.

Note 6: In September 2023, Yenrich Technology Corporation transferred all the equity interests in LEADSTAR Micro-Crystal Display Corporation (Jiangsu) Ltd. to ENNOSTAR Inc. Pursuant to the Jing-Shen-II-Zi Letter No.11200120910 on September 11, 2023, the original approval of the investment of Yenrich Technology Corporation was cancelled as the transfer of LEADSTAR Micro-Crystal Display Corporation (Jiangsu) Ltd. was implemented and approved by the Investment Commission. ENNOSTAR Inc. acquired the equity interests in EADSTAR Micro-Crystal Display Corporation (Jiangsu) Ltd. in the amount of NT\$ 306,962 thousand, which was the investment amount of Yenrich Technology Corporation as originally approved by the Investment Commission.

Note 7: Ningbo Formosa Epitaxy Incorporation, and Lextar Electronics (Xiamen) Co., Ltd. had cancelled business registration and remitted the remaining amount of liquidation in 2020 and 2023, respectively. The above mentioned amount has not yet been remitted back from the third area to Taiwan.

Note 8: Luxlite (Shenzhen) Corporation Limited had cancelled business registration and remitted the remaining amount of liquidation. The above mentioned amount has not yet been remitted back from the third area to Taiwan.

ENNOSTAR INC.

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Three months ended March 31, 2025

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

| Investee in Mainland China | Sale (purchase) | | Property transaction | | Accounts receivable (payable) | | Provision of endorsements/guarantees or collaterals | | Financing | | | Interest during the three months ended March 31, 2025 | Others |
|---|-----------------|--------|----------------------|-------------|----------------------------------|---------|---|---------|--|------------------------------|---------------|--|--------|
| | Amount | % | Amount | (loss) gain | Balance at March 31, 2025 | % | Balance at March 31, 2025 | Purpose | Maximum balance during the three months ended March 31, 2025 | Balance at March 31, 2025 | Interest rate | | |
| Episky Corporation (Xiamen) Ltd. | \$ 401,928 | (7.14) | \$ 4,311 | \$ 430 | \$ 434,372 | 5.24 | \$ - | - | \$ - | \$ - | - | \$ - | - |
| Episky Corporation (Xiamen) Ltd. | (204,238) | 5.72 | - | - | (205,451) | (6.60) | - | - | - | - | - | - | - |
| Epicrystal Corporation (Changzhou) Ltd. | (239,366) | 6.70 | 26,244 | 710 | (258,308) | (8.30) | - | - | - | - | - | - | - |
| Lextar Electronics (Chuzhou) Corp. | (718,531) | 20.11 | - | - | (993,800) | (31.94) | - | - | - | - | - | - | - |

Note 1: Disclosure of the transactions over 100 million New Taiwan dollars only