



ENNOSTAR Inc.

TWSE : 3714

2023 Annual General Shareholders' Meeting

Meeting Agenda

【 Translation 】

Meeting Time: 9:00 a.m. on Wednesday, May 31, 2023

Place: Conference Room 101, Association of Industries in Hsinchu Science Park
(No.2, Zhanye 1st Rd., Hsinchu City, Taiwan)

[Method of holding shareholders' meeting: entity shareholders' meeting]

Please find 2023 Annual General Shareholders' Meeting Agenda on the following websites:

- MOPS website: <http://mops.twse.com.tw>
- Ennostar Inc. website: <http://www.ennostar.com>

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ENNOSTAR Inc.

Procedures for the 2023 Annual General Shareholders' Meeting

- 1 . Call the Meeting to Order
- 2 . Chairman's Address
- 3 . Reported matters
- 4 . Acknowledged matters
- 5 . Election matters
- 6 . Matters for Discussion
- 7 . Extemporaneous Motions
- 8 . Adjournment

ENNOSTAR Inc.

Agenda of the 2023 Annual General Shareholders' Meeting

[Method of holding shareholders' meeting: entity shareholders' meeting]

- I. **Time:** 9:00 a.m. on Wednesday, May 31, 2023
- II. **Place:** Conference Room 101, Association of Industries in Hsinchu Science Park (No.2, Zhanye 1st Rd., Hsinchu City, Taiwan)
- III. **Call the Meeting to Order**
- IV. **Chairman's Address**
- V. **Meeting Items**
 1. Reported matters
 - (1) The 2022 Business Report.
 - (2) Audit Committee's report of 2022 audited financial report and the communication between independent directors and internal audit officer.
 - (3) To report 2022 employees' profit sharing and directors' compensation.
 - (4) To report 2022 earnings distribution.
 - (5) To report on the implementation status of the cash capital increase in private placement of common shares adopted by the 2022 Annual General Shareholders' Meeting.
 2. Acknowledged matters
 - (1) 2022 Business Report and Financial Statements.
 - (2) 2022 earnings distribution
 3. Election matters
 - (1) To elect 9 directors of the 2nd term of the Board of Directors. (including 5 independent directors)
 4. Matters for Discussion
 - (1) To amend "Procedures for Endorsements and Guarantees".
 - (2) To release the directors from non-competition restrictions.
 5. **Extemporary Motions**
 6. **Adjournment**

The Chairman may rule to vote on the case or to vote on the whole or part of the proposal before the extemporary motion proceeds.

Reported matters

1. The 2022 Business Report. (proposed by the Board)

Explanation:

The 2022 Business Report is attached hereto as Attachment 1 (page 8~11).

2. Audit Committee's report of 2022 audited financial report and the communication between independent directors and internal audit officer. (proposed by the Board)

Explanation:

The Audit Committee's Review Report and the communication between independent directors and internal audit officer are attached hereto as Attachment 2 (page 12) and Attachment 3 (page 13).

3. To report 2022 employees' profit sharing and directors' compensation. (proposed by the Board)

Explanation:

(1) Considering the profit of FY2022 was not as expected and the cash dividends will not be allocated, the director's compensation for FY2022 will be 0% to NTD (the same as below) 0. The difference between the booked numbers and the proposed distribution will be categorized to the profit and loss account of FY2023.

(2) Pursuant to article 24 of the Articles of Incorporation of the Company and the resolution of the Board on Feb.24, 2022, the employee compensation is NTD3,952,034 which is equal to 5% of the earnings and will be distributed by cash, the booked number is the same as the proposed distribution.

4. To report 2022 earnings distribution. (proposed by the Board)

Explanation:

(1) The Board of Directors is authorized by the Articles of Incorporation to approve cash dividends and a report of such distribution shall be submitted to the shareholders' meeting.

(2) Considering the current uncertainty of the global macroeconomic and the funding needs of essential capital expenditures in the future, it is proposed not to allocate cash dividends to shareholders.

5. To report on the implementation status of the cash capital increase in private placement of common shares adopted by the 2022 Annual General Shareholders' Meeting. (proposed by the Board)

Explanation:

- (1) The annual general meeting of shareholders resolved to increase capital by issuing 70 million common shares for private placement, the specific subscriber of securities is AUO Corporation and Innolux Corporation, and the subscribing price (NTD51.82/share) is 90% of the reference price, the procedure has completed on July 8, 2022.
- (2) Please refer to attachment 4 (page 14~16) for related information.

Acknowledged matters

1. 2022 Business Report and Financial Statements. (proposed by the Board)

Explanation:

- (1) The 2022 Business Report and Financial Statements were approved by the Board of Directors' Meeting on February 23, 2023 and reviewed by the Audit Committee. The Audit Committee's report was issued accordingly.
- (2) The 2021 Business Report, Audit Report from the Certified Public Accountant (CPA) and Financial Statements are attached hereto as Attachment 1 (page 8~11) and Attachment 5 (page 17~38).

Resolution:

2. 2022 earnings distribution. (proposed by the Board)

Explanation:

- (1) The Company's net profit of 2022 was NTD 38,023,691, it is proposed not to conduct cash dividends after taking into consideration on accounting adjustments and the current uncertainty of the global macroeconomic as well as the funding needs of essential capital expenditures in the future.
- (2) The Profit Distribution Table is attached hereto as Attachment 6 (page 39).

Resolution:

Election matters

1. To amend the Articles of Incorporation. (proposed by the Board)

Explanation:

- (1) The first term of the Directors will be expired on August 8,2023 and the second term of the Directors will be elected in the annual general shareholders meeting. There are 9 directors shall be elected, including 5 independent directors. The second term of the directors is three (3) years from May 31, 2023 (take office after the annual general shareholders meeting closed) to May 30, 2026, the audit committee will be formed by all independent directors, the directors of the first term will be dismissed when the directors of the second term take office.
- (2) The company adopts a candidate nomination system for the election of directors. Shareholders should select directors from the list of candidates, please refer to Attachment 7 (page 40~43) for the personal information of candidates for directors.

Voting Results:

Matters for Discussion

1. To amend "Procedures for Endorsements and Guarantees". (proposed by the Board)

Explanation:

(1) Correction reason:

Pursuant to the "Q&A on Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the custodian of the chop of Endorsements/Guarantees shall be approved by the Board of Directors.

(2) Comparison Table for Amendments is attached hereto as Attachment 8 (page 44).

Resolution:

2. To release the directors from non-competition restrictions. (proposed by the Board)

Explanation:

(1) According to Article 209, Company Act.

(2) It is proposed to approve to release the list of Company's directors from non-competition restrictions as attached hereto as Attachment 9 (page 45~50).

Resolution:

Extemporary Motions

Adjournment

Attachment 1

ENNOSTAR Inc. 2022 Business Report

First of all, I would like to thank all shareholders for their support to Ennostar Inc. in the past year. In 2022, the global environment rapidly changed, and the outbreak of various crises such as the COVID-19 pandemic and the Russia–Ukraine War had a major impact on the global economy and supply chains. The consolidated revenue of the Group in 2022 is about NT\$28.878 billion, a decrease of 20.72% over that of 2021. The net operating loss is NT\$466 million, the net profit attributable to the owners of the parent company is NT\$38 million, and the basic earnings per share (EPS) is NT\$0.05. Although Ennostar was substantially affected compared with the previous year, the crisis may be a turnaround opportunity itself. We always believe that having enterprise resilience and improving risk management awareness are essential in times of severe turbulence.

Starting from core competence to carry out multi-disciplinary layout, and strengthening enterprise resilience to become the best compound semiconductor investment platform

In order to cultivate the resilience of enterprises in the event of environmental fluctuations, and reduce the damage caused by the crisis, Ennostar and its partners have worked together in stabilizing the core businesses and conducting multi-party layout through the advance-deployment risk prevention strategy, in order to reduce the proportion of applications vulnerable to market fluctuations, and transfer our efforts to areas related to the industry but with high stability and high potential. Therefore, at the time of establishment, Ennostar focused its business layout on applications with high added value, such as next-generation displays, automotive products, sensors and special lighting, extended its core capabilities to III-V compound semiconductors' epitaxy and manufacturing process, and actively developed the next-generation compound semiconductor foundry, so as to become the best compound semiconductor investment platform.

1. Next-Generation Displays

Thanks to the vigorous promotion and application of many international terminal brands, the mini LED market has entered the fast lane of development. The Group is happy to see the emergence of a large number of new products, and has full confidence in seizing the market share of mini LEDs. At the same time, the Group is still on the move to make deployment in the next-generation micro LEDs of high-end display technology. With the experience of mass production of mini LEDs, the Group has planned its micro LED plant and related equipment in advance, and mastered the key technology of mass production. At the initial stage, the Group will focus on large-scale applications such as large display screens and high-end televisions as well as small-size wearable device applications, and is devoted to the early development of the next stage of automotive displays and VR and AR. In the past two years, the micro LED related

supply chain has gradually taken shape; from chips, massive transfer, panel integrated driver ICs to terminal brand customers, Ennostar will continue advancing with its partners, actively consolidate industrial advantages, create a new vision of display, and actively prepare for mass production.

2. Automotive Products

The Group has been in the automotive market for many years. In recent years, it has developed diversified and forward-looking automotive products with its partners, including supplying mini LEDs together with large panel manufacturers to international car manufacturers. It is estimated that the product will begin to contribute to the revenue in the first half of 2023. The characteristics of mini LEDs such as high contrast, high brightness and design flexibility can significantly improve the visual experience of driving, and it is believed that it will become an important display technology for car manufacturers. With the introduction of LEDs into vehicle lighting which has become the trend, the Group's vehicle lighting products, such as ADB smart headlights and interior atmosphere lights, in addition to adhering to the consistent principle of high quality and high technology, have moved towards customization and intelligence in response to market demand. The Group also continues deepening the applications of vehicle sensing technology, such as the driving monitoring system (DMS), advanced driving assistance system (ADAS), gesture recognition and range laser radar, and is committed to providing a humanized and safe road and driving environment.

3. Sensors

The sensor market demand has been diversified in recent years, and Ennostar has actively invested in related sensing technologies. After investing in Tyntek Corporation to strengthen the light-receiving technology, the Group's sensor layout has become more comprehensive to meet the diverse needs of light source sensing. In addition to the original near-infrared products, the Group further explored the derivative applications of wearable devices, developed short-wave infrared crystals with low voltage, high-efficiency output and high reliability, and created the SWIR technology which ranks number one in the world in terms of luminous power. In the future, the Group will continue increasing the scale of mass production to meet the market demand for sensing applications.

4. Special Lighting

The Group focuses on niche lighting markets such as plant cultivation, human factors and medical applications, and aims at lighting development with small market fluctuation and countercyclical advantages. Plant lighting, which is not limited by the field of use, has the characteristics of high yield and high controllability, and is greatly favored by the market. In terms of medical application, with the improvement of post-pandemic healthcare awareness, the Group's UVC LED integration scheme covers various air, surface and static water sterilization applications, and the Group has introduced many internationally famous brands which can meet the all-round sterilization demand of the market.

5. New-generation compound semiconductors

Unikorn Semiconductor Corporation among the three subsidiaries of Ennostar has the core capabilities of the epitaxy and process of III-V compound semiconductors, focusing on the two fields of optoelectronic components and microelectronics applications. In recent years, it has also accelerated the development of applications such as electric vehicles and fast charging and power converters based on the concept of sustainability and green energy-saving products. With the vigorous development of 5G communication, BAW filter elements will also be its focus of development.

Ennostar Incorporates ESG While Moving Forward to Create Its Sustainable Excellence Formula

2022 is the second anniversary of Ennostar, and various technologies have been on the track of realization. At the same time, 2022 is also its first ESG year, and Ennostar expects to develop ESG by integrating its core capabilities, in order to enable the Group to create the power of “well-being” from the inside out, internalize ESG into the Group’s DNA, and create the exclusive sustainable equation of Ennostar.

As a member of global citizens, Ennostar is accelerating its promotion of various ESG affairs to implement the sustainable operation of the enterprise. In 2022, Ennostar won the silver award of Sustainability Report in its first participation in the Taiwan Enterprise Sustainability Award, and its three major subsidiaries, Epistar Corporation, Lextar Electronics Corp. and Unikorn Semiconductor Corporation, also passed the greenhouse gas Inventory of the British Standards Institute (BSI) and obtained the ISO 14064-1 certification in the same year. The Group also plans to expand its green power procurement contracts or relevant green power certificates, and expects to achieve the goals of non-production zone RE100 in 2030 and the whole Group’s green power RE100 in 2050.

