

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

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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.

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Li, Tien-Yi

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Chou, Chien-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

May 9, 2025

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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)

(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		29,000,612	50	29,771,488	50	30,834,129	49
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		29,087,384	50	29,706,307	50	31,879,141	51
1XXX	Total assets		\$ 58,087,996	100	\$ 59,477,795	100	\$ 62,713,270	100

(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	%
	<b>Current liabilities</b>							
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	<b>Current Liabilities</b>		<u>8,715,584</u>	<u>15</u>	<u>9,681,943</u>	<u>16</u>	<u>10,951,384</u>	<u>17</u>
	<b>Non-current liabilities</b>							
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	<b>Non-current liabilities</b>		<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	<b>Total Liabilities</b>		<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	6(19)						
3110	Share capital - common stock		7,379,405	13	7,379,405	13	7,529,405	12
	Capital surplus	6(20)						
3200	Capital surplus		38,442,403	66	38,403,057	63	46,436,066	75
	Retained earnings	6(21)						
3310	Legal reserve		-	-	-	-	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	6(22)						
3400	Other equity interest		2,159,490	3	1,951,165	4	( 290,814)	( 1)
3500	Treasury shares	6(19)	( 135,163)	-	( 135,163)	-	( 135,163)	-
31XX	<b>Equity attributable to owners of the parent</b>		<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	<b>Total equity</b>		<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	9						
3X2X	<b>Total liabilities and equity</b>		<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)

			Three months ended March 31			
			2025		2024	
Items	Notes		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)

(Continued)

**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)

		Three months ended March 31			
		2025		2024	
Items	Notes	AMOUNT	%	AMOUNT	%
<b>Other comprehensive income (loss)</b>					
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
8311	(Loss) gain on remeasurements of defined benefit plans	(\$ 575)	-	\$ 22	-
8316	Unrealised gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	11,422	-	( 795,653)	( 14)
8320	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	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)
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
8361	Cumulative translation differences of foreign operations	301,006	5	321,023	6
8370	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	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	<b>Other comprehensive income (loss)</b>	<u>\$ 335,779</u>	<u>6</u>	<u>(\$ 246,463)</u>	<u>( 4)</u>
8500	<b>Total comprehensive loss</b>	<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	<u>\$ 4,528</u>	<u>-</u>	<u>(\$ 128,850)</u>	<u>( 2)</u>
Comprehensive income (loss) attributable to:					
8710	Equity holders of the parent company	(\$ 126,912)	( 2)	(\$ 733,670)	( 13)
8720	Non-controlling interest	<u>\$ 25,442</u>	<u>-</u>	<u>(\$ 108,819)</u>	<u>( 2)</u>
Loss per share (NT\$)					
9750	Total basic loss per share	(\$ 0.60)		(\$ 0.62)	
9850	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)

	Notes	Equity attributable to owners of the parent										Non-controlling interest	Total equity
		Share capital - common stock	Capital surplus	Retained earnings				Other equity interest		Treasury shares	Total		
				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					
<u>2024</u>													
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 for using equity method	6(20)	-	( 2,575 )	-	-	-	-	-	-	( 2,575 )	-	( 2,575 )	
Change in equity of associates and joint ventures accounted for using equity method	6(20)	-	( 10,770 )	-	-	-	-	-	-	( 10,770 )	-	( 10,770 )	
Difference between consideration and carrying amount of subsidiaries acquired and disposed	6(20)	-	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	
<u>2025</u>													
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 for using equity method	6(20)	-	2,352	-	-	-	-	-	-	2,352	-	2,352	
Change in equity of associates and joint ventures accounted for using equity method	6(20)	-	36,094	-	-	( 196,321 )	-	-	-	( 160,227 )	-	( 160,227 )	
Difference between consideration and carrying amount of subsidiaries acquired and disposed	6(20)	-	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)

		Three months ended March 31	
	Notes	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
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		475,645	761,185

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**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)

		Three months ended March 31	
	Notes	2025	2024
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of financial assets at fair value through other comprehensive income		\$ 175,045	\$ -
Acquisiton 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 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
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<sup>®</sup>”) 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:

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
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, reasearching 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	276,000	373,929	81,000
	<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	\$ 39,592	\$ 75,337	\$ 61,690

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

Items	March 31, 2025	December 31, 2024	March 31, 2024
Current items:			
Time deposits with maturity over three months	\$ 814,697	\$ 136,637	\$ -
Restricted bank deposits	426,708	507,380	1,046,284
	<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:

	Three months ended March 31, 2025	Three months ended March 31, 2024
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

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 906,713	\$ 748,305	\$ 809,379
Less: Allowance for uncollectible accounts	-	-	-
	<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	( 20,119)	( 19,331)	( 12,600)
	<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
LEDAB 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.

