

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 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

PWCR25000182

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

Scope of review

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

Basis for qualified conclusion

As explained in Note 4(3), the financial statements of certain insignificant consolidated subsidiaries and information disclosed in Note 13 were not reviewed by independent auditors. Total assets of these subsidiaries amounted to NT\$5,184,063 thousand and NT\$6,378,460 thousand, constituting 9.92% and 10.87% of the consolidated total assets as at September 30, 2025 and 2024, respectively, total liabilities amounted to NT\$575,949 thousand and NT\$1,461,293 thousand, constituting 6.33% and 11.76% of the consolidated total liabilities as at September 30, 2025 and 2024 respectively, and the total comprehensive income (loss) amounted to NT\$268,111 thousand, (NT\$194,095) thousand, (NT\$556,996) thousand and (NT\$758,929) thousand, constituting (67.57%), (82.35%), 16.84% and 74.10% of the consolidated total comprehensive income for the three months and nine months then ended, respectively. The balance of these investments accounted for using equity method amounting to NT\$1,992,860 thousand and NT\$2,310,436 thousand, respectively, and the comprehensive loss recognized from associates and joint ventures accounted for under the equity method amounting to NT\$7,799 thousand, NT\$64,416 thousand, NT\$209,392 thousand and NT\$208,696 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 September 30, 2025 and 2024, and of its consolidated financial performance for the three months and nine months then ended and its consolidated cash flows for the nine 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

November 7, 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
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of September 30, 2025 and 2024 are reviewed, not audited)

Assets		Notes	September 30, 2025		December 31, 2024		September 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 14,327,601	27	\$ 14,677,812	25	\$ 14,379,151	24
1110	Financial assets at fair value	6(2)						
	through profit or loss - current		2,699	-	-	-	46,797	-
1136	Current financial assets at	6(4) and 8						
	amortised cost		115,062	-	644,017	1	959,804	2
1150	Notes receivable, net	6(5) and 8	1,184,761	2	748,305	1	718,165	1
1170	Accounts receivable, net	6(5)	6,609,987	13	7,677,262	13	7,993,692	14
1180	Accounts receivable - related	7						
	parties, net		412,700	1	418,795	1	480,002	1
1200	Other receivables		184,778	-	119,049	-	210,759	-
1210	Other receivables - related	7						
	parties		42,220	-	52,401	-	40,376	-
130X	Inventories	6(6)	4,441,000	9	4,729,684	8	4,610,002	8
1410	Prepayments		515,286	1	534,956	1	575,970	1
1460	Non-current assets held for sale	6(12)						
	- net		-	-	131,173	-	99,094	-
1470	Other current assets		16,082	-	38,034	-	41,634	-
11XX	Current Assets		<u>27,852,176</u>	<u>53</u>	<u>29,771,488</u>	<u>50</u>	<u>30,155,446</u>	<u>51</u>
Non-current assets								
1517	Non-current financial assets at	6(3)						
	fair value through other							
	comprehensive income		2,701,900	5	5,272,388	9	3,268,451	6
1535	Non-current financial assets at	6(4) and 8						
	amortised cost		129,410	-	252,497	-	225,907	-
1550	Investments accounted for	6(7) and 7						
	using equity method		2,880,034	6	2,972,537	5	3,088,850	5
1600	Property, plant and equipment	6(8)(11), 7 and						
		8	13,622,136	26	15,595,045	26	16,200,218	28
1755	Right-of-use assets	6(9)	1,360,672	3	1,516,486	3	1,568,078	3
1760	Investment property - net		498,127	1	586,322	1	653,897	1
1780	Intangible assets	6(10)	1,275,471	2	1,382,416	2	1,457,800	2
1840	Deferred income tax assets		1,709,587	3	1,775,732	3	1,748,723	3
1900	Other non-current assets	8	238,895	1	352,884	1	327,801	1
15XX	Non-current assets		<u>24,416,232</u>	<u>47</u>	<u>29,706,307</u>	<u>50</u>	<u>28,539,725</u>	<u>49</u>
1XXX	Total assets		<u>\$ 52,268,408</u>	<u>100</u>	<u>\$ 59,477,795</u>	<u>100</u>	<u>\$ 58,695,171</u>	<u>100</u>

(Continued)

ENNOSTAR INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of September 30, 2025 and 2024 are reviewed, not audited)

Liabilities and Equity		Notes	September 30, 2025		December 31, 2024		September 30, 2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(13)	\$ 196,566	-	\$ 566,428	1	\$ 176,652	-
2110	Short-term notes and bills payable	6(14) and 8	174,376	-	845,699	1	925,126	2
2120	Financial liabilities at fair value through profit or loss - current	6(2)	70,084	-	75,337	-	236	-
2150	Notes payable		9,500	-	10,877	-	1,857	-
2170	Accounts payable		2,880,194	6	2,850,161	5	2,930,013	5
2180	Accounts payable - related parties	7	260,082	1	131,583	-	266,487	-
2200	Other payables	6(15) and 7	3,030,785	6	3,427,573	6	3,472,322	6
2230	Current tax liabilities		83,936	-	36,057	-	36,690	-
2280	Current lease liabilities		72,782	-	87,429	-	88,763	-
2320	Long-term liabilities, current portion	6(16) and 8	162,054	-	1,130,416	2	1,809,566	3
2399	Other current liabilities - others		326,702	1	520,383	1	384,663	1
21XX	Current Liabilities		<u>7,267,061</u>	<u>14</u>	<u>9,681,943</u>	<u>16</u>	<u>10,092,375</u>	<u>17</u>
Non-current liabilities								
2540	Long-term borrowings	6(16) and 8	130,938	-	257,791	1	495,763	1
2570	Deferred tax liabilities		371,784	1	532,068	1	287,062	1
2580	Non-current lease liabilities		1,140,917	2	1,263,801	2	1,309,508	2
2600	Other non-current liabilities	6(17)(19)	192,793	-	202,974	-	237,157	-
25XX	Non-current liabilities		<u>1,836,432</u>	<u>3</u>	<u>2,256,634</u>	<u>4</u>	<u>2,329,490</u>	<u>4</u>
2XXX	Total Liabilities		<u>9,103,493</u>	<u>17</u>	<u>11,938,577</u>	<u>20</u>	<u>12,421,865</u>	<u>21</u>
Equity attributable to owners of parent company								
Share capital								
3110	Share capital - common stock	6(20)	7,379,405	14	7,379,405	13	7,379,405	13
Capital surplus								
3200	Capital surplus	6(21)	36,432,680	70	38,403,057	63	38,392,788	65
Retained earnings								
3350	Accumulated deficit	6(22)	(2,149,613)	(4)	(1,422,637)	(2)	(848,632)	(1)
Other equity interest								
3400	Other equity interest	6(23)	613,656	1	1,951,165	4	72,905	-
3500	Treasury shares	6(20)	(135,163)	-	(135,163)	-	(135,163)	-
31XX	Equity attributable to owners of the parent		<u>42,140,965</u>	<u>81</u>	<u>46,175,827</u>	<u>78</u>	<u>44,861,303</u>	<u>77</u>
36XX	Non-controlling interest		<u>1,023,950</u>	<u>2</u>	<u>1,363,391</u>	<u>2</u>	<u>1,412,003</u>	<u>2</u>
3XXX	Total equity		<u>43,164,915</u>	<u>83</u>	<u>47,539,218</u>	<u>80</u>	<u>46,273,306</u>	<u>79</u>
Significant contingent liabilities and unrecognized contract commitments								
3X2X	Total liabilities and equity		<u>\$ 52,268,408</u>	<u>100</u>	<u>\$ 59,477,795</u>	<u>100</u>	<u>\$ 58,695,171</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 NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except for earnings(loss) per share amounts)
(Unaudited)