In order to achieve sustainable operation, an enterprise needs to achieve win-win results in terms of its sustainable concept and technical operation. In 2022, Ennostar worked with the First Bank for a 5-year syndication loan of NT\$13 billion; the funds will not only be used to enrich the working capital of Ennostar and repay loans from financial institutions, but also provide the capital for the construction of the micro LED factory and machinery of Epistar, Ennostar’s subsidiary. Ennostar also designed ESG (environmental protection, social participation and corporate governance) sustainability indicators in the perspective of sustainability and incorporated them into the credit terms, and continues increasing the use of green energy through the factory and machinery built with the funds of the loan in order to create sustainable excellence.

To improve economy and reduce the impact on the environment at the same time, the Group will also promote circular economy in a long-term manner and strive to develop more efficient and energy-saving products. In recent years, the Group has successively cooperated with relevant business operators to enable the waste generated from operation to enter a new cycle for reuse, so as to recycle the resources, extend the service life, reduce the environmental pollution caused by the exploitation of new resources, and create a perfect business model of circular economy. Ennostar will continue its efforts in corporate governance, social participation and environmental protection, strengthen the enterprise resilience, create irreplaceable market positioning, and achieve its business objective of sustainable excellence.

| | |
|-----------------------|---------------|
| Chairman | Biing-Jye Lee |
| President | Biing-Jye Lee |
| Accounting Supervisor | B.Y. Chang |

Attachment 2

Audit Committee's Review Report

To: ENNOSTAR Inc. Annual General Shareholders' Meeting of 2023

With respect to the Company's 2022 Business Report, Financial Statements and Proposal for allocation of profit, Tien-Yi Li CPA and Chien-Hung Chou CPA of PricewaterhouseCoopers have also audited the financial statements and issued the auditors' report. The Business Report, Financial Statements and Proposal for 2022 allocation of profit have been reviewed and determined to be correct and accurate by the Audit Committee members of ENNOSTAR Inc.. According to article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit the report.

ENNOSTAR Inc.

Chairman of the Audit Committee: Mr. Wei-Min Sheng

Date: February 23, 2023

Attachment 3

ENNOSTAR Inc.

Communication between members of the Audit Committee and the head of Internal Auditor

| Date | Nature of meeting | Communication focus | Communication results / handling situation |
|------------|---------------------|---|--|
| 2022.02.24 | The Audit Committee | 1. The internal Audit Execution Report for the fourth quarter of 2021 2. Statement of Internal Control System for 2021 3. Independent directors and audit supervisors have separate discussions and communication (1)Amendments and clarifications to " Questions and Answers for internal Control System Handling Standards " (2)The internal audit answered the questions raised by the independent directors | No opinion |
| 2022.05.05 | The Audit Committee | 1. The internal Audit Execution Report for the first quarter of 2022 2. Amend the internal control system/ internal audit implementation rules | 1. No opinion 2. Amendments were submitted to the Audit Committee and the Board of Directors for approval |
| 2022.08.04 | The Audit Committee | 1. The internal Audit Execution Report for the Second quarter of 2022 2. Independent directors and audit supervisors have separate discussions and communication (1) Amendments and clarifications to Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities (2) The head of internal audit answered the questions raised by the independent directors | No opinion |
| 2022.11.03 | The Audit Committee | 1. The internal Audit Execution Report for the third quarter of 2022 2. 2023 Annual Audit Plan 3. Revise the "Internal Control System", "Internal Audit Implementation Rules" and "Self-Assessment Measures for Internal Control System" | 1. No opinion 2. Amendments were submitted to the Audit Committee and the Board of Directors for approval |

Attachment 4

ENNOSTAR Inc. Securities by way of Private Placement in 2022

| | |
|--------------------------------------|--|
| Item | 2022 First private placement of common stock Issue date was August 31, 2022 (delivery date). |
| Types of Securities privately placed | Common shares |
| Approval date and number of shares | Approval date: May 31, 2022 Number of shares : Within the limit of 70,000 thousand shares |
| The Pricing Basis and Reasonableness | <ol style="list-style-type: none"> 1. The price for issuing ordinary shares in the Proposed Private Placement was set to be the price determined by the following calculation, whichever is higher. The reference price was NTD 57.57. <ol style="list-style-type: none"> (1) The simple arithmetical average closing price of the ordinary shares of the Company on any of the first, third or fifth trading day prior to the pricing date, after deducting the value of bonus shares issued as stock dividends and cash dividends, and adding back the value of the shares cancelled in connection with capital reduction. These prices were NTD 49.45, NTD 50.38, and NTD 50.51. The average closing price, NTD 50.51, of the fifth trading day prior to the pricing date was considered as the basis price. (2) The simple arithmetical average closing price, NTD 57.57, of the ordinary shares of the Company for thirty trading days prior to the pricing date, after deducting the value of bonus shares issued as stock dividends and cash dividends, and adding back the value of shares cancelled in connection with capital reduction was considered as the basis price. 2. The price for issuing ordinary shares in the Proposed Private Placement shall not be lower than 80% of the reference price. The actual private placement price, NTD 51.82, was 90% of the reference price abiding by the resolution of shareholders meeting. 3. The subscription price of this private placement should be reasonable based on the company's future prospects, the fact that the timing, counterparties and quantity of private placement securities are strictly limited, no retrospective public offering within three years, poor liquidity and other factors. It would have no significant influence on the rights and benefits of shareholders. |
| The Method for Selecting Investors | The selection method is to have a good understanding of the Company's operation, industrial development and directly or indirectly to contribute benefit to the future operation of the Company. |

| | | | | | |
|---|---|---|------------------------|-------------------------|--|
| Necessity and of Private Placement | If the strategic partners purchase the Company's shares from the market, this action could not ease the Group's capital needs produced by the CAPEX for factory construction and production equipment. If the Company adopts public placement, the Company should observe shares for employees and public subscription in accordance with Article 267 of the Company Act and Article 28-1 of the Securities and Exchange Act. In addition, if the shares of subscription reach 10% of total issued shares, the Company should lift the amount of cash capital increase to overly exaggerate capital and ask existing shareholders to waive the subscription rights to allow the specific counterparties to subscribe. The uncertainty goes higher. In contrast to public placement, the fact that private placement of common stock has the advantage of quick and easy fund raising and the restriction of non-transferability within three years will further ensure the long-term collaboration between the Company and the counterparties, as well as the confidentiality of technology patents. Therefore, financing through this private placement could increase the flexibility of funding sources. | | | | |
| The date of receiving fund | The total raised fund was NTD 3,627,400 thousand on July 8 th , 2022. | | | | |
| Specific subscribers | Subscriber | Qualification | Subscription amount | Relation | Participation in the Company's operation |
| | AUO Corporation | In accordance with the article 43-6, Paragraph 1, subparagraph 3. | 67,250 thousand shares | Director of the Company | To integrate the industry chain and to assure long-term cooperation and confidentiality of technology. |
| | INNOLUX Corporation | In accordance with the article 43-6, Paragraph 1, subparagraph 3. | 2,750 thousand shares | None | None |
| Actual private placement price | NTD 51.82 | | | | |
| The difference between the actual private placement price and reference price | The actual price was NTD 51.82 equivalent to 90% of the reference price NTD 57.57 in accordance with the resolution of shareholders meeting. | | | | |
| Impact on the rights and interests of the Company's shareholders | The issuance number of private equity ordinary shares was 70,000 thousand ordinary shares, approximately 9.27% of the equity after the capital increase. | | | | |
| The plan and execution of private placement application | The funds of private placement would be invested in capital expenditure of Micro LED 6-inch fab and related equipment. NTD 318,252 thousand has been used till Dec. 31, 2022 and rest of the funds would be devoted on schedule by the end of 2025. | | | | |

Benefits after private placement

Changes of macroeconomic environment resulted in shorter lead time of equipment. The construction plan of Micro LED 6-inch fab is on track and the funds of private placement would be utilized to follow the procurement timeline. The benefit would not emerge before the completion of the construction plan.

Attachment 5

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| Report of independent accountants translated from Chinese. |
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INDEPENDENT AUDITORS' REPORT

PWCR22000392

To the Board of Directors and Shareholders of ENNOSTAR Inc.

Opinion

We have audited the accompanying consolidated balance sheets of ENNOSTAR Inc. and subsidiaries (the “Group”) as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent auditors, as described in the other matters section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent auditors of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters in relation to the consolidated financial statements for the year ended December 31, 2022 are outlined as follows:

Evaluation of Inventories

Description

Please refer to Note 4(14) of the consolidated financial statements for the accounting policy on inventory valuation, Note 5(2) for the accounting estimates and assumptions in relation to inventory valuation, Note 6(6) for the explanations regarding inventory valuation. As of December 31, 2022, the balances of inventories and the allowance for valuation loss were NT\$5,687,552 thousand and NT\$862,507 thousand, respectively. The Group is primarily engaged in manufacturing and sales of LED wafers, chips, packages and models. Due to rapid technological developments, short product lifespans and frequent fluctuations of market prices, the risk of decline in market value and obsolescence for inventories is high. The Group evaluates net realized values for inventories which aged over a specific period of time and specific obsolete inventories in order to provide allowance for valuation loss. Since the identification of the above obsolete inventories and their respective net realizable values are subject to management's judgment, it was identified as one of the key audit matters.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Obtained an understanding of the Group's operations and the nature of its industry and interviewed with management to understand the probability of future sales for those out-of-date inventories and to evaluate the reasonableness of allowance for valuation loss.
2. Obtained and validated the accuracy of the detailed listings of inventories aged over a specific period of time and specific obsolete inventories. Validated information of historical sales and discounts for those obsolete inventories to assess the reasonableness of policies in providing allowance for inventory valuation loss.

Emphasis of matter

We draw attention to Note 1 to the consolidated financial statements, which describes that ENNOSTAR Inc. used 0.5 ordinary share in exchange for 1 ordinary share of Epistar Corporation to acquire a 100% equity interest of Epistar Corporation. The aforementioned share exchange pertains to a reorganization of entities under common control. In substance, ENNOSTAR Inc. is the successor company of Epistar Corporation. Thus, ENNOSTAR Inc., in its consolidated financial statements, accounted for the relevant assets and liabilities received using the book values in the financial statements of Epistar Corporation. Also, ENNOSTAR Inc. restated the prior period consolidated financial statements as if Epistar Corporation had always been consolidated since the beginning.

Other matter – Audit by Other Independent Auditors

We did not audit the financial statements of certain consolidated subsidiaries. Those financial statements were audited by other independent auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements and the information on the consolidated subsidiaries disclosed in Note 13 was based solely on the reports of other independent auditors. Total assets of those consolidated subsidiaries amounted to NT\$268,634 thousand and NT\$273,986 thousand, constituting 0.37% and 0.36% of the consolidated total assets as at December 31, 2022 and 2021, respectively, and total operating revenues were both NT\$0 thousand for the years then ended, constituting 0% of the consolidated total operating revenues as at December 31, 2022 and 2021, respectively. Furthermore, we did not audit the 2022 and 2021 financial statements of certain equity investments accounted for under the equity method. Those financial statements were audited by other independent auditors whose reports thereon were furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and certain information disclosed in Note 13 relative to these investments, is based solely on the reports of the other independent auditors. These equity investments amounted to NT\$1,781,200 thousand and NT\$1,046,503 thousand, representing 2.44% and 1.36% of the consolidated total assets as of December 31, 2022 and 2021, respectively, and their comprehensive (loss) income (including share of loss of associates and joint ventures accounted for under equity method and share of other comprehensive (loss)/income of associates and joint ventures accounted for under equity method) amounted to NT\$(144,437) thousand and NT\$7,403 thousand, representing 40.08% and 0.47% of the consolidated comprehensive (loss) income for the years then ended.