	<u>Three months ended March 31, 2025</u>	<u>Three months ended March 31, 2024</u>
Attributable to the Group:		
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>
							Construction in progress and equipment to be inspected	
	Land	Buildings and structures	Machinery	Office equipment	Leasehold improvements	Others		Total
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:

	March 31, 2025	December 31, 2024	March 31, 2024
	<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:

	Three months ended	Three months ended
	<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

	Patents	Goodwill	Software	Others	Total
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	3	-	185	-	188
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>
	Patents	Goodwill	Software	Others	Total
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	1,129	-	( 916)	868	1,081
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

	March 31, 2025	December 31, 2024	March 31, 2024
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

	March 31, 2025	December 31, 2024	March 31, 2024
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				
	<u>Rate (%)</u>	<u>Amount</u>	<u>Name of bank</u>	<u>Collaterals</u>
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				
	<u>Rate (%)</u>	<u>Amount</u>	<u>Name of bank</u>	<u>Collaterals</u>
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				
	<u>Rate (%)</u>	<u>Amount</u>	<u>Name of bank</u>	<u>Collaterals</u>
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

<u>Items</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
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

Type of borrowings	Borrowing period and repayment term	March 31, 2025
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	180,000
		1,041,900
Less: Current portion of long-term borrowings		( 826,152)
		\$ 215,748
Interest rate range		0.925%~2%

Type of borrowings	Borrowing period and repayment term	December 31, 2024
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	185,000
		1,388,207
Less: Current portion of long-term borrowings		( 1,130,416)
		\$ 257,791
Interest rate range		0.925%~1.775%

Type of borrowings	Borrowing period and repayment term	March 31, 2024
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	200,000
		3,310,112
Less: Current portion of long-term borrowings		( 1,834,566)
		\$ 1,475,546
Interest rate range		0.925%~1.905%

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	Weighted-average exercise price	No. of shares	Weighted-average exercise price
	(in thousands)	(in US dollars)	(in thousands)	(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	5,512	5
Options exercisable at end of the period - Unikorn Semiconductor Corporation	-	5	358	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.	3,081	\$ 10	3,134	\$ 10
Options exercisable at end of the period - Hexawave, Inc.	1,531	10	534	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	\$ 247		\$ 418	
(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	4,978	5,284	6,246	
	\$ 105,296	\$ 140,559	\$ 164,377	

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):

	2025	2024
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)

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

	2024				
Reason for reacquisition	At January 1	Increase	Decrease	At March 31	Book value
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:

	March 31, 2025	December 31, 2024	March 31, 2024
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

	Three months ended March 31, 2025	Three months ended March 31, 2024
Revenue from contracts with customers:		
Sales revenue	\$ 5,521,651	\$ 5,523,289
Services revenue	80,322	28,638
Other operating revenue	29,782	31,025
	<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:

Three months ended March 31, 2025	Epi/Chip	Packages/ Modules	Other	Total
Sales revenue	\$ 3,417,731	\$ 1,941,790	\$ 162,130	\$ 5,521,651
Services revenue	-	-	80,322	80,322
Other operating revenue	-	-	29,782	29,782
				<u>\$ 5,631,755</u>
Three months ended March 31, 2024	Epi/Chip	Packages/ Modules	Other	Total
Sales revenue	\$ 3,664,451	\$ 1,665,313	\$ 193,525	\$ 5,523,289
Services revenue	-	-	28,638	28,638
Other operating revenue	-	-	31,025	31,025
				<u>\$ 5,582,952</u>

(24) Other income and expenses— net

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

(25) Interest income

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

(26) Other income

	Three months ended March 31, 2025	Three months ended March 31, 2024
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

	Three months ended March 31, 2025	Three months ended March 31, 2024
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

	Three months ended March 31, 2025	Three months ended March 31, 2024
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

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

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

	Three months ended March 31, 2025	Three months ended March 31, 2024
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 :

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

	Three months ended March 31, 2025	Three months ended March 31, 2024
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.