Items			Three months ended September 30				Nine months ended September 30			
			2025		2024		2025		2024	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(24) and 7	\$ 5,602,991	100	\$ 6,691,398	100	\$ 16,975,085	100	\$ 18,880,620	100
5000	Operating costs	6(6)(17)(18)(30)(31) and 7	(5,282,538)	(94)	(5,587,344)	(84)	(15,572,693)	(92)	(16,078,724)	(85)
5900	Operating margin		320,453	6	1,104,054	16	1,402,392	8	2,801,896	15
5910	Unrealized profit from sales		-	-	-	-	-	-	-	-
5920	Realized loss from sales		-	-	-	-	-	-	(13)	-
5950	Net operating margin		320,453	6	1,104,054	16	1,402,392	8	2,801,883	15
	Operating expenses	6(17)(18)(30)(31)								
6100	Selling expenses		(209,083)	(4)	(264,180)	(4)	(659,750)	(4)	(733,343)	(4)
6200	General and administrative expenses		(384,244)	(7)	(396,295)	(6)	(1,199,019)	(7)	(1,235,946)	(6)
6300	Research and development expenses		(589,543)	(10)	(623,873)	(9)	(1,758,742)	(10)	(1,812,918)	(10)
6450	Expected credit losses		(376)	-	(3,956)	-	(15,305)	-	(9,465)	-
6000	Total operating expenses		(1,183,246)	(21)	(1,288,304)	(19)	(3,632,816)	(21)	(3,791,672)	(20)
6500	Other income and expenses - net	6(19)(25)	5,008	-	60,751	1	61,882	-	80,059	-
6900	Operating loss		(857,785)	(15)	(123,499)	(2)	(2,168,542)	(13)	(909,730)	(5)
	Non-operating income and expenses									
7100	Interest income	6(4)(26)	67,332	1	57,275	1	193,633	1	176,160	1
7010	Other income	6(19)(27)	141,901	2	157,834	2	335,894	2	379,642	2
7020	Other gains and losses	6(11)(28)	44,148	1	(942)	-	(36,467)	-	(251,658)	(1)
7050	Finance costs	6(29)	(11,752)	-	(25,368)	-	(51,510)	-	(100,789)	-
7055	Expected credit losses		(1,194)	-	(20)	-	(160)	-	(626)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	9,446	-	(105,486)	(1)	(174,855)	(1)	(316,284)	(2)
7000	Total non-operating income and expenses		249,881	4	83,293	2	266,535	2	(113,555)	-
7900	Loss before income tax		(607,904)	(11)	(40,206)	-	(1,902,007)	(11)	(1,023,285)	(5)
7950	Income tax (expense) benefit	6(32)	(7,975)	-	10,765	-	(44,490)	-	(98,889)	(1)
8200	Loss for the period		(\$ 615,879)	(11)	(\$ 29,441)	-	(\$ 1,946,497)	(11)	(\$ 1,122,174)	(6)

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

Items	Notes	Three months ended September 30				Nine months ended September 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 gain (loss) from investments in equity instruments measured at fair value through other comprehensive income	(488,996)	(9)		140,301	2	(537,040)	(3)	(741,153)	(4)
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	(2,111)	-	(40)	-	(2,086)	-	673	-				
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		82,954	2	(44,611)	(1)		53,826	-		143,373	1		
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss	(408,153)	(7)		95,650	1	(485,875)	(3)	(597,085)	(3)
Components of other comprehensive income that will be reclassified to profit or loss																
8361	Cumulative translation differences of foreign operations		588,820	10		163,692	3	(808,561)	(5)		624,494	3		
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		38,085	1		6,090	-	(67,882)	-		71,066	1			
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss		338	-	(290)	-		1,316	-	(436)	-			
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		627,243	11		169,492	3	(875,127)	(5)		695,124	4		
8300	Other comprehensive income (loss)	\$	219,090	4	\$	265,142	4	(\$	1,361,002)	(8)	\$	98,039	1		
8500	Total comprehensive income (loss)	(\$	396,789)	(7)	\$	235,701	4	(\$	3,307,499)	(19)	(\$	1,024,135)	(5)
Income (loss) attributable to:																
8610	Equity holders of the parent company	(\$	613,232)	(11)	\$	7,492	-	(\$	1,933,320)	(11)	(\$	762,002)	(4)
8620	Non-controlling interest	(\$	2,647)	-	(\$	36,933)	-	(\$	13,177)	-	(\$	360,172)	(2)		
Comprehensive income (loss) attributable to:																
8710	Equity holders of the parent company	(\$	435,171)	(8)	\$	255,874	4	(\$	3,246,948)	(19)	(\$	709,124)	(3)
8720	Non-controlling interest	\$	38,382	1	(\$	20,173)	-	(\$	60,551)	-	(\$	315,011)	(2)		
Earnings (loss) per share (NT\$)																
9750	Total basic earnings (loss) per share	(\$	0.83)		\$	0.01		(\$	2.62)		(\$	1.02)				
9850	Total diluted earnings (loss) per share	(\$	0.83)		\$	0.01		(\$	2.62)		(\$	1.02)				

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

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

	Notes	Equity attributable to owners of the parent										Non-controlling interest	Total equity
		Retained earnings					Other equity interest						
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (Accumulated deficit)	Cumulative translation differences of foreign operations	Unrealised gain (loss) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total			
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		-	-	-	-	(762,002)	-	-	-	(762,002)	(360,172)	(1,122,174)	
Other comprehensive income (loss) for the period		-	-	-	-	24	649,963	(597,109)	-	52,878	45,161	98,039	
Total comprehensive income (loss)		-	-	-	-	(761,978)	649,963	(597,109)	-	(709,124)	(315,011)	(1,024,135)	
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 using equity method	6(21)	-	(400,995)	-	-	-	-	-	-	(400,995)	-	(400,995)	
Change in equity of associates and joint ventures accounted for using equity method	6(21)	-	(13,811)	-	-	-	-	-	-	(13,811)	-	(13,811)	
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	6(21)	-	1,178	-	-	-	-	-	-	1,178	-	1,178	
Difference between consideration and carrying amount of subsidiaries acquired and disposed	6(21)	-	(19,564)	-	-	(42,308)	-	-	-	(61,872)	-	(61,872)	
Employee Stock Ownership Trust cancellation return		-	49	-	-	-	-	-	-	49	-	49	
Retirement of treasury share	6(20)	(150,000)	(500,650)	-	-	-	-	-	650,650	-	-	-	
Purchase of treasury shares	6(20)	-	-	-	-	-	-	-	(650,650)	(650,650)	-	(650,650)	
Non-controlling interests		-	-	-	-	-	-	-	-	-	(43,548)	(43,548)	
Disposal of equity investment measured at fair value through other comprehensive income		-	-	-	-	(44,347)	-	44,347	-	-	-	-	
Balance at September 30, 2024		\$ 7,379,405	\$ 38,392,788	\$ -	\$ -	(\$ 848,632)	\$ 441,217	(\$ 368,312)	(\$ 135,163)	\$ 44,861,303	\$ 1,412,003	\$ 46,273,306	
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		-	-	-	-	(1,933,320)	-	-	-	(1,933,320)	(13,177)	(1,946,497)	
Other comprehensive loss for the period		-	-	-	-	(72)	(828,132)	(485,424)	-	(1,313,628)	(47,374)	(1,361,002)	
Total comprehensive loss		-	-	-	-	(1,933,392)	(828,132)	(485,424)	-	(3,246,948)	(60,551)	(3,307,499)	
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 using equity method	6(21)	-	7,076	-	-	-	-	-	-	7,076	-	7,076	
Change in equity of associates and joint ventures accounted for using equity method	6(21)	-	102,720	-	-	(206,226)	-	-	-	(103,506)	-	(103,506)	
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	6(21)	-	1,154	-	-	-	-	-	-	1,154	-	1,154	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(21)	-	(2,987)	-	-	(33,948)	-	-	-	(36,935)	-	(36,935)	
Employee Stock Ownership Trust cancellation return	6(21)	-	1,242	-	-	-	-	-	-	1,242	-	1,242	
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)	-	-	-	-	23,953	-	(23,953)	-	-	-	-	
Non-controlling interests		-	-	-	-	-	-	-	-	-	(278,890)	(278,890)	
Balance at September 30, 2025		\$ 7,379,405	\$ 36,432,680	\$ -	\$ -	(\$ 2,149,613)	(\$ 384,731)	\$ 998,387	(\$ 135,163)	\$ 42,140,965	\$ 1,023,950	\$ 43,164,915	

