

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
JUNE 30, 2025 AND 2024

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

INDEPENDENT AUDITORS' REVIEW REPORT

PWCR 25000110

To the Board of Directors and Shareholders of ENNOSTAR Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of ENNOSTAR Inc. and subsidiaries (the “Group”) as at June 30, 2025 and 2024, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

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

Basis for qualified conclusion

As explained in Note 4(3), the financial statements of certain insignificant consolidated subsidiaries and information disclosed in Note 13 were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT\$3,743,423 thousand and NT\$4,050,141 thousand, constituting 6.98% and 6.73% of the consolidated total assets as at June 30, 2025 and 2024, respectively, total liabilities amounted to NT\$340,791 thousand and NT\$779,152 thousand, constituting 3.40% and 5.71% of the consolidated total liabilities as at June 30, 2025 and 2024 respectively, and the total comprehensive income (loss) amounted to NT\$(913,646) thousand, NT\$162,266 thousand, NT\$(825,107) thousand and NT\$(564,834) thousand, constituting 32.52%, (38.88%), 28.35% and 44.83% of the consolidated total comprehensive income for the three months and six months then ended, respectively. The balance of these investments accounted for using equity method amounting to NT\$1,929,078 thousand and NT\$2,355,633 thousand, respectively, and the comprehensive loss recognized from associates and joint ventures accounted for under the equity method amounting to NT\$94,049 thousand, NT\$69,361 thousand, NT\$201,593 thousand and NT\$144,280 thousand, respectively, were included.

Qualified conclusion

Except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries been reviewed by independent auditors as described in the *Basis for qualified conclusion* section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2025 and 2024, and of its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim

Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Li, Tien-Yi

Chou, Chien-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

August 8, 2025

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

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 13,350,680	25	\$ 14,677,812	25	\$ 14,764,516	25
1110	Financial assets at fair value through profit or loss - current	6(2)	127,447	-	-	-	88,527	-
1136	Current financial assets at amortised cost	6(4) and 8	729,142	1	644,017	1	803,468	1
1150	Notes receivable, net	6(5) and 8	842,855	2	748,305	1	616,362	1
1170	Accounts receivable, net	6(5)	6,284,545	12	7,677,262	13	7,853,622	13
1180	Accounts receivable - related parties, net	7	406,090	1	418,795	1	572,786	1
1200	Other receivables		135,894	-	119,049	-	153,490	-
1210	Other receivables - related parties	7	21,133	-	52,401	-	44,400	-
130X	Inventories	6(6)	4,547,075	8	4,729,684	8	4,690,038	8
1410	Prepayments		565,527	1	534,956	1	514,073	1
1460	Non-current assets held for sale - net	6(12)	-	-	131,173	-	395,638	1
1470	Other current assets		7,842	-	38,034	-	42,251	-
11XX	Current Assets		27,018,230	50	29,771,488	50	30,539,171	51
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	4,493,838	8	5,272,388	9	3,421,186	6
1535	Non-current financial assets at amortised cost	6(4) and 8	132,665	-	252,497	-	241,468	-
1550	Investments accounted for using equity method	6(7) and 7	2,738,568	5	2,972,537	5	3,177,326	5
1600	Property, plant and equipment	6(8)(11), 7 and 8	14,112,112	26	15,595,045	26	16,940,578	28
1755	Right-of-use assets	6(9)	1,386,629	3	1,516,486	3	1,597,948	3
1760	Investment property - net		496,187	1	586,322	1	637,991	1
1780	Intangible assets	6(10)	1,314,168	3	1,382,416	2	1,505,276	2
1840	Deferred income tax assets		1,706,155	3	1,775,732	3	1,732,001	3
1900	Other non-current assets	8	263,774	1	352,884	1	371,720	1
15XX	Non-current assets		26,644,096	50	29,706,307	50	29,625,494	49
1XXX	Total assets		\$ 53,662,326	100	\$ 59,477,795	100	\$ 60,164,665	100

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ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	June 30, 2025		December 31, 2024		June 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(13) and 8	\$ 287,508	1	\$ 566,428	1	\$ 177,911	-
2110	Short-term notes and bills payable	6(14) and 8	276,012	-	845,699	1	1,012,384	2
2120	Financial liabilities at fair value through profit or loss - current	6(2)	4,213	-	75,337	-	32,767	-
2150	Notes payable		9,820	-	10,877	-	1,021	-
2170	Accounts payable		2,580,937	5	2,850,161	5	2,878,020	5
2180	Accounts payable - related parties	7	203,010	-	131,583	-	271,829	-
2200	Other payables	6(15)	3,640,384	7	3,427,573	6	4,111,540	7
2230	Current tax liabilities		73,522	-	36,057	-	27,402	-
2280	Current lease liabilities		76,916	-	87,429	-	89,878	-
2320	Long-term liabilities, current portion	6(16) and 8	493,960	1	1,130,416	2	1,839,566	3
2399	Other current liabilities - others		383,062	1	520,383	1	357,155	1
21XX	Current Liabilities		<u>8,029,344</u>	<u>15</u>	<u>9,681,943</u>	<u>16</u>	<u>10,799,473</u>	<u>18</u>
	Non-current liabilities							
2540	Long-term borrowings	6(16) and 8	198,265	1	257,791	1	1,016,904	2
2570	Deferred tax liabilities		465,233	1	532,068	1	251,216	1
2580	Non-current lease liabilities		1,168,515	2	1,263,801	2	1,339,427	2
2600	Other non-current liabilities	6(17)(19)	155,913	-	202,974	-	249,317	-
25XX	Non-current liabilities		<u>1,987,926</u>	<u>4</u>	<u>2,256,634</u>	<u>4</u>	<u>2,856,864</u>	<u>5</u>
2XXX	Total Liabilities		<u>10,017,270</u>	<u>19</u>	<u>11,938,577</u>	<u>20</u>	<u>13,656,337</u>	<u>23</u>
	Equity attributable to owners of parent company							
	Share capital	6(20)						
3110	Share capital - common stock		7,379,405	14	7,379,405	13	7,529,405	12
	Capital surplus	6(21)						
3200	Capital surplus		36,400,842	67	38,403,057	63	39,383,989	65
	Retained earnings	6(22)						
3350	Accumulated deficit		(1,203,459)	(2)	(1,422,637)	(2)	(811,777)	(1)
	Other equity interest	6(23)						
3400	Other equity interest		146,526	-	1,951,165	4	(219,824)	-
3500	Treasury shares	6(20)	(135,163)	-	(135,163)	-	(785,813)	(1)
31XX	Equity attributable to owners of the parent		<u>42,588,151</u>	<u>79</u>	<u>46,175,827</u>	<u>78</u>	<u>45,095,980</u>	<u>75</u>
36XX	Non-controlling interest		<u>1,056,905</u>	<u>2</u>	<u>1,363,391</u>	<u>2</u>	<u>1,412,348</u>	<u>2</u>
3XXX	Total equity		<u>43,645,056</u>	<u>81</u>	<u>47,539,218</u>	<u>80</u>	<u>46,508,328</u>	<u>77</u>
	Significant contingent liabilities and unrecognized contract commitments	9						
3X2X	Total liabilities and equity		<u>\$ 53,662,326</u>	<u>100</u>	<u>\$ 59,477,795</u>	<u>100</u>	<u>\$ 60,164,665</u>	<u>100</u>

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

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for loss per share amounts)

Items			Three months ended June 30				Six months ended June 30			
			2025		2024		2025		2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(24) and 7	\$ 5,740,339	100	\$ 6,606,270	100	\$ 11,372,094	100	\$ 12,189,222	100
5000	Operating costs	6(6)(17)(18)(30)(31) and 7	(5,343,163)	(93)	(5,592,222)	(85)	(10,290,155)	(90)	(10,491,380)	(86)
5900	Operating margin		397,176	7	1,014,048	15	1,081,939	10	1,697,842	14
5910	Unrealized profit from sales		-	-	-	-	-	-	-	-
5920	Realized loss from sales		-	-	-	-	-	-	(13)	-
5950	Net operating margin		397,176	7	1,014,048	15	1,081,939	10	1,697,829	14
	Operating expenses	6(17)(18)(30)(31)								
6100	Selling expenses		(221,085)	(4)	(248,831)	(4)	(450,667)	(4)	(469,163)	(4)
6200	General and administrative expenses		(426,922)	(8)	(418,986)	(6)	(814,775)	(7)	(839,651)	(7)
6300	Research and development expenses		(591,192)	(10)	(615,198)	(9)	(1,169,199)	(11)	(1,189,045)	(9)
6450	Expected credit losses		(14,530)	-	(5,242)	-	(14,929)	-	(5,509)	-
6000	Total operating expenses		(1,253,729)	(22)	(1,288,257)	(19)	(2,449,570)	(22)	(2,503,368)	(20)
6500	Other income and expenses - net	6(19)(25)	22,080	-	9,691	-	56,874	-	19,308	-
6900	Operating loss		(834,473)	(15)	(264,518)	(4)	(1,310,757)	(12)	(786,231)	(6)
	Non-operating income and expenses									
7100	Interest income	6(26)	62,107	1	58,860	1	126,301	1	118,885	1
7010	Other income	6(19)(27)	111,294	2	107,491	2	193,993	2	221,808	2
7020	Other gains and losses	6(11)(28)	(147,140)	(3)	(266,933)	(4)	(80,615)	(1)	(250,716)	(2)
7050	Finance costs	6(29)	(17,729)	-	(31,171)	(1)	(39,758)	-	(75,421)	(1)
7055	Expected credit gains (losses)		5,300	-	(582)	-	1,034	-	(606)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	(62,059)	(1)	(72,581)	(1)	(184,301)	(2)	(210,798)	(2)
7000	Total non-operating income and expenses		(48,227)	(1)	(204,916)	(3)	16,654	-	(196,848)	(2)
7900	Loss before income tax		(882,700)	(16)	(469,434)	(7)	(1,294,103)	(12)	(983,079)	(8)
7950	Income tax expense	6(32)	(10,669)	-	(27,273)	-	(36,515)	-	(109,654)	(1)
8200	Loss for the period		(\$ 893,369)	(16)	(\$ 496,707)	(7)	(\$ 1,330,618)	(12)	(\$ 1,092,733)	(9)

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ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for loss per share amounts)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2025		2024		2025		2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Other comprehensive income (loss)									
Components of other comprehensive income that will not be reclassified to profit or loss									
8311 (Loss) gain on remeasurements of defined benefit plans		\$ -	-	\$ -	-	(\$ 575)	-	\$ 22	-
8316 Unrealised loss from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(59,466)	(1)	(85,801)	(1)	(48,044)	(1)	(881,454)	(7)
8320 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income (loss) that will not be reclassified to profit or loss	6(7)	(98)	-	(183)	-	25	-	713	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(7)(32)	(31,504)	-	9,170	-	(29,128)	-	187,984	2
8310 Components of other comprehensive loss that will not be reclassified to profit or loss		(91,068)	(1)	(76,814)	(1)	(77,722)	(1)	(692,735)	(5)
Components of other comprehensive income that will be reclassified to profit or loss									
8361 Cumulative translation differences of foreign operations		(1,698,387)	(30)	139,779	2	(1,397,381)	(12)	460,802	4
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income (loss) that will be reclassified to profit or loss	6(7)	(127,584)	(2)	16,615	-	(105,967)	(1)	64,976	-
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(7)(32)	1,168	-	(220)	-	978	-	(146)	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss		(1,824,803)	(32)	156,174	2	(1,502,370)	(13)	525,632	4
8300 Other comprehensive income (loss)		(\$ 1,915,871)	(33)	\$ 79,360	1	(\$ 1,580,092)	(14)	(\$ 167,103)	(1)
8500 Total comprehensive loss		(\$ 2,809,240)	(49)	(\$ 417,347)	(6)	(\$ 2,910,710)	(26)	(\$ 1,259,836)	(10)
Loss attributable to:									
8610 Equity holders of the parent company		(\$ 878,311)	(16)	(\$ 302,318)	(4)	(\$ 1,320,088)	(12)	(\$ 769,494)	(6)
8620 Non-controlling interest		(\$ 15,058)	-	(\$ 194,389)	(3)	(\$ 10,530)	-	(\$ 323,239)	(3)
Comprehensive loss attributable to:									
8710 Equity holders of the parent company		(\$ 2,684,865)	(47)	(\$ 231,328)	(3)	(\$ 2,811,777)	(25)	(\$ 964,998)	(8)
8720 Non-controlling interest		(\$ 124,375)	(2)	(\$ 186,019)	(3)	(\$ 98,933)	(1)	(\$ 294,838)	(2)
Loss per share (NT\$)									
9750 Total basic loss per share	6(33)	(\$ 1.19)		(\$ 0.41)		(\$ 1.79)		(\$ 1.03)	
9850 Total diluted loss per share	6(33)	(\$ 1.19)		(\$ 0.41)		(\$ 1.79)		(\$ 1.03)	

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

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent												
	Retained earnings					Other equity interest						
							Cumulative translation differences of foreign operations	Unrealised gain (loss) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interest	Total equity
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Accumulated deficit						
2024												
Balance at January 1, 2024		\$ 7,529,405	\$ 46,447,060	\$ 216,945	\$ 154,927	(\$ 6,814,704)	(\$ 208,746)	\$ 184,450	(\$ 135,163)	\$ 47,374,174	\$ 1,770,562	\$ 49,144,736
Loss for the period		-	-	-	-	(769,494)	-	-	-	(769,494)	(323,239)	(1,092,733)
Other comprehensive income (loss) for the period		-	-	-	-	24	497,232	(692,760)	-	(195,504)	28,401	(167,103)
Total comprehensive income (loss)		-	-	-	-	(769,470)	497,232	(692,760)	-	(964,998)	(294,838)	(1,259,836)
Appropriation of 2023 earnings												
Reversal of special reserve		-	-	-	(54,843)	54,843	-	-	-	-	-	-
Legal reserve used to offset accumulated deficits		-	-	(216,945)	-	216,945	-	-	-	-	-	-
Special reserve used to offset accumulated deficits		-	-	-	(100,084)	100,084	-	-	-	-	-	-
Capital surplus used to offset accumulated deficits	6(21)(22)	-	(6,442,833)	-	-	6,442,833	-	-	-	-	-	-
Cash dividends from capital surplus	6(21)(22)	-	(677,646)	-	-	-	-	-	-	(677,646)	-	(677,646)
Changes in ownership interests in subsidiaries accounted for	6(21)											
using equity method		-	66,811	-	-	-	-	-	-	66,811	-	66,811
Change in equity of associates and joint ventures accounted for	6(21)											
using equity method		-	10,161	-	-	-	-	-	-	10,161	-	10,161
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(21)	-	(19,564)	-	-	(42,308)	-	-	-	(61,872)	-	(61,872)
Purchase of treasury shares	6(20)	-	-	-	-	-	-	-	(650,650)	(650,650)	-	(650,650)
Non-controlling interests		-	-	-	-	-	-	-	-	-	(63,376)	(63,376)
Balance at June 30, 2024		\$ 7,529,405	\$ 39,383,989	\$ -	\$ -	(\$ 811,777)	\$ 288,486	(\$ 508,310)	(\$ 785,813)	\$ 45,095,980	\$ 1,412,348	\$ 46,508,328
2025												
Balance at January 1, 2025		\$ 7,379,405	\$ 38,403,057	\$ -	\$ -	(\$ 1,422,637)	\$ 443,401	\$ 1,507,764	(\$ 135,163)	\$ 46,175,827	\$ 1,363,391	\$ 47,539,218
Loss for the period		-	-	-	-	(1,320,088)	-	-	-	(1,320,088)	(10,530)	(1,330,618)
Other comprehensive loss for the period		-	-	-	-	72	(1,414,346)	(77,271)	-	(1,491,689)	(88,403)	(1,580,092)
Total comprehensive loss		-	-	-	-	(1,320,160)	(1,414,346)	(77,271)	-	(2,811,777)	(98,933)	(2,910,710)
Capital surplus used to offset accumulated deficits	6(21)(22)	-	(1,422,637)	-	-	1,422,637	-	-	-	-	-	-
Cash dividends from capital surplus	6(21)(22)	-	(664,146)	-	-	-	-	-	-	(664,146)	-	(664,146)
Changes in ownership interests in subsidiaries accounted for	6(21)											
using equity method		-	3,338	-	-	-	-	-	-	3,338	-	3,338
Change in equity of associates and joint ventures accounted for	6(21)											
using equity method		-	50,765	-	-	(196,321)	-	-	-	(145,556)	-	(145,556)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(21)	-	22,686	-	-	-	-	-	-	22,686	-	22,686
Employee Stock Ownership Trust cancellation return	6(21)	-	578	-	-	-	-	-	-	578	-	578
Other changes in capital surplus	6(21)	-	7,201	-	-	-	-	-	-	7,201	-	7,201
Disposal of equity investment measured at fair value through other comprehensive income	6(23)	-	-	-	-	313,022	-	(313,022)	-	-	-	-
Non-controlling interests		-	-	-	-	-	-	-	-	-	(207,553)	(207,553)
Balance at June 30, 2025		\$ 7,379,405	\$ 36,400,842	\$ -	\$ -	(\$ 1,203,459)	(\$ 970,945)	\$ 1,117,471	(\$ 135,163)	\$ 42,588,151	\$ 1,056,905	\$ 43,645,056