Other matter – Parent company only financial reports

We have also expressed an unmodified opinion on the parent company only financial statements of ENNOSTAR Inc. as of and for the year ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Li, Tien-Yi

Chou, Chien-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

February 23, 2023

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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

| Assets | December 31, 2022 | | December 31, 2021 | | |
|---------------------------|---|----------------------|-------------------|----------------------|------------|
| | AMOUNT | % | AMOUNT | % | |
| Current assets | | | | | |
| 1100 | Cash and cash equivalents | \$ 16,127,132 | 22 | \$ 12,336,039 | 16 |
| 1110 | Financial assets at fair value through profit or loss - current | 164,066 | - | 225,284 | - |
| 1136 | Current financial assets at amortised cost | 647,408 | 1 | 150,756 | - |
| 1150 | Notes receivable, net | 1,872,810 | 3 | 1,622,419 | 2 |
| 1160 | Notes receivable due from related parties, net | 10,285 | - | - | - |
| 1170 | Accounts receivable, net | 7,544,597 | 10 | 11,653,001 | 15 |
| 1180 | Accounts receivable - related parties, net | 425,969 | 1 | 1,075,710 | 2 |
| 1200 | Other receivables | 127,695 | - | 162,252 | - |
| 1210 | Other receivables - related parties | 135,418 | - | 15,821 | - |
| 130X | Inventories | 4,825,045 | 7 | 5,688,379 | 8 |
| 1410 | Prepayments | 761,976 | 1 | 1,637,188 | 2 |
| 1470 | Other current assets | 20,627 | - | 36,680 | - |
| 11XX | Current Assets | <u>32,663,028</u> | <u>45</u> | <u>34,603,529</u> | <u>45</u> |
| Non-current assets | | | | | |
| 1510 | Non-current financial assets at fair value through profit or loss | 90,007 | - | 112,284 | - |
| 1517 | Non-current financial assets at fair value through other comprehensive income | 4,445,317 | 6 | 4,686,605 | 6 |
| 1535 | Non-current financial assets at amortised cost | 180,137 | - | 243,662 | - |
| 1550 | Investments accounted for under equity method | 3,608,999 | 5 | 3,272,047 | 4 |
| 1600 | Property, plant and equipment | 22,037,075 | 30 | 24,299,352 | 32 |
| 1755 | Right-of-use assets | 1,905,157 | 3 | 1,915,756 | 3 |
| 1760 | Investment property, net | 692,498 | 1 | 685,575 | 1 |
| 1780 | Intangible assets | 4,907,583 | 7 | 4,941,663 | 6 |
| 1840 | Deferred income tax assets | 1,717,418 | 2 | 1,785,253 | 2 |
| 1900 | Other non-current assets | 796,251 | 1 | 343,456 | 1 |
| 15XX | Non-current assets | <u>40,380,442</u> | <u>55</u> | <u>42,285,653</u> | <u>55</u> |
| 1XXX | Total assets | <u>\$ 73,043,470</u> | <u>100</u> | <u>\$ 76,889,182</u> | <u>100</u> |

(Continued)

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity | | December 31, 2022 | | December 31, 2021 | |
|---|--|----------------------|------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % |
| Current liabilities | | | | | |
| 2100 | Short-term borrowings | \$ 1,203,495 | 2 | \$ 3,479,177 | 5 |
| 2110 | Short-term notes and bills payable | 775,294 | 1 | 877,011 | 1 |
| 2120 | Financial liabilities at fair value | | | | |
| | through profit or loss - current | 2,214 | - | 12 | - |
| 2150 | Notes payable | 243,332 | - | 45,455 | - |
| 2170 | Accounts payable | 2,195,394 | 3 | 4,396,401 | 6 |
| 2180 | Accounts payable - related parties | 266,478 | - | 319,572 | - |
| 2200 | Other payables | 4,619,754 | 6 | 5,843,445 | 8 |
| 2230 | Current income tax liabilities | 30,804 | - | 30,370 | - |
| 2280 | Current lease liabilities | 108,817 | - | 107,868 | - |
| 2320 | Long-term liabilities, current portion | 426,518 | 1 | 131,683 | - |
| 2399 | Other current liabilities - others | 440,276 | 1 | 533,353 | 1 |
| 21XX | Current Liabilities | <u>10,312,376</u> | <u>14</u> | <u>15,764,347</u> | <u>21</u> |
| Non-current liabilities | | | | | |
| 2540 | Long-term borrowings | 3,691,498 | 5 | 4,007,482 | 5 |
| 2570 | Deferred income tax liabilities | 421,272 | - | 429,338 | - |
| 2580 | Non-current lease liabilities | 1,476,370 | 2 | 1,449,261 | 2 |
| 2600 | Other non-current liabilities | 480,958 | 1 | 633,711 | 1 |
| 25XX | Non-current liabilities | <u>6,070,098</u> | <u>8</u> | <u>6,519,792</u> | <u>8</u> |
| 2XXX | Total Liabilities | <u>16,382,474</u> | <u>22</u> | <u>22,284,139</u> | <u>29</u> |
| Equity attributable to owners of parent company | | | | | |
| Share capital | | | | | |
| 3110 | Share capital - common stock | 7,547,840 | 11 | 6,852,514 | 9 |
| Capital surplus | | | | | |
| 3200 | Capital surplus | 46,421,664 | 64 | 43,830,638 | 57 |
| Retained earnings | | | | | |
| 3310 | Legal reserve | 216,945 | - | - | - |
| 3320 | Special reserve | 290,598 | - | - | - |
| 3350 | Unappropriated retained earnings | 147,022 | - | 2,169,446 | 3 |
| Other equity interest | | | | | |
| 3400 | Other equity interest | 75,010 | - | (235,543) | - |
| 3500 | Treasury stocks | (294,810) | - | (294,810) | (1) |
| 31XX | Equity attributable to owners of the parent | <u>54,404,269</u> | <u>75</u> | <u>52,322,245</u> | <u>68</u> |
| 36XX | Non-controlling interest | 2,256,727 | 3 | 2,282,798 | 3 |
| 3XXX | Total equity | <u>56,660,996</u> | <u>78</u> | <u>54,605,043</u> | <u>71</u> |
| 3X2X | Total liabilities and equity | <u>\$ 73,043,470</u> | <u>100</u> | <u>\$ 76,889,182</u> | <u>100</u> |

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

| Items | Year ended December 31 | | | |
|---|------------------------|-------------|---------------------|----------|
| | 2022 | | 2021 | |
| | AMOUNT | % | AMOUNT | % |
| 4000 Sales revenue | \$ 28,878,250 | 100 | \$ 36,424,760 | 100 |
| 5000 Operating costs | (23,896,688) | (83) | (28,807,881) | (79) |
| 5900 Operating margin | 4,981,562 | 17 | 7,616,879 | 21 |
| 5910 Unrealized loss from sales | 26 | - | 41 | - |
| 5920 Realized (loss) profit from sales | (41) | - | 1,589 | - |
| 5950 Net operating margin | 4,981,547 | 17 | 7,618,509 | 21 |
| Operating expenses | | | | |
| 6100 Selling expenses | (883,849) | (3) | (884,563) | (3) |
| 6200 General and administrative expenses | (1,985,724) | (7) | (2,005,479) | (6) |
| 6300 Research and development expenses | (2,723,055) | (9) | (2,656,848) | (7) |
| 6450 Expected credit profit (loss) | 58,783 | - | (133,422) | - |
| 6000 Total operating expenses | (5,533,845) | (19) | (5,680,312) | (16) |
| 6500 Other income and expenses - net | 86,700 | - | 171,933 | 1 |
| 6900 Operating (loss) profit | (465,598) | (2) | 2,110,130 | 6 |
| Non-operating income and expenses | | | | |
| 7100 Interest income | 104,600 | - | 45,090 | - |
| 7010 Other income | 515,509 | 2 | 493,075 | 1 |
| 7020 Other gains and losses | 217,015 | 1 | 76,939 | - |
| 7050 Finance costs | (131,602) | - | (121,117) | - |
| 7055 Expected credit losses | (9,807) | - | (57,836) | - |
| 7060 Share of loss of associates and joint ventures accounted for under equity method | (713,585) | (3) | (182,973) | (1) |
| 7000 Total non-operating income and expenses | (17,870) | - | 253,178 | - |
| 7900 (Loss) profit before income tax | (483,468) | (2) | 2,363,308 | 6 |
| 7950 Income tax expense | (82,915) | - | (464,834) | (1) |
| 8200 (Loss) profit for the year | <u>(\$ 566,383)</u> | <u>(2)</u> | <u>\$ 1,898,474</u> | <u>5</u> |

(Continued)

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

| Items | Year ended December 31 | | | | |
|---|--|---------------------|-------------|---------------------|-------------|
| | 2022 | | 2021 | | |
| | AMOUNT | % | AMOUNT | % | |
| Other comprehensive income | | | | | |
| Components of other comprehensive income that will not be reclassified to profit or loss | | | | | |
| 8311 | Gain (loss) on remeasurements of defined benefit plans | \$ 19,277 | - | (\$ 336) | - |
| 8316 | Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income | (244,257) | (1) | 250,820 | - |
| 8320 | Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive loss that will not be reclassified to profit or loss | (6,876) | - | - | - |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | (39,989) | - | (122,992) | - |
| 8310 | Components of other comprehensive (loss) income that will not be reclassified to profit or loss | (271,845) | (1) | 127,492 | - |
| Components of other comprehensive income that will be reclassified to profit or loss | | | | | |
| 8361 | Cumulative translation differences of foreign operations | 175,385 | 1 | (248,407) | (1) |
| 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 | 302,943 | 1 | - | - |
| 8399 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss | (428) | - | (194,616) | - |
| 8360 | Components of other comprehensive income (loss) that will be reclassified to profit or loss | 477,900 | 2 | (443,023) | (1) |
| 8300 | Other comprehensive income (loss) | <u>\$ 206,055</u> | <u>1</u> | <u>(\$ 315,531)</u> | <u>(1)</u> |
| 8500 | Total comprehensive (loss) income | <u>(\$ 360,328)</u> | <u>(1)</u> | <u>\$ 1,582,943</u> | <u>4</u> |
| Profit (loss) attributable to: | | | | | |
| 8610 | Equity holders of the parent company | \$ 38,024 | - | \$ 2,178,349 | 6 |
| 8620 | Non-controlling interest | (\$ 604,407) | (2) | (\$ 279,875) | (1) |
| Comprehensive income (loss) attributable to: | | | | | |
| 8710 | Equity holders of the parent company | \$ 207,398 | 1 | \$ 1,935,456 | 5 |
| 8720 | Non-controlling interest | (\$ 567,726) | (2) | (\$ 352,513) | (1) |
| Earnings per share (NT\$) | | | | | |
| 9750 | Total basic earnings per share | \$ 0.05 | | \$ 3.21 | |
| 9850 | Total diluted earnings per share | \$ 0.05 | | \$ 3.20 | |