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

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

		Nine months ended September 30	
	Notes	2025	2024
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		(\$ 1,902,007)	(\$ 1,023,285)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(30)	2,687,598	3,133,093
Amortization	6(10)(30)	238,698	250,231
Expected credit losses	12(2)	15,465	10,091
Net (gain) loss on financial assets at fair value through profit or loss	6(28)	(85,441)	73,622
Interest expense	6(29)	51,510	100,789
Interest income	6(26)	193,633)	(176,160)
Compensation cost of share-based payment	6(18)	(2,101)	1,219
Dividend income	6(27)	(19,499)	(20,526)
Share of loss of associates and joint ventures accounted for using equity method	6(7)	174,855	316,284
Gain on disposal of property, plant and equipment	6(28)	(75,187)	(127,283)
Loss on disposal of intangible assets	6(28)	995	580
Gain on disposal of non-current assets held for sale	6(28)	(58,900)	(148,692)
(Gain) loss on disposal of investments	6(28)	(70,070)	105,590
Impairment loss on non-financial assets	6(11)(28)	-	304,635
Gain from lease modification	6(28)	(580)	(1,231)
Intangible assets transferred to expense	6(10)	-	250
Expense transferred to property, plant and equipment	6(8)	(256)	-
Realized loss from sales		-	13
Other income from recognition of long-term deferred revenues	6(19)	(50,153)	(45,866)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		184,769	5,506
Notes receivable	(	470,062)	68,862
Accounts receivable		924,472	(330,331)
Other receivables	(	58,815)	(90,117)
Inventories		187,279	(318,543)
Prepayments		67,323	(32,686)
Other current assets		20,519	9,357
Other non-current assets	(	8,048)	-
Changes in operating liabilities			
Financial liabilities at fair value through profit or loss - current	(	106,668)	(103,245)
Notes payable	(	1,377)	52
Accounts payable		241,876	428,676
Other payables	(	437,458)	(178,441)
Other current liabilities	(	119,957)	43,670
Other non-current liabilities		62,880	(175)
Cash inflow generated from operations		1,198,027	2,255,939
Interest received		181,644	180,385
Dividend received		29,615	32,055
Interest paid	(	37,059)	(87,421)
Income tax paid	(	28,712)	(75,436)
Net cash flows from operating activities		1,343,515	2,305,522

(Continued)

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

		Nine months ended September 30	
	Notes	2025	2024
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value through other comprehensive income		\$ 1,843,264	\$ 262,499
Acquisition of financial assets at amortised cost		-	(57,389)
Proceeds from disposal of financial assets at amortised cost		623,690	-
Proceeds from disposal of financial assets at fair value through profit or loss		-	177,652
Acquisition of investments accounted for using equity method		(322,560)	-
Proceeds from disposal of investments accounted for using equity method	6(34)	57,929	83,723
Increase in prepayments for investments		(13,000)	-
Proceeds from disposal of subsidiaries	6(34)	971	51,829
Proceeds from disposal of non-current assets held for sale		150,377	496,864
Acquisition of property, plant and equipment	6(34)	(758,741)	(948,241)
Proceeds from disposal of property, plant and equipment	6(34)	106,610	724,111
Decrease in refundable deposits		7,487	9,850
Acquisition of intangible assets	6(34)	(70,313)	(51,830)
Increase in other non-current assets		(80)	(70,480)
Decrease in changes of consolidated entities		(12,888)	(238,761)
Net cash flows from investing activities		<u>1,612,746</u>	<u>439,827</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term loans	6(35)	(365,523)	(559,895)
Decrease in short-term notes and bills payable	6(35)	(648,161)	(326,532)
Proceeds from long-term loans	6(35)	2,872	-
Repayment of long-term loans	6(35)	(1,098,060)	(1,418,281)
Increase (decrease) in guarantee deposits received	6(35)	5,419	(1,205)
Repayment of principal portion of lease liabilities	6(35)	(74,161)	(81,246)
Cash dividends paid	6(34)	(662,992)	(676,468)
Purchase of treasury share	6(20)	-	(650,650)
Acquisition of ownership interests in subsidiaries		(244,289)	(498,694)
Disposal of ownership interests in subsidiaries (without losing control)		3,138	-
Change in non-controlling interests		-	530
Employee Stock Ownership Trust cancellation return		9,541	3,841
Return of unclaimed overdue dividends by shareholders	6(21)	7,201	-
Net cash flows used in financing activities		<u>(3,065,015)</u>	<u>(4,208,600)</u>
Effects of foreign currency exchange		<u>(241,457)</u>	<u>278,914</u>
Net decrease in cash and cash equivalents		<u>(350,211)</u>	<u>(1,184,337)</u>
Cash and cash equivalents at beginning of period		<u>14,677,812</u>	<u>15,563,488</u>
Cash and cash equivalents at end of period		<u>\$ 14,327,601</u>	<u>\$ 14,379,151</u>

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

ENNOSTAR INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 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 November 7, 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
Amendments 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 (Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

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
			September 30, 2025	December 31, 2024	September 30, 2024	
ENNOSTAR Inc.	Epistar Corporation	Resarching, developing, manufacturing and sales of LED wafers and chips	100%	100%	100%	
ENNOSTAR Inc.	Lextar Electronics Corp.	Resarching, developing, manufacturing and sales of LED wafers, packages and modules	100%	100%	100%	
ENNOSTAR Inc.	Harvestar Investment Corp.	General investment	100%	100%	100%	Note 8 Note 9
ENNOSTAR Inc.	Calystar Investment Corp.	General investment	100%	100%	100%	Note 8 Note 9
ENNOSTAR Inc.	Amengine Corporation	Developing, manufacturing and sales of optical sensing modules	-	75.96%	75.96%	Note 2 Note 8
Epistar Corporation	Lighting Investment Corp.	General investment	100%	100%	100%	Note 8 Note 9
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%	100%	Note 8 Note 9

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
Epistar Corporation	GaN Force Corporation	Design, manufacturing and sales of semiconductor materials and modules	64.32%	64.32%	64.32%	Note 1 Note 8 Note 9
Epistar Corporation	Can Yang Investments Limited	General investment	3.53%	3.53%	3.53%	Note 8 Note 9
Epistar JV Holding (BVI) Co., Ltd.	LiteStar JV Holding (BVI) Co., Ltd.	General investment	82.41%	82.41%	82.41%	Note 8 Note 9
Epistar JV Holding (BVI) Co., Ltd.	United LED Corporation Hong Kong Limited	General investment	74.86%	74.86%	74.86%	Note 8 Note 9
Epistar JV Holding (BVI) Co., Ltd.	Episky (Hong Kong) Ltd.	General investment	100%	100%	100%	Note 8 Note 9
Epistar JV Holding (BVI) Co., Ltd.	HUGA Holding (SAMOA) Limited	General investment	100%	100%	100%	Note 8 Note 9
Epistar JV Holding (BVI) Co., Ltd.	Can Yang Investments Limited	General investment	88.21%	88.21%	88.21%	Note 8 Note 9
LiteStar JV Holding (BVI) Co., Ltd.	Epicrystal (Hong Kong) Co., Ltd.	General investment	100%	100%	100%	Note 8 Note 9
Epicrystal (Hong Kong) Co., Ltd.	Epicrystal Corporation (ChangZhou) Ltd.	Manufacturing and sales of LED wafers and chips	93.38%	93.38%	93.38%	
United LED Corporation Hong Kong Limited	United LED Shan Dong Corporation	Information technology consulting services	100%	100%	100%	Note 7 Note 8 Note 9
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 3 Note 8
Lighting Investment Corp.	Lighting Investment Ltd.	General investment	100%	100%	100%	Note 8 Note 9
Lighting Investment Corp.	Can Yang Investments Limited	General investment	6.87%	6.87%	6.87%	Note 8 Note 9