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

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Six months ended June 30	
	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(\$ 1,294,103)	(\$ 983,079)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(30)	1,811,827	2,138,797
Amortization	6(10)(30)	158,870	125,622
Expected credit losses	12(3)	13,895	6,115
Net (gain) loss on financial assets at fair value through profit or loss	6(28)	(191,036)	128,956
Interest expense	6(29)	39,758	75,421
Interest income	6(26)	(126,301)	(118,885)
Compensation cost of share-based payment	6(18)	414	791
Dividend income	6(27)	(126)	(123)
Share of loss of associates and joint ventures accounted for using equity method	6(7)	184,301	210,798
Gain on disposal of property, plant and equipment	6(28)	(47,572)	(113,400)
Loss on disposal of intangible assets	6(28)	592	159
Gain on disposal of non-current assets held for sale	6(28)	(59,699)	(7,209)
Impairment loss on non-financial assets	6(11)(28)	-	219,202
Gain from lease modification	6(28)	(277)	(1,213)
Intangible assets transferred to expenses	6(10)	-	105
Expense transferred to property, plant and equipment	6(8)	(223)	-
(Gain) loss on disposal of investments	6(28)	(1,757)	124,623
Realized loss from sales		-	13
Other income from recognition of long-term deferred revenues	6(19)	(42,199)	(30,739)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss	(	127,695)	52,290
Notes receivable	(	156,214)	158,804
Accounts receivable		1,166,770	(181,294)
Other receivables		3,713	(33,093)
Inventories		23,729	(430,548)
Prepayments	(	323)	29,211
Other current assets		29,191	6,686
Other non-current assets	(	5,427)	-
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss - current		120,268	(125,414)
Accounts payable	(	46,104)	455,629
Notes payable	(	1,057)	(784)
Other payables	(	443,207)	(279,384)
Other current liabilities	(	77,722)	15,660
Other non-current liabilities	(	4,835)	986
Cash inflow generated from operations		927,451	1,444,703
Interest received		125,320	121,449
Dividend received		4,648	123
Interest paid	(	30,191)	(65,053)
Income tax paid	(	30,705)	(60,548)
Net cash flows from operating activities		996,523	1,440,674

(Continued)

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Six months ended June 30	
	Notes	2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value through other comprehensive income		\$ 514,977	\$ -
Acquisition of financial assets at amortised cost		(30,594)	-
Proceeds from disposal of financial assets at amortised cost		-	59,527
Proceeds from disposal of financial assets at fair value through profit or loss		-	88,570
Acquisition of investments accounted for using equity method		(288,750)	-
Proceeds from disposal of investments accounted for using equity method	6(34)	57,929	135,552
Proceeds from disposal of non-current assets held for sale		150,377	7,669
Acquisition of property, plant and equipment	6(34)	(515,702)	(683,672)
Proceeds from disposal of property, plant and equipment	6(34)	61,611	759,908
Decrease in refundable deposits		7,559	3,625
Acquisition of intangible assets	6(34)	(64,790)	(30,956)
Increase in other financial assets		(6)	-
Increase in other non-current assets		(80)	(11,490)
Decrease in changes of consolidated entities	6(34)	(611)	(238,761)
Net cash flows (used in) from investing activities		(108,080)	89,972
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term loans	6(35)	(276,435)	(554,823)
Decrease in short-term notes and bills payable	6(35)	(537,697)	(227,522)
Proceeds from long-term loans	6(35)	2,919	-
Repayment of long-term loans	6(35)	(698,707)	(867,140)
Increase in guarantee deposits received	6(35)	12,872	725
Repayment of principal portion of lease liabilities	6(35)	(50,349)	(54,398)
Purchase of treasury share	6(20)	-	(650,650)
Acquisition of ownership interests in subsidiaries		(186,590)	(48,694)
Employee Stock Ownership Trust cancellation return		4,064	2,775
Return of unclaimed overdue dividends by shareholders	6(21)	7,201	-
Net cash flows used in financing activities		(1,722,722)	(2,399,727)
Effects of foreign currency exchange		(492,853)	70,109
Net decrease in cash and cash equivalents		(1,327,132)	(798,972)
Cash and cash equivalents at beginning of period		14,677,812	15,563,488
Cash and cash equivalents at end of period		\$ 13,350,680	\$ 14,764,516

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

ENNOSTAR INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024

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

1. HISTORY AND ORGANIZATION

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

The Company applied for a name change in 2025, which was approved by the Ministry of Economic Affairs on July 14, 2025.

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

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

These consolidated financial statements were authorized for issuance by the Board of Directors on August 8, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by IASB</u>
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by IASB</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

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

IFRS 18, 'Presentation and disclosure in financial statements'

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.
- B. The consolidated financial statements of the Group should be read together with the 2024 consolidated financial statements of the Group.

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in compliance with International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
The principles used in the preparation of the financial statements were consistent with those used in the financial statements for the year ended December 31, 2024.
- B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
ENNOSTAR Inc.	Epistar Corporation	Resarching, developing, manufacturing and sales of LED wafers	100%	100%	100%	
ENNOSTAR Inc.	Lextar Electronics Corp.	Manufacturing and sales of LED wafers, packages and modules	100%	100%	100%	
ENNOSTAR Inc.	Harvestar Investment Corp.	General investment	100%	100%	100%	Note 9 Note 10
ENNOSTAR Inc.	Calystar Investment Corp.	General investment	100%	100%	100%	Note 4 Note 9 Note 10
ENNOSTAR Inc.	Amengine Corporation	Developing, manufacturing and sales of optical sensing modules	36.98%	75.96%	75.96%	Note 6 Note 9
ENNOSTAR Inc.	Unikorn Semiconductor Corporation	OEM manufacturing of iii-v semiconductors	-	-	19.53%	Note 1 Note 9
ENNOSTAR Inc.	Precistar Investment Corp.	General investment	-	-	100%	Note 4 Note 9
ENNOSTAR Inc.	Praistar Investment Corp.	General investment	-	-	100%	Note 4 Note 9

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
ENNOSTAR Inc.	Manastar Investment Corp.	General investment	-	-	100%	Note 4 Note 9
Epistar Corporation	Lighting Investment Corp.	General investment	100%	100%	100%	Note 9 Note 10
Epistar Corporation	Epistar JV Holding (BVI) Co., Ltd.	General investment	100%	100%	100%	
Epistar Corporation	Unikorn Semiconductor Corporation	OEM manufacturing of iii-v semiconductors	100%	100%	41.42%	Note 1 Note 9 Note 10
Epistar Corporation	GaN Force Corporation	Design, manufacturing and sales of semiconductor materials and modules	64.32%	64.32%	64.32%	Note 2 Note 9 Note 10
Epistar Corporation	Can Yang Investments Limited	General investment	3.53%	3.53%	3.53%	Note 9 Note 10
Epistar JV Holding (BVI) Co., Ltd.	Lite Star JV Holding (BVI) Co., Ltd.	General investment	82.41%	82.41%	82.41%	Note 9 Note 10
Epistar JV Holding (BVI) Co., Ltd.	United LED Corporation (Hong Kong) Limited	General investment	74.86%	74.86%	74.86%	Note 9 Note 10
Epistar JV Holding (BVI) Co., Ltd.	Episky (Hong Kong) Ltd.	General investment	100%	100%	100%	Note 9 Note 10
Epistar JV Holding (BVI) Co., Ltd.	HUGA Holding (SAMOA) Limited	General investment	100%	100%	100%	Note 9 Note 10
Epistar JV Holding (BVI) Co., Ltd.	Can Yang Investments Limited	General investment	88.21%	88.21%	88.21%	Note 9 Note 10
Lite Star JV Holding (BVI) Co., Ltd.	Epicrystal (Hong Kong) Co., Ltd.	General investment	100%	100%	100%	Note 9 Note 10
Epicrystal (Hong Kong) Co., Ltd.	Epicrystal Corporation (ChangZhou) Ltd.	Manufacturing and sales of LED wafers and chips	93.38%	93.38%	93.38%	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
United LED Corporation Hong Kong Limited	United LED Shan Dong Corporation	Information technology consulting services	100%	100%	100%	Note 8 Note 9 Note 10
Episky (Hong Kong) Ltd.	Episky Corporation (Xiamen) Ltd.	Manufacturing and sales of LED chips	100%	100%	100%	
Episky Corporation (Xiamen) Ltd.	Epicrystal Corporation (ChangZhou) Ltd.	Manufacturing and sales of LED wafers and chips	3.31%	3.31%	3.31%	
Episky Corporation (Xiamen) Ltd.	Shenzhen Epikylin Optoelectronics Co.,Ltd.	Sales of LED chips	-	100%	100%	Note 7
Lighting Investment Corp.	Lighting Investment Ltd.	General investment	100%	100%	100%	Note 9 Note 10
Lighting Investment Corp.	Can Yang Investments Limited	General investment	6.87%	6.87%	6.87%	Note 9 Note 10
Lighting Investment Corp.	GaN Force Corporation	Design, manufacturing and sales of semiconductor materials and modules	35.68%	35.68%	35.68%	Note 2 Note 9 Note 10
Lighting Investment Ltd.	Luxlite (HK) Corporation Limited	General investment	100%	100%	100%	Note 5 Note 9 Note 10
Lighting Investment Ltd.	Epistar (Hong Kong) Limited	General investment	-	-	100%	Note 3 Note 9
Can Yang Investments Limited	Jiangsu Canyang Optoelectronics Ltd.	Manufacturing and sales of LED wafers and chips	100%	100%	100%	Note 9
ProLight Opto Technology Corporation	ProLight Opto Holding Corporation	General investment	100%	100%	100%	
ProLight Opto Holding Corporation	ProLight Opto Technology Corporation	General investment	100%	100%	100%	
ProLight Opto Technology Corporation	Shanghai Welight Electronic Co., LTD	Wholesale and export and import of LED and related electronic products	100%	100%	100%	

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
Lextar Electronics Corp.	LEXTAR (SINGAPORE) PTE. LTD.	General investment	100%	100%	100%	Note 10
Lextar Electronics Corp.	Liang Li Venture Corp.	General investment	100%	100%	100%	Note 9 Note 10
Lextar Electronics Corp.	Wellypower Optronics Corporation	General investment	100%	100%	100%	Note 9 Note 10
Lextar Electronics Corp.	Apower Optronics Corporation	General investment	100%	100%	100%	Note 9 Note 10
Lextar Electronics Corp.	Wellybond Corporation	General investment	100%	100%	100%	Note 9 Note 10
Lextar Electronics Corp.	Trendylite Corporation	Sales of products	53.84%	53.84%	53.84%	Note 9 Note 10
Lextar Electronics Corp.	Hexawave, Inc.	Manufacturing and sales of compound semiconductor materials and modules	31.48%	31.48%	31.52%	Note 9 Note 10
Lextar Electronics Corp.	ProLight Opto Technology Corporation	Manufacturing and sales of LED packages	9.84%	9.84%	9.84%	
LEXTAR (SINGAPORE) PTE. LTD., Wellypower Optronics Corporation and Apower Optronics Corporation	Lextar Electronics (Suzhou) Corp.	Manufacturing and sales of LED and modules	100%	100%	100%	Note 10
LEXTAR (SINGAPORE) PTE. LTD.	Lextar Electronics Korea Ltd.	Sale of LED and after-sales service	100%	100%	100%	Note 9 Note 10
Liang Li Venture Corp.	ProLight Opto Technology Corporation	Manufacturing and sales of LED packages	9.84%	9.84%	9.84%	
Wellybond Corporation	Vogito Innovation Co., Ltd.	Design, developing, reasearching and sales of health care products	50.00%	50.00%	50.00%	Note 9 Note 10

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership			Note
			June 30, 2025	December 31, 2024	June 30, 2024	
Wellybond Corporation	ProLight Opto Technology Corporation	Manufacturing and sales of LED packages	64.47%	34.01%	31.47%	
Wellybond Corporation	Hexawave, Inc.	Manufacturing and sales of compound semiconductor materials and modules	31.47%	31.47%	31.52%	Note 9 Note 10
Wellybond Corporation	Trendylite Corporation	Sales of products	40.37%	40.37%	40.37%	Note 9 Note 10
Lextar Electronics (Suzhou) Corp.	Lextar Electronics (Chuzhou) Corp.	Manufacturing and sales of LED and modules	100%	100%	100%	

Note 1: Due to the reorganization, the shares of Unicorn Semiconductor Corporation originally held by ENNOSTAR Inc. are now held by Epistar Corporation, as of June 30, 2025, the shareholding ratios of Epistar Corporation is 100%.

Note 2: GaN Force Corporation has applied for liquidation in 2023.

Note 3: Epistar (Hong Kong) Corporation Limited had completed liquidation in September 2024.

Note 4: Calystar Investment Corp. merged with Precistar Investment Corp., Praistar Investment Corp. and Manastar Investment Corp. in September 2024.

Note 5: Luxlite (HK) Corporation Limited has applied for liquidation in 2024.

Note 6: As the Company transferred the shares of Amengine Corporation and resigned the director's position, Amengine Corporation has been excluded from the consolidated entity since June 2025.

Note 7: Shenzhen Epikylin Optoelectronics Co., Ltd. had completed liquidation in June 2025.

Note 8: United LED Shan Dong Corporation has applied for liquidation in 2025.

Note 9: The financial statements of the entity as of and for the six months ended June 30, 2024 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiary.

Note 10: The financial statements of the entity as of and for the six months ended June 30, 2025 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiary.

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

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

E. Significant restrictions: None.

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

(4) Employee benefits

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

(5) Income tax

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

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

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand and petty cash	\$ 497	\$ 1,199	\$ 1,127
Checking accounts and demand deposits	2,267,931	1,975,519	2,260,389
Time deposits	10,375,252	12,327,165	11,732,896
Bonds sold under repurchase agreement	707,000	373,929	770,104
	<u>\$ 13,350,680</u>	<u>\$ 14,677,812</u>	<u>\$ 14,764,516</u>

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

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

Asset Items	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed stocks	\$ -	\$ -	\$ 96,616
Derivatives	-	-	-
	-	-	96,616
Valuation adjustment	127,447	-	(8,089)
	<u>127,447</u>	<u>-</u>	<u>88,527</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Unlisted stocks	\$ 152,203	\$ 218,083	\$ 217,316
Valuation adjustments	(152,203)	(218,083)	(217,316)
	-	-	-
	<u>\$ 127,447</u>	<u>\$ -</u>	<u>\$ 88,527</u>
Liability items	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Financial liabilities held for trading			
Valuation adjustment of derivatives	\$ 4,213	\$ 75,337	\$ 32,767

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

June 30, 2025			
Financial instruments	Notional principal (in thousands)	Currency	Maturity date
Forward foreign exchange contract - sell	USD 77,100	USD to NTD	2025.07.01~2025.11.20
Forward foreign exchange contract - sell	USD 33	USD to JPY	2025.07.24
Forward foreign exchange contract - buy	USD 24,500	USD to RMB	2025.07.28~2025.10.28
Foreign exchange swap	USD 2,400	USD to NTD	2025.07.28
December 31, 2024			
Financial instruments	Notional principal (in thousands)	Currency	Maturity date
Forward foreign exchange contract - sell	USD 74,200	USD to NTD	2025.01.02~2025.05.19
Forward foreign exchange contract - sell	USD 8,500	USD to NTD	2025.01.08~2025.04.02
Forward foreign exchange contract - sell	USD 7	USD to JPY	2025.01.23
Forward foreign exchange contract - sell	USD 21,000	USD to RMB	2025.02.28~2025.04.29
Foreign exchange swap	USD 9,000	USD to NTD	2025.01.03~2025.04.02
June 30, 2024			
Financial instruments	Notional principal (in thousands)	Currency	Maturity date
Forward foreign exchange contract - sell	USD 63,750	USD to NTD	2024.07.01~2024.11.20
Forward foreign exchange contract - sell	USD 54	USD to JPY	2024.07.24~2024.09.24
Forward foreign exchange contract - sell	USD 22,000	USD to RMB	2024.07.18~2024.10.30

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

- B. The net gain (loss) recognized by the Group amounted to \$226,300, (\$29,672), \$191,036 and (\$128,956) for the three months and the six months ended June 30, 2025 and 2024, respectively.
- C. Information on credit risk of financial assets/liabilities at fair value through profit or loss is provided in Notes 12(2) and (3).

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

Items	June 30, 2025	December 31, 2024	June 30, 2024
Non-current items:			
Equity instruments			
Listed stocks	\$ 415,031	\$ 555,526	\$ 767,836
Unlisted stocks	3,192,064	3,437,377	3,702,717
	3,607,095	3,992,903	4,470,553
Valuation adjustment	886,743	1,279,485	(1,049,367)
	<u>\$ 4,493,838</u>	<u>\$ 5,272,388</u>	<u>\$ 3,421,186</u>

- A. The Group has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$4,493,838, \$5,272,388 and \$3,421,186 as at June 30, 2025, December 31, 2024 and June 30, 2024, respectively.
- B. Aiming to satisfy the operating plan, the Group sold \$322,573, \$0, \$518,981 and \$0 of equity instruments at fair value and the cumulative income on disposal which was transferred from other equity to retained earnings amounted to \$206,410, \$0, \$313,022 and \$0 during the three months and six months ended June 30, 2025 and 2024, respectively.
- C. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

Equity instruments at fair value through other comprehensive income	Three months ended June 30, 2025	Three months ended June 30, 2024
Fair value change recognized in other comprehensive loss	(\$ 59,466)	(\$ 85,801)
Dividend income recognized in profit or loss held at end of period	\$ 126	\$ 123
Equity instruments at fair value through other comprehensive income	Six months ended June 30, 2025	Six months ended June 30, 2024
Fair value change recognized in other comprehensive loss	(\$ 48,044)	(\$ 881,454)
Dividend income recognized in profit or loss held at end of period	\$ 126	\$ 123

- D. As of June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$4,493,838, \$5,272,388 and \$3,421,186, respectively.
- E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Notes 12(2) and (3).