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

| | Equity attributable to owners of the parent | | | | | | | | | | |
|---|---|-----------------|---------------|-----------------|-------------------------------------|--|---|-----------------|---------------|-----------------------------|---------------|
| | Retained Earnings | | | | | Other equity interest | | | | | |
| | Share capital - common stock | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings | Cumulative translation differences of foreign operations | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income | Treasury stocks | Total | Non-controlling interest | Total |
| 2021 | | | | | | | | | | | |
| Balance at January 1, 2021 | \$ 10,887,014 | \$ 36,115,456 | \$ - | \$ - | (\$ 7,908,188) | (\$ 730,022) | (\$ 271,742) | (\$ 485,137) | \$ 37,607,381 | \$ 2,103,915 | \$ 39,711,296 |
| Profit (loss) for the year | - | - | - | - | 2,178,349 | - | - | - | 2,178,349 | (279,875) | 1,898,474 |
| Other comprehensive income(loss) for the year | - | - | - | - | 71 | (404,982) | 162,018 | - | (242,893) | (72,638) | (315,531) |
| Total comprehensive income(loss) | - | - | - | - | 2,178,420 | (404,982) | 162,018 | - | 1,935,456 | (352,513) | 1,582,943 |
| Issuance of ordinary shares under business combination | 1,416,020 | 10,308,626 | - | - | - | - | - | - | 11,724,646 | 239,900 | 11,964,546 |
| Changes in ownership interests in subsidiaries accounted for using equity method | - | 574,746 | - | - | - | - | - | - | 574,746 | - | 574,746 |
| Difference between consideration and carrying amount of subsidiaries acquired and disposed | - | (7,754) | - | - | - | (1,553) | - | - | (9,307) | - | (9,307) |
| Distribution to subsidiaries' employee compensation | - | 195,791 | - | - | - | - | - | - | 195,791 | - | 195,791 |
| Proceeds from treasury shares transferred to employees | - | 115,823 | - | - | - | - | - | 190,327 | 306,150 | - | 306,150 |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | - | - | - | - | (8,974) | - | 8,974 | - | - | - | - |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | 291,496 | 291,496 |
| Net change in equity of associates and joint ventures | - | (12,616) | - | - | - | - | - | - | (12,616) | - | (12,616) |
| Expiration of restricted employee stock | (7,013) | 7,013 | - | - | - | - | - | - | - | - | - |
| Effect of joint share exchange | (5,443,507) | (3,466,447) | - | - | 7,908,188 | 730,022 | 271,742 | - | (2) | - | (2) |
| Balance at December 31, 2021 | \$ 6,852,514 | \$ 43,830,638 | \$ - | \$ - | \$ 2,169,446 | (\$ 406,535) | \$ 170,992 | (\$ 294,810) | \$ 52,322,245 | \$ 2,282,798 | \$ 54,605,043 |
| 2022 | | | | | | | | | | | |
| Balance at January 1, 2022 | \$ 6,852,514 | \$ 43,830,638 | \$ - | \$ - | \$ 2,169,446 | (\$ 406,535) | \$ 170,992 | (\$ 294,810) | \$ 52,322,245 | \$ 2,282,798 | \$ 54,605,043 |
| Profit (loss) for the year | - | - | - | - | 38,024 | - | - | - | 38,024 | (604,407) | (566,383) |
| Other comprehensive income(loss) for the year | - | - | - | - | 19,477 | 442,615 | (292,718) | - | 169,374 | 36,681 | 206,055 |
| Total comprehensive income(loss) | - | - | - | - | 57,501 | 442,615 | (292,718) | - | 207,398 | (567,726) | (360,328) |
| Appropriation of 2021 earnings | - | - | 216,945 | - | (216,945) | - | - | - | - | - | - |
| Legal reserve | - | - | - | - | - | - | - | - | - | - | - |
| Special reserve | - | - | - | 290,598 | (290,598) | - | - | - | - | - | - |
| Cash dividends | - | - | - | - | (1,365,881) | - | - | - | (1,365,881) | - | (1,365,881) |
| Proceeds from issuance of share capital | 700,000 | 2,927,400 | - | - | - | - | - | - | 3,627,400 | - | 3,627,400 |
| Changes in ownership interests in subsidiaries accounted for using equity method | - | (257,645) | - | - | - | - | - | - | (257,645) | - | (257,645) |
| Net change in equity of associates and joint ventures | - | 104,634 | - | - | - | - | - | - | 104,634 | - | 104,634 |
| Difference between consideration and carrying amount of subsidiaries acquired and disposed | - | (188,037) | - | - | (45,848) | 3 | - | - | (233,882) | - | (233,882) |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | 541,655 | 541,655 |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | - | - | - | - | (160,653) | - | 160,653 | - | - | - | - |
| Expiration of restricted employee stock | (4,674) | 4,674 | - | - | - | - | - | - | - | - | - |
| Balance at December 31, 2022 | \$ 7,547,840 | \$ 46,421,664 | \$ 216,945 | \$ 290,598 | \$ 147,022 | \$ 36,083 | \$ 38,927 | (\$ 294,810) | \$ 54,404,269 | \$ 2,256,727 | \$ 56,660,996 |

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

| | Year ended December 31 | |
|--|------------------------|---------------|
| | 2022 | 2021 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| (Loss) profit before tax | (\$ 483,468) | \$ 2,363,308 |
| Adjustments | | |
| Adjustments to reconcile profit (loss) | | |
| Depreciation | 4,952,508 | 5,036,375 |
| Amortization | 257,757 | 232,935 |
| Expected credit (profit) loss | (48,976) | 191,258 |
| Gain on disposal of investments | (72,090) | (254,040) |
| Net loss (gain) on financial assets at fair value through profit or loss | 285,929 | (17,537) |
| Interest expense | 131,602 | 121,117 |
| Interest income | (104,600) | (45,090) |
| Dividend revenue | (44,296) | (105,228) |
| Share of loss of associates and joint ventures accounted for under the equity method | 713,585 | 182,973 |
| (Gain) loss on disposal of property, plant and equipment | (42,014) | 5,664 |
| Loss on disposal of intangible assets | 2,932 | 11,223 |
| Impairment loss on non-financial assets | 13,312 | 114,693 |
| Unrealized loss from sales | (26) | (41) |
| Realized loss (profit) from sales | 41 | (1,589) |
| Other income from recognition of long-term deferred revenues | (77,630) | (131,295) |
| Property, plant and equipment transferred to expense | 2,827 | 4,474 |
| Gain on disposal of non-current assets held for sale | - | (179,204) |
| Changes in operating assets and liabilities | | |
| Changes in operating assets | | |
| Financial assets at fair value through profit or loss | (146,522) | (10,006) |
| Notes receivable | (273,957) | (542,948) |
| Accounts receivable | 4,888,612 | (3,556,983) |
| Other receivables | (4,911) | (27,168) |
| Inventories | 867,140 | (1,447,254) |
| Prepayments | 809,993 | (488,679) |
| Other current assets | 16,145 | 337,228 |
| Other non-current assets | 43,498 | 499,681 |
| Changes in operating liabilities | | |
| Financial liabilities at fair value through profit or loss - current | (131,956) | 1,633 |
| Notes payable | 55,616 | 34,418 |
| Accounts payable | (2,253,017) | 573,986 |
| Other payables | (1,180,492) | 1,239,536 |
| Other current liabilities | (257,961) | 70,198 |
| Other non-current liabilities | (30,366) | 173,460 |
| Cash inflow generated from operations | 7,889,215 | 4,387,098 |
| Interest received | 86,565 | 47,401 |
| Interest paid | (41,226) | (115,775) |
| Income tax paid | (54,153) | (97,802) |
| Dividend received | 78,641 | 131,666 |
| Net cash flows from operating activities | 7,959,042 | 4,352,588 |

(Continued)

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

| | Year ended December 31 | |
|---|------------------------|----------------|
| | 2022 | 2021 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of financial assets at fair value through other comprehensive income | (\$ 188,173) | (\$ 765,140) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | 186,823 | 695,324 |
| Increase in current financial assets at amortised cost | (433,127) | - |
| Acquisition of investments accounted for under the equity method | (365,338) | (1,018,523) |
| Proceeds from disposal of investments accounted for under the equity method | - | 818,718 |
| Cash refund from investments accounted for under the equity method | - | 87,283 |
| Acquisition of property, plant and equipment | (4,320,230) | (4,732,066) |
| Proceeds from disposal of property, plant and equipment | 389,592 | 235,179 |
| Acquisition of intangible assets | (130,200) | (117,588) |
| Proceeds from disposal of intangible assets | 6,089 | 4,205 |
| (Increase) decrease in refundable deposits | (49,462) | 717 |
| Effect on initial consolidation of subsidiaries | - | 3,763,629 |
| Cash refund from financial assets capital reduction | - | 66,929 |
| Decrease in other financial assets | 391,869 | 312,664 |
| Proceeds from disposal of non-current assets held for sale | - | 430,000 |
| Proceeds from disposal of subsidiaries | 88,100 | - |
| Decrease in changes of consolidated entities | (275,343) | - |
| Net cash flows used in investing activities | (4,699,400) | (218,669) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| (Decrease) increase in short-term loans | (2,295,709) | 1,947,559 |
| Decrease in short-term notes and bill payable | (112,938) | - |
| Proceeds from long-term loans | 12,760 | 1,836,127 |
| Repayment of long-term loans | (33,909) | (1,035,106) |
| (Decrease) increase in guarantee deposits received | (108,264) | 24,360 |
| Repayment of principal portion of lease liabilities | (127,584) | (155,101) |
| Cash dividends paid | (1,365,881) | - |
| Proceeds from issuance of share capital | 3,627,400 | - |
| Proceeds from treasury shares transferred to employees | - | 306,150 |
| Increase in cash paid for acquisition of non-controlling interests | 700,000 | 625,645 |
| Net cash flows from financing activities | 295,875 | 3,549,634 |
| Effects of foreign currency exchange | 235,576 | (575,525) |
| Net increase in cash and cash equivalents | 3,791,093 | 7,108,028 |
| Cash and cash equivalents at beginning of year | 12,336,039 | 5,228,011 |
| Cash and cash equivalents at end of year | \$ 16,127,132 | \$ 12,336,039 |

INDEPENDENT AUDITORS' REPORT

PWCR22000401

To the Board of Directors and Shareholders of ENNOSTAR Inc..

Opinion

We have audited the accompanying parent company only balance sheet of ENNOSTAR Inc. (the “Company”) as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent auditors, as described in the other matters section of our report, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audit in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the parent company only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters in relation to the parent company only financial statements for the year ended December 31, 2022 are outlined as follows:

Investments accounted for using the equity method-evaluation of inventories

Description

The subsidiaries of the Company is primarily engaged in manufacturing and sales of LED wafers, chips, packages and models. Due to rapid technological developments, short product lifespans and frequent fluctuations of market prices, the risk of decline in market value and obsolescence for inventories is high. The subsidiaries of the Company evaluates net realized values for inventories which aged over a specific period of time and specific obsolete inventories in order to provide allowance for valuation loss. Since the identification of the above obsolete inventories and their respective net realizable values are subject to management's judgment, it was identified as one of the key audit matters.

How our audit addressed the matter

Our key audit procedures performed in respect of the above included the following:

1. Obtained an understanding of the Company and subsidiaries's operations and the nature of its industry and interviewed with management to understand the probability of future sales for those out-of-date inventories and to evaluate the reasonableness of allowance for valuation loss.
2. Obtained and validated the accuracy of the detailed listings of inventories aged over a specific period of time and specific obsolete inventories. Validated information of historical sales and discounts for those obsolete inventories to assess the reasonableness of policies in providing allowance for inventory valuation loss.

Other matter – Audit by Other Independent Auditors

We did not audit the 2022 and 2021 financial statements of certain equity investments accounted for under the equity method. Those financial statements were audited by other independent auditors, whose reports thereon were furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements and certain information disclosed in Note 13 relative to these investments, was based solely on the reports of the other independent auditors. These equity investments amounted to NT\$2,049,834 thousand and NT\$1,320,489 thousand, representing 3.75% and 2.50% of the parent company only total assets as of December 31, 2022 and 2021, and their comprehensive loss (including share of loss of associates and joint ventures accounted for under equity method and share of other comprehensive income/(loss) of associates and joint ventures accounted for under equity method) amounted to NT\$139,085 thousand and NT\$1,315 thousand, representing 67.06% and 0.06% of the parent company only comprehensive gain for the years then ended.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Company’s financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Li, Tien-Yi

Chou, Chien-Hung

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 23, 2023

The accompanying parent company only 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 parent company only 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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ENNOSTAR INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

| Assets | | December 31, 2022 | | December 31, 2021 | |
|--------------------------------|---|----------------------|------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % |
| Current assets | | | | | |
| 1100 | Cash and cash equivalents | \$ 690,933 | 1 | \$ 43,752 | - |
| 1200 | Other receivables | 59 | - | 10 | - |
| 1210 | Other receivables - related parties | 402,738 | 1 | 59,564 | - |
| 1410 | Prepayments | 12,793 | - | 2,499 | - |
| 1470 | Other current assets | 4 | - | - | - |
| 11XX | Current Assets | <u>1,106,527</u> | <u>2</u> | <u>105,825</u> | <u>-</u> |
| Non-current assets | | | | | |
| 1550 | Investments accounted for under equity method | 53,490,974 | 98 | 52,707,404 | 100 |
| 1600 | Property, plant and equipment | 10,978 | - | 10,157 | - |
| 1900 | Other non-current assets | 25,408 | - | 408 | - |
| 15XX | Non-current assets | <u>53,527,360</u> | <u>98</u> | <u>52,717,969</u> | <u>100</u> |
| 1XXX | Total assets | <u>\$ 54,633,887</u> | <u>100</u> | <u>\$ 52,823,794</u> | <u>100</u> |
| Liabilities and Equity | | | | | |
| Current liabilities | | | | | |
| 2100 | Short-term borrowings | \$ 100,000 | - | \$ 150,000 | - |
| 2200 | Other payables | 97,222 | - | 304,026 | 1 |
| 2220 | Other payables to related parties | 3,270 | - | 46,725 | - |
| 2230 | Current tax liabilities | 27,952 | - | - | - |
| 2300 | Other current liabilities | 1,166 | - | 788 | - |
| 21XX | Current Liabilities | <u>229,610</u> | <u>-</u> | <u>501,539</u> | <u>1</u> |
| Non-current liabilities | | | | | |
| 2600 | Other non-current liabilities | 8 | - | 10 | - |
| 2XXX | Total Liabilities | <u>229,618</u> | <u>-</u> | <u>501,549</u> | <u>1</u> |
| Equity | | | | | |
| Share capital | | | | | |
| 3110 | Share capital - common stock | 7,547,840 | 14 | 6,852,514 | 13 |
| Capital surplus | | | | | |
| 3200 | Capital surplus | 46,421,664 | 85 | 43,830,638 | 83 |
| Retained earnings | | | | | |
| 3310 | Legal reserve | 216,945 | 1 | - | - |
| 3320 | Special reserve | 290,598 | 1 | - | - |
| 3350 | Unappropriated retained earnings | 147,022 | - | 2,169,446 | 4 |
| Other equity interest | | | | | |
| 3400 | Other equity interest | 75,010 | - | (235,543) | - |
| 3500 | Treasury stocks | (294,810) | (1) | (294,810) | (1) |
| 3XXX | Total equity | <u>54,404,269</u> | <u>100</u> | <u>52,322,245</u> | <u>99</u> |
| 3X2X | Total liabilities and equity | <u>\$ 54,633,887</u> | <u>100</u> | <u>\$ 52,823,794</u> | <u>100</u> |