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
Lighting Investment Corp.	GaN Force Corporation	Design, manufacturing and sales of semiconductor materials and modules	35.68%	35.68%	35.68%	Note 1 Note 8 Note 9
Lighting Investment Ltd.	Luxlite (HK) Corporation Limited	General investment	-	100%	100%	Note 4 Note 8
Can Yang Investments Limited	Jiangsu Canyang Optoelectronics Ltd.	Manufacturing and sales of LED wafers and chips	100%	100%	100%	Note 8
ProLight Opto Technology Corporation	ProLight Opto Holding Corporation	General investment	100%	100%	100%	Note 8 Note 9
ProLight Opto Holding Corporation	ProLight Opto Technology Corporation	General investment	100%	100%	100%	Note 8 Note 9
ProLight Opto Technology Corporation	Shanghai Welight Electronic Co., LTD	Wholesale and export and import of LED and related electronic products	100%	100%	100%	Note 8 Note 9
Lextar Electronics Corp.	LEXTAR (SINGAPORE) PTE. LTD.	General investment	100%	100%	100%	Note 9
Lextar Electronics Corp.	Liang Li Venture Corp.	General investment	100%	100%	100%	Note 8 Note 9
Lextar Electronics Corp.	Wellypower Optronics Corporation	General investment	100%	100%	100%	Note 8 Note 9
Lextar Electronics Corp.	Apower Optronics Corporation	General investment	100%	100%	100%	Note 8 Note 9
Lextar Electronics Corp.	Wellybond Corporation	General investment	100%	100%	100%	Note 8 Note 9
Lextar Electronics Corp.	Trendylite Corporation	Sales of LED products	53.84%	53.84%	53.84%	Note 8 Note 9
Lextar Electronics Corp.	Hexawave, Inc.	Manufacturing and sales of compound semiconductor materials and modules	-	31.48%	31.48%	Note 5 Note 8
Lextar Electronics Corp.	ProLight Opto Technology Corporation	Manufacturing and sales of LED packages	-	9.84%	9.84%	Note 6 Note 8

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership			Note
			September 30, 2025	December 31, 2024	September 30, 2024	
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 9
LEXTAR (SINGAPORE) PTE. LTD.	Lextar Electronics Korea Ltd.	Sale of LED and after-sales service	100%	100%	100%	Note 8 Note 9
Liang Li Venture Corp.	ProLight Opto Technology Corporation	Manufacturing and sales of LED packages	-	9.84%	9.84%	Note 6 Note 8
Wellybond Corporation	Vogito Innovation Co., Ltd.	Design, developing, reasearching and sales of health care products	50.00%	50.00%	50.00%	Note 8 Note 9
Wellybond Corporation	ProLight Opto Technology Corporation	Manufacturing and sales of LED packages	93.51%	34.01%	31.47%	Note 6 Note 8 Note 9
Wellybond Corporation	Hexawave, Inc.	Manufacturing and sales of compound semiconductor materials and modules	-	31.47%	31.48%	Note 5 Note 8
Wellybond Corporation	Trendylite Corporation	Sales of LED products	40.37%	40.37%	40.37%	Note 8 Note 9
Lextar Electronics (Suzhou) Corp.	Lextar Electronics (Chuzhou) Corp.	Manufacturing and sales of LED and modules	100%	100%	100%	

Note 1: GaN Force Corporation has applied for liquidation in 2023.

Note 2: 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 3: Shenzhen Epikylin Optoelectronics Co., Ltd. had completed liquidation in June 2025.

Note 4: Luxlite(HK) Corporation Limited had completed liquidation in July 2025.

Note 5: As Lextar Electronics Corp. and Wellybond Corporation transferred the shares of Hexawave, Inc. and resigned the director's position, Hexawave, Inc. has been excluded from the consolidated entity since September 2025.

Note 6: Due to the reorganization, the shares of ProLight Opto Technology Corporation originally held by Lextar Electronics Corp. and Liang Li Venture Corp. are now held by Wellybond Corporation, as of September 30, 2025, the shareholding ratios of Wellybond Corporation, in ProLight Opto Technology Corporation is 93.51%.

Note 7: United LED Shan Dong Corporation has applied for liquidation in 2025.

Note 8: The financial statements of the entity as of and for the nine months ended September 30, 2024 were not reviewed by independent auditors as the entity did not meet the definition of significant subsidiary.

Note 9: The financial statements of the entity as of and for the nine months ended September 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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Cash on hand and revolving funds	\$ 429	\$ 1,199	\$ 1,136
Checking accounts and demand deposits	1,801,034	1,975,519	2,505,200
Time deposits	11,657,138	12,327,165	11,479,759
Bonds sold under repurchase agreement	869,000	373,929	393,056
	<u>\$ 14,327,601</u>	<u>\$ 14,677,812</u>	<u>\$ 14,379,151</u>

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

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

<u>Asset Items</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Valuation adjustment of derivatives	\$ 2,699	\$ -	\$ 46,797
	<u>2,699</u>	<u>-</u>	<u>46,797</u>

<u>Asset Items</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Unlisted stocks	\$ 154,825	\$ 218,083	\$ 215,484
Valuation adjustments	(154,825)	(218,083)	(215,484)
	-	-	-
	<u>\$ 2,699</u>	<u>\$ -</u>	<u>\$ 46,797</u>
<u>Liability items</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current items:			
Financial liabilities held for trading			
Valuation adjustment of derivatives	\$ 70,084	\$ 75,337	\$ 236

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

<u>September 30, 2025</u>			
<u>Financial instruments</u>	<u>Notional principal (in thousands)</u>	<u>Currency</u>	<u>Maturity date</u>
Forward foreign exchange contract - sell	USD 79,300	USD to NTD	2025.10.01~2026.03.17
Forward foreign exchange contract - sell	USD 25,000	USD to RMB	2025.10.28~2026.02.26
Forward foreign exchange contract - buy	CNY 22,000	NTD to RMB	2025.10.23
Foreign exchange swap	USD 3,500	USD to NTD	2025.11.19~2026.01.16
<u>December 31, 2024</u>			
<u>Financial instruments</u>	<u>Notional principal (in thousands)</u>	<u>Currency</u>	<u>Maturity date</u>
Forward foreign exchange contract - sell	USD 82,700	USD to NTD	2025.01.02~2025.05.19
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
<u>September 30, 2024</u>			
<u>Financial instruments</u>	<u>Notional principal (in thousands)</u>	<u>Currency</u>	<u>Maturity date</u>
Forward foreign exchange contract - sell	USD 88,500	USD to NTD	2024.10.01~2025.02.20
Forward foreign exchange contract - sell	USD 45	USD to JPY	2024.10.24~2024.11.22
Forward foreign exchange contract - sell	USD 25,000	USD to RMB	2024.10.30~2025.02.28