(4) Financial assets at amortised cost

Items	June 30, 2025	December 31, 2024	June 30, 2024
Current items:			
Time deposits with maturity over three months	\$ 523,557	\$ 136,637	\$ -
Restricted bank deposits	205,585	507,380	803,468
	<u>\$ 729,142</u>	<u>\$ 644,017</u>	<u>\$ 803,468</u>
Non-current items:			
Restricted bank deposits	<u>\$ 132,665</u>	<u>\$ 252,497</u>	<u>\$ 241,468</u>

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

	Three months ended June 30, 2025	Three months ended June 30, 2024
Interest income	<u>\$ 1,651</u>	<u>\$ 1,635</u>

	Six months ended June 30, 2025	Six months ended June 30, 2024
Interest income	\$ 3,481	\$ 3,004

B. As of June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$861,807, \$896,514 and \$1,044,936, respectively.

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

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

(5) Notes and accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable	\$ 842,855	\$ 748,305	\$ 616,362
Less: Allowance for uncollectible accounts	-	-	-
	<u>\$ 842,855</u>	<u>\$ 748,305</u>	<u>\$ 616,362</u>
Accounts receivable	\$ 6,317,309	\$ 7,696,593	\$ 7,869,683
Less: Allowance for uncollectible accounts	(32,764)	(19,331)	(16,061)
	<u>\$ 6,284,545</u>	<u>\$ 7,677,262</u>	<u>\$ 7,853,622</u>

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

	June 30, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 6,247,364	\$ 842,855	\$ 7,323,226	\$ 748,305
Up to 30 days	26,204	-	208,234	-
31 to 90 days	3,688	-	138,802	-
91 to 180 days	9,933	-	6,707	-
Over 180 days	30,120	-	19,624	-
	<u>\$ 6,317,309</u>	<u>\$ 842,855</u>	<u>\$ 7,696,593</u>	<u>\$ 748,305</u>
	June 30, 2024		June 30, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 7,781,326	\$ 616,362		
Up to 30 days	54,423	-		
31 to 90 days	10,027	-		
91 to 180 days	5,000	-		
Over 180 days	18,907	-		
	<u>\$ 7,869,683</u>		<u>\$ 7,869,683</u>	<u>\$ 616,362</u>

The above ageing analysis was based on past due date.

- B. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group had outstanding discounted notes receivable amounting to \$662,893, \$728,506 and \$424,275, respectively. The Group has payment obligations when the drawers of the notes refuse to pay for the notes at maturity. However, the credit rating of the aforesaid acceptance bank is extremely high, and the Group judges that the discounted notes receivable meets the requirements for delisting financial assets and will be deducted from notes receivable directly. The liabilities arising on discounted notes receivable are recognized in short-term borrowings, please refer to Note 6(13) for details.
- C. Details of the Group's notes receivable pledged to others as collateral are provided in Note 8.
- D. The Group holds collateral including commercial papers and financial assets as security for accounts receivable.
- E. As of June 30, 2025, December 31, 2024 and June 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the notes receivable held by the Group was \$842,855, \$748,305 and \$616,362, respectively; the maximum exposure to credit risk in respect of the amount that best represents the accounts receivable held by the Group was \$6,284,545, \$7,677,262 and \$7,853,622, respectively.
- F. Information on credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

June 30, 2025			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,908,499	(\$ 90,926)	\$ 1,817,573
Work in progress	1,306,462	(178,988)	1,127,474
Finished goods	1,805,047	(203,019)	1,602,028
	<u>\$ 5,020,008</u>	<u>(\$ 472,933)</u>	<u>\$ 4,547,075</u>
December 31, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,894,529	(\$ 87,035)	\$ 1,807,494
Work in progress	1,247,000	(156,154)	1,090,846
Finished goods	1,978,387	(147,043)	1,831,344
	<u>\$ 5,119,916</u>	<u>(\$ 390,232)</u>	<u>\$ 4,729,684</u>
June 30, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,916,605	(\$ 133,731)	\$ 1,782,874
Work in progress	1,400,329	(220,840)	1,179,489
Finished goods	1,918,801	(191,126)	1,727,675
	<u>\$ 5,235,735</u>	<u>(\$ 545,697)</u>	<u>\$ 4,690,038</u>

The cost of inventories recognised as expense for the three months and six months ended June 30, 2025 and 2024:

	Three months ended June 30, 2025	Three months ended June 30, 2024
Cost of goods sold	\$ 4,522,277	\$ 4,855,510
Scrap loss	51,810	38,299
Loss on market price decline (recovery benefits in market value)	78,432	(102,622)
Loss on idle capacity	662,051	864,859
Other	28,593	(63,824)
	<u>\$ 5,343,163</u>	<u>\$ 5,592,222</u>
	Six months ended June 30, 2025	Six months ended June 30, 2024
Cost of goods sold	\$ 8,855,856	\$ 9,075,523
Scrap loss	78,608	46,666
Loss on market price decline (recovery benefits in market value)	93,664	(179,150)
Loss on idle capacity	1,214,698	1,582,281
Other	47,329	(33,940)
	<u>\$ 10,290,155</u>	<u>\$ 10,491,380</u>

For the year ended December 31, 2024, the gain on reversal of decline in market value was caused by the overall inventory clearance.

(7) Investments accounted for using equity method

	June 30, 2025	December 31, 2024	June 30, 2024
Associates:			
Tyntek Corporation	\$ 1,024,824	\$ 1,035,709	\$ 1,032,399
GCS Holdings, Inc.	809,490	783,236	821,693
LEADSTAR Micro-Crystal Display Corporation (Jiangsu) Ltd.	532,418	591,157	652,269
Changzhou Chemsemi Co., Ltd.	236,740	339,654	458,708
TE OPTO CORPORATION	45,011	45,979	45,298
iReach Corporation	38,177	45,469	48,595
LEDAZ Co.,Ltd.	34,848	25,941	10,566
Yenrich Technology Corporation	16,140	38,022	63,921
Amengine Corporation	920	-	-
LEDOLUX Sp. Zo.O.	-	50,639	11,922
Chuzhou Bwin Technology Corp.	-	8,635	23,807
Interlight Optotech (HK) Co., Limited.	-	7,834	7,843
Domi-Star Optoelectronics Corporation	-	262	305
	<u>\$ 2,738,568</u>	<u>\$ 2,972,537</u>	<u>\$ 3,177,326</u>

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

As of June 30, 2025, December 31, 2024 and June 30, 2024, the carrying amount of the Group's individually immaterial associates amounted to \$2,738,568, \$2,972,537 and \$3,177,326, respectively.

	Three months ended June 30, 2025	Three months ended June 30, 2024
Attributable to the Group:		
Loss for the period from continuing operations	(\$ 62,059)	(\$ 72,581)
Other comprehensive (loss) income	(127,859)	16,301
Total comprehensive loss	(\$ 189,918)	(\$ 56,280)
	Six months ended June 30, 2025	Six months ended June 30, 2024
Attributable to the Group:		
Loss for the period from continuing operations	(\$ 184,301)	(\$ 210,798)
Other comprehensive (loss) income	(106,007)	65,536
Total comprehensive loss	(\$ 290,308)	(\$ 145,262)

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

	June 30, 2025	December 31, 2024	June 30, 2024
GCS Holdings, Inc.	\$ 3,058,649	\$ 3,340,296	\$ 1,139,630
Tyntek Corporation	723,712	1,035,813	882,024
	<u>\$ 3,782,361</u>	<u>\$ 4,376,109</u>	<u>\$ 2,021,654</u>

- C. In the second quarter of 2025, the Group sold 38.98% shares of Amengine Corporation and resigned from its directorship, so, Amengine Corporation is considered as an associate company since June 2025.
- D. LEDOLUX Sp. Zo. O. had completed liquidation in May 2025.
- E. Interlight Optotech (HK) Co., Limited had completed the cancellation of business registration in June 2025.
- F. Domi-Star Optoelectronics Corporation had completed dissolution in May 2025.

(8) Property, plant and equipment

	Land	Buildings and structures	Machinery	Office equipment	Leasehold improvements	Others	Construction in progress and equipment to be inspected	Total
At January 1, 2025								
Cost	\$ 1,558,195	\$ 17,349,825	\$ 43,336,727	\$ 395,564	\$ 349,381	\$ 1,593,671	\$ 1,437,554	\$ 66,020,917
Accumulated depreciation and impairment	-	(10,855,504)	(37,726,147)	(327,741)	(294,047)	(1,222,433)	-	(50,425,872)
	<u>\$ 1,558,195</u>	<u>\$ 6,494,321</u>	<u>\$ 5,610,580</u>	<u>\$ 67,823</u>	<u>\$ 55,334</u>	<u>\$ 371,238</u>	<u>\$ 1,437,554</u>	<u>\$ 15,595,045</u>
2025								
Opening net book amount at January 1	\$ 1,558,195	\$ 6,494,321	\$ 5,610,580	\$ 67,823	\$ 55,334	\$ 371,238	\$ 1,437,554	\$ 15,595,045
Additions	-	780	42,399	5,638	-	16,024	508,747	573,588
Transfer	-	110,101	530,226	3,234	-	107,633	(751,194)	-
Disposals	-	-	(3,728)	-	-	(60)	-	(3,788)
Reclassifications	-	-	526	-	-	-	(303)	223
Investment property reclassification	-	58,700	-	-	-	-	-	58,700
Depreciation charge	-	(377,543)	(1,290,872)	(15,699)	(6,716)	(65,996)	-	(1,756,826)
Net exchange differences	-	(145,222)	(165,487)	(1,572)	(559)	(24,060)	(17,930)	(354,830)
Closing net book amount at June 30	<u>\$ 1,558,195</u>	<u>\$ 6,141,137</u>	<u>\$ 4,723,644</u>	<u>\$ 59,424</u>	<u>\$ 48,059</u>	<u>\$ 404,779</u>	<u>\$ 1,176,874</u>	<u>\$ 14,112,112</u>
At June 30, 2025								
Cost	\$ 1,558,195	\$ 17,084,317	\$ 40,779,092	\$ 382,941	\$ 318,959	\$ 1,622,065	\$ 1,176,874	\$ 62,922,443
Accumulated depreciation and impairment	-	(10,943,180)	(36,055,448)	(323,517)	(270,900)	(1,217,286)	-	(48,810,331)
	<u>\$ 1,558,195</u>	<u>\$ 6,141,137</u>	<u>\$ 4,723,644</u>	<u>\$ 59,424</u>	<u>\$ 48,059</u>	<u>\$ 404,779</u>	<u>\$ 1,176,874</u>	<u>\$ 14,112,112</u>

		Buildings and		Office	Leasehold		Construction in	
	Land	structures	Machinery	equipment	improvements	Others	progress and equipment to be inspected	Total
At January 1, 2024								
Cost	\$ 1,558,195	\$ 17,837,732	\$ 44,842,113	\$ 400,288	\$ 346,879	\$ 1,885,365	\$ 1,924,246	\$ 68,794,818
Accumulated depreciation and impairment	-	(10,156,640)	(37,040,262)	(321,220)	(276,822)	(1,534,902)	-	(49,329,846)
	<u>\$ 1,558,195</u>	<u>\$ 7,681,092</u>	<u>\$ 7,801,851</u>	<u>\$ 79,068</u>	<u>\$ 70,057</u>	<u>\$ 350,463</u>	<u>\$ 1,924,246</u>	<u>\$ 19,464,972</u>
<u>2024</u>								
Opening net book amount at January 1	\$ 1,558,195	\$ 7,681,092	\$ 7,801,851	\$ 79,068	\$ 70,057	\$ 350,463	\$ 1,924,246	\$ 19,464,972
Additions	-	3,779	12,221	486	908	12,871	527,579	557,844
Transfer	-	48,267	892,707	11,141	1,055	46,670	(999,840)	-
Disposals	-	(561,286)	(32,631)	(34)	(108)	(249)	-	(594,308)
Reclassified to non-current assets held for sale	-	-	(298,656)	-	-	-	-	(298,656)
Reclassifications	-	-	80,669	-	-	(80,669)	134,897	134,897
Investment property reclassification	-	9,722	-	-	-	-	-	9,722
Depreciation charge	-	(434,215)	(1,560,468)	(16,751)	(8,608)	(55,675)	-	(2,075,717)
Impairment loss	-	(13,897)	(204,881)	(424)	-	-	-	(219,202)
Disposals of subsidiary	-	(55,385)	(92,402)	-	-	(7,312)	(429)	(155,528)
Net exchange differences	-	45,215	62,239	568	273	3,538	4,721	116,554
Closing net book amount at June 30	<u>\$ 1,558,195</u>	<u>\$ 6,723,292</u>	<u>\$ 6,660,649</u>	<u>\$ 74,054</u>	<u>\$ 63,577</u>	<u>\$ 269,637</u>	<u>\$ 1,591,174</u>	<u>\$ 16,940,578</u>
At June 30, 2024								
Cost	\$ 1,558,195	\$ 17,316,502	\$ 44,073,851	\$ 404,058	\$ 348,939	\$ 1,578,692	\$ 1,591,174	\$ 66,871,411
Accumulated depreciation and impairment	-	(10,593,210)	(37,413,202)	(330,004)	(285,362)	(1,309,055)	-	(49,930,833)
	<u>\$ 1,558,195</u>	<u>\$ 6,723,292</u>	<u>\$ 6,660,649</u>	<u>\$ 74,054</u>	<u>\$ 63,577</u>	<u>\$ 269,637</u>	<u>\$ 1,591,174</u>	<u>\$ 16,940,578</u>

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

(9) Leasing arrangements – lessee

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

	June 30, 2025	December 31, 2024	June 30, 2024
	Carrying amount	Carrying amount	Carrying amount
Land	\$ 1,302,307	\$ 1,408,163	\$ 1,444,932
Buildings	37,948	51,768	69,072
Machinery	21,629	26,714	49,071
Transportation equipment	5,370	6,932	7,794
Office equipment	18,710	22,909	27,079
Other equipment	665	-	-
	<u>\$ 1,386,629</u>	<u>\$ 1,516,486</u>	<u>\$ 1,597,948</u>

	Three months ended June 30, 2025	Three months ended June 30, 2024
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 14,052	\$ 15,518
Buildings	3,294	4,518
Machinery	1,442	1,901
Transportation equipment	1,230	1,309
Office equipment	2,461	2,677
Other equipment	38	-
	<u>\$ 22,517</u>	<u>\$ 25,923</u>

	Six months ended June 30, 2025	Six months ended June 30, 2024
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 28,192	\$ 31,563
Buildings	7,038	10,406
Machinery	2,974	3,763
Transportation equipment	2,740	2,619
Office equipment	4,991	5,542
Other equipment	79	-
	<u>\$ 46,014</u>	<u>\$ 53,893</u>

D. For the three months and six months ended June 30, 2025 and 2024, the additions to right-of-use assets were \$2,471, \$4,290, \$4,234, and \$61,330, respectively.

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

	Three months ended June 30, 2025	Three months ended June 30, 2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 5,300	\$ 5,583
Expense on short-term lease contracts	9,773	5,570
Expense on leases of low-value assets	1,698	834
	<u>Six months ended June 30, 2025</u>	<u>Six months ended June 30, 2024</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 10,715	\$ 11,828
Expense on short-term lease contracts	20,167	10,815
Expense on leases of low-value assets	3,405	1,648

F. For the six months ended June 30, 2025 and 2024, the Group's total cash outflow for leases were \$75,858 and \$63,999, respectively.

(10) Intangible assets

	Patents	Goodwill	Software	Others	Total
At January 1, 2025					
Cost	\$ 2,762,430	\$ 754,266	\$ 690,825	\$ 141,443	\$ 4,348,964
Accumulated amortisation and impairment	(2,241,500)	-	(586,198)	(138,850)	(2,966,548)
	<u>\$ 520,930</u>	<u>\$ 754,266</u>	<u>\$ 104,627</u>	<u>\$ 2,593</u>	<u>\$ 1,382,416</u>
<u>2025</u>					
Opening net book amount as at January 1	\$ 520,930	\$ 754,266	\$ 104,627	\$ 2,593	\$ 1,382,416
Additions	3,359	-	32,449	-	35,808
Disposals	(592)	-	-	-	(592)
Reclassifications	50	-	250	-	300
Amortisation charge	(67,908)	-	(27,216)	(863)	(95,987)
Disposals of subsidiary	(7,093)	-	-	-	(7,093)
Net exchange differences	(6)	-	(678)	-	(684)
Closing net book amount as at June 30	<u>\$ 448,740</u>	<u>\$ 754,266</u>	<u>\$ 109,432</u>	<u>\$ 1,730</u>	<u>\$ 1,314,168</u>
At June 30, 2025					
Cost	\$ 2,759,710	\$ 754,266	\$ 715,503	\$ 141,444	\$ 4,370,923
Accumulated amortisation and impairment	(2,310,970)	-	(606,071)	(139,714)	(3,056,755)
	<u>\$ 448,740</u>	<u>\$ 754,266</u>	<u>\$ 109,432</u>	<u>\$ 1,730</u>	<u>\$ 1,314,168</u>
	Patents	Goodwill	Software	Others	Total
At January 1, 2024					
Cost	\$ 2,920,200	\$ 763,034	\$ 633,286	\$ 187,087	\$ 4,503,607
Accumulated amortisation and impairment	(2,206,784)	(8,768)	(518,340)	(129,113)	(2,863,005)
	<u>\$ 713,416</u>	<u>\$ 754,266</u>	<u>\$ 114,946</u>	<u>\$ 57,974</u>	<u>\$ 1,640,602</u>
<u>2024</u>					
Opening net book amount as at January 1	\$ 713,416	\$ 754,266	\$ 114,946	\$ 57,974	\$ 1,640,602
Additions	4,852	-	29,995	-	34,847
Disposals	(159)	-	-	-	(159)
Reclassifications	(105)	-	-	-	(105)
Amortisation charge	(90,821)	-	(25,932)	(8,869)	(125,622)
Disposals of subsidiary	-	-	-	(46,661)	(46,661)
Net exchange differences	1,287	-	70	1,017	2,374
Closing net book amount as at June 30	<u>\$ 628,470</u>	<u>\$ 754,266</u>	<u>\$ 119,079</u>	<u>\$ 3,461</u>	<u>\$ 1,505,276</u>
At June 30, 2024					
Cost	\$ 2,777,643	\$ 763,034	\$ 665,053	\$ 141,443	\$ 4,347,173
Accumulated amortisation and impairment	(2,149,173)	(8,768)	(545,974)	(137,982)	(2,841,897)
	<u>\$ 628,470</u>	<u>\$ 754,266</u>	<u>\$ 119,079</u>	<u>\$ 3,461</u>	<u>\$ 1,505,276</u>

Details of amortisation on intangible assets are as follows:

	Three months ended June 30, 2025	Three months ended June 30, 2024
Operating costs	\$ 12,567	\$ 21,502
Selling expenses	203	172
Administrative expenses	24,771	28,794
Research and development expenses	11,534	12,223
	<u>\$ 49,075</u>	<u>\$ 62,691</u>
	Six months ended June 30, 2025	Six months ended June 30, 2024
Operating costs	\$ 24,275	\$ 43,523
Selling expenses	400	334
Administrative expenses	47,949	57,217
Research and development expenses	23,363	24,548
	<u>\$ 95,987</u>	<u>\$ 125,622</u>

(11) Impairment of non-financial assets

For the six months ended June 30, 2025: None.