ENNOSTAR INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

| Items | Year ended December 31 | | | |
|---|------------------------|--------|---------------|-------|
| | 2022 | | 2021 | |
| | AMOUNT | % | AMOUNT | % |
| 4000 Sales revenue | \$ 244,729 | 100 | \$ 2,417,618 | 100 |
| 5000 Operating costs | (179,138) | (73) | (235,213) | (10) |
| 5900 Operating margin | 65,591 | 27 | 2,182,405 | 90 |
| 5950 Net operating margin | 65,591 | 27 | 2,182,405 | 90 |
| 6900 Operating profit | 65,591 | 27 | 2,182,405 | 90 |
| Non-operating income and expenses | | | | |
| 7100 Interest income | 7,261 | 3 | 39 | - |
| 7010 Other income | 1,969 | 1 | 241 | - |
| 7020 Other gains and losses | 195 | - | (2,988) | - |
| 7050 Finance costs | (718) | - | (1,348) | - |
| 7000 Total non-operating income and expenses | 8,707 | 4 | (4,056) | - |
| 7900 Profit before income tax | 74,298 | 31 | 2,178,349 | 90 |
| 7950 Income tax expense | (36,274) | (15) | - | - |
| 8200 Profit for the year | \$ 38,024 | 16 | \$ 2,178,349 | 90 |
| Other comprehensive income | | | | |
| Components of other comprehensive income that will not be reclassified to profit or loss | | | | |
| 8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss | (\$ 233,252) | (95) | \$ 285,081 | 12 |
| 8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | (39,989) | (17) | (122,992) | (5) |
| 8310 Components of other comprehensive (loss) income that will not be reclassified to profit or loss | (273,241) | (112) | 162,089 | 7 |
| Components of other comprehensive income that will be reclassified to profit or loss | | | | |
| 8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss | 443,043 | 181 | (210,366) | (9) |
| 8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss | (428) | - | (194,616) | (8) |
| 8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss | 442,615 | 181 | (404,982) | (17) |
| 8300 Other comprehensive income (loss) | \$ 169,374 | 69 | (\$ 242,893) | (10) |
| 8500 Total comprehensive income | \$ 207,398 | 85 | \$ 1,935,456 | 80 |
| Earnings per share (NT\$) | | | | |
| 9750 Total basic earnings per share | \$ 0.05 | | \$ 3.21 | |
| 9850 Total diluted earnings per share | \$ 0.05 | | \$ 3.20 | |

ENNOSTAR INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

| | Capital Reserves | | | | Other equity interest | | | | Total |
|---|------------------------------|----------------------|-------------------|-------------------|----------------------------------|--|---|----------------------|----------------------|
| | Share capital - common stock | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings | Cumulative translation differences of foreign operations | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income | Treasury stocks | |
| 2021 | | | | | | | | | |
| January 6 (Date of establishment) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Profit for the year | - | - | - | - | 2,178,349 | - | - | - | 2,178,349 |
| Other comprehensive income(loss) for the year | - | - | - | - | 71 | (404,982) | 162,018 | - | (242,893) |
| Total comprehensive income(loss) | - | - | - | - | 2,178,420 | (404,982) | 162,018 | - | 1,935,456 |
| Issuance of ordinary shares under business combination | 6,859,527 | 42,957,636 | - | - | - | - | - | - | 49,817,163 |
| Expiration of restricted employee stock | (7,013) | 7,013 | - | - | - | - | - | - | - |
| Distribution to subsidiaries' employee compensation | - | 195,791 | - | - | - | - | - | - | 195,791 |
| Proceeds from treasury shares transferred to employees | - | 115,823 | - | - | - | - | - | - | 115,823 |
| Difference between consideration and carrying amount of subsidiaries acquired and disposed | - | (7,754) | - | - | - | (1,553) | - | - | (9,307) |
| Net change in equity of associates and joint ventures | - | (12,617) | - | - | - | - | - | - | (12,617) |
| Changes in ownership interests in subsidiaries accounted for using equity method | - | 574,746 | - | - | - | - | - | - | 574,746 |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | - | - | - | - | (8,974) | - | 8,974 | - | - |
| Shares of the parent company held by subsidiaries transferred to treasury shares | - | - | - | - | - | - | - | (294,810) | (294,810) |
| December 31 | <u>\$ 6,852,514</u> | <u>\$ 43,830,638</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,169,446</u> | <u>(\$ 406,535)</u> | <u>\$ 170,992</u> | <u>(\$ 294,810)</u> | <u>\$ 52,322,245</u> |
| 2022 | | | | | | | | | |
| January 1 | <u>\$ 6,852,514</u> | <u>\$ 43,830,638</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,169,446</u> | <u>(\$ 406,535)</u> | <u>\$ 170,992</u> | <u>(\$ 294,810)</u> | <u>\$ 52,322,245</u> |
| Profit for the year | - | - | - | - | 38,024 | - | - | - | 38,024 |
| Other comprehensive income(loss) for the year | - | - | - | - | 19,477 | 442,615 | (292,718) | - | 169,374 |
| Total comprehensive income(loss) | - | - | - | - | 57,501 | 442,615 | (292,718) | - | 207,398 |
| Appropriation of 2021 earnings | - | - | - | - | - | - | - | - | - |
| Legal reserve | - | - | 216,945 | - | (216,945) | - | - | - | - |
| Special reserve | - | - | - | 290,598 | (290,598) | - | - | - | - |
| Cash dividends | - | - | - | - | (1,365,881) | - | - | - | (1,365,881) |
| Proceeds from issuance of share capital | 700,000 | 2,927,400 | - | - | - | - | - | - | 3,627,400 |
| Expiration of restricted employee stock | (4,674) | 4,674 | - | - | - | - | - | - | - |
| Changes in ownership interests in subsidiaries accounted for using equity method | - | (257,645) | - | - | - | - | - | - | (257,645) |
| Net change in equity of associates and joint ventures | - | 104,634 | - | - | - | - | - | - | 104,634 |
| Difference between consideration and carrying amount of subsidiaries acquired and disposed | - | (188,037) | - | - | (45,848) | 3 | - | - | (233,882) |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | - | - | - | - | (160,653) | - | 160,653 | - | - |
| December 31 | <u>\$ 7,547,840</u> | <u>\$ 46,421,664</u> | <u>\$ 216,945</u> | <u>\$ 290,598</u> | <u>\$ 147,022</u> | <u>\$ 36,083</u> | <u>\$ 38,927</u> | <u>(\$ 294,810)</u> | <u>\$ 54,404,269</u> |

ENNOSTAR INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

| | Year ended December 31 | |
|--|------------------------|----------------------|
| | 2022 | 2021 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | \$ 74,298 | \$ 2,178,349 |
| Adjustments | | |
| Adjustments to reconcile profit (loss) | | |
| Depreciation | 895 | 71 |
| Interest expense | 718 | 1,348 |
| Interest income | (7,261) | (143) |
| Dividend revenue | - | (6,701) |
| Share of profit of associates and joint ventures accounted for under the equity method | (67,110) | (2,191,207) |
| Distribution of compensation to employees | - | 195,791 |
| Compensation distributed to subsidiaries' employees | (1,494) | - |
| Changes in operating assets and liabilities | | |
| Changes in operating assets | | |
| Other receivables | - | (10) |
| Other receivables-related parties | (343,174) | (59,564) |
| Prepayments | (10,294) | (2,499) |
| Other current assets | (4) | - |
| Changes in operating liabilities | | |
| Other payables | (198,537) | 294,025 |
| Other payables-related parties | (43,455) | 46,725 |
| Other current liabilities | 378 | 788 |
| Cash (outflow) inflow generated from operations | (595,040) | 456,973 |
| Dividend received | 1,881,651 | 1,806,701 |
| Interest received | 7,202 | 143 |
| Interest paid | (718) | (1,348) |
| Income tax paid | (8,312) | - |
| Net cash flows from operating activities | <u>1,284,783</u> | <u>2,262,469</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of investments accounted for under the equity method | (2,814,135) | (2,368,092) |
| Acquisition of property, plant and equipment | (9,984) | (227) |
| Increase in refundable deposits | (25,000) | (408) |
| Net cash flows used in investing activities | <u>(2,849,119)</u> | <u>(2,368,727)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| (Decrease) increase in short-term loans | (50,000) | 150,000 |
| (Decrease) increase in guarantee deposits received | (2) | 10 |
| Proceeds from issuance of share capital | 3,627,400 | - |
| Cash dividends paid | (1,365,881) | - |
| Net cash flows from financing activities | <u>2,211,517</u> | <u>150,010</u> |
| Net increase in cash and cash equivalents | 647,181 | 43,752 |
| Cash and cash equivalents at beginning of year | 43,752 | - |
| Cash and cash equivalents at end of year | <u>\$ 690,933</u> | <u>\$ 43,752</u> |

Attachment 6

ENNOSTAR Inc. Profit Distribution Table Year 2022

Unit: NTD

| Item | Subtotal | Total |
|---|---------------|---------------|
| Unappropriated Retained Earnings of previous years | | 296,022,510 |
| Net Income of 2022 | 38,023,691 | |
| The amount of items other than the net profit after tax of the current period included in the undistributed surplus | | |
| Add (Less): | | |
| Loss on remeasurements of defined benefit plans | 19,476,817 | |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | (160,653,591) | |
| difference between consideration and carrying amount of subsidiaries acquired or disposed | (45,847,613) | |
| Total of Legal reserve appropriated | | (149,000,696) |
| Add (Less): | | |
| Less: Allocated legal reserve | 0 | |
| Add: Special Reserve | 135,671,427 | |
| Retained Earnings Available for Distribution as of December 31, 2022 | | 282,693,241 |
| Distribution Item: | | |
| Cash dividends (NT\$0 per share) | 0 | |
| Unappropriated Retained Earnings | | 282,693,241 |

Chairman:
Biing-Jye Lee

President:
Biing-Jye Lee

Accounting Supervisor:
B.Y. Chang

Attachment 7

ENNOSTAR Inc. List of Director (Including independent Director) Candidates

| nomination title | Name | Gender | Education / Major Past Positions | Current Positions | Number of Shares (2023.04.02) |
|------------------|---|--------|--|---|-------------------------------|
| Director | Shuang-Lang (Paul) Peng | Male | <ul style="list-style-type: none"> ✓ M.B.A., Heriot-Watt University, U.K. ✓ The General Manager and CEO of AUO Corporation (TWSE: 2409) | <ul style="list-style-type: none"> ✓ The Chairman and Chief Strategic Officer of AUO Corporation (TWSE: 2409) ✓ The Director of Qisda Corp. (TWSE: 2352) ✓ The Chairman of AUO Foundation ✓ The Vice Chairman of ENNOSTAR Inc. (TWSE: 3714) | 150,000 |
| Director | Representative of AUO Corporation: Yu-Chieh Lin | Female | <ul style="list-style-type: none"> ✓ M.A., Institute of Physics, National Central University ✓ The Senior Associate Vice President of AUO Corporation (TWSE: 2409) ✓ The Supervisor of Taiwan Display Union Association | <ul style="list-style-type: none"> ✓ The Senior Associate Vice President of AUO Corporation (TWSE: 2409) | 93,568,898 |
| Director | Chin-Yung Fan | Male | <ul style="list-style-type: none"> ✓ M.A., Institute of Physics, National Central University ✓ The General Manager of Epistar Corporation | <ul style="list-style-type: none"> ✓ The Director of ENNOSTAR Inc. (TWSE: 3714) ✓ The Chairman and General Manager of Epistar Corporation | 133,506 |
| Director | Xiu-Mu Tang | Male | <ul style="list-style-type: none"> ✓ PhD of Chemical Engineering National Tsing Hua University ✓ The General Manager of Lextar Electronics Corp. ✓ The Vice President of Technology Integration Center of Epistar Corporation | <ul style="list-style-type: none"> ✓ The Director of Lextar Electronics Corp. ✓ The General Manager of Lextar Electronics Corp. | 249,230 |