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 (\$105,595), \$55,334, \$85,441 and (\$73,622) for the three months and the nine months ended September 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	September 30, 2025	December 31, 2024	September 30, 2024
Non-current items:			
Equity instruments			
Listed stocks	\$ 336,996	\$ 555,526	\$ 734,742
Unlisted stocks	1,713,259	3,437,377	3,380,766
	2,050,255	3,992,903	4,115,508
Valuation adjustment	651,645	1,279,485	(847,057)
	<u>\$ 2,701,900</u>	<u>\$ 5,272,388</u>	<u>\$ 3,268,451</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 \$2,701,900, \$5,272,388 and \$3,268,451 as at September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

B. Aiming to satisfy the operating plan, the Group sold \$1,327,314, \$263,889, \$1,846,295 and \$263,889 of equity instruments at fair value and the cumulative income (loss) on disposal which was transferred from other equity to retained earnings amounted to (\$289,069), (\$44,347), \$23,953 and (\$44,347) during the three months and nine months ended September 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 September 30, 2025	Three months ended September 30, 2024
Fair value change recognized in other comprehensive (loss) income	(\$ 488,996)	\$ 140,301
Dividend income recognized in profit or loss held at end of period	\$ 19,143	\$ 15,477
Equity instruments at fair value through other comprehensive income	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Fair value change recognized in other comprehensive loss	(\$ 537,040)	(\$ 741,153)
Dividend income recognized in profit or loss held at end of period	\$ 19,269	\$ 15,600

D. As of September 30, 2025, December 31, 2024 and September 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 \$2,701,900, \$5,272,388 and \$3,268,451, respectively.

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

(4) Financial assets at amortised cost

<u>Items</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Current items:			
Time deposits with maturity over three months	\$ 3,500	\$ 136,637	\$ 327,500
Restricted bank deposits	<u>111,562</u>	<u>507,380</u>	<u>632,304</u>
	<u>\$ 115,062</u>	<u>\$ 644,017</u>	<u>\$ 959,804</u>
Non-current items:			
Restricted bank deposits	<u>\$ 129,410</u>	<u>\$ 252,497</u>	<u>\$ 225,907</u>

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

	<u>Three months ended September 30, 2025</u>	<u>Three months ended September 30, 2024</u>
Interest income	<u>\$ 817</u>	<u>\$ 1,348</u>
	<u>Nine months ended September 30, 2025</u>	<u>Nine months ended September 30, 2024</u>
Interest income	<u>\$ 4,298</u>	<u>\$ 4,352</u>

B. As of September 30, 2025, December 31, 2024 and September 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 \$244,472, \$896,514 and \$1,185,711, respectively.

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

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

(5) Notes and accounts receivable

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Notes receivable	\$ 1,184,761	\$ 748,305	\$ 718,165
Less: Allowance for uncollectible accounts	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,184,761</u>	<u>\$ 748,305</u>	<u>\$ 718,165</u>
Accounts receivable	\$ 6,631,184	\$ 7,696,593	\$ 8,013,960
Less: Allowance for uncollectible accounts	<u>(21,197)</u>	<u>(19,331)</u>	<u>(20,268)</u>
	<u>\$ 6,609,987</u>	<u>\$ 7,677,262</u>	<u>\$ 7,993,692</u>

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

	September 30, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 6,579,078	\$ 1,184,761	\$ 7,323,226	\$ 748,305
Up to 30 days	18,822	-	208,234	-
31 to 90 days	5,909	-	138,802	-
91 to 180 days	49	-	6,707	-
Over 180 days	27,326	-	19,624	-
	<u>\$ 6,631,184</u>	<u>\$ 1,184,761</u>	<u>\$ 7,696,593</u>	<u>\$ 748,305</u>

	September 30, 2024	
	Accounts receivable	Notes receivable
Not past due	\$ 7,906,961	\$ 718,165
Up to 30 days	73,014	-
31 to 90 days	8,475	-
91 to 180 days	4,475	-
Over 180 days	21,035	-
	<u>\$ 8,013,960</u>	<u>\$ 718,165</u>

The above ageing analysis was based on past due date.

B. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group had outstanding discounted notes receivable amounting to \$585,254, \$728,506 and \$413,965, 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 September 30, 2025, December 31, 2024 and September 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 \$1,184,761, \$748,305 and \$718,165, respectively; the maximum exposure to credit risk in respect of the amount that best represents the accounts receivable held by the Group was \$6,609,987, \$7,677,262 and \$7,993,692, respectively.

F. Information on credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

	September 30, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,992,814	(\$ 85,496)	\$ 1,907,318
Work in progress	1,232,352	(211,900)	1,020,452
Finished goods	1,736,436	(223,206)	1,513,230
	<u>\$ 4,961,602</u>	<u>(\$ 520,602)</u>	<u>\$ 4,441,000</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>
September 30, 2024			
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 1,906,098	(\$ 141,010)	\$ 1,765,088
Work in progress	1,315,051	(199,001)	1,116,050
Finished goods	1,923,497	(194,633)	1,728,864
	<u>\$ 5,144,646</u>	<u>(\$ 534,644)</u>	<u>\$ 4,610,002</u>

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

	Three months ended September 30, 2025	Three months ended September 30, 2024
Cost of goods sold	\$ 4,659,932	\$ 5,025,302
Scrap loss	47,678	39,549
Loss on market price decline (recovery benefits in market value)	47,068	(13,240)
Loss on idle capacity	502,121	606,869
Other	25,739	(71,136)
	<u>\$ 5,282,538</u>	<u>\$ 5,587,344</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Cost of goods sold	\$ 13,515,788	\$ 14,100,825
Scrap loss	126,286	86,215
Loss on market price decline (recovery benefits in market value)	140,732	(192,390)
Loss on idle capacity	1,716,819	2,189,150
Other	73,068	(105,076)
	<u>\$ 15,572,693</u>	<u>\$ 16,078,724</u>

For the three months and nine months ended September 30, 2024, the gain on reversal of decline in market value was caused by the increase in the utilization rate of the Group.

(7) Investments accounted for using equity method

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Associates:			
Tyntek Corporation	\$ 1,041,114	\$ 1,035,709	\$ 1,040,394
GCS Holdings, Inc.	887,174	783,236	778,413
LEADSTAR Micro-Crystal Display Corporation (Jiangsu) Ltd.	575,987	591,157	661,862
Changzhou Chemsemi Co., Ltd.	232,170	339,654	409,418
LEDAZ Co.,Ltd.	41,272	25,941	23,836
TE OPTO CORPORTATION	40,880	45,979	45,390
iReach Corporation	35,134	45,469	47,977
Yenrich Technology Corporation	26,303	38,022	46,450
LEDOLUX Sp. Zo.O.	-	50,639	11,527
Chuzhou Bwin Technology Corp.	-	8,635	15,536
Interlight Optotech (HK) Co., Limited.	-	7,834	7,758
Domi-Star Optoelectronics Corporation	-	262	289
	<u>\$ 2,880,034</u>	<u>\$ 2,972,537</u>	<u>\$ 3,088,850</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 September 30, 2025, December 31, 2024 and September 30, 2024, the carrying amount of the Group's individually immaterial associates amounted to \$2,880,034, \$2,972,537 and \$3,088,850, respectively.