The Group assessed that production line adjustments and configurations resulted in idling or impairment of certain property, plant and equipment. The Group wrote down the carrying amount of the assets based on the recoverable amount and recognised impairment losses of \$219,202 and \$219,202 for the three months and six months ended June 30, 2024, respectively. The recoverable amount is the assets' fair value less costs of disposal. The fair value is classified as a level 3 fair value. Details of impairment are as follows:

	Three months ended June 30, 2024	Six months ended June 30, 2024
	<u>Recognised in profit or loss</u>	
Impairment loss — buildings and structure	\$ 13,897	\$ 13,897
Impairment loss — machinery	204,881	204,881
Impairment loss — office equipment	424	424
	<u>\$ 219,202</u>	<u>\$ 219,202</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Property, plant and equipment	\$ -	\$ 131,173	\$ 395,638

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

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

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

(13) Short-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Bank borrowings-unsecured borrowings	\$ 287,508	\$ 566,428	\$ 120,671
Liabilities on discounted notes receivable	-	-	57,240
	<u>\$ 287,508</u>	<u>\$ 566,428</u>	<u>\$ 177,911</u>
Interest rate range-NTD	-	2.84%	-
Interest rate range-foreign currency	4.95~4.99%	3.20%	3.2%~3.45%
Interest rate range - discounted notes	-	-	1.25%~1.4%

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

As of June 30, 2025, December 31, 2024 and June 30, 2024, Epistar Corporation has endorsements to ENNOSTAR Inc. totalling \$0, \$750,000 and \$3,250,000, respectively.

(14) Short-term notes and bills payable

June 30, 2025				
	Rate (%)	Amount	Name of bank	Collaterals
Payables for bankers' acceptance	-	<u>\$ 276,012</u>	FUBON BANK (China)	Note 8
			BANK OF COMMUNICATIONS	
			CHINA CONSTRUCTION BANK (CCB)	
			BANK OF CHINA	
December 31, 2024				
	Rate (%)	Amount	Name of bank	Collaterals
Payables for bankers' acceptance	-	<u>\$ 845,699</u>	AGRICULTURAL BANK OF CHINA	Note 8
			BANK OF COMMUNICATIONS	
			Industrial and Commercial Bank of China	
			FUBON BANK (China)	
			CHINA CONSTRUCTION BANK (CCB)	
			Xiamen Bank	
			BANK OF CHINA	

June 30, 2024				
	Rate (%)	Amount	Name of bank	Collaterals
Payables for bankers' acceptance	-	<u>\$ 1,012,384</u>	AGRICULTURAL BANK OF CHINA	Note 8
			BANK OF JIANGSU	
			BANK OF COMMUNICATIONS	
			FUBON BANK (China)	
			BANK OF CHINA	
			HUISHANG BANK	
			BANK OF CTBC	

(15) Other payables

Items	June 30, 2025	December 31, 2024	June 30, 2024
Payables on wages, salaries and bonus	\$ 765,215	\$ 1,146,834	\$ 962,629
Payables on dividend	664,146	-	677,646
Payables on machinery and equipment	473,956	417,648	624,795
Payables on consumable goods and equipment repair expense	362,085	327,012	334,244
Payables on processing fees	342,716	461,023	422,921
Payables on personnel expense	246,587	205,965	265,162
Payables on gas expense	69,830	75,955	74,723
Payables on insurance expense	33,232	-	15,051
Payables on intangible assets	19,969	10,401	55,418
Payables on reticle expense	16,658	19,890	21,048
Compensation due to employees, directors and supervisors	474	88,290	88,720
Others	645,516	674,555	569,183
	<u>\$ 3,640,384</u>	<u>\$ 3,427,573</u>	<u>\$ 4,111,540</u>

(16) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	June 30, 2025
Bank borrowings		
Unsecured borrowings	Before September 15, 2025	\$ 76,161
Unsecured borrowings	Before September 15, 2025	73,979
Unsecured borrowings	Before September 15, 2025	50,000
Unsecured borrowings	Before September 15, 2025	66,856
Unsecured borrowings	Before February 15, 2026	158,315
Unsecured borrowings	Before April 15, 2027	89,189
Unsecured borrowings	Before January 22, 2030	2,725
Secured borrowings	Before June 30, 2029	175,000
		692,225
Less: Current portion of long-term borrowings		(493,960)
		<u>\$ 198,265</u>
Interest rate range		<u>0.925%~2.070%</u>

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

Type of borrowings	Borrowing period and repayment term	June 30, 2024
Bank borrowings		
Unsecured borrowings	Before September 15, 2025	\$ 380,804
Unsecured borrowings	Before May 15, 2026	158,828
Unsecured borrowings	Before September 15, 2025	435,875
Unsecured borrowings	Before November 15, 2025	370,464
Unsecured borrowings	Before September 15, 2025	250,000
Unsecured borrowings	Before September 15, 2025	334,282
Unsecured borrowings	Before February 15, 2026	434,629
Unsecured borrowings	Before April 15, 2027	137,838
Secured borrowings	Before March 15, 2028	93,750
Secured borrowings	Before June 12, 2028	60,000
Secured borrowings	Before June 30, 2029	200,000
		2,856,470
Less: Current portion of long-term borrowings		(1,839,566)
		\$ 1,016,904
Interest rate range		0.925%~1.905%

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

(17) Pensions

A. (a) The Company and its domestic subsidiaries have defined benefit pension plans in accordance with the Labor Standards Law, covering all regular employees for services provided prior to July 1, 2005, and employees who choose to remain in the defined benefit pension plan subsequent to the enforcement of the Labor Pension Act on July 1, 2005. Under the defined benefit pension plan, employees are entitled to two base points for every year of service for the first 15 years and one base point for each additional year thereafter, up to a maximum of 45 base points. The pension payment to employees is computed based on years of service and average salaries or wages of the last nine months prior to approved retirement. The Company contributes an amount equal to 2% of salaries and wages paid each month to a pension fund. The pension fund is administered by a pension fund monitoring committee and deposited under the Committee's name in the Bank of Taiwan. Also, the Company would assess the

balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.

- (b) For the aforementioned pension plan, the Group (reversed) recognised pension costs of (\$317), (\$86), (\$559) and \$148 for the three months and six months ended June 30, 2025 and 2024 respectively.
 - (c) Expected contributions to the defined benefit pension plans of the Company for the year ending June 30, 2026 amount to \$9,584.
- B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The Group’s mainland China subsidiaries have funded defined contribution plans. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on a certain percentage stipulated by the government. Other than the monthly contributions, the Group does not have further obligations.
- (c) The pension costs under the defined contribution pension plans of the Group for the three months and the six months ended June 30, 2025 and 2024 were \$84,783, \$97,625, \$181,856 and \$201,615, respectively.

(18) Share-based payment

A. Employee stock options:

- (a) For the six months ended June 30, 2025, the Group’s restricted stocks to employees arrangement was as follows:

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

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

Note 2: For 1 and 2 years from the date of issuance of stock options, the employees could exercise the stock options of 50% and 50% of the shares, respectively, which was

based on the employees' individual performance indicators. Employees of the subsidiary, Unikorn Semiconductor Corporation, waived all their stock options in the second quarter of 2024.

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

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

	2025		2024	
	No. of shares	Weighted-average	No. of shares	Weighted-average
	(in thousands)	exercise price	(in thousands)	exercise price
	(in thousands)	(in US dollars)	(in thousands)	(in US dollars)
Options outstanding from beginning to the end of the period - United LED Corporation Hong Kong Limited	<u>1,049</u>	\$ 0.0001	<u>1,049</u>	\$ 0.0001
Options exercisable at end of the period - United LED Corporation Hong Kong Limited	<u>1,049</u>	0.0001	<u>1,049</u>	0.0001
	2025		2024	
	No. of shares	Weighted-average	No. of shares	Weighted-average
	(in thousands)	exercise price	(in thousands)	exercise price
	(in thousands)	(in NTD)	(in thousands)	(in NTD)
Options outstanding at beginning of the period - Unikorn Semiconductor Corporation	-	-	5,688	\$ 5
Options forfeited - Unikorn Semiconductor Corporation	<u>-</u>	- (	<u>5,688</u>)	5
Options outstanding at end of the period - Unikorn Semiconductor Corporation	<u>-</u>	-	<u>-</u>	-
Options exercisable at end of the period - Unikorn Semiconductor Corporation	<u>-</u>	-	<u>-</u>	-
	2025		2024	
	No. of shares	Weighted-average	No. of shares	Weighted-average
	(in thousands)	exercise price	(in thousands)	exercise price
	(in thousands)	(in NTD)	(in thousands)	(in NTD)
Options outstanding at beginning of the period - Hexawave, Inc.	3,081	\$ 10	3,134	\$ 10
Options forfeited - Hexawave, Inc.	<u>(1,352)</u>	10	<u>-</u>	-
Options outstanding at end of the period - Hexawave, Inc.	<u>1,729</u>	10	<u>3,134</u>	10
Options exercisable at end of the period - Hexawave, Inc.	<u>1,681</u>	10	<u>684</u>	10

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

	Three months ended June 30, 2025	Three months ended June 30, 2024
Equity-settled	\$ 167	\$ 373
	Six months ended June 30, 2025	Six months ended June 30, 2024
Equity-settled	\$ 414	\$ 791

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

	June 30, 2025	December 31, 2024	June 30, 2024
Deferred government grants revenue	\$ 85,181	\$ 135,275	\$ 146,302
Deferred technical services revenue	4,681	5,284	5,920
	<u>\$ 89,862</u>	<u>\$ 140,559</u>	<u>\$ 152,222</u>

The Company and subsidiaries obtained government grants for acquisitions of equipment, technology investments and research projects and recognized such grants as revenue over the economic lives of those assets. Government grants revenue recognized for the three months and six months ended June 30, 2025 and 2024 were \$18,484, \$20,374, \$56,111 and \$45,692 (shown under “Other income and expenses-net” and “Other revenue”), respectively.

(20) Share capital

A. As of June 30, 2025, the Company’s authorized capital was \$15,000,000, consisting of 1,500,000 thousand shares of ordinary stock (including 50,000 thousand shares reserved for employee stock options), and the paid-in capital was \$7,379,405 with a par value of \$10 (in dollars) per share.

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

	2025	2024
At January 1	736,658	751,658
Purchase of treasury shares	-	(15,000)
At June 30	<u>736,658</u>	<u>736,658</u>

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

C. Treasury shares

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

(Unit: share in thousands/ dollars in thousands)

2025					
Reason for reacquisition	At January 1	Increase	Decrease	At June 30	Book value
Held by subsidiaries	1,282	-	-	1,282	\$ 135,163

2024					
Reason for reacquisition	At January 1	Increase	Decrease	At June 30	Book value
Held by subsidiaries	1,282	-	-	1,282	\$ 135,163
Maintain the company's credit and shareholders' rights	-	15,000	-	15,000	650,650

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the rules governing share repurchase by the Group, treasury shares should be reissued to the employees within three years from the reacquisition date and shares not reissued within the three-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.
- (e) The retirement procedure of the 15,000 thousand treasury shares that were purchased by the Group to enhance the Company's credit rating and the stockholders' equity had been completed. In addition, the registration for the change had been completed on October 15, 2024.

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

	June 30, 2025	December 31, 2024	June 30, 2024
Lighting Investment Corp.	1,282 thousand shares	1,282 thousand shares	1,282 thousand shares
Book value	\$ 135,163	\$ 135,163	\$ 135,163
Fair value	\$ 45,396	\$ 53,603	\$ 55,719

(21) Capital surplus

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

	Share premium	Treasury share transactions	Changes in ownership interests in subsidiaries accounted for using equity method	Change in net equity of associates and joint ventures accounted for using equity method
At January 1, 2025	\$ 37,876,528	\$ 270,407	\$ 53,606	\$ 202,516
Cash dividends	(664,146)	-	-	-
Offset deficit	(1,422,637)	-	-	-
Change in equity of associates and joint ventures accounted for using equity method	-	-	-	50,765
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	22,686	-
Changes in ownership interests in subsidiaries accounted for using equity method	-	-	3,338	-
Employee Stock Ownership Trust cancellation return	578	-	-	-
Return of unclaimed overdue dividends by shareholders	7,201	-	-	-
At June 30, 2025	<u>\$ 35,797,524</u>	<u>\$ 270,407</u>	<u>\$ 79,630</u>	<u>\$ 253,281</u>

	Share premium	Treasury share transactions	Changes in ownership interests in subsidiaries accounted for using equity method	Change in net equity of associates and joint ventures accounted for using equity method
At January 1, 2024	\$ 45,765,290	\$ 86,753	\$ 381,275	\$ 213,742
Cash dividends	(677,646)	-	-	-
Offset deficit	(6,442,833)	-	-	-
Change in equity of associates and joint ventures accounted for using equity method	-	-	-	10,161
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	(19,564)	-
Changes in ownership interests in subsidiaries accounted for using equity method	-	(86,753)	153,564	-
At June 30, 2024	<u>\$ 38,644,811</u>	<u>\$ -</u>	<u>\$ 515,275</u>	<u>\$ 223,903</u>

(22) Retained earnings

- A. In accordance with the Company's Articles of Incorporation, 10% of current year's earnings, after paying all taxes and dues and covering prior years' losses, shall be appropriated as legal reserve until the total equals the issued share capital. Special reserve shall be appropriated or

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

- B. The Company appropriates earnings based on the factors such as current and future investment environment, capital needs, domestic and overseas competition and capital budget, along with the consideration of shareholders' interest and capital adequacy. The appropriation of cash dividends shall not be lower than 10% of the total dividend appropriated to shareholders.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the special reserve is reversed accordingly and could be included in the distributable earnings.
- E. The appropriations of 2023 loss and dividends had been resolved at the shareholders' meeting on May 24, 2024. It was decided to offset the loss with capital surplus and distribute cash dividends of \$677,646 (approximately \$0.9 dollars per share).
- F. The appropriation of 2024 loss had been resolved at the shareholders' meeting on May 23, 2025. It was decided to offset the loss with capital surplus. On the same day, the Board of Directors approved the cash dividends distribution from capital surplus of \$664,146 (approximately \$0.9 dollars per share).

(23) Other equity items

2025			
	Currency translation	Unrealized gain or loss	Total
At January 1	\$ 443,401	\$ 1,507,764	\$ 1,951,165
Revaluation - gross	- (	48,143) (	48,143)
Revaluation - tax	- (	29,128) (	29,128)
Disposal of equity investments measured at fair value through other comprehensive income	- (	313,022) (	313,022)
Currency translation			
–Group	(1,415,324)	- (	1,415,324)
–Tax on Group	978	-	978
At June 30	<u>(\$ 970,945)</u>	<u>\$ 1,117,471</u>	<u>\$ 146,526</u>
2024			
	Currency translation	Unrealized gain or loss	Total
At January 1	(\$ 208,746)	\$ 184,450	(\$ 24,296)
Revaluation - gross	- (	880,748) (	880,748)
Revaluation - tax	-	187,988	187,988
Currency translation			
–Group	497,378	-	497,378
–Tax on Group	(146)	- (	146)
At June 30	<u>\$ 288,486</u>	<u>(\$ 508,310)</u>	<u>(\$ 219,824)</u>

(24) Operating revenue

	Three months ended June 30, 2025	Three months ended June 30, 2024
Revenue from contracts with customers:		
Sales revenue	\$ 5,674,765	\$ 6,500,160
Services revenue	46,317	50,866
Other operating revenue	19,257	55,244
	<u>\$ 5,740,339</u>	<u>\$ 6,606,270</u>
	Six months ended June 30, 2025	Six months ended June 30, 2024
Revenue from contracts with customers:		
Sales revenue	\$ 11,196,416	\$ 12,023,449
Services revenue	126,639	79,504
Other operating revenue	49,039	86,269
	<u>\$ 11,372,094</u>	<u>\$ 12,189,222</u>

Disaggregation of revenue from contracts with customers

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

Three months ended June 30, 2025	Epi/Chip	Packages/ Modules	Other	Total
Sales revenue	\$ 3,493,144	\$ 2,008,594	\$ 173,027	\$ 5,674,765
Services revenue	-	-	46,317	46,317
Other operating revenue	-	-	19,257	19,257
				<u>\$ 5,740,339</u>
Three months ended June 30, 2024	Epi/Chip	Packages/ Modules	Other	Total
Sales revenue	\$ 4,256,453	\$ 1,996,258	\$ 247,449	\$ 6,500,160
Services revenue	-	-	50,866	50,866
Other operating revenue	-	-	55,244	55,244
				<u>\$ 6,606,270</u>
Six months ended June 30, 2025	Epi/Chip	Packages/ Modules	Other	Total
Sales revenue	\$ 6,910,875	\$ 3,950,384	\$ 335,157	\$ 11,196,416
Services revenue	-	-	126,639	126,639
Other operating revenue	-	-	49,039	49,039
				<u>\$ 11,372,094</u>