| nomination title | Name | Gender | Education / Major Past Positions | Current Positions | Number of Shares (2023.04.02) |
|----------------------|---------------|--------|--|---|-------------------------------|
| Independent Director | Wei-Min Sheng | Male | <ul style="list-style-type: none"> ✓ PhD (Purdue U.) Accounting Purdue University ✓ Professor of Department of Public Finance in National Taichung University of Science and Technology. ✓ The independent director and Remuneration Committee member of EPSTAR Corporation ✓ The independent director and Remuneration Committee member of Siliconware Precision Industries Co., Ltd. ✓ The supervisor of Elite Semiconductor Memory Technology Inc. | <ul style="list-style-type: none"> ✓ Professor of Department of Public Finance in National Taichung University of Science and Technology. ✓ The independent director and Remuneration Committee member of ENNOSTAR Inc. (TWSE: 3714) ✓ The independent director and Remuneration Committee member of Episil-Precision Inc. (TWSE: 3016) ✓ The independent director and Remuneration Committee member of uPI Semiconductor Corp. (TWSE: 6719) ✓ The independent director and Remuneration Committee member of Elite Semiconductor Memory Technology Inc. (TWSE: 3006) | 0 |
| Independent Director | Shian-Ho Shen | Male | <ul style="list-style-type: none"> ✓ B.S. Electrical Engineering, Chung Yuan Christian University ✓ The Vice President & factory director of United Microelectronics Corp. (TWSE: 2303) ✓ The Vice President of AUO Corporation (TWSE: 2409) ✓ The independent director and Remuneration Committee member of LEXTAR Electronics Corp. | <ul style="list-style-type: none"> ✓ The independent director of ENNOSTAR Inc. (TWSE: 3714) ✓ The Director of Anpec Electronics Corporation (TPEx: 6138) ✓ The Director of C Sun Mfg Ltd. (TWSE: 2467) ✓ The Director of Taiwan Surface Mounting Technology Corp. (TWSE: 6278) ✓ The Director and General Manager of Chem Tec Corporation | 0 |

| nomination title | Name | Gender | Education / Major Past Positions | Current Positions | Number of Shares (2023.04.02) |
|----------------------|---------------|--------|---|---|-------------------------------|
| Independent Director | Wei-Chen Wang | Male | <ul style="list-style-type: none"> ✓ Department of Accounting, National Chengchi University ✓ CPA, PwC Taiwan | <ul style="list-style-type: none"> ✓ The independent director and Remuneration Committee member of ENNOSTAR Inc. (TWSE: 3714) ✓ The independent director and Remuneration Committee member of Taiwan Mask Corp. (TWSE: 2338) ✓ The independent director and Remuneration Committee member of Feature Integration Technology Inc. (TPEX: 4951) ✓ The independent director of Etron Technology, Inc. (TPEX: 5351) ✓ CPA, Zhicheng Co-Accounting Firm | 0 |
| Independent Director | En-Te Hsu | Male | <ul style="list-style-type: none"> ✓ PhD Accounting National Taiwan University ✓ The independent director and Remuneration Committee member of Silicon Touch Technology Inc. (TPEX: 3288) | <ul style="list-style-type: none"> ✓ Professor of Department of Accounting in Tunghai University. ✓ Director of Accounting and Industry Research Center in Tunghai University. ✓ Director of EMBA Tunghai University. ✓ The independent director of Cheng Shin Rubber Ind., Co., Ltd. (TWSE: 2105) ✓ The independent director and Remuneration Committee member of Mobiletron Electronics Co., Ltd. (TWSE:1533) ✓ The independent director and Remuneration Committee member of Unicon Optical Co., Ltd. (Emerging: 4150) | 0 |

| nomination title | Name | Gender | Education / Major Past Positions | Current Positions | Number of Shares (2023.04.02) |
|----------------------|----------------|--------|--|--|-------------------------------|
| Independent Director | Chun-Hsin Tsou | Female | <ul style="list-style-type: none"> ✓ Doctor of Laws, China University of Political Science and Law ✓ Leading lawyer/patent attorney/director of AIPT International Law Office ✓ Doctor / Arbitrator of Chinese Construction Industry Arbitration Association ✓ member of Procurement Appeal Review Committee, Taipei City Government | <ul style="list-style-type: none"> ✓ The independent director and Remuneration Committee member of Chaheng Precision Co., Ltd. (Emerging: 4546) ✓ The independent director and Remuneration Committee member of Tcm Biotech International Corp. (Emerging: 4169) | 0 |

None of the above candidates for independent directors has served as an independent director of the Company for three consecutive terms.

Attachment 8

ENNOSTAR Inc. Procedures for Endorsements and Guarantees Comparison Table for Amendments

| Article No. | Original Articles | Amended Articles | Reasons for Amendments |
|-------------|--|--|---|
| Article 9 | <p>Procedures and retention of chops</p> <p>1. The dedicated chops for endorsements / guarantees of the Company are the company chop, the signature chop of the responsible person, and specialized chop registered with the Ministry of Economic Affairs, the Each chop shall be kept in the custody of a designated person approved by the <u>Chairman</u> and controls the usage of such chops. The BOD should approve the change of the delegate as well. The chops or seals may be used to seal or issue negotiable instruments only in prescribed procedures.</p> <p>2. When making a guarantee for an overseas company, the Company shall have the guarantee letter signed by a person authorized by the BOD.</p> | <p>Procedures and retention of chops</p> <p>1. The dedicated chops for endorsements / guarantees of the Company are the company chop, the signature chop of the responsible person, and specialized chop registered with the Ministry of Economic Affairs, the Each chop shall be kept in the custody of a designated person approved by the <u>Board of Directors</u> and controls the usage of such chops. The BOD should approve the change of the delegate as well. The chops or seals may be used to seal or issue negotiable instruments.</p> <p>2. When making a guarantee for an overseas company, the Company shall have the guarantee letter signed by a person authorized by the BOD.</p> | <p>To comply with the amendment of the Law and Regulations.</p> |

Attachment 9

ENNOSTAR Inc.

List of releasing the newly elected directors (including independent directors) from non-competition restrictions

| Name | Positions in Other Companies | Main Business | Place of establishment |
|---|--|---|------------------------|
| Shuang-Lang (Paul) Peng | The Chairman and Chief Strategic Officer of AUO Corporation (TWSE: 2409) | Research, development, production and sales of TFT-LCDs, as well as production and sales of solar modules and systems | Taiwan ROC |
| | The Director of Qisda Corp. (TWSE: 2352) | Manufacturing, sales and services of high-end monitors, opto-mechatronics products and optoelectronics film; the manufacturing, sales and services of smart business solution; the manufacturing, sales and services of medical equipment; providing medical services; as well as the research, development, design, manufacturing and sale of broadband products, wireless network products and computer network system equipment. | Taiwan ROC |
| | The Chairman of AU Optronics (Suzhou) Corp., Ltd. | Manufacturing, assembly, and sales of TFT-LCD modules | China |
| | The Chairman of AU Optronics (Xiamen) Corp. | Manufacturing, assembly, and sales of TFT-LCD modules | China |
| | The Chairman of AU Optronics Manufacturing (Shanghai) Corp. | Manufacturing and assembly of TFT-LCD modules; leasing | China |
| | The Chairman of AU Optronics (Kunshan) Co., Ltd. | Manufacturing and sales of TFT-LCD panels | China |
| | The Executive Director of AU Optronics (Shanghai) Co., Ltd. | Sales support of TFT-LCD panels | China |
| | The Chairman of AU Optronics Singapore Pte. Ltd. | Holding company and sales support of TFT-LCD panels | Singapore |
| | The Director of AU Optronics (L) Corp. | Holding Company | Labuan |
| | The Chairman of Konly Venture Corp. | Venture capital investment | Taiwan ROC |
| | The Chairman of Ronly Venture Corp. | Venture capital investment | Taiwan ROC |
| | The Director of AUO Digitech (CAYMAN) Limited | Holding Company | Cayman Islands |
| | The Director of AUO Digitech Holding Limited | Holding Company | Cayman Islands |
| | The Director of AUO Digitech Pte. Ltd. | Holding Company; Sales and software development of software and hardware integration systems related to intelligent manufacturing | Singapore |
| The Chairman of AUO Digitech (Suzhou) Co., Ltd. | Business management consulting, technology promotion, and application services | China | |

- Mr. Shuang-Lang (Paul) Peng, the representative of AUO Corporation, is the chairman of AUO Corporation. The company positions in the above table are all management position, directly or indirectly investment company, under the AUO Corporation Group.; Economically speaking, there is no conflict of interest for ENNOSTAR Inc.

(Continued)

| Name | Positions in Other Companies | Main Business | Place of establishment |
|--|---|---|------------------------|
| AUO Corporation | The director of Konly Venture Corp. | Venture capital investment | Taiwan ROC |
| | The director of Ronly Venture Corp. | Venture capital investment | Taiwan ROC |
| | The director of AUO Crystal Corp. | Manufacturing and sale of ingots and solar wafers | Taiwan ROC |
| | The director of Space Money Inc. | Sales and leasing of content management system and hardware; Digital signage content graphic design and field curation design | Taiwan ROC |
| | The director of AUO Envirotech Inc. | Planning, design and development of construction project for environmental protection and related project management | Taiwan ROC |
| | The director of Star River Energy Corporation | Venture capital investment | Taiwan ROC |
| | The director of Star Shining Energy Corporation. | Venture capital investment | Taiwan ROC |
| | The director of Darwin Precisions Corporation | Manufacturing, design and sales of TFT-LCD modules, TV set, backlight modules and related parts | Taiwan ROC |
| | The director of Qisda Corporation (TWSE: 2352) | Manufacturing, sales and services of high-end monitors, optomechanics products and optoelectronics film; the manufacturing, sales and services of smart business solution; the manufacturing, sales and services of medical equipment; providing medical services; as well as the research, development, design, manufacturing and sale of broadband products, wireless network products and computer network system equipment. | Taiwan ROC |
| | The director of Adlink Technology Inc. (TWSE: 6166) | manufactures and sells hardware, software and peripheral devices of industrial computer. | Taiwan ROC |
| | The director of AUO Care Inc. | Design, development and sales of software and hardware for health care industry | Taiwan ROC |
| | The director of SINTRONES Technology Corp. (TPEX: 6680) | R&D, manufacturing, and sales of In-vehicle computing system products | Taiwan ROC |
| | The director of AUO Display Plus Corporation | LCD R&D and sales | Taiwan ROC |
| | The director of Da Ping Green Energy Corporation | Renewable energy power generation | Taiwan ROC |
| The director of AUO Health Corporation | R&D, manufacturing, and sales of medical equipment | Taiwan ROC | |

(Continued)

| Name | Positions in Other Companies | Main Business | Place of establishment |
|--|---|--|------------------------|
| Representative of AUO Corporation: Yu-Chieh Lin | The Senior Associate Vice President of AUO Corporation (TWSE: 2409) | Research, development, production and sales of TFT-LCDs, as well as production and sales of solar modules and systems | Taiwan ROC |
| | The Director of YTTEK Technology Corp | Millimeter wave array antenna, millimeter wave high frequency circuit board, intermediate frequency circuit board, algorithm, base frequency FPGA/DSP/CPU implementation, network protocol software, and system integration. | Taiwan ROC |

(Continued)

| Name | Positions in Other Companies | Main Business | Place of establishment |
|---------------|--|---|------------------------|
| Chin-Yung Fan | The Director and General Manager of Epistar Corporation | Research, development, manufacturing and sale of the LED products. | Taiwan ROC |
| | The Director of TE OPTO Corporation | sales of LED products. | Taiwan ROC |
| | The Chairman of Can Yang Investments Limited | Professional investment. | Hong Kong |
| | The Director of Jiangsu Canyang Optoelectronics Ltd. | Manufacture & sales of LED products. | China |
| | The Director of LiteStar JV Holding (BVI) Co., Ltd. | Professional investment. | British Virgin Islands |
| | The Director of Epicrystal (Hong Kong) Co., Ltd. | Professional investment. | Hong Kong |
| | The Director of Epicrystal Corporation (ChangZhou) Ltd. | Manufacture & sales of LED products. | China |
| Xiu-Mu Tang | The Director and General Manager of Lextar Electronics Corp. | InGaN Epi Wafer & Chips, Package & Module design, manufacturing and sale businesses | Taiwan ROC |
| | The Director of Vogito Innovation Co., Ltd | Design, R&D and sales of health care products | Taiwan ROC |
| | The Director of Chuzhou Bwin Techology Corp. | R&D, production and sale metals and plastics technical product | China |

- Chin-Yung Fan and Xiu-Mu Tang are valuable managers of the Company. Their current positions are all critical management positions in Ennostar Inc. as well as in the direct or indirect investment companies of Ennostar Group. Ennostar deploys LED industry cooperation from upstream to downstream by strategically established a joint venture company with partners to further expand OEM products and customer base by combining the production capabilities and technological advantages of both parties; Economically speaking, there is no conflict of interest against ENNOSTAR Inc.