	<u>Three months ended September 30, 2025</u>	<u>Three months ended September 30, 2024</u>
Attributable to the Group:		
Income (loss) for the period from continuing operations	\$ 9,446	(\$ 105,486)
Other comprehensive income	36,999	6,035
Total comprehensive income (loss)	<u>\$ 46,445</u>	<u>(\$ 99,451)</u>
	<u>Nine months ended September 30, 2025</u>	<u>Nine months ended September 30, 2024</u>
Attributable to the Group:		
Loss for the period from continuing operations	(\$ 174,855)	(\$ 316,284)
Other comprehensive (loss) income	(69,008)	71,571
Total comprehensive loss	<u>(\$ 243,863)</u>	<u>(\$ 244,713)</u>

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
GCS Holdings, Inc.	\$ 3,872,418	\$ 3,340,296	\$ 1,032,790
Tyntek Corporation	851,994	1,035,813	1,033,551
	<u>\$ 4,724,412</u>	<u>\$ 4,376,109</u>	<u>\$ 2,066,341</u>

C. LEDOLUX Sp. Zo. O. had completed liquidation in May 2025.

D. Interlight Optotech (HK) Co., Limited had completed the cancellation of business registration in June 2025.

E. 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	-	450	59,330	7,635	-	28,853	714,505	810,773
Transfers	-	119,120	748,832	6,001	540	126,744	(1,001,237)	-
Disposals	-	(4,533)	(27,807)	-	(173)	(3,024)	-	(35,537)
Reclassifications	-	-	(5,537)	-	-	(75)	(163)	(5,775)
Investment property reclassification	-	61,622	-	-	-	-	-	61,622
Depreciation charge	-	(553,731)	(1,918,648)	(23,496)	(9,837)	(101,459)	-	(2,607,171)
Disposals of subsidiary	-	-	(42)	-	-	(7,656)	(75)	(7,773)
Net exchange differences	-	(77,366)	(89,948)	(855)	(318)	(10,972)	(9,589)	(189,048)
Closing net book amount at September 30	<u>\$ 1,558,195</u>	<u>\$ 6,039,883</u>	<u>\$ 4,376,760</u>	<u>\$ 57,108</u>	<u>\$ 45,546</u>	<u>\$ 403,649</u>	<u>\$ 1,140,995</u>	<u>\$ 13,622,136</u>
At September 30, 2025								
Cost	\$ 1,558,195	\$ 17,248,188	\$ 40,880,104	\$ 396,324	\$ 320,306	\$ 1,641,270	\$ 1,140,995	\$ 63,185,382
Accumulated depreciation and impairment	-	(11,208,305)	(36,503,344)	(339,216)	(274,760)	(1,237,621)	-	(49,563,246)
	<u>\$ 1,558,195</u>	<u>\$ 6,039,883</u>	<u>\$ 4,376,760</u>	<u>\$ 57,108</u>	<u>\$ 45,546</u>	<u>\$ 403,649</u>	<u>\$ 1,140,995</u>	<u>\$ 13,622,136</u>
							Construction in progress and equipment to be inspected	
	Land	Buildings and structures	Machinery	Office equipment	Leasehold improvements	Others	Construction in 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>
2024								
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	-	7,843	74,778	4,752	908	22,813	711,840	822,934
Transfers	-	79,007	1,158,935	11,830	1,055	78,577	(1,329,404)	-
Disposals	-	(561,528)	(34,681)	(34)	(109)	(696)	-	(597,048)
Reclassified to non-current assets held for sale	-	-	(294,951)	(424)	-	-	-	(295,375)
Reclassifications	-	60,808	19,861	-	-	(80,669)	121,911	121,911
Investment property reclassification	-	(4,323)	-	-	-	-	-	(4,323)
Depreciation charge	-	(638,151)	(2,282,269)	(24,713)	(12,803)	(83,301)	-	(3,041,237)
Impairment loss	-	(13,897)	(290,738)	-	-	-	-	(304,635)
Disposals of subsidiary	-	(55,385)	(92,402)	-	-	(7,312)	(429)	(155,528)
Net exchange differences	-	74,134	100,382	908	427	5,946	6,750	188,547
Closing net book amount at September 30	<u>\$ 1,558,195</u>	<u>\$ 6,629,600</u>	<u>\$ 6,160,766</u>	<u>\$ 71,387</u>	<u>\$ 59,535</u>	<u>\$ 285,821</u>	<u>\$ 1,434,914</u>	<u>\$ 16,200,218</u>
At September 30, 2024								
Cost	\$ 1,558,195	\$ 17,222,792	\$ 44,022,760	\$ 408,436	\$ 350,408	\$ 1,619,664	\$ 1,434,914	\$ 66,617,169
Accumulated depreciation and impairment	-	(10,593,192)	(37,861,994)	(337,049)	(290,873)	(1,333,843)	-	(50,416,951)
	<u>\$ 1,558,195</u>	<u>\$ 6,629,600</u>	<u>\$ 6,160,766</u>	<u>\$ 71,387</u>	<u>\$ 59,535</u>	<u>\$ 285,821</u>	<u>\$ 1,434,914</u>	<u>\$ 16,200,218</u>

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

(9) Leasing arrangements — lessee

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 1,296,928	\$ 1,408,163	\$ 1,425,128
Buildings	21,544	51,768	65,234
Machinery	21,132	26,714	48,004
Transportation equipment	4,113	6,932	5,107
Office equipment	16,299	22,909	24,605
Other equipment	656	-	-
	<u>\$ 1,360,672</u>	<u>\$ 1,516,486</u>	<u>\$ 1,568,078</u>
		<u>Three months ended</u>	<u>Three months ended</u>
		<u>September 30, 2025</u>	<u>September 30, 2024</u>
		<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land		\$ 14,023	\$ 14,556
Buildings		2,313	4,135
Machinery		1,414	1,922
Transportation equipment		1,257	1,042
Office equipment		2,411	2,474
Other equipment		38	-
		<u>\$ 21,456</u>	<u>\$ 24,129</u>
		<u>Nine months ended</u>	<u>Nine months ended</u>
		<u>September 30, 2025</u>	<u>September 30, 2024</u>
		<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land		\$ 42,215	\$ 46,119
Buildings		9,351	14,541
Machinery		4,388	5,685
Transportation equipment		3,997	3,661
Office equipment		7,402	8,016
Other equipment		117	-
		<u>\$ 67,470</u>	<u>\$ 78,022</u>

- D. For the three months and nine months ended September 30, 2025 and 2024, the additions to right-of-use assets were (\$8), \$76, \$4,226, and \$61,406, respectively.

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

	Three months ended September 30, 2025	Three months ended September 30, 2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 5,172	\$ 5,394
Expense on short-term lease contracts	1,252	6,600
Expense on leases of low-value assets	1,858	741
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 15,887	\$ 17,222
Expense on short-term lease contracts	21,419	17,415
Expense on leases of low-value assets	5,263	2,389

F. For the nine months ended September 30, 2025 and 2024, the Group's total cash outflow for leases were \$101,371 and \$94,869, 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	4,297	-	38,698	4,009	47,004
Disposals	(995)	-	-	-	(995)
Reclassifications	50	-	250	-	300
Amortisation charge	(101,574)	-	(42,762)	(1,365)	(145,701)
Disposals of subsidiary	(7,093)	-	-	-	(7,093)
Net exchange differences	(10)	-	(414)	(36)	(460)
Closing net book amount as at September 30	<u>\$ 415,605</u>	<u>\$ 754,266</u>	<u>\$ 100,399</u>	<u>\$ 5,201</u>	<u>\$ 1,275,471</u>
At September 30, 2025					
Cost	\$ 2,761,867	\$ 754,266	\$ 725,514	\$ 145,416	\$ 4,387,063
Accumulated amortisation and impairment	(2,346,262)	-	(625,115)	(140,215)	(3,111,592)
	<u>\$ 415,605</u>	<u>\$ 754,266</u>	<u>\$ 100,399</u>	<u>\$ 5,201</u>	<u>\$ 1,275,471</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>
2024					
Opening net book amount as at January 1	\$ 713,416	\$ 754,266	\$ 114,946	\$ 57,974	\$ 1,640,602
Additions	7,040	-	40,231	-	47,271
Disposals	(580)	-	-	-	(580)
Reclassifications	(250)	-	-	-	(250)
Amortisation charge	(136,099)	-	(39,496)	(9,306)	(184,901)
Disposals of subsidiary	-	-	-	(46,661)	(46,661)
Net exchange differences	1,044	-	258	1,017	2,319
Closing net book amount as at September 30	<u>\$ 584,571</u>	<u>\$ 754,266</u>	<u>\$ 115,939</u>	<u>\$ 3,024</u>	<u>\$ 1,457,800</u>
At September 30, 2024					
Cost	\$ 2,777,661	\$ 763,034	\$ 690,706	\$ 141,443	\$ 4,372,844
Accumulated amortisation and impairment	(2,193,090)	(8,768)	(574,767)	(138,419)	(2,915,044)
	<u>\$ 584,571</u>	<u>\$ 754,266</u>	<u>\$ 115,939</u>	<u>\$ 3,024</u>	<u>\$ 1,457,800</u>