Six months ended June 30, 2024	Epi/Chip	Packages/ Modules	Other	Total
Sales revenue	\$ 7,920,904	\$ 3,661,571	\$ 440,974	\$ 12,023,449
Services revenue	-	-	79,504	79,504
Other operating revenue	-	-	86,269	86,269
				<u>\$ 12,189,222</u>

(25) Other income and expenses— net

	Three months ended June 30, 2025	Three months ended June 30, 2024
Other income		
Royalty income	\$ 21,446	\$ 807
Government grants revenue	634	8,884
Total	<u>\$ 22,080</u>	<u>\$ 9,691</u>
	Six months ended June 30, 2025	Six months ended June 30, 2024
Other income		
Royalty income	\$ 22,269	\$ 1,729
Government grants revenue	34,605	17,579
Total	<u>\$ 56,874</u>	<u>\$ 19,308</u>

(26) Interest income

	Three months ended June 30, 2025	Three months ended June 30, 2024
Interest income from bank deposits	\$ 59,150	\$ 56,369
Other interest income	2,957	2,491
	<u>\$ 62,107</u>	<u>\$ 58,860</u>
	Six months ended June 30, 2025	Six months ended June 30, 2024
Interest income from bank deposits	\$ 120,759	\$ 113,517
Other interest income	5,542	5,368
	<u>\$ 126,301</u>	<u>\$ 118,885</u>

(27) Other income

	Three months ended June 30, 2025	Three months ended June 30, 2024
Rental revenue	\$ 43,041	\$ 47,037
Dividend income	126	123
Government grant revenues	17,850	11,490
Other income-other	50,277	48,841
	<u>\$ 111,294</u>	<u>\$ 107,491</u>

	Six months ended June 30, 2025	Six months ended June 30, 2024
Rental income	\$ 85,866	\$ 96,463
Dividend income	126	123
Government grant revenues	21,506	28,113
Other income-other	86,495	97,109
	<u>\$ 193,993</u>	<u>\$ 221,808</u>
(28) <u>Other gains and losses</u>		
	Three months ended June 30, 2025	Three months ended June 30, 2024
Gain on disposal of property, plant and equipment	\$ 1,733	\$ 110,441
(Loss) gain on disposal of non-current assets held for sale	(1,470)	7,209
Loss on disposal of intangible assets	(350)	(159)
Gain (loss) on disposal of investments	1,757	(138,987)
Profit from lease modification	94	1,208
Net currency exchange (loss) gain	(337,395)	42,943
Net gain (loss) on financial assets at fair value through profit or loss	226,300	(29,672)
Impairment loss on non-financial assets	-	(219,202)
Miscellaneous losses	(37,809)	(40,714)
	<u>(\$ 147,140)</u>	<u>(\$ 266,933)</u>
	Six months ended June 30, 2025	Six months ended June 30, 2024
Gain on disposal of property, plant and equipment	\$ 47,572	\$ 113,400
Gain on disposal of non-current assets held for sale	59,699	7,209
Loss on disposal of intangible assets	(592)	(159)
Gain (loss) on disposal of investments	1,757	(124,623)
Profit from lease modification	277	1,213
Net currency exchange (loss) gain	(305,057)	174,796
Net gain (loss) on financial assets at fair value through profit or loss	191,036	(128,956)
Impairment loss on non-financial assets	-	(219,202)
Miscellaneous losses	(75,307)	(74,394)
	<u>(\$ 80,615)</u>	<u>(\$ 250,716)</u>

(29) Finance costs

	Three months ended June 30, 2025	Three months ended June 30, 2024
Interest expense	\$ 5,069	\$ 12,406
Other interest expense	12,660	18,765
	<u>\$ 17,729</u>	<u>\$ 31,171</u>
	Six months ended June 30, 2025	Six months ended June 30, 2024
Interest expense	\$ 12,354	\$ 29,957
Other interest expense	27,404	45,464
	<u>\$ 39,758</u>	<u>\$ 75,421</u>

(30) Expenses by nature

	Three months ended June 30, 2025	Three months ended June 30, 2024
Employee benefit expenses	\$ 1,817,708	\$ 1,982,911
Depreciation (Note)	\$ 897,174	\$ 1,041,413
Amortisation	<u>\$ 83,991</u>	<u>\$ 62,691</u>
	Six months ended June 30, 2025	Six months ended June 30, 2024
Employee benefit expenses	\$ 3,659,783	\$ 3,922,653
Depreciation (Note)	\$ 1,811,827	\$ 2,138,797
Amortisation	<u>\$ 158,870</u>	<u>\$ 125,622</u>

Note: Depreciation amounting to \$10,842, \$22,746, \$21,854, and \$45,538 were recognized as miscellaneous expenses for the three months and six months ended June 30, 2025 and 2024, respectively.

(31) Employee benefit expenses

	Three months ended June 30, 2025	Three months ended June 30, 2024
Wages and salaries	\$ 1,510,747	\$ 1,665,562
Labor and health insurance expenses	95,875	99,782
Pension costs	84,515	97,605
Other personnel expenses	126,571	119,962
	<u>\$ 1,817,708</u>	<u>\$ 1,982,911</u>
	Six months ended June 30, 2025	Six months ended June 30, 2024
Wages and salaries	\$ 3,028,113	\$ 3,273,211
Labor and health insurance expenses	193,114	208,705
Pension costs	181,398	201,223
Other personnel expenses	257,158	239,514
	<u>\$ 3,659,783</u>	<u>\$ 3,922,653</u>

- A. According to the Articles of Incorporation of the Company, the Company shall distribute employees' compensation and directors' remuneration based on 0.1%~15% and no higher than 2% of the distributable profit of the current year, respectively. If the Company has accumulated deficit, earnings should be reserved to cover losses. For the aforementioned distributed employees' compensation, the Company shall distribute no less than 20% for rank-and-file employees' compensation.
- B. For the three months and six months ended June 30, 2025 and 2024, the employees' compensation and directors' remuneration was not estimated, because the Company incurred a loss during this period.
- C. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(32) Income tax

A. Income tax expense

(a) Components of income tax expense :

	Three months ended June 30, 2025	Three months ended June 30, 2024
Current tax:		
Current tax on profits for the period	\$ 13,724	\$ 18,998
Tax withheld at source from foreign income	26	9,095
Prior year income tax underestimation (overestimation)	1,482	(16,612)
Total current tax	15,232	11,481
Deferred tax:		
Origination and reversal of temporary differences	(4,563)	15,792
Total deferred tax	(4,563)	15,792
Income tax expense	\$ 10,669	\$ 27,273
	Six months ended June 30, 2025	Six months ended June 30, 2024
Current tax:		
Current tax on profits for the period	\$ 17,510	\$ 44,132
Tax withheld at source from foreign income	26	9,095
Prior year income tax underestimation (overestimation)	1,482	(16,612)
Total current tax	19,018	36,615
Deferred tax:		
Origination and reversal of temporary differences	17,497	73,039
Total deferred tax	17,497	73,039
Income tax expense	\$ 36,515	\$ 109,654

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

	Three months ended June 30, 2025	Three months ended June 30, 2024
Change in fair value of financial assets at fair value through other comprehensive income	\$ 31,492	(\$ 9,164)
Currency translation differences	(1,333)	83
Share of other comprehensive income of associates	177	131
Total	<u>\$ 30,336</u>	<u>(\$ 8,950)</u>
	Six months ended June 30, 2025	Six months ended June 30, 2024
Change in fair value of financial assets at fair value through other comprehensive income	\$ 29,151	(\$ 188,163)
Currency translation differences	(1,066)	167
Share of other comprehensive income of associates	65	153
Remeasurement of defined benefit obligations	-	5
Total	<u>\$ 28,150</u>	<u>(\$ 187,838)</u>

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

(33) Loss per share

	Three months ended June 30, 2025		
	Amount after tax	Weighted average number of outstanding ordinary shares (share in thousands)	Loss per share (in dollars)
<u>Basic and diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	<u>(\$ 878,311)</u>	<u>736,658</u>	<u>(\$ 1.19)</u>
	Three months ended June 30, 2024		
	Amount after tax	Weighted average number of outstanding ordinary shares (share in thousands)	Loss per share (in dollars)
<u>Basic loss and diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	<u>(\$ 302,318)</u>	<u>742,787</u>	<u>(\$ 0.41)</u>
	Six months ended June 30, 2025		
	Amount after tax	Weighted average number of outstanding ordinary shares (share in thousands)	Loss per share (in dollars)
<u>Basic and diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	<u>(\$ 1,320,088)</u>	<u>736,658</u>	<u>(\$ 1.79)</u>

		Six months ended June 30, 2024	
		Weighted average number of outstanding ordinary shares (share in thousands)	Loss per share (in dollars)
Amount after tax			
<u>Basic and diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 769,494)	747,223	(\$ 1.03)
(34) <u>Supplemental cash flow information</u>			
A. Investing activities with partial cash payments			
	Six months ended June 30, 2025	Six months ended June 30, 2024	
Purchase of property, plant and equipment	\$ 573,588	\$ 557,844	
Add: Opening balance of payable on equipment	421,648	683,775	
Less: Ending balance of payable on equipment	(477,531)	(624,795)	
Less: Net cash changes of prepayment for equipment	(2,003)	66,848	
Cash paid during the period	<u>\$ 515,702</u>	<u>\$ 683,672</u>	
	Six months ended June 30, 2025	Six months ended June 30, 2024	
Purchase of intangible assets	\$ 35,808	\$ 34,847	
Add: Opening balance of payables (including non-current portion)	10,401	51,527	
Less: Ending balance of payables (including non-current portion)	(19,969)	(55,418)	
Add: Net cash changes of prepayments	38,550	-	
Cash paid during the period	<u>\$ 64,790</u>	<u>\$ 30,956</u>	
B. Investing activities with partial cash received			
	Six months ended June 30, 2025	Six months ended June 30, 2024	
Sale of property, plant and equipment	\$ 51,360	\$ 707,708	
Add: Opening balance of receivables	10,251	32	
Less: Ending balance of receivables	-	(574)	
Add: Ending balance of advances	-	52,742	
Cash collected during the period	<u>\$ 61,611</u>	<u>\$ 759,908</u>	
C. Financing activities with no cash flow effects :			
	Six months ended June 30, 2025	Six months ended June 30, 2024	
Cash dividends from capital surplus declared	\$ 664,146	\$ 677,646	
Less : Ending balance of dividend payable	(664,146)	(677,646)	
Cash paid during the period	<u>\$ -</u>	<u>\$ -</u>	

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

	Six months ended June 30, 2025	Six months ended June 30, 2024
Disposal proceeds	\$ 57,567	\$ 135,552
Less: Ending balance of receivables	(249)	-
Net cash provided by disposal of subsidiaries and associates	<u>\$ 57,318</u>	<u>\$ 135,552</u>

(35) Changes in liabilities from financing activities

	Short-term borrowing	Short-term notes and bills payable	Long-term borrowing	Lease liabilities	Guarantee deposits received	Liabilities from financing activities gross
At January 1, 2025	\$ 566,428	\$ 845,699	\$ 1,388,207	\$ 1,351,230	\$ 49,526	\$ 4,201,090
Changes in cash flow from financing activities	(276,435)	(537,697)	(695,788)	(50,349)	12,872	(1,547,397)
Effect of interest	-	-	-	10,715	-	10,715
Changes in other non-cash items	-	-	-	(60,582)	(770)	(61,352)
Impact of changes in foreign exchange rate	(2,485)	(31,990)	(194)	(5,583)	(4,122)	(44,374)
At June 30, 2025	<u>\$ 287,508</u>	<u>\$ 276,012</u>	<u>\$ 692,225</u>	<u>\$ 1,245,431</u>	<u>\$ 57,506</u>	<u>\$ 2,558,682</u>

	Short-term borrowing	Short-term notes and bills payable	Long-term borrowing	Lease liabilities	Guarantee deposits received	Liabilities from financing activities gross
At January 1, 2024	\$ 747,136	\$ 1,295,140	\$ 3,723,610	\$ 1,503,284	\$ 26,403	\$ 7,295,573
Changes in cash flow from financing activities	(554,823)	(227,522)	(867,140)	(54,398)	725	(1,703,158)
Effect of interest	-	-	-	11,828	-	11,828
Changes in other non-cash items	(22,225)	(78,621)	-	(32,335)	47,475	(85,706)
Impact of changes in foreign exchange rate	7,823	23,387	-	926	470	32,606
At June 30, 2024	<u>\$ 177,911</u>	<u>\$ 1,012,384</u>	<u>\$ 2,856,470</u>	<u>\$ 1,429,305</u>	<u>\$ 75,073</u>	<u>\$ 5,551,143</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
LEDAZ Co., Ltd.	Associates
Yenrich Technology Corporation	Associates
LEADSTAR Micro-Crystal Display Corporation (Jiangsu) Ltd.	Associates
Changzhou Chemsemi Co., Ltd.	Associates
iReach Corporation	Associates
Chuzhou Bwin Technology Corp.	Associates
Tyntek Corporation	Associates
TE OPTO Corporation	Associates
Domi-Star OPTO Corporation	Associates
AUO (Vietnam) Company Limited	Other related parties
D-Tech Optoelectronics, Inc.	Other related parties
Global Communication Semiconductors, LLC	Other related parties
Seoul Semiconductor Co., Ltd.	Other related parties
AUO (Kunshan) Co., Ltd.	Other related parties

Names of related parties	Relationship with the Group
AUO Corporation	Other related parties
AUO (Xiamen) Co., Ltd.	Other related parties
AUO (Suzhou) Co., Ltd.	Other related parties
AUO Envirotech Inc.	Other related parties
AUO Crystal Corp.	Other related parties
AUO Megainsight Smart Manufacturing (Suzhou) Corp., Ltd	Other related parties
AUO Digitech Taiwan Inc.	Other related parties
Anhui Inter-Mei Lighting Co., Ltd.	Other related parties
Intermate Co., Ltd. (Suzhou)	Other related parties
Bridgelux Optoelectronics (Xiamen) Co., Ltd.	Other related parties
Ronly Venture Corp.	Other related parties
AUO Education Service Corp.	Other related parties
Darwin Precisions Corporation	Other related parties
Darwin Precision (Xiamen) Corporation	Other related parties
AUO Display Plus Corporation	Other related parties
Fortech Electronics (Suzhou) Co., Ltd.	Other related parties
Play Nitride Display Co., Ltd.	Other related parties

(2) Significant related party transactions and balances

A. Operating revenue:

	Three months ended June 30, 2025	Three months ended June 30, 2024
Other related parties	\$ 164,913	\$ 243,427
Associates	123,819	153,530
Total	<u>\$ 288,732</u>	<u>\$ 396,957</u>
	Six months ended June 30, 2025	Six months ended June 30, 2024
Other related parties	\$ 358,240	\$ 470,678
Associates	253,599	275,299
Total	<u>\$ 611,839</u>	<u>\$ 745,977</u>

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

B. Purchases:

	Three months ended June 30, 2025	Three months ended June 30, 2024
Other related parties	\$ 2,126	\$ 849
Associates	106,869	106,675
Total	<u>\$ 108,995</u>	<u>\$ 107,524</u>
	Six months ended June 30, 2025	Six months ended June 30, 2024
Other related parties	\$ 4,612	\$ 1,555
Associates	191,558	151,347
Total	<u>\$ 196,170</u>	<u>\$ 152,902</u>

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Other related parties	\$ 223,451	\$ 261,513	\$ 331,206
Associates	182,639	157,282	241,580
Total	<u>\$ 406,090</u>	<u>\$ 418,795</u>	<u>\$ 572,786</u>

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

D. Other receivables from related parties:

	June 30, 2025	December 31, 2024	June 30, 2024
Other related parties	\$ 15,207	\$ 26,757	\$ 21,698
Associates	5,926	25,644	22,702
Total	<u>\$ 21,133</u>	<u>\$ 52,401</u>	<u>\$ 44,400</u>

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

E. Payables from related parties:

	June 30, 2025	December 31, 2024	June 30, 2024
Other related parties	\$ 2,214	\$ 3,730	\$ 1,607
Associates	200,796	127,853	270,222
Total	<u>\$ 203,010</u>	<u>\$ 131,583</u>	<u>\$ 271,829</u>

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

F. Property transactions:

(a) Acquisition of property, plant and equipment:

	Three months ended June 30, 2025		Three months ended June 30, 2024	
	Acquisition proceeds	Accrued payable	Acquisition proceeds	Accrued payable
Other related parties	\$ 7,353	\$ 4,214	\$ 8	\$ -
Associates	(3,889)	2,317	-	-
	<u>\$ 3,464</u>	<u>\$ 6,531</u>	<u>\$ 8</u>	<u>\$ -</u>
	Six months ended June 30, 2025		Six months ended June 30, 2024	
	Acquisition proceeds	Accrued payable	Acquisition proceeds	Accrued payable
Other related parties	\$ 28,616	\$ 4,214	\$ 3,323	\$ -
Associates	53,352	2,317	-	-
	<u>\$ 81,968</u>	<u>\$ 6,531</u>	<u>\$ 3,323</u>	<u>\$ -</u>

(b) Acquisition of financial assets:

	Accounts	Number of shares (thousands)	Objects	Six months ended June 30, 2025 Consideration
Ronly Venture Corp.	Investments accounted for using equity method	3,500	Stock	\$ 288,750

For the three months ended June 30, 2025 and for the three months and six months ended June 30, 2024: None.