(32) Loss per share

	Three months ended March 31, 2025		
	Amount after tax	Weighted average number of outstanding ordinary shares (share in thousands)	Loss per share (in dollars)
<u>Basic and diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 441,777)	736,658	(\$ 0.60)
	Three months ended March 31, 2024		
	Amount after tax	Weighted average number of outstanding ordinary shares (share in thousands)	Loss per share (in dollars)
<u>Basic and diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 467,176)	751,658	(\$ 0.62)

(33) Supplemental cash flow information

A. Investing activities with partial cash payments

	Three months ended March 31, 2025	Three months ended March 31, 2024
Purchase of property, plant and equipment	\$ 316,572	\$ 403,126
Add: Opening balance of payable on equipment	421,648	683,775
Less: Ending balance of payable on equipment	( 338,596)	( 736,982)
Less: Net cash changes of prepayment for equipment	( 24,625)	( 33,205)
Cash paid during the period	<u>\$ 374,999</u>	<u>\$ 316,714</u>
	Three months ended March 31, 2025	Three months ended March 31, 2024
Purchase of intangible assets	\$ 12,112	\$ 5,092
Add: Opening balance of payables (including non-current portion)	10,401	51,527
Less: Ending balance of payables (including non-current portion)	( 10,483)	( 41,506)
Add: Net cash changes of prepayments	<u>9,906</u>	<u>-</u>
Cash paid during the period	<u>\$ 21,936</u>	<u>\$ 15,113</u>

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>
	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, 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

<u>Names of related parties</u>	<u>Relationship with the Group</u>
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:

	<u>Three months ended March 31, 2025</u>	<u>Three months ended March 31, 2024</u>
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 March 31, 2025	Three months ended 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. PLEDGED ASSETS

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

Pledged 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 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	\$ 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 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	\$ 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			
	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	\$ 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			
	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	\$ -	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.

Derivative financial liabilities:

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	\$ -	\$ -	\$ -

Non-derivative financial liabilities:

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

Derivative financial liabilities:

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	\$ -	\$ -	\$ -

Non-derivative financial liabilities:

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

Derivative financial liabilities:

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	\$ -	\$ -	\$ -

Non-derivative financial liabilities:

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.

(2) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks and beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in convertible bonds and most derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, refundable deposits, other financial assets, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables, lease liabilities, long-term accounts payable and guarantee deposits received are approximate to their fair value.

March 31, 2025				
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Long-term borrowings				
(including current portion)	\$ 1,041,900	\$ -	\$ 1,043,771	\$ -
December 31, 2024				
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Long-term borrowings				
(including current portion)	\$ 1,388,207	\$ -	\$ 1,388,263	\$ -
March 31, 2024				
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Long-term borrowings				
(including current portion)	\$ 3,310,112	\$ -	\$ 3,324,522	\$ -

(b) The methods and assumptions of fair value estimate are as follows:

Long-term borrowings: They are measured at present value, which is calculated based on the cash flow expected to be paid and discounted using a market rate prevailing at balance sheet date.

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	Level 1	Level 2	Level 3	Total
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	1,809,626	-	3,309,166	5,118,792
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	\$ -	\$ 39,592	\$ -	\$ 39,592
December 31, 2024	Level 1	Level 2	Level 3	Total
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	Level 1	Level 2	Level 3	Total
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	935,634	-	2,544,267	3,479,901
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

Table 1

Expressed in thousands of NTD  
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the three months ended	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
					31-Mar-25								Item	Value			
1	Epistar Corporation	Unikorn 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	Company name	Party being endorsed/guaranteed		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
			Relationship with the endorser/ guarantor (Note 2)												
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)

							Differences in transaction terms		Notes/accounts receivable (payable)			
			Transaction									
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases		Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
					(sales)	(sales)						
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)	

			Transaction				Differences in transaction terms		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
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		Total	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful debts
			Accounts receivable	Other receivable			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	Unikorn 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
Epistar Corporation	Epistar Corporation	Note 2	-	-	-	-	-	-	-	-
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

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.



Table 7

ENNOSTAR INC.  
Information on investees (Excluding Information on Investment in Mainland China)  
Three months ended March 31, 2025

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					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	Footnote
				Balance as at March 31, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value					
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

				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) 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	Footnote
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

				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		
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 materoals 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)	Note1
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

				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		
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 materoals 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

				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) 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	Footnote	
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, reasearching 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)	Note1
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

				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) 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	Footnote	
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							
					China	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				
	Amount	%	Amount	(loss) gain	Balance at March 31, 2025	%	Balance at March 31, 2025	Purpose	Maximum balance during the three months ended	Balance at March 31, 2025	Interest rate	Interest during the three months ended March 31, 2025	Others
									March 31, 2025				
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