Details of amortisation on intangible assets are as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024
Operating costs	\$ 13,212	\$ 22,558
Selling expenses	204	174
Administrative expenses	25,156	24,425
Research and development expenses	11,142	12,122
	<u>\$ 49,714</u>	<u>\$ 59,279</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Operating costs	\$ 37,487	\$ 66,081
Selling expenses	604	508
Administrative expenses	73,105	81,642
Research and development expenses	34,505	36,670
	<u>\$ 145,701</u>	<u>\$ 184,901</u>

(11) Impairment of non-financial assets

For the nine months ended September 30, 2025: None.

The Group assessed that production line adjustments and configurations resulted in idling or impairment of certain property, plant and equipment. 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 September 30, 2024	Nine months ended September 30, 2024
	Recognised in profit or loss	
Impairment loss — buildings and structure	\$ -	\$ 13,897
Impairment loss — machinery	85,857	290,738
Impairment loss — office equipment	(424)	-
	<u>\$ 85,433</u>	<u>\$ 304,635</u>

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Property, plant and equipment	\$ -	\$ 131,173	\$ 99,094

- 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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Bank borrowings-unsecured borrowings	\$ 196,566	\$ 566,428	\$ 117,598
Liabilities on discounted notes receivable	-	-	59,054
	<u>\$ 196,566</u>	<u>\$ 566,428</u>	<u>\$ 176,652</u>
Interest rate range-NTD	-	2.84%	-
Interest rate range-foreign currency	4.78%	3.20%	3.20%
Interest rate range - discounted notes	-	-	1.25%~1.40%

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 September 30, 2025, December 31, 2024 and September 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

September 30, 2025				
	<u>Rate (%)</u>	<u>Amount</u>	<u>Name of bank</u>	<u>Collaterals</u>
Payables for bankers' acceptance	-	<u>\$ 174,376</u>	BANK OF COMMUNICATIONS	Note 8
			CHINA CONSTRUCTION BANK (CCB)	
			FUBON BANK (China)	
			BANK OF CHINA	
December 31, 2024				
	<u>Rate (%)</u>	<u>Amount</u>	<u>Name of bank</u>	<u>Collaterals</u>
Payables for bankers' acceptance	-	<u>\$ 845,699</u>	AGRICULTURAL BANK OF CHINA	Note 8
			BANK OF COMMUNICATIONS	
			Industrial and Commercial Bank of China	
			FUBON BANK (China)	
			CHINA CONSTRUCTION BANK (CCB)	
			Xiamen Bank	
BANK OF CHINA				
September 30, 2024				
	<u>Rate (%)</u>	<u>Amount</u>	<u>Name of bank</u>	<u>Collaterals</u>
Payables for bankers' acceptance	-	<u>\$ 925,126</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

<u>Items</u>	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Payables on wages, salaries and bonus	\$ 881,833	\$ 1,146,834	\$ 989,486
Payables on machinery and equipment	476,394	417,648	573,512
Payables on consumable goods and equipment repair expense	385,312	327,012	315,523
Payables on processing fees	352,634	461,023	491,860
Payables on personnel expense	241,070	205,965	271,551
Payables on gas expense	74,672	75,955	73,625
Payables on intangible assets	30,743	10,401	46,968
Payables on reticle expense	17,127	19,890	19,962
Payables on insurance expense	5,496	-	7,784
Compensation due to employees, directors and supervisors	-	88,290	88,950
Others	565,504	674,555	593,101
	<u>\$ 3,030,785</u>	<u>\$ 3,427,573</u>	<u>\$ 3,472,322</u>

(16) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Collaterals	September 30, 2025
Bank borrowings			
Unsecured borrowings	Before February 15, 2026	-	\$ 93,121
Unsecured borrowings	Before April 15, 2027	-	77,027
Unsecured borrowings	Before January 22, 2030	-	2,844
Secured borrowings	Before June 30, 2029	Note 8	120,000
			292,992
Less: Current portion of long-term borrowings			(162,054)
			\$ 130,938
Interest rate range			0.925%~2.070%

Type of borrowings	Borrowing period and repayment term	Collaterals	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	Note 8	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	Collaterals	September 30, 2024
Bank borrowings			
Unsecured borrowings	Before September 15, 2025	-	\$ 304,643
Unsecured borrowings	Before September 15, 2026	-	348,700
Unsecured borrowings	Before September 15, 2025	-	200,000
Unsecured borrowings	Before September 15, 2025	-	267,426
Unsecured borrowings	Before November 15, 2025	-	305,088
Unsecured borrowings	Before February 15, 2026	-	369,435
Unsecured borrowings	Before May 15, 2026	-	138,111
Unsecured borrowings	Before April 15, 2027	-	125,676
Secured borrowings	Before June 12, 2028	Note 8	56,250
Secured borrowings	Before June 30, 2029	Note 8	190,000
			2,305,329
Less: Current portion of long-term borrowings			(1,809,566)
			\$ 495,763
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 (\$321), \$74, (\$880) and \$222 for the three months and nine months ended September 30, 2025 and 2024 respectively.
- (c) Expected contributions to the defined benefit pension plans of the Company for the year ending September 30, 2026 amount to \$9,155.
- 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 nine months ended September 30, 2025 and 2024 were \$78,507, \$96,982, \$260,363 and \$298,597, respectively.

(18) Share-based payment

A. Employee stock options:

- (a) For the nine months ended September 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

Type of arrangement	Grant date	Quantity granted (thousand shares)	Vesting conditions
Employee stock option- Unikorn Semiconductor Corporation	2023.04.27	1,482	Note 2
Employee stock option- Hexawave, Inc.	2022.08.10	3,000	Notes 3 and 4
Employee stock option- Hexawave, Inc.	2023.04.25	500	Notes 3 and 4

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.

Note 4: As Lextar Electronics Corp. and Wellybond Corporation transferred the shares of Hexawave, Inc. and resigned the director's position, Hexawave, Inc. has been excluded from the consolidated entity since September 2025.

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

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

		2024
	No. of shares	Weighted-average
	(in thousands)	exercise price
		(in NTD)
Options outstanding at beginning of the period - Hexawave, Inc.	3,134	\$ 10
Options granted - Hexawave, Inc.	(53)	
Options forfeited - Hexawave, Inc.	-	
Options outstanding at end of the period - Hexawave, Inc.	3,081	10
Options exercisable at end of the period - Hexawave, Inc.	-	10

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

	Three months ended September 30, 2025	Three months ended September 30, 2024
Equity-settled	(\$ 2,515)	\$ 428
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Equity-settled	(\$ 2,101)	\$ 1,219

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

	September 30, 2025	December 31, 2024	September 30, 2024
Deferred government grants revenue	\$ 149,948	\$ 135,275	\$ 138,552
Deferred technical services revenue	-	5,284	5,597
	<u>\$ 149,948</u>	<u>\$ 140,559</u>	<u>\$ 144,149</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 nine months ended September 30, 2025 and 2024 were \$16,228, \$18,547, \$72,339 and \$64,239 (shown under “Other income and expenses-net” and “Other revenue”), respectively.

(20) Share capital

A. As of September 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 September 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)

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

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

(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:

	September 30, 2025	December 31, 2024	September 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	\$ 50,333	\$ 53,603	\$ 58,220

(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.