(3) Key management compensation

	Three months ended June 30, 2025	Three months ended June 30, 2024
Salaries and other short-term employee benefits	\$ 75,047	\$ 37,108
Post-employment benefits	637	672
Total	\$ 75,684	\$ 37,780
	Six months ended June 30, 2025	Six months ended June 30, 2024
Salaries and other short-term employee benefits	\$ 99,925	\$ 80,801
Post-employment benefits	1,143	1,399
Total	\$ 101,068	\$ 82,200

8. PLEDGED ASSETS

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

Pledged assets	Carrying amounts			Purpose
	June 30, 2025	December 31, 2024	June 30, 2024	
Bank deposits (shown in "Current financial assets at amortised cost and non-current financial assets at amortised cost")	\$ 218,061	\$ 521,036	\$ 600,314	Payables for bankers' acceptance
Time deposits (Shown in "Current financial assets at amortised cost, non-current financial assets at amortised cost and other non-current assets")	96,861	218,053	425,601	Lease deposit, factory deposit, dormitory security deposit, performance guarantee, security for provisional attachment, customs deposit, long-term borrowings, payables for bankers' acceptances
Notes receivable	348	6,400	69,087	Payables for bankers' acceptance
Land, building and structures	542,356	543,802	324,933	Long-term borrowings
Machinery and office equipment				Long-term borrowings, short-term borrowings, funding loan
	-	-	550,445	
	\$ 857,626	\$ 1,289,291	\$ 1,970,380	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

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

	June 30, 2025	December 31, 2024	June 30, 2024
Property, plant and equipment	\$ 924,579	\$ 824,117	\$ 685,743

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital risk management

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

(2) Financial instruments

A. Financial instruments by category

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	\$ 127,447	\$ -	\$ 88,527
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	4,493,838	5,272,388	3,421,186
Financial assets at amortised cost			
Cash and cash equivalents	13,350,680	14,677,812	14,764,516
Financial assets at amortised cost	861,807	896,514	1,044,936
Notes receivable	842,855	748,305	616,362
Accounts receivable	6,284,545	7,677,262	7,853,622
Accounts receivable - related parties	406,090	418,795	572,786
Other receivables	135,894	119,049	153,490
Other receivables - related parties	21,133	52,401	44,400
Guarantee deposits paid	43,212	51,257	47,979
Other financial assets	9	3	-
	<u>\$ 26,567,510</u>	<u>\$ 29,913,786</u>	<u>\$ 28,607,804</u>

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit and loss			
Financial liabilities held for trading	\$ 4,213	\$ 75,337	\$ 32,767
Financial liabilities at amortised cost			
Short-term borrowings	287,508	566,428	177,911
Short-term notes and bills payable	276,012	845,699	1,012,384
Notes payable	9,820	10,877	1,021
Accounts payable	2,580,937	2,850,161	2,878,020
Accounts payable - related parties	203,010	131,583	271,829
Other payables	3,640,384	3,427,573	4,111,540
Long-term borrowings (including current portion)	692,225	1,388,207	2,856,470
Long-term accounts payable	3,841	4,000	-
Guarantee deposits received	57,506	49,526	75,073
	<u>\$ 7,755,456</u>	<u>\$ 9,349,391</u>	<u>\$ 11,417,015</u>
Lease liabilities (including current portion)	<u>\$ 1,245,431</u>	<u>\$ 1,351,230</u>	<u>\$ 1,429,305</u>

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

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

June 30, 2025			
	Foreign currency amount (in thousands)	Exchange rate	Book value (in thousands of NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 154,891	29.3000	\$ 4,538,306
RMB:NTD	152,437	4.0910	623,620
<u>Non-monetary items</u>			
USD:NTD	57,823	29.3000	1,694,214
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	37,877	29.3000	1,109,796
RMB:NTD	140,338	4.0910	574,123
December 31, 2024			
	Foreign currency amount (in thousands)	Exchange rate	Book value (in thousands of NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 169,026	32.7850	\$ 5,541,532
RMB:NTD	98,644	4.4780	441,729
<u>Non-monetary items</u>			
USD:NTD	57,823	32.7850	1,895,714
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	33,253	32.7850	1,090,211
RMB:NTD	129,501	4.4780	579,906

		June 30, 2024		
		Foreign currency amount (in thousands)	Exchange rate	Book value (in thousands of NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	181,075	32.4500	\$ 5,875,884
RMB:NTD		154,447	4.4450	686,517
<u>Non-monetary items</u>				
USD:NTD		57,823	32.4500	1,876,356
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD		42,619	32.4500	1,382,987
RMB:NTD		148,408	4.4450	659,674
iv. Please refer to the following table for the details of unrealized exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Group.				
Six months ended June 30, 2025				
<u>Unrealized exchange gain (loss)</u>				
		Foreign currency amount (in thousands)	Exchange rate	Book value (in thousands of NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	-	29.3000	(\$ 358,939)
RMB:NTD		-	4.0910	(20,319)
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD		-	29.3000	161,831
RMB:NTD		-	4.0910	28,832
Six months ended June 30, 2024				
<u>Unrealized exchange gain (loss)</u>				
		Foreign currency amount (in thousands)	Exchange rate	Book value (in thousands of NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	-	32.4500	\$ 124,750
RMB:NTD		-	4.4450	3,265
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD		-	32.4500	(72,667)
RMB:NTD		-	4.4450	(4,446)

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

Six months ended June 30, 2025				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 45,383	\$	-
RMB:NTD	1%	6,236		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(11,098)		-
RMB:NTD	1%	(5,741)		-
Six months ended June 30, 2024				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 58,759	\$	-
RMB:NTD	1%	6,865		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(13,830)		-
RMB:NTD	1%	(6,597)		-

Price risk

- The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 10% with all other variables held constant, post-tax profit for the six months ended June 30, 2025 and 2024 would have increased/decreased by \$12,323 and \$5,576, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$449,384 and \$342,119, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and interest rate risk

- i. The Group's interest rate risk arises from bank deposits, short-term borrowings and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's borrowings at variable rate were denominated in the USD, RMB and NTD.
- ii. Based on the simulations performed on sensitivity analysis for interest rate risk, the maximum impact on post-tax profit of a 0.1% shift would be increased/decreased of \$12,371 and \$11,730 for the six months ended June 30, 2025 and 2024, respectively. The simulation is done on a quarterly basis to ensure that the potential maximum loss is within the limit set by the management.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. The Group adopts the assumptions that the default occurs when the contract payments are overdue for 90 days.
- iii. The Group adopts the following assumptions to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- v. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the simplified approach using provision matrix, loss rate methodology to estimate expected credit loss under the provision matrix basis.
- vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group's written-off financial assets that are still under recourse procedures all amounted to \$945,844, \$945,844 and \$949,854, respectively.
- vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable and other receivables. As of June 30, 2025, December 31, 2024 and June 30, 2024, the provision matrix, loss rate methodology is as follows:

	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due	Over 180 days past due	Total
<u>June 30, 2025</u>						
Expected loss rate	0~100%	0~5.27%	0~28.29%	0~100%	0~100%	
Total book value	\$ 7,634,158	\$ 46,790	\$ 3,688	\$ 13,595	\$ 100,892	\$ 7,799,123
Loss allowance	\$ 568	\$ 186	\$ 408	\$ 8,189	\$ 99,255	\$ 108,606

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31~90 days past due</u>	<u>91~180 days past due</u>	<u>Over 180 days past due</u>	<u>Total</u>
<u>December 31, 2024</u>						
Expected loss rate	0~100%	0~15.6%	0~32.46%	0~40.31%	0~100%	
Total book value	\$ 8,644,972	\$ 209,607	\$ 152,119	\$ 9,818	\$ 99,208	\$ 9,115,724
Loss allowance	\$ 4,022	\$ 62	\$ 1,716	\$ 149	\$ 93,963	\$ 99,912

	<u>Not past due</u>	<u>Up to 30 days past due</u>	<u>31~90 days past due</u>	<u>91~180 days past due</u>	<u>Over 180 days past due</u>	<u>Total</u>
<u>June 30, 2024</u>						
Expected loss rate	0~100%	0~15.6%	0~51.03%	0~94%	0~100%	
Total book value	\$ 9,139,825	\$ 80,030	\$ 10,730	\$ 4,999	\$ 98,302	\$ 9,333,886
Loss allowance	\$ 602	\$ 255	\$ 1,160	\$ 1,371	\$ 89,838	\$ 93,226

	<u>Individual provision</u>	<u>Group provision</u>	<u>Total</u>
<u>June 30, 2025</u>			
Expected loss rate	100%	0%~100%	
Total book value	\$ 81,177	\$ 7,717,946	\$ 7,799,123
Loss allowance	\$ 81,177	\$ 27,429	\$ 108,606

<u>December 31, 2024</u>			
Expected loss rate	100%	0%~100%	
Total book value	\$ 74,474	\$ 9,041,250	\$ 9,115,724
Loss allowance	\$ 74,474	\$ 25,438	\$ 99,912

<u>June 30, 2024</u>			
Expected loss rate	100%	0%~100%	
Total book value	\$ 70,057	\$ 9,263,829	\$ 9,333,886
Loss allowance	\$ 70,057	\$ 23,169	\$ 93,226

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

	<u>2025</u>	
	<u>Accounts receivable (including notes receivable)</u>	<u>Other receivables</u>
At January 1	\$ 19,331	\$ 80,581
Provision (reversal of provision) for impairment	14,929 (	1,034)
Effect of exchange rate changes	(1,496)	(3,705)
At June 30	\$ 32,764	\$ 75,842
	<u>2024</u>	
	<u>Accounts receivable (including notes receivable)</u>	<u>Other receivables</u>
At January 1	\$ 12,155	\$ 75,082
Provision for impairment	5,509	606
Disposal of subsidiaries	(1,889)	-
Effect of exchange rate changes	286	1,477
At June 30	\$ 16,061	\$ 77,165

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and external regulatory or legal requirements.
- ii. Surplus cash are invested in interest bearing current accounts, time deposits and money market deposits, with appropriate maturities or sufficient liquidity to provide sufficient headroom and meet the above-mentioned forecasts. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group held money market position of \$13,350,680, \$14,677,812 and \$14,764,516, respectively, and those are expected to readily generate cash inflows for managing liquidity risk.
- iii. The Group has the following undrawn borrowing facilities:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Floating rate:			
Expiring within one year	\$ 9,376,231	\$ 11,725,544	\$ 9,885,375
Expiring beyond one year	<u>500,000</u>	<u>11,418,680</u>	<u>14,229,536</u>
	<u>\$ 9,876,231</u>	<u>\$ 23,144,224</u>	<u>\$ 24,114,911</u>

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

Derivative financial liabilities:

<u>June 30, 2025</u>	<u>Less than 1 year</u>	<u>Between 1 and 5 years</u>	<u>Between 5 and 7 years</u>	<u>Over 7 years</u>
Financial liabilities at fair value through profit or loss	\$ 4,213	\$ -	\$ -	\$ -

Non-derivative financial liabilities:

<u>June 30, 2025</u>	<u>Less than 1 year</u>	<u>Between 1 and 5 years</u>	<u>Between 5 and 7 years</u>	<u>Over 7 years</u>
Short-term borrowings	\$ 287,508	\$ -	\$ -	\$ -
Short-term notes and bills payable	276,012	-	-	-
Notes payable	9,820	-	-	-
Accounts payable (including related parties)	2,783,947	-	-	-
Other payables	3,640,384	-	-	-
Lease liabilities	97,154	308,272	127,248	965,713
Long-term borrowings (including current portion)	495,636	201,998	-	-
Long-term payables	-	3,841	-	-
Guarantee deposits received	54,856	1,926	-	724

Derivative financial liabilities:

<u>December 31, 2024</u>	<u>Less than 1 year</u>	<u>Between 1 and 5 years</u>	<u>Between 5 and 7 years</u>	<u>Over 7 years</u>
Financial liabilities at fair value through profit or loss	\$ 75,337	\$ -	\$ -	\$ -

Non-derivative financial liabilities:

December 31, 2024	Less than 1 year	Between 1 and 5 years	Between 5 and 7 years	Over 7 years
Short-term borrowings	\$ 566,428	\$ -	\$ -	\$ -
Short-term notes and bills payable	845,699	-	-	-
Notes payable	10,877	-	-	-
Accounts payable (including related parties)	2,981,744	-	-	-
Other payables	3,427,573	-	-	-
Lease liabilities	106,616	330,567	131,375	1,017,757
Long-term borrowings (including current portion)	1,137,520	261,363	-	-
Long-term payables	-	4,000	-	-
Guarantee deposits received	46,876	1,926	-	724

Derivative financial liabilities:

June 30, 2024	Less than 1 year	Between 1 and 5 years	Between 5 and 7 years	Over 7 years
Financial liabilities at fair value through profit or loss	\$ 32,767	\$ -	\$ -	\$ -

Non-derivative financial liabilities:

June 30, 2024	Less than 1 year	Between 1 and 5 years	Between 5 and 7 years	Over 7 years
Short-term borrowings	\$ 177,911	\$ -	\$ -	\$ -
Short-term notes and bills payable	1,012,384	-	-	-
Notes payable	1,021	-	-	-
Accounts payable (including related parties)	3,149,849	-	-	-
Other payables	4,111,540	-	-	-
Lease liabilities	110,942	364,465	144,214	1,062,801
Long-term borrowings (including current portion)	1,853,896	1,035,863	-	-
Guarantee deposits received	68,546	1,926	-	4,601

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

(3) Fair value information

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

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

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

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

- B. Financial instruments not measured at fair value

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

June 30, 2025				
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Long-term borrowings				
(including current portion)	\$ 692,225	\$ -	\$ 695,286	\$ -

December 31, 2024				
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Long-term borrowings				
(including current portion)	\$ 1,388,207	\$ -	\$ 1,388,263	\$ -

June 30, 2024				
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Long-term borrowings				
(including current portion)	\$ 2,856,470	\$ -	\$ 2,853,304	\$ -

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

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

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

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

June 30, 2025	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Derivatives	\$ -	\$ 127,447	\$ -	\$ 127,447
Financial assets at fair value through other comprehensive income				
Equity securities	1,823,270	-	2,670,568	4,493,838
Total	\$ 1,823,270	\$ 127,447	\$ 2,670,568	\$ 4,621,285
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivatives	\$ -	\$ 4,213	\$ -	\$ 4,213

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 1,779,641	\$ -	\$ 3,492,747	\$ 5,272,388
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivatives	\$ -	\$ 75,337	\$ -	\$ 75,337
June 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 88,515	\$ -	\$ -	\$ 88,515
Derivatives	-	12	-	12
Financial assets at fair value through other comprehensive income				
Equity securities	937,863	-	2,483,323	3,421,186
Total	\$ 1,026,378	\$ 12	\$ 2,483,323	\$ 3,509,713
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivatives	\$ -	\$ 32,767	\$ -	\$ 32,767

(b) The methods and assumptions the Group used to measure fair value are as follows:

- i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

- | | | | |
|---------------------|----------------------|------------------------|----------------------|
| | <u>Listed stocks</u> | <u>Closed-end fund</u> | <u>Open-end fund</u> |
| Market quoted price | Closing price | Closing price | Net asset value |
- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
 - iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market and foreign exchange swap contracts, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
 - iv. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments.

Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3)E.

- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- (c) The following chart is the movement of Level 3 for the six months ended June 30, 2025 and 2024:

	2025	2024
	Financial instruments	Financial instruments
At January 1	\$ 3,492,747	\$ 3,101,227
Losses recognised in other comprehensive income	(535,981)	(795,291)
Disposals	(6,737)	-
Effect of exchange rate changes	(279,461)	177,387
At June 30	<u>\$ 2,670,568</u>	<u>\$ 2,483,323</u>

- D. Treasury department is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- E. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 2,555,492	Market comparable companies	Price to book ratio multiple	1.46-2.26	The higher the multiple, the higher the fair value.
			Discount for lack of marketability	20%~30%	The higher the discount for lack of marketability, the lower the fair value.
Unlisted stocks	115,076	Market comparable companies	Enterprise value multiple (EV/Revenue) on June 30, 2025	2.72	The higher the enterprise value multiple, the higher the fair value.
			Liquidity discount ratio on June 30, 2025	30%	The higher the liquidity discount ratio, the lower the fair value.

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 3,316,905	Market comparable companies	Price to book ratio multiple	1.85~2.56	The higher the multiple, the higher the fair value.
			Discount for lack of marketability	20% ~ 30%	The higher the discount for lack of marketability, the lower the fair value.
Unlisted stocks	173,342	Market comparable companies	Enterprise value multiple (EV/Revenue) on December 31, 2024	3.05	The higher the enterprise value multiple, the higher the fair value.
			Liquidity discount ratio on December 31, 2024	30%	The higher the liquidity discount ratio, the lower the fair value.
Unlisted stocks	2,500	Net asset value	N/A	-	N/A
	Fair value at June 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 2,422,959	Market comparable companies	Price to book ratio multiple	1.09-1.68	The higher the multiple, the higher the fair value.
			Discount for lack of marketability	20% ~30%	The higher the discount for lack of marketability, the lower the fair value.
Unlisted stocks	57,864	Market comparable companies	Enterprise value multiple (EV/Revenue) on June 30, 2024	2.07	The higher the enterprise value multiple, the higher the fair value.
			Liquidity discount ratio on June 30, 2024	30.00%	The higher the liquidity discount ratio, the lower the fair value.
Unlisted stocks	2,500	Net asset value	N/A	-	N/A

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

		June 30, 2025			
		Recognised in profit or loss		Recognised in other comprehensive income	
		Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets	Input	Change			
Equity instrument	Discount for lack of marketability	±1%	\$ -	\$ -	\$ 27,856 (\$ 27,856)

			December 31, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±1%	\$ -	\$ -	\$ 34,927	(\$ 34,927)
			June 30, 2024			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±1%	\$ -	\$ -	\$ 24,833	(\$ 24,833)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

(2) Information on investees

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

(3) Information on investments in Mainland China

- Basic information: Please refer to table 8.
- Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 9.