(Continued)

| Name | Positions in Other Companies | Main Business | Place of establishment |
|---------------|---|---|------------------------|
| Wei-Min Sheng | The Independent Director of Episil-Precision Inc. (TWSE: 3016) | Development, manufacturing, and sales of silicon epitaxy and compound semiconductor epitaxial wafer | Taiwan ROC |
| | The Independent Director of uPI Semiconductor Corp. (TWSE: 6719) | Power management IC, power element MOSFET | Taiwan ROC |
| | The Independent Director of Elite Semiconductor Memory Technology Inc. (TWSE: 3006) | The design, R&D and technical service for DRAM/SRAM, FLASH and mixed-signal IC | Taiwan ROC |
| Shian-Ho Shen | The Director of Anpec Electronics Corporation (TPEX: 6138) | Design, testing, production, and marketing of Power IC | Taiwan ROC |
| | The Director of C Sun Mfg Ltd. (TWSE: 2467) | Process and equipment of PCB, flat-panel display, semiconductor, photovoltaic and others | Taiwan ROC |
| | The Director of Taiwan Surface Mounting Technology Corp. (TWSE: 6278) | Production solution supplier for TFT-LCD and SMT | Taiwan ROC |
| | The Director and General Manager of Chem Tec Corporation | Sales of electronic switch, vacuum tube, semiconductor device, microchip, IC, PCB | Taiwan ROC |
| Wei-Chen Wang | The independent director of Taiwan Mask Corp (TWSE: 2338) | R&D, production and sales of mask and IC | Taiwan ROC |
| | The Independent Director of Feature Integration Technology Inc. (TPEX: 4951) | Computer IC products | Taiwan ROC |
| | The Independent Director of Etron Technology, Inc. (TPEX: 5351) | R&D, development, production, manufacturing, testing, and sales of semiconductor devices | Taiwan ROC |
| En-Te Hsu | The Independent Director of Cheng Shin Rubber Ind., Co., Ltd. (TWSE: 2105) | Tire rubber products, etc. | Taiwan ROC |
| | The Independent Director of Mobiletron Electronics Co., Ltd. (TWSE: 1533) | Manufacturing of electronic components (electronic igniters, voltage regulators, rectifiers); manufacturing of electric tools (electric drills, nailing machines, etc.) | Taiwan ROC |
| | The Independent Director of Unicon Optical Co., Ltd. (Emerging: 4150) | Contact lenses | Taiwan ROC |

(Continued)

| Name | Positions in Other Companies | Main Business | Place of establishment |
|----------------|--|---|------------------------|
| Chun-Hsin Tsou | The Independent Director of Chaheng Precision Co., Ltd. (Emerging: 4546) | Manufacturing of aircraft engine components | Taiwan ROC |
| | The Independent Director of Tcm Biotech International Corp. (Emerging: 4169) | Research and development of new drugs and medical equipment; manufacturing and sales of western medicine products, medical equipment, health brand products, and functional foods | Taiwan ROC |

(End)

Appendix 1

ENNOSTAR Inc. Articles of Incorporation

Chapter 1 General Provisions

Article 1 This Company is incorporated in accordance with the provision of the Company Limited by Shares of the Company Act, the full name of the Company is ENNOSTAR Inc.

Article 2 The scope of business operated by this company shall be as follows:
H201010 General investment

Article 3 The Company may provide guarantee for other companies and proceed it in compliance with the Company's guarantee operation procedure.

Article 4 When the Company reinvests in another company as a liability-limited shareholder, the total amount of the Company's reinvestment shall not be subject to the restriction of not more than 40% of the Company's paid-up capital as provided in the Company Act.

Article 5 The Company is headquartered in Hsinchu City Taiwan and may have branches, offices or business offices set elsewhere domestically and abroad as resolved by the Board of Directors.

Article 6 Public announcement of the Company shall be handled in accordance with Article 28 of the Company Act.

Chapter 2 Shares

Article 7 The approved capital of the Company is NT\$ 15,000,000,000 divided into 1,500,000,000 shares, at NT\$10 par value, and may be issued separately. Among the above-mentioned shares, 50,000,000 shares shall be retained for the exercise of stock options through the issued stock option vouchers, special shares with stock options and bonds with stock options.

Article 8 The issuance of any employee stock options of which the stock option price is less than the closing price shall be determined by a vote of two-thirds of the shareholders attending who represent a majority of the total shares issued, and then shall be reported and handled separately in a year from the date of the resolution at the shareholders' meeting.

Article 9 The transfer of stocks to employees by the Company at the price less than the average price at which the Company has bought the stocks back shall be determined by a vote of two-thirds of the shareholders attending who represent a majority of the total shares issued. In the subjects of convening the meeting of shareholders, the following items shall be mentioned and explained, and shall not be presented through provisional motions.

1. Transfer price, discount ratio, calculation basis and its rationality
2. Shares to be transferred, purpose and its rationality

3. Qualifications and conditions for the employees entitled to stock options, and shares allowed to be acquired
4. Items affecting shareholders' equity:
 - (1) Amount that might be recognized as expense, and its effect on dilution of the Company's EPS
 - (2) Any financial burden to the Company because of the stock transferred to employees at the price less than the average price at which the Company has bought the stock back shall be explained.

Article 10 The object of transfer of treasury shares bought back by the Company may include the employees of parents or subsidiaries of the Company who meet certain conditions.

The object of issue of employee stock option certification of the Company may include the employees of parents or subsidiaries of the Company who meet certain conditions.

The object of issue of restricted stock for employees may include the employees of parents or subsidiaries of the Company who meet certain conditions.

The object of subscription of new shares of the Company may include the employees of parents or subsidiaries of the Company who meet certain conditions.

The term of "certain conditions" in this Article is authorized to be set by Board of Directors.

Article 11 The Company is exempted from printing share certificate in accordance with the provisions of Article 161-2 of the Company Act, but shall register the issued shares with the centralized securities depository enterprise and follow the regulations of that enterprise.

Article 12 The transfer of stock shall not be made 60 days prior to shareholders' general meeting, 30 days prior to shareholders' extraordinary meeting, or 5 days prior to dividends and bonus distribution or other interest distribution.

Article 13 Except otherwise provided in laws, share matters of the Company shall be handled in compliance with regulations provided by authorities.

Chapter 3 Shareholders' Meeting

Article 14 There are two kinds of shareholders' meetings in the Company: the General Meetings and extraordinary Meetings. General meeting shall be held once a year. The board of directors shall convene a general meeting within 6 months after the final account at the end of each fiscal year. A extraordinary meeting will be held if necessary.

- Article 15 The general meeting shall be convened by sending the notification to shareholders 30 days prior to the meeting date upon convening. The extraordinary meeting shall be convened by sending the notification to shareholders 15 days prior to the meeting date upon convening. In the notification, the date, place, and subjects of the meeting shall be indicated.
- Article 16 Shareholders of the Company have one vote for each share they hold. After the Company is listed, the means of electronic transmission is one of the channels for shareholders to exercise their voting rights.
- Article 17 Except otherwise provided in applicant laws, resolutions of the shareholders' meeting shall be made by a vote of a majority of the shareholders attending who represent a majority of the total number of shares issued.
- Article 18 The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the chop of the chairman of the meeting, and distributed to each shareholder within 20 days after the meeting date. The Company may have the minutes served through a public announcement.
- Chapter 4 Directors, Supervisors and the Audit Committee
- Article 19 The Company shall have five to thirteen directors and two supervisors who shall be elected at a shareholders' meeting from persons of legal capacity. The term of office is three years, and all directors and supervisors shall be eligible for re-election. The by-election and re-election after the establishment will adopt the candidates nomination system, and the directors and supervisors will be elected from the list of candidates and be eligible for re-election.
- When the Company applies the regulations of independent directors, the number of independent directors to be elected among the number of directors in the preceding paragraph shall not be less than three, and shall not be less than one fifth of the number of directors.
- The independent directors' professional qualifications, shareholding, concurrent position restrictions, independence determination, nomination and selection methods, and other compliance matters shall be handled in accordance with the relevant laws and regulations.
- The Company shall set up a functional committee in accordance with the requirements of the law and depending on the Company's needs.
- The Company may purchase liability insurance for the directors and supervisors, to the extent of the compensation responsibility assumed in business execution in their term of office according to law. The Board of Directors is authorized to determine the remuneration of directors and supervisors, based on the level of participation and the value of

contribution to the Company's business operations and taking into account the common remuneration level in the same industry.

Article 19-1

The Company is a newly incorporated company that is listed by share exchange in accordance with the provisions of Article 31 of the Business Mergers and Acquisitions Act, and the regulations of independent directors shall apply from the year when the first term of the directors and supervisors expires. However, in accordance with practical needs, before the expiration of the first term, the Board of Directors may decide to apply the provisions of independent directors in advance, and in accordance with the provisions of Article 14-4 of the Securities Exchange Act, to set up an audit committee to replace the supervisors. The audit committee is composed of all independent directors. If it is decided to set up an audit committee during the first term, the supervisors will be dismissed at the same time when the audit committee is formed.

The composition of the audit committee, authority, rules of procedure and other compliance matters shall be handled in accordance with the relevant regulations of the competent authority. During the establishment of the audit committee, the terms of the supervisors in this Article of Incorporation shall cease to apply except that the supervisors may still apply for the payment of the supervisor's remuneration for the year in which he/she is appointed.

Article 20

The Board of Directors is organized by the directors. The directors shall elect a Chairman of the Board of Directors, and may elect Vice Chairman of the Board of Directors, from among themselves by a majority in a meeting attended by more than Two-thirds of directors. The Chairman shall have the authority to represent the Company. The Chairman shall preside at the meeting for the Board of Directors. In the event Chairman is incapable of performing duties, Vice Chairman shall act on his behalf pursuant to the Article 208 of the Company Act. If there is no Vice-Chairman or Vice-Chairman who also asks for leave or is incapable of performing duties, the Chairman shall appoint one of the directors to act on his behalf. In case the Chairman fails to appoint any director to act on his behalf, the person to act on his behalf may be elected by and among the directors. , Directors shall attend the board meeting in person. Any director who is unable to attend the board meeting shall appoint another director as his proxy. Each director is limited to act as a proxy by one person only.

Article 21

The Board of Directors' (hereinafter "BOD") meeting should be convened at least once every quarter. Each BOD director and supervisor is entitled to be informed with the agenda 7 days prior to the meeting. However, an ad-hoc meeting may occur in the case of emergency.

The notification of the aforesaid meeting can be made in written, via email or facsimile or other electronic manner.

Chapter 5 Managers and Employees

Article 22 The Company shall have one President whose appointment, discharge and remuneration shall be handled according to Article 29 of the Company Act.

For the appointment or demission of other non-appointed managers (including but not limited to vice president), the president shall obtain the Chairman's consent then submit to the Board of Directors to be approved by a majority of directors in a meeting attended by more than half of the directors.

Chapter 6 Accounting

Article 23 The Company's fiscal year starts from January 1 and ends on December 31. At the end of every year, the Board of Directors shall prepare the statements and records of accounts in compliance with the Company Act and submit it to shareholders' general meeting for recognition.

Article 24 The Company shall dispatch 0.1% to 15% of the annual profit to the employee remuneration and no more than 2% to directors and supervisors as remuneration. However, when the Company still has accumulated losses, the Company shall offset the accumulated losses.

The "annual profit" in the preceding paragraph means the year's pre-tax benefits before deducting the distribution of employees' remuneration and directors and supervisors' remuneration.

Employee remuneration could be by stock or by cash. The object of the issue of shares or cash including the employees of subsidiaries or parents of the Company who meet certain conditions. The term of "certain condition" is authorized to be set by the Board of Directors.

Dispatched remuneration of employees and directors shall be decided by the Board of Directors with more than two-thirds of the directors present and resolved by majority of the attended directors and report to shareholder meeting.