14. SEGMENT INFORMATION

(1) General information:

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

(2) Segment information

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

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

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

Six months ended June 30, 2025

	<u>Epistar Group</u>	<u>Lextar Group</u>	<u>Others</u>	<u>Consolidated</u>
Revenues from external customers	\$ 6,999,656	\$ 4,372,438	\$ -	\$ 11,372,094
Segment loss	(1,117,961)	(164,960)	(47,697)	(1,330,618)
<u>June 30, 2025</u>				
Segment assets	\$ 38,346,471	\$ 11,005,387	\$ 4,310,468	\$ 53,662,326

Six months ended June 30, 2024

	<u>Epistar Group</u>	<u>Lextar Group</u>	<u>Others</u>	<u>Consolidated</u>
Revenues from external customers	\$ 7,730,429	\$ 4,229,530	\$ 229,263	\$ 12,189,222
Segment loss	(361,390)	(133,107)	(598,236)	(1,092,733)
<u>June 30, 2024</u>				
Segment assets	\$ 42,210,383	\$ 12,401,360	\$ 5,552,922	\$ 60,164,665

ENNOSTAR INC.
Loans to others
Six months ended June 30, 2025

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the six months ended	Balance at	Actual amount	Interest	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a	Ceiling on total	Footnote
					June 30, 2025	June 30, 2025	drawn down	rate					Item	Value	single party	loans granted	
1	Epistar Corporation	Unikorn Semiconductor Corporation	Other receivables-related parties	Y	\$ 800,000	\$ 800,000	\$ 700,000	1.65%~1.91%	Short-term financing	\$ -	Working capital	\$ -	Promissory Note	\$ 300,000	\$ 3,079,700	\$ 9,239,100	Note 1
2	Epicrystal Corporation (ChangZhou) Ltd.	Episky Corporation (Xiamen) Ltd	Other receivables-related parties	Y	1,624,320	736,380	736,380	0.98%	Short-term financing	-	Working capital	-	Promissory Note	736,380	1,561,505	1,561,505	Note 2
3	United LED Shan Dong Corporation	Episky Corporation (Xiamen) Ltd.	Other receivables-related parties	Y	146,336	-	-	Markup on short-term cost of capital	Short-term financing	-	Working capital	-	-	-	143,226	143,226	Note 3
4	Lextar Electronics (Chuzhou) Corp.	Episky Corporation (Xiamen) Ltd.	Other receivables-related parties	Y	823,140	736,380	-	Reference to short-term cost of capital	Short-term financing	-	Working capital	-	Promissory Note	736,380	3,471,029	3,471,029	Note 4
5	Lextar Electronics Corp.	Hexawave, Inc.	Other receivables-related parties	Y	10,000	10,000	-	Reference to short-term cost of capital	Short-term financing	-	Working capital	-	Promissory Note	10,000	808,514	2,425,541	Note 5

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

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

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

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

Note 5: Limit on loans granted by Lextar Electronics Corp., the ceiling to total loans granted is 30% of its net asset and to a single party is 10% of its net asset.

ENNOSTAR INC.
Provision of endorsements and guarantees to others
Six months ended June 30, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Company name	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of June 30, 2025	Outstanding endorsement/ guarantee amount at June 30, 2025	Actual amount drawn down	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements /guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
			Relationship with the endorser/ guarantor (Note 2)	endored/guaranteed											
1	Epistar Corporation	ENNOSTAR Inc.	3		\$ 9,239,100	\$ 750,000	\$ -	\$ -	\$ -	-	\$ 9,239,100	N	Y	N	Note 3

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

(1) The Company is '0'.

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

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

(1) Having business relationship.

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

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

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

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

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

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

Note 3: In accordance with the Epistar's Procedures for Provision of endorsements and guarantees to others: the ceiling on total endorsements/guarantees is 30% of the Company's net asset, and the limit on endorsements/guarantees to a single party is 30% of its net asset.

ENNOSTAR INC.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
Six months ended June 30, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

				As of June 30, 2025				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Epistar Corporation	E&E Japan Co.Ltd. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	140	\$ 2,143	17.07	\$ 2,143	
Epistar Corporation	NATEC CORPORATION (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	120,000	1,748	7.50	1,748	
Epistar Corporation	BISSOL LED CO., LTD. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	1,000	148	10.00	148	
Epistar Corporation	Lynk Labs, Inc. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	92,523	-	7.39	-	
Epistar Corporation	Advanced Photoelectronic Technology Limited (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	1,339,235	282,556	13.68	282,556	
Epistar Corporation	Dominant Opto Technologies Sdn. Bhd. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	35,000,000	741,794	10.00	741,794	
Epistar Corporation	XENIO CORPORATION (Stock)	None	Non-current financial assets at fair value through profit or loss	7,878	-	0.06	-	

				As of June 30, 2025				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Epistar Corporation	PlayNitride Inc. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	9,137,338	\$ 1,781,781	7.76	\$ 1,781,781	
Epistar Corporation	OSTENDO TECHNOLOGIES, INC. (Stock)	None	Non-current financial assets at fair value through profit or loss	67,500	-	0.04	-	
Epistar Corporation	PHECDA TECHNOLOGY CO., LTD	None	Non-current investments in equity instruments at fair value through other comprehensive income	600,000	-	2.11	-	
Epistar Corporation	ELIT FINE CERAMICS CO., LTD.	None	Non-current financial assets at fair value through profit or loss	2,200,000	-	4.49	-	
Epistar Corporation	Nanocrystal Technology Inc.	None	Non-current financial assets at fair value through profit or loss	6,000,000	-	11.11	-	
Epistar JV Holding (BVI) Co., Ltd.	Bridgelux Optoelectronics (Xiamen) Co., Ltd. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	56,316,532	1,263,799	18.77	1,263,799	
Episky Corporation(Xiamen) Ltd.	China Firstar Optoelectronic Materials Co., Ltd. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	Cash RMB 7,500,000	-	15.00	-	
Episky Corporation(Xiamen) Ltd.	APT Electronics Co., Ltd. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	4,678,240	77,894	0.87	77,894	

Table 3-2

				As of June 30, 2025				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Episky Corporation(Xiamen) Ltd.	Zhongke Electric Material (Beijing) Co.,Ltd.(Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	8,064,516	\$ 35,961	3.72	\$ 35,961	
Lighting Investment Corporation	Oree Advanced Illumination Solutions, Inc. (Stock)	None	Non-current financial assets at fair value through profit or loss	79,407	-	5.00	-	
Lighting Investment Corporation	TERA XTAL TECHNOLOGY CORPORATION (Stock)	None	Non-current financial assets at fair value through profit or loss	795,000	-	0.42	-	
Lighting Investment Corporation	XENIO CORPORATION (Stock)	None	Non-current financial assets at fair value through profit or loss	16,463	-	0.13	-	
Lighting Investment Corporation	FormoLight Technologies, Inc. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	2,038,230	13,414	10.00	13,414	
Lighting Investment Corporation	Advanced Photoelectronic Technology Limited (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	562,018	118,577	5.74	118,577	
Lighting Investment Corporation	Edison Opto Corp. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	312,000	5,725	0.21	5,725	
Lighting Investment Corporation	iReach Corporation (Preferred stock)	Investments accounted for using equity method of Epistar Corporation	Non-current investments in equity instruments at fair value through other comprehensive income	370,000	1,891	-	1,891	

Table 3-3

				As of June 30, 2025				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Lighting Investment Corporation	ENNOSTAR Inc. (Stock)	Parent company of Epistar Corporation	Current financial assets at fair value through profit or loss	1,282,377	\$ 45,396	0.17	\$ 45,396	Note 1
Lighting Investment Ltd.	Verticle Inc. (Stock)	None	Non-current financial assets at fair value through profit or loss	582,983	-	3.00	-	
Lighting Investment Ltd.	Achrolux Inc. (Stock)	None	Non-current financial assets at fair value through profit or loss	987,500	-	6.91	-	
Lighting Investment Ltd.	PlayNitride Inc. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	30,000	5,850	0.03	5,850	
Lighting Investment Ltd.	Advanced Photoelectronic Technology Limited (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	200,000	42,197	2.04	42,197	
HUGA Holding (SAMOA) Ltd.	Zhongke Electric Material (Beijing) Co.,Ltd.(Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	17,741,935	79,115	8.19	79,115	
Jiangsu Canyang Optoelectronics Ltd	C-Star (Yangzhou) technology Co., Ltd	None	Non-current investments in equity instruments at fair value through other comprehensive income	Cash RMB 5,000,000	9,331	13.96	9,331	
Wellybond Corporation	Wellysun Inc.(Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	2,361,000	29,914	4.96	29,914	

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

Table 3-4

ENNOSTAR INC.

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

Six months ended June 30, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms		Notes/accounts receivable (payable)		Footnote
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Episky Corporation (Xiamen) Ltd.	Epistar Corporation	Note 1	Sales	(\$ 475,945) (	4.19)	90 days after monthend closing	Normal	Normal	\$ 259,183	3.44	
Epistar Corporation	Episky Corporation (Xiamen) Ltd.	Note 1	Sales	(627,112) (	5.51)	90 days after monthend closing	Normal	Normal	232,310	3.08	
Epicrystal Corporation (ChangZhou) Ltd.	Episky Corporation (Xiamen) Ltd.	Note 1	Sales	(948,319) (	8.34)	180 days after monthend closing	Normal	Normal	1,041,545	13.83	
Epicrystal Corporation (ChangZhou) Ltd.	Epistar Corporation	Note 1	Sales	(440,473) (	3.87)	90 days after monthend closing	Normal	Normal	219,325	2.91	
Jiangsu Canyang Optoelectronics Ltd.	Episky Corporation (Xiamen) Ltd.	Note 1	Sales	(216,269) (	1.90)	120 days after monthend closing	Normal	Normal	109,416	1.45	
Jiangsu Canyang Optoelectronics Ltd.	Epicrystal Corporation (ChangZhou) Ltd.	Note 1	Sales	(396,093) (	3.48)	90 days after monthend closing	Normal	Normal	225,599	2.99	
Epistar Corporation	LEDAB Co., Ltd.	Note 1	Sales	(138,412) (	1.22)	120 days after monthend closing	Normal	Normal	92,632	1.23	
Lextar Electronics Corp.	AUO (Suzhou) Co., Ltd.	Other related parties	Sales	(127,805) (	1.12)	120 days after monthend closing	Normal	Normal	78,799	1.05	
Lextar Electronics (Chuzhou) Corp.	Lextar Electronics Corp.	Note 1	Sales	(1,463,827) (	12.87)	120 days after monthend closing	Normal	Normal	982,791	13.05	
Episky Corporation (Xiamen) Ltd.	Epicrystal Corporation (ChangZhou) Ltd.	Note 1	Purchases	948,319	13.97	180 days after monthend closing	Normal	Normal	(1,041,545) (	37.28)	
Episky Corporation (Xiamen) Ltd.	Epistar Corporation	Note 1	Purchases	627,112	9.24	90 days after monthend closing	Normal	Normal	(232,310) (	8.32)	

Transaction						Differences in transaction terms		Notes/accounts receivable (payable)			Footnote
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Episky Corporation (Xiamen) Ltd.	Jiangsu Canyang Optoelectronics Ltd.	Note 1	Purchases	\$ 216,269	3.19	120 days after monthend closing	Normal	Normal	(\$ 109,416) (	3.92)	
Epistar Corporation	Episky Corporation (Xiamen) Ltd.	Note 1	Purchases	475,945	7.01	90 days after monthend closing	Normal	Normal	(259,183) (	9.28)	
Epistar Corporation	Epicrystal Corporation (ChangZhou) Ltd.	Note 1	Purchases	440,473	6.49	90 days after monthend closing	Normal	Normal	(219,325) (	7.85)	
Epicrystal Corporation (ChangZhou) Ltd.	Epicrystal Corporation (ChangZhou) Ltd.	Note 1	Purchases	396,093	5.84	90 days after monthend closing	Normal	Normal	(225,599) (	8.08)	
Lextar Electronics Corp.	Lextar Electronics (Chuzhou) Corp.	Note 1	Purchases	1,463,827	21.57	120 days after monthend closing	Normal	Normal	(982,791) (	35.18)	
Lextar Electronics Corp.	Tyntek Corporation	Note 1	Purchases	112,547	1.66	120 days after monthend closing	Normal	Normal	(85,129) (	3.05)	

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

Table 4-2

ENNOSTAR INC.

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

June 30, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at June 30, 2025		Total	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful debts
			Accounts receivable	Other receivable			Amount	Action taken		
ENNOSTAR Inc.	Epistar Corporation	Note 2	\$ -	\$ 106,579	\$ 106,579	-	\$ -	-	\$ 19,734	\$ -
Episky Corporation (Xiamen) Ltd.	Epistar Corporation	Note 2	259,183	8,129	267,312	4.40	-	-	-	-
Epistar Corporation	Episky Corporation (Xiamen) Ltd.	Note 2	232,310	2,560	234,870	3.90	294	Note 1	106,356	-
Epistar Corporation	Unikorn Semiconductor Corporation	Note 2	17,985	718,321	736,306	0.05	-	-	3,632	-
Epicrystal Corporation (ChangZhou) Ltd.	Episky Corporation (Xiamen) Ltd.	Note 2	1,041,545	736,981	1,778,526	2.04	-	-	-	-
Epicrystal Corporation (ChangZhou) Ltd.	Epistar Corporation	Note 2	219,325	-	219,325	0.84	-	-	-	-
Jiangsu Canyang Optoelectronics Ltd.	Episky Corporation (Xiamen) Ltd.	Note 2	109,416	14,232	123,648	2.85	-	-	-	-
Jiangsu Canyang Optoelectronics Ltd.	Epicrystal Corporation (ChangZhou) Ltd.	Note 2	225,599	15,073	240,672	2.41	-	-	-	-
Lextar Electronics Corp.	Lextar Electronics (Chuzhou) Corp.	Note 2	133,601	1,241	134,842	5.20	468	Note 1	46,909	-
Lextar Electronics (Chuzhou) Corp.	Lextar Electronics Corp.	Note 2	982,791	-	982,791	3.17	-	-	235,853	-

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

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

ENNOSTAR INC.
Significant inter-company transactions during the reporting periods
Six months ended June 30, 2025

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	ENNOSTAR Inc.	Lextar Electronics Corp.	1	Other operating revenue	\$ 117,857	Based on contract terms	1.04
0	ENNOSTAR Inc.	Epistar Corporation	1	Other operating revenue	228,329	Based on contract terms	2.01
0	ENNOSTAR Inc.	Epistar Corporation	1	Other receivable	106,579	Based on contract terms	0.20
1	Epistar Corporation	Episky Corporation (Xiamen) Ltd.	3	Sales	627,112	Conducted in the ordinary course of business with terms similar to those with third parties	5.51
1	Epistar Corporation	Episky Corporation (Xiamen) Ltd.	3	Accounts receivable	232,310	Conducted in the ordinary course of business with terms similar to those with third parties	0.43
1	Epistar Corporation	Unikorn Semiconductor Corporation	3	Other receivable	718,321	Based on contract terms	1.34
2	Episky Corporation (Xiamen) Ltd.	Epistar Corporation	3	Sales	475,945	Conducted in the ordinary course of business with terms similar to those with third parties	4.19
2	Episky Corporation (Xiamen) Ltd.	Epistar Corporation	3	Accounts receivable	259,183	Conducted in the ordinary course of business with terms similar to those with third parties	0.48

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
3	Epicrystal Corporation (ChangZhou) Ltd.	Episky Corporation (Xiamen) Ltd.	3	Sales	\$ 948,319	Conducted in the ordinary course of business with terms similar to those with third parties	8.34
3	Epicrystal Corporation (ChangZhou) Ltd.	Epistar Corporation	3	Sales	440,473	Conducted in the ordinary course of business with terms similar to those with third parties	3.87
3	Epicrystal Corporation (ChangZhou) Ltd.	Episky Corporation (Xiamen) Ltd.	3	Accounts receivable	1,041,545	Conducted in the ordinary course of business with terms similar to those with third parties	1.94
3	Epicrystal Corporation (ChangZhou) Ltd.	Epistar Corporation	3	Accounts receivable	219,325	Conducted in the ordinary course of business with terms similar to those with third parties	0.41
3	Epicrystal Corporation (ChangZhou) Ltd.	Episky Corporation (Xiamen) Ltd.	3	Other receivable	736,981	Based on contract terms	1.37
4	Jiangsu Canyang Optoelectronics Ltd.	Episky Corporation (Xiamen) Ltd.	3	Sales	216,269	Conducted in the ordinary course of business with terms similar to those with third parties	1.90
4	Jiangsu Canyang Optoelectronics Ltd.	Epicrystal Corporation (ChangZhou) Ltd.	3	Sales	396,093	Conducted in the ordinary course of business with terms similar to those with third parties	3.48
4	Jiangsu Canyang Optoelectronics Ltd.	Episky Corporation (Xiamen) Ltd.	3	Accounts receivable	109,416	Conducted in the ordinary course of business with terms similar to those with third parties	0.20
4	Jiangsu Canyang Optoelectronics Ltd.	Epicrystal Corporation (ChangZhou) Ltd.	3	Accounts receivable	225,599	Conducted in the ordinary course of business with terms similar to those with third parties	0.42
5	Lextar Electronics Corp.	Lextar Electronics (Chuzhou) Corp.	3	Accounts receivable	133,601	Conducted in the ordinary course of business with terms similar to those with third parties	0.25

Table 6-2

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
6	Lextar Electronics (Chuzhou) Corp.	Lextar Electronics Corp.	3	Sales	\$ 1,463,827	Conducted in the ordinary course of business with terms similar to those with third parties	12.87
6	Lextar Electronics (Chuzhou) Corp.	Lextar Electronics Corp.	3	Accounts receivable	982,791	Conducted in the ordinary course of business with terms similar to those with third parties	1.83

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

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

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

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

ENNOSTAR INC.
Information on investees (Excluding Information on Investment in Mainland China)
Six months ended June 30, 2025

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025					Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	Footnote
				Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value					
ENNOSTAR Inc.	Epistar Corporation	Taiwan	Resarching, developing, manufacturing and sales of LED wafers and chips	\$ 38,234,780	\$ 38,234,780	1,207,079,188	100.00	\$ 30,751,602	(\$ 1,125,165)	(\$ 1,116,957)			
ENNOSTAR Inc.	Lextar Electronics Corp.	Taiwan	Manufacturing and sales of LED wafers, packages and modules	10,724,646	10,724,646	514,916,380	100.00	9,316,705	(147,257)	(173,621)			
ENNOSTAR Inc.	Harvestar Investment Corp.	Taiwan	General investment	1,150,000	1,150,000	115,000,000	100.00	589,090	(8,603)	(8,603)			
ENNOSTAR Inc.	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	584,583	584,583	23,799,000	7.92	620,732	(21,956)	(1,915)	Note 1		
ENNOSTAR Inc.	Amengine Corporation	Taiwan	Developing, manufacturing and sales of optical sensing modules	39,242	40,212	3,370,000	36.98	920	(324)	(231)			

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025					Footnote
				Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	
ENNOSTAR Inc.	GCS Holding Inc.	Cayman Islands	OEM manufacturing of GaAs / InP / GaN / SiC wafers for RF and optoelectronics	\$ 431,990	\$ 431,990	9,028,000	7.95	\$ 257,519	(56,556)	(5,797)	Note 1
ENNOSTAR Inc.	Calystar Investment Corp.	Taiwan	General investment	440,000	440,000	45,355,925	100.00	346,547	(5,867)	(5,867)	
Harvestar Investment Corp.	GCS Holding Inc.	Cayman Islands	OEM manufacturing of GaAs / InP / GaN / SiC wafers for RF and optoelectronics	433,099	433,099	9,013,000	7.93	308,084	(56,556)	(5,845)	Note 1
Harvestar Investment Corp.	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	263,864	263,864	13,089,000	4.35	256,395	(21,956)	(2,864)	Note 1
Calystar Investment Corp.	GCS Holding Inc.	Cayman Islands	OEM manufacturing of GaAs / InP / GaN / SiC wafers for RF and optoelectronics	265,135	265,135	6,500,000	5.72	160,938	(56,556)	(4,217)	Note 1

Table 7-2

			Initial investment amount		Shares held as at June 30, 2025						
Investor	Investee	Location	Main business activities	Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	Footnote
Calystar Investment Corp.	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	\$ 151,238	\$ 151,238	8,094,000	2.69	\$ 143,311	(\$ 21,956)	(\$ 1,771)	Note 1
Unikorn Semiconductor Corporation	GCS Holding Inc.	Cayman Islands	OEM manufacturing of GaAs / InP / GaN / SiC wafers for RF and optoelectronics	1,051	1,051	20,000	0.02	800	(56,556)	(13)	Note 1
Epistar Corporation	iReach Corporation	Taiwan	Manufacturing, sales, packaging and module design of semiconductor light emitting devices	70,000	70,000	7,000,000	34.30	38,177	(8,443)	(7,483)	
Epistar Corporation	Epistar JV Holding (BVI) Co.,Ltd.	Cayman Islands	General investment	14,960,129	14,960,129	48,278	100.00	8,053,400	132,867	127,738	
Epistar Corporation	Lighting Investment Corporation	Taiwan	General investment	1,561,814	1,561,814	191,478,518	100.00	1,960,872	20,222	20,847	
Epistar Corporation	Unikorn Semiconductor Corporation	Taiwan	Original equipment manufacturer of III-V semiconductor	1,340,825	826,083	336,485,000	100.00	(371,269)	(138,148)	(138,148)	
Epistar Corporation	TE Opto Corporation	Taiwan	Sales of LED chips	9,200	9,200	920,000	40.00	45,011	(2,421)	(968)	

Table 7-3

			Initial investment amount		Shares held as at June 30, 2025						
Investor	Investee	Location	Main business activities	Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	Footnote
Epistar Corporation	GaN Force Corporation	Taiwan	Design, manufacturing and sales of semiconductor materials and modules	\$ 77,700	\$ 77,700	1,118,600	64.32	\$ 657	(\$ 112)	(\$ 72)	
Epistar Corporation	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	1,243	1,243	50,000	0.02	1,172	(21,956)	(4)	Note 1
Epistar Corporation	Can Yang Investments Limited	Hong Kong	General investment	66,745	66,745	2,679,063	3.53	56,963	28,252	996	
Epistar Corporation	GCS Holding Inc.	Cayman Islands	OEM manufacturing of GaAs / InP / GaN / SiC wafers for RF and optoelectronics	288,750	-	3,500,000	3.08	82,149	(56,556)	(2,147)	Note 1
Epistar JV Holding (BVI) Co.,Ltd.	HUGA Holding (SAMOA) Limited	Samoa	General investment	334,967	334,967	12,551,035	100.00	82,409	59	59	
Epistar JV Holding (BVI) Co.,Ltd.	Lite Star JV Holding (BVI) CO., Ltd.	British Virgin Islands	General investment	3,408,835	3,408,835	10,882	82.41	3,004,251	(67,359)	(55,511)	
Epistar JV Holding (BVI) Co.,Ltd.	United LED Corporation (Hong Kong) Limited	Hong Kong	General investment	2,029,760	2,029,760	67,000,165	74.86	10,717	-	-	
Epistar JV Holding (BVI) Co.,Ltd.	Episky (Hong Kong) Limited	Hong Kong	General investment	2,124,096	2,124,096	Cash USD 68,000,000	100.00	1,819,466	94,855	94,855	
Epistar JV Holding (BVI) Co.,Ltd.	Can Yang Investments Limited	Hong Kong	General investment	4,391,621	4,391,621	67,045,899	88.21	1,425,414	28,252	24,921	
Lighting Investment Ltd.	LEDAZ CO., Ltd.	Korea	Engineering service of LED	48,166	48,166	88,460	28.13	23,260	34,209	6,010	

Table 7-4

				Initial investment amount		Shares held as at June 30, 2025					
Investor	Investee	Location	Main business activities	Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss)	Investment	Footnote
									of the investee for the six months ended June 30, 2025	income (loss) recognised by the Company for the six months ended June 30, 2025	
Lighting Investment Ltd.	Luxlite (HK) Corporation Limited	Hong Kong	General investment	\$ 133,979	\$ 133,979	3,800,000	100.00	\$ 282,657	\$ -	\$ -	
Lite Star JV Holding (BVI) Co., Ltd.	Epicrystal (Hong Kong) Co. Ltd.	Hong Kong	General investment	4,403,034	4,403,034	146,600,000	100.00	3,645,334	(67,210)	(67,210)	
Lighting Investment Corporation	LEDAZ CO., Ltd.	Korea	Engineering service of LED	23,993	23,993	44,065	14.01	11,588	34,209	3,074	
Lighting Investment Corporation	Lighting Investment Ltd.	British Virgin Islands	General investment	152,701	152,701	45,643	100.00	1,017,744	28,031	28,031	
Lighting Investment Corporation	Can Yang Investments Limited	Hong Kong	General investment	72,436	72,436	5,218,605	6.87	111,015	28,252	1,941	
Lighting Investment Corporation	LEDOLUX Sp.Zo.O.	Poland	Manufacturing and sales of LED products	-	133,455	-	0.00	-	(4,232)	(2,536)	
Lighting Investment Corporation	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	1,276	1,276	50,000	0.02	764	(21,956)	(4)	Note 1
Lighting Investment Corporation	GaN Force Corporation	Taiwan	Design, manufacturing and sales of semiconductor materials and modules	641	641	620,400	35.68	684	(112)	(40)	
Lighting Investment Corporation	Domi-Star Optoelectronics Corporation	Taiwan	Design and sales of LED lighting product	-	490	-	0.00	-	(10)	(5)	

Table 7-5

			Initial investment amount		Shares held as at June 30, 2025						
Investor	Investee	Location	Main business activities	Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	Footnote
Episky Corporation (Xiamen) Ltd	Epicrystal Corporation (ChangZhou) Ltd.	China	Manufacturing and sales of LED wafers and chips	\$ 147,472	\$ 147,472	Cash USD 5,200,000	3.31	\$ 129,215	(\$ 71,974)	(\$ 2,382)	
Epicrystal Corporation (ChangZhou) Ltd.	Changzhou Chemsemi Co., Ltd.	China	OEM manufacturing of compound semiconductor RFID wafers and optoelectronic wafers	469,590	469,590	Cash RMB 63,685,809	9.87	236,740	(961,468)	(116,267)	
Episky Corporation (Xiamen) Ltd	LEADSTAR Micro-Crystal Display Corporation (JiangSu) Ltd.	China	Developing, manufacturing and sales of LED packages, modules and related applications	164,862	164,862	Cash RMB 38,800,000	9.70	113,802	(16,226)	(1,574)	
Episky Corporation (Xiamen) Ltd	Shenzhen Epikylin Optoelectronics Co.,Ltd	China	Sales of LED chips	43,770	43,770	-	0.00	-	(2,476)	(2,476)	
Lextar Electronics Corp.	Lextar (Singapore) Pte. Ltd.	Sinapore	General investment	2,709,310	2,709,310	90,270,000	100.00	2,419,354	(24,784)	(24,784)	
Lextar Electronics Corp.	Wellypower Optronics Corporation	British Virgin Islands	General investment	44,898	44,898	5,153,061	100.00	159,028	(1,877)	(1,877)	
Lextar Electronics Corp.	Apower Optronics Corporation	British Virgin Islands	General investment	381,638	381,638	31,600,000	100.00	1,140,726	(14,051)	(14,051)	
Lextar Electronics Corp.	Liang Li Venture Corp.	Taiwan	General investment	175,374	175,374	18,000,000	100.00	104,570	(2,495)	(2,495)	
Lextar Electronics Corp.	Wellybond Corporation	Taiwan	General investment	996,484	746,484	100,000,000	100.00	657,466	(28,966)	(28,966)	
Lextar Electronics Corp.	Trendylite Corporation	Taiwan	Sales of products	20,874	20,874	3,150,000	53.84	21,690	(15,666)	(8,436)	
Lextar Electronics Corp.	Hexawave, Inc.	Taiwan	Manufacturing and sales of compound semiconductor materials and modules	147,506	147,506	12,716,000	31.48	7,956	(26,760)	(8,423)	
Lextar Electronics Corp.	Yenrich Technology Corporation	Taiwan	Research, development and sales of electronic component	505,487	505,487	7,538,471	39.37	16,140	(55,584)	(21,882)	

Table 7-6

				Initial investment amount		Shares held as at June 30, 2025					
Investor	Investee	Location	Main business activities	Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	Footnote
Lextar Electronics Corp.	ProLight Opto Technology Corporation	Taiwan	Manufacturing and sales of LED packages	\$ 99,081	\$ 99,081	6,700,000	9.84	\$ 66,122	(\$ 26,431)	(\$ 2,602)	
Lextar Electronics Corp.	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	1,304	1,304	50,000	0.02	824	(21,956)	(66)	Note 1
Lextar (Singapore) Pte. Ltd.	Lextar Electronics Korea Ltd.	Korea	Sale of LED and after-sales service	3,025	3,025	22,000	100.00	5,222	243	243	
Lextar (Singapore) Pte. Ltd.	Aurora International Lighting Corporation Limited	Hong Kong	Sales of lighting	204,136	204,136	2,000,000	20.00	-	-	-	
Wellybond Corporation	Vogito Innovation Co., Ltd.	Taiwan	Design,developing, reasearching and sales of health care products	1,000	1,000	100,000	50.00	5,577	1,883	941	
Wellybond Corporation	Hexawave, Inc.	Taiwan	Manufacturing and sales of compound semiconductor materials and modules	147,494	147,494	12,715,000	31.47	7,956	(26,760)	(8,423)	
Wellybond Corporation	Trendylite Corporation	Taiwan	Sales of products	18,312	18,312	2,361,538	40.37	16,261	(15,666)	(6,324)	
Wellybond Corporation	ProLight Opto Technology Corporation	Taiwan	Manufacturing and sales of LED packages	513,408	326,817	43,871,169	64.47	432,965	(26,431)	(13,403)	

Table 7-7

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at June 30, 2025					Footnote
				Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	
Wellybond Corporation	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	\$ 1,288	\$ 1,288	50,000	0.02	\$ 807	(\$ 21,956)	(\$ 67)	Note 1
Liang Li Venture Corp.	ProLight Opto Technology Corporation	Taiwan	Manufacturing and sales of LED packages	96,604	96,604	6,700,000	9.84	66,122	(26,431)	(2,602)	
Liang Li Venture Corp.	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	1,293	1,293	50,000	0.02	819	(21,956)	(65)	Note 1
ProLight Opto Technology Corporation	Prolight Opto Holding Corporation	Seychelles	General investment	4,402	4,402	150,000	100.00	9,805	5,475	5,475	
Prolight Opto Holding Corporation	ProLight Opto Technology Corporation	Seychelles	General investment	4,403	4,403	150,000	100.00	9,732	5,475	5,475	

Table 7-8

				Initial investment amount		Shares held as at June 30, 2025					
Investor	Investee	Location	Main business activities	Balance as at June 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the six months ended June 30, 2025	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	Footnote
Lextar Electronics (Suzhou) Corp.	Lextar Electronics (Chuzhou) Corp.	China	Manufacturing and sales of LED and modules	\$ 3,094,825	\$ 3,094,825	Cash RMB 700,000,000	100.00	\$ 3,471,031	(\$ 29,085)	(\$ 29,085)	
Lextar Electronics (Suzhou) Corp.	Chuzhou Bwin Technology Corp.	China	Developing, manufacturing, sales of metal and plastic technical products.	138,913	138,913	Cash RMB 30,500,000	30.50	-	(26,773)	(8,451)	

Note 1: The group is the director of the investee, which indicates that the Group has significant influence over the investee. Accordingly, the Group listed the investee as an associate.

ENNOSTAR INC.
Information on investments in Mainland China
Six months ended June 30, 2025

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six months ended June 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Net income of investee for the six months ended June 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	Book value of investments in Mainland China as of June 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
LEADSTAR Micro-Crystal Display Corporation (JiangSu) Ltd.	Developing, manufacturing and sales of LED packages, modules and related applications	\$ 1,636,400	1	\$ 583,428	\$ -	\$ -	\$ 583,428	\$ 79,166	33.63	(\$ 9,444)	\$ 418,616	\$ -	2(3) 、6
Episky Corporation (Xiamen) Ltd.	Manufacturing and sales of LED chips	1,824,780	2	2,124,096	-	-	2,124,096	94,855	100.00	94,855	1,819,459	-	2(2)
United LED Shan Dong Corporation	Information technology consulting services	2,102,178	2	1,824,844	-	-	1,824,844	83,418	74.86	62,447	326,339	-	2(3)
Epicrystal Corporation (ChangZhou) Ltd.	Manufacturing and sales of LED wafers and chips	4,149,084	2	3,423,550	-	-	3,423,550	(71,974)	76.95	(55,387)	3,004,119	-	2(2)
Bridgelux Optoelectronic (Xiamen) Co.,Ltd.	Manufacturing and sales of LED wafers, chips, packages and modules	1,227,300	2	1,461,593	-	-	1,461,593	-	18.77	-	1,263,799	-	2(3)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the six months ended June 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Net income of investee for the six months ended June 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the six months ended June 30, 2025	Book value of investments in Mainland China as of June 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of June 30, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
					China	to Taiwan							
APT Electronics Co., Ltd.	Developing, manufacturing and sale of LED extension and chip, module and light instrument	\$ 2,197,468	3	\$ 296,108	\$ -	\$ -	\$ 296,108	\$ -	8.09	\$ -	\$ -	\$ -	2(3)
Zhongke Electric Material (Beijing) Co.,Ltd.	Developing, manufacturing and sale of gallium arsenide single crystal and wafers	886,111	2	96,084	-	-	96,084	-	8.19	-	-	-	2(3)
Jiangsu Canyang Optoelectronics Ltd.	Manufacturing and sales of LED wafers and chips	5,134,228	2	2,598,418	-	-	2,598,418	28,163	98.61	27,772	1,645,447	-	2(2)
Lextar Electronics (Suzhou) Corp.	Manufacturing and sales of LED and modules	3,539,492	2	3,585,860	-	-	3,585,860	(44,830)	100.00	(44,830)	3,504,195	-	2(3)
Shanghai Welight Electronic Co., LTD.	Wholesale and export and import of LED and related electronic products	3,823	2	4,695	-	-	4,695	5,475	84.15	4,607	9,863	-	2(2)

Table 8-2

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of June 30, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
ENNOSTAR Inc.	\$ 436,383	\$ 306,962	\$ 42,588,151
Epistar Corporation	\$ 11,818,972	\$ 13,304,479	\$ 30,796,999
Lextar Electronics Corp.	\$ 3,737,600	\$ 4,198,743	\$ 8,085,137

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

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

Note 2: Investment income or loss in this period:

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

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

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

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

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

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

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

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

ENNOSTAR INC.

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

Six months ended June 30, 2025

Table 9

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals			Financing				
	Amount	%	(Purchase) sale amount	(Loss) gain	Balance at June 30,		Balance at June 30,	Purpose	Maximum balance during the six months ended	Balance at June 30, 2025	Interest rate	Interest during the six months ended June 30,	Others	
					2025	%			June 30, 2025			2025		
Episky Corporation (Xiamen) Ltd.	\$ 627,112	(5.51)	\$ 6,884	\$ 368	\$ 232,310	3.08	\$ -	-	\$ -	\$ -	-	\$ -	-	
Episky Corporation (Xiamen) Ltd.	(475,945)	7.01	(5,604)	-	(259,183)	(9.28)	-	-	-	-	-	-	-	
Epicrystal Corporation (ChangZhou) Ltd.	(440,473)	6.49	46,846	81	(219,325)	(7.85)	-	-	-	-	-	-	-	
Lextar Electronics (Chuzhou) Corp.	(1,463,827)	21.57	1,376	(14)	(982,791)	(35.18)	-	-	-	-	-	-	-	

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