Article 25 The Company shall distribute the after-tax profit after annual accounting settlement, shall first make up for the losses, then allocate 10% as legal reserve. However while such legal reserve amounts to the total authorized capital, this provision shall not apply and, if necessary, allocate or reverse special reserve. Balance plus the previous cumulative undistributed earnings to be allocated surplus, in addition to discretion of reservations, the distribution shall be proposed by the Board of directors, if the proposal is to distribute by issuing new shares, it shall be submitted to shareholders' meeting for resolution; if the proposal is to distribute by cash, according to paragraph 5 of Article 240 of Company Act, it shall be resolved and adopted by a majority vote at a meeting of the Board of directors attended by two-thirds of the total number of

directors and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The distribution ratio shall be based on the proportion of shares held by each shareholder.

Chapter 7 Supplementary Provisions

Article 26 Any relevant matter not provided for in these articles of incorporation shall be handled in accordance with related regulations.

Article 27 The Articles of Incorporation was set up at the meeting of the promoters on August 7, 2020.

The first amendment was adopted on May 31, 2022.

Appendix 2

ENNOSTAR Inc. Rules for the Procedures of the Shareholders' Meeting

Resolved in the founder's meeting on August 7, 2020.

1. Unless otherwise provided in laws or regulations, a Shareholders' meeting shall be conducted in compliance with the Rules of Procedure.
2. While convening the meeting, an attendance register shall be prepared for shareholders present at the meeting to sign-in. A shareholder present shall submit the attendance card in place of sign-in. The number of shares represented by shareholders present in the meeting shall be calculated in accordance with the attendance register or attendance cards submitted by the shareholders present.
3. The attendance of the meeting and voting in the meeting shall be based on the calculation of shares.
4. The number of shares represented by shareholders present in the meeting shall be calculated in accordance with the attendance cards submitted by the shareholders present. A shareholder present (or proxy) shall wear certificate of attendance and submit the attendance card in place of signing-in.
5. The meeting shall be held at the office of the Company, or any other appropriate place that is convenient for the shareholders and suitable for the meeting to be held. The starting time of the meeting shall not be earlier than 9 am or later than 3 pm.
6. If the meeting is convened by the Board of Directors (the "BOD"), the Chairman of the BOD shall be the chairman of the meeting. If Chairman is on leave, or cannot execute his or her authority for any reason, the Vice Chairman shall preside over the meeting. If there is no Vice Chairman or the Vice Chairman is also on leave, or cannot execute his or her authority for any reason, Chairman shall designate one of the Managing Directors to act on behalf of him or her. If there is no Managing Director, Chairman shall designate one of the directors to preside over the meeting. If Chairman does not designate any proxy to preside over the meeting on his or her behalf, the Managing Directors or directors shall elect one from among themselves to preside over the meeting.
If the meeting is convened by any other person entitled to convene the meeting, not by the BOD, such person shall preside over the meeting.
7. The Company may designate its lawyers, CPAs or relevant parties to attend the meeting.
The team members handling the business of the meeting shall wear an identification card or a badge.
8. The chairman may engage disciplinary officers (or security personnel) to assist on keeping the order of the meeting. Such disciplinary officers (or security personnel) shall wear a badge marked "Disciplinary Officers".

9. Any participants of the Shareholders' meeting shall not bring items which might endanger human life, health, liberty or property.
10. The chairman may engage police officers to assist on keeping the order of the meeting.
11. The whole proceedings of the meeting shall be videotaped or tape-recorded. The preceding tapes shall be preserved for at least one year.
12. The chairman shall call the meeting according to meeting schedule. If the number of shares represented by the shareholders present at the meeting has not yet reached more than 50% of the total issued and outstanding shares of the Company, the chairman may postpone the meeting. The postponements shall be limited to twice at most and the meeting may not be postponed longer than one hour in total. If the shares of the shareholders present at the meeting represent has not yet reached more than 50% but 1/3 of the total issued and outstanding shares or more after the meeting being postponed twice, a tentative resolution may be adopted in accordance with Paragraph 1 of Article 175 of the Company Act R.O.C.

Before the adjournment of the meeting, if the number of shares represented by the shareholders present at the meeting reaches more than 50% of the total issued and outstanding shares, the chairman may submit the adopted tentative resolution to the meeting for approval in accordance with Article 174 of the Company Act R.O.C.

13. If the meeting is convened by the BOD, the agenda of the meeting shall be set by the BOD. The meeting shall proceed in accordance with the agenda, unless otherwise resolved by the meeting.

The preceding paragraph shall apply to cases where the meeting is convened by a person, other than the BOD, entitled to convene such meeting.

Unless otherwise resolved by the meeting, the chairman shall not adjourn the meeting before all of discussion items (including extraordinary motions) have been resolved.

After the meeting is adjourned, shareholders shall not elect another chairman to continue the meeting on site or at another venue.

14. A meeting shall proceed in accordance with the agenda. In case the speech of any shareholder violates the above provision, the chairman may ask such shareholder to stop speaking.

Except for the discussion items listed in the agenda of the meeting, other motions or amendments or alternatives of the discussion items made by a shareholder at the meeting shall be seconded by other shareholders.

15. A shareholder who intends to speak in the meeting shall fill out a speech note, specifying therein the summary of the speech, the shareholder's number (or the number of his or her certificate of attendance) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman. A shareholder who only submits his or her speech note but does not actually speak in the meeting shall be considered as not having given such a speech. If the content of the speech of the shareholder are different from the contents of the speech note, the contents of actual speech shall prevail.

When a shareholder is giving a speech, the other shareholders shall not interrupt the speech unless they have obtained the consent from the chairman and the said shareholder. For any such violations, the chairman shall stop the interruption immediately.

16. Unless otherwise permitted by the chairman, each shareholder shall not speak more than twice for each discussion item. Each speech shall not take more than 5 minutes. In the case that any speech violates the foresaid provisions or exceeds the scope of the discussion item, the chairman may ask such shareholder to stop speaking.
17. A legal entity that is appointed as a proxy to attend the meeting can only designate one representative to attend the meeting.
If a corporate shareholder designates two or more representatives to attend the meeting, only one representative can speak for each discussion item.
18. After the speech of a shareholder, the chairman may respond by himself/herself or appoint an appropriate person to respond.
19. The chairman may announce to end the discussion on the discussion items and submit them to be resolved when the chairman deems appropriate.
20. Unless a majority of more than 50% is required by the Company Act R.O.C. or the Articles of Incorporation, a resolution of the meeting shall be adopted by at least 50% majority of votes represented by the shareholders present at the meeting.
The calculation of votes represented by the shareholders is based on the Articles in the Company Act R.O.C. or the Articles of Incorporation. A resolution of the meeting shall be adopted if it has been voted. If no objection is voiced after solicitation by the chairman, the resolution shall be deemed adopted and shall have the same effect as if it has been voted.
If there is an amendment or alternative for a discussion item, the chairman may combine the amendment or alternative into the original discussion item, and determine the sequence of voting for such discussion item. If any above item has been resolved, the others shall be deemed vetoed and no further voting is required.
21. Scrutinizers and vote counters shall be designated by the chairman. The result of voting shall be announced at the meeting, and recorded in the meeting minutes.
Scrutinizer shall be the shareholders. The supervisory work includes supervising the procedure of voting, improper voting, vote validation and the record prepared by vote counters.
A ballot is invalid if one of the following conditions is met and the vote shall not be counted:
 - (1) Not using ballots printed by the Company.
 - (2) A ballot which is not inserted into the ballot box.
 - (3) A blank ballot without written words or written comments based on discussion items.
 - (4) A ballot with written words other than required items.
 - (5) The handwriting is blurred, not identifiable, or written over.
 - (6) The proxy violates "Rules Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" in handling ballots.

22. During the meeting, the chairman may set time for intermission at his or her discretion.
23. In the event of any air-raid alarm, earthquake or force majeure, the chairman may adjourn the meeting temporarily and the participants shall evacuate themselves respectively. The chairman shall resume the meeting subject to the actual situation.
24. Any matters insufficiently address herein shall be subject to the Company Act R.O.C., laws and regulations or Articles of Incorporations concerned.
25. The Rules of Procedure and any amendment thereto, shall be implemented after approval by the Shareholders' Meeting.

Appendix 3

ENNOSTAR Inc. Rules for Elections of Directors and Supervisors

Approved in the founders; meeting on August 7,2020.

1. Unless otherwise stipulated in regulations or Articles of Incorporation of ENNOSTAR Inc. (hereinafter “the Company”), the election(s) of directors and supervisors of the Company shall be subject to the Rules of Electing Directors and Supervisors (hereinafter “the Rules”).
2. The election(s) of the Company’s directors and supervisors may be conducted individually or simultaneously in Stockholders’ Meeting. The Company should prepare the ballots for directors and supervisors separately, and mark the weighting of each vote. The election of directors and supervisors shall be conducted in accordance with candidates’ nomination system and procedures stipulated in Article 192-1 of the Company Act.
Where the Company has established an Audit Committee under Article 19-1 of the Articles of Incorporation, the provisions regarding supervisors shall be no longer applicable within the tenure of an Audit Committee.
3. The cumulative voting method shall be used for the election of directors and supervisors in the Company. Each share will have voting rights in number equal to the directors or supervisors to be elected. The shares can be consolidated together to vote on one person or vote on different people. Independent and non-independent directors shall be elected simultaneously, but the number of seats to be elected shall be calculated respectively.
4. The number of directors and supervisors will be as specified in this Company's Articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When there are more than 2 persons receiving the same number of votes above the regulated number, these two candidates should draw a lot to decide elected. The chairman shall draw the lot for those who are not present. When the same person is elected for both a director and supervisor, he or she should decide which position he/she would like to take and leave the other opening (director or supervisor) for the second runner up.
5. Before the election, the chairman should designate several scrutinizers and ballot counters to perform related duties. The scrutinizers may be from the attending shareholders.
6. The Company should prepare the ballot box and open it for the public to check before voting procedure.

7. If any candidate is also a stockholder, voter shall fill the account name and stockholder account number of the candidate in the column of "candidate" on the ballot; for the candidate is not a stockholder, voter should fill in the name and identification card number of the candidate. However, if the candidate is government or corporate stockholder, the column of "candidate" should be filled with the name of the government or the corporate, or with the name of their representative as well. When there is more than one representative for the government or company, all representatives' names should be noted.
8. The ballots shall be invalid under any of the following situations:
 - (1) The ballot is not prepared by the Company.
 - (2) The ballot casted into the box is blank.
 - (3) The writing on the ballot is vague, unrecognizable or altered.
 - (4) The name and account number of the candidates on the ballots for candidates who are also stockholders are inconsistent with Stockholders register. Or the name and identification card number of the candidates who are non-stockholders are inconsistent with records after verification.
 - (5) There are other words written on the ballots besides the name, stockholder's account name and account number, identification card number and distributed votes of the candidate.
 - (6) The name of the candidate on the ballot is same with other stockholder and the voter did not fill in the candidate's account number of stockholder or identification card number for distinction.
 - (7) The ballot is not put into the ballot box before the end of the vote.
9. After voting, the ballot box should be opened and ballot counting should commence immediately. The result of the election should be announced by the chairman on the scene.
10. The Rules and any amendment hereto, will be put into force after the approval from the Stockholders' Meeting.

Appendix 4

The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate

Not applicable.

Appendix 5

ENNOSTAR Inc.

Current Shareholding of Directors

| Position | Name | Date elected (y/m/d) | Number of shares | shareholding % |
|----------------------|--|----------------------|------------------|----------------|
| Chairman | Biing-Jye Lee | 2020/08/07 | 732,247 | 0.10% |
| Director | Representative of AUO Corporation: Shuang-Lang (Paul) Peng | 2020/08/07 | 93,568,898 | 12.40% |
| Director | Feng Cheng (David) Su | 2020/08/07 | 995,512 | 0.13% |
| Director | Chin-Yung Fan | 2020/08/07 | 133,506 | 0.02% |
| Independent Director | Wei-Min Sheng | 2021/08/11 | 0 | 0.00% |
| Independent Director | Sen-Tai Wen | 2021/08/11 | 0 | 0.00% |
| Independent Director | Chi-Yen Liang | 2021/08/11 | 0 | 0.00% |
| Independent Director | Shian-Ho Shen | 2021/08/11 | 0 | 0.00% |
| Independent Director | Wei-Chen Wang | 2021/08/11 | 0 | 0.00% |

Note 1: The record (base) date is the date on which transfer is suspended, i.e., April 2, 2023. As of April 2, 2023, the total Issued shares is 754,783,960 shares.

Note 2: According to Paragraph 5 of Article 2 of the " Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies ", If the number of independent directors selected exceeds one-half of the total number of directors and an audit committee has been established in accordance with the law, the minimum shareholding percentage of all directors and supervisors is not applicable.