	<u>Share premium</u>	<u>Treasury share transactions</u>	<u>Changes in ownership interests in subsidiaries accounted for using equity method</u>	<u>Change in net equity of associates and joint ventures accounted for using equity method</u>
At January 1, 2025	\$ 37,876,528	\$ 270,407	\$ 53,606	\$ 202,516
Cash dividends	(664,146)	-	-	-
Offset deficit	(1,422,637)	-	-	-
Change in equity of associates and joint ventures accounted for using equity method	-	-	-	102,720
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	(2,987)	-
Changes in ownership interests in subsidiaries accounted for using equity method	-	-	7,076	-
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	1,154	-	-
Employee Stock Ownership Trust cancellation return	1,242	-	-	-
Return of unclaimed overdue dividends by shareholders	7,201	-	-	-
At September 30, 2025	<u>\$ 35,798,188</u>	<u>\$ 271,561</u>	<u>\$ 57,695</u>	<u>\$ 305,236</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	-	-	-	(13,811)
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)	(314,242)	-
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries		1,178		
Retirement of treasury shares	(769,879)	269,229	-	-
Employee Stock Ownership Trust cancellation return	49	-	-	-
At September 30, 2024	<u>\$ 37,874,981</u>	<u>\$ 270,407</u>	<u>\$ 47,469</u>	<u>\$ 199,931</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	- (	539,250)	(539,250)
Revaluation - tax	-	53,826	53,826
Disposal of equity investments measured at fair value through other comprehensive income	- (	23,953)	(23,953)
Currency translation			
–Group	(829,448)	- (	829,448)
–Tax on Group	1,316	-	1,316
At September 30	<u>(\$ 384,731)</u>	<u>\$ 998,387</u>	<u>\$ 613,656</u>
2024			
	Currency translation	Unrealized gain or loss	Total
At January 1	(\$ 208,746)	\$ 184,450	(\$ 24,296)
Revaluation - gross	- (	740,487)	(740,487)
Revaluation - tax	-	143,378	143,378
Disposal of equity investments measured at fair value through other comprehensive income	-	44,347	44,347
Currency translation			
–Group	650,399	-	650,399
–Tax on Group	(436)	- (	436)
At September 30	<u>\$ 441,217</u>	<u>(\$ 368,312)</u>	<u>\$ 72,905</u>

(24) Operating revenue

	Three months ended September 30, 2025	Three months ended September 30, 2024
Revenue from contracts with customers:		
Sales revenue	\$ 5,552,848	\$ 6,593,234
Services revenue	16,416	58,972
Other operating revenue	33,727	39,192
	<u>\$ 5,602,991</u>	<u>\$ 6,691,398</u>

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Revenue from contracts with customers:		
Sales revenue	\$ 16,749,264	\$ 18,616,683
Services revenue	143,055	138,476
Other operating revenue	82,766	125,461
	<u>\$ 16,975,085</u>	<u>\$ 18,880,620</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 September 30, 2025	Epi/Chip	Packages/ Modules	Other	Total
Sales revenue	\$ 3,446,355	\$ 1,957,501	\$ 148,992	\$ 5,552,848
Services revenue	-	-	16,416	16,416
Other operating revenue	-	-	33,727	33,727
				<u>\$ 5,602,991</u>

Three months ended September 30, 2024	Epi/Chip	Packages/ Modules	Other	Total
Sales revenue	\$ 4,273,622	\$ 2,146,096	\$ 173,516	\$ 6,593,234
Services revenue	-	-	58,972	58,972
Other operating revenue	-	-	39,192	39,192
				<u>\$ 6,691,398</u>

Nine months ended September 30, 2025	Epi/Chip	Packages/ Modules	Other	Total
Sales revenue	\$ 10,357,230	\$ 5,907,885	\$ 484,149	\$ 16,749,264
Services revenue	-	-	143,055	143,055
Other operating revenue	-	-	82,766	82,766
				<u>\$ 16,975,085</u>

Nine months ended September 30, 2024	Epi/Chip	Packages/ Modules	Other	Total
Sales revenue	\$ 12,194,526	\$ 5,807,667	\$ 614,490	\$ 18,616,683
Services revenue	-	-	138,476	138,476
Other operating revenue	-	-	125,461	125,461
				<u>\$ 18,880,620</u>

(25) Other income and expenses— net

	Three months ended September 30, 2025	Three months ended September 30, 2024
Other income		
Royalty income	\$ 5,082	\$ 53,121
Government grants revenue	(74)	7,630
Total	<u>\$ 5,008</u>	<u>\$ 60,751</u>

	<u>Nine months ended September 30, 2025</u>	<u>Nine months ended September 30, 2024</u>
Other income		
Royalty income	\$ 27,351	\$ 54,850
Government grants revenue	34,531	25,209
Total	<u>\$ 61,882</u>	<u>\$ 80,059</u>
(26) <u>Interest income</u>		
	<u>Three months ended September 30, 2025</u>	<u>Three months ended September 30, 2024</u>
Interest income from bank deposits	\$ 64,914	\$ 54,294
Other interest income	2,418	2,981
	<u>\$ 67,332</u>	<u>\$ 57,275</u>
	<u>Nine months ended September 30, 2025</u>	<u>Nine months ended September 30, 2024</u>
Interest income from bank deposits	\$ 185,673	\$ 167,811
Other interest income	7,960	8,349
	<u>\$ 193,633</u>	<u>\$ 176,160</u>
(27) <u>Other income</u>		
	<u>Three months ended September 30, 2025</u>	<u>Three months ended September 30, 2024</u>
Rental revenue	\$ 42,066	\$ 66,201
Dividend income	19,373	20,403
Government grant revenues	16,302	10,917
Other income-other	64,160	60,313
	<u>\$ 141,901</u>	<u>\$ 157,834</u>
	<u>Nine months ended September 30, 2025</u>	<u>Nine months ended September 30, 2024</u>
Rental income	\$ 127,932	\$ 162,664
Dividend income	19,499	20,526
Government grant revenues	37,808	39,030
Other income-other	150,655	157,422
	<u>\$ 335,894</u>	<u>\$ 379,642</u>

(28) Other gains and losses

	Three months ended September 30, 2025	Three months ended September 30, 2024
Gain on disposal of property, plant and equipment	\$ 27,615	\$ 13,883
(Loss) gain on disposal of non-current assets held for sale	(799)	141,483
Loss on disposal of intangible assets	(403)	(421)
Gain on disposal of investments	68,313	19,033
Profit from lease modification	303	18
Net currency exchange gain (loss)	93,615	(96,107)
Net (loss) gain on financial assets at fair value through profit or loss	(105,595)	55,334
Impairment loss on non-financial assets	-	(85,433)
Miscellaneous losses	(38,901)	(48,732)
	<u>\$ 44,148</u>	<u>(\$ 942)</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Gain on disposal of property, plant and equipment	\$ 75,187	\$ 127,283
Gain on disposal of non-current assets held for sale	58,900	148,692
Loss on disposal of intangible assets	(995)	(580)
Gain (loss) on disposal of investments	70,070	(105,590)
Profit from lease modification	580	1,231
Net currency exchange (loss) gain	(211,442)	78,689
Net gain (loss) on financial assets at fair value through profit or loss	85,441	(73,622)
Impairment loss on non-financial assets	-	(304,635)
Miscellaneous losses	(114,208)	(123,126)
	<u>(\$ 36,467)</u>	<u>(\$ 251,658)</u>

(29) Finance costs

	Three months ended September 30, 2025	Three months ended September 30, 2024
Interest expense	\$ 4,963	\$ 10,088
Other interest expense	6,789	15,280
	<u>\$ 11,752</u>	<u>\$ 25,368</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Interest expense	\$ 17,317	\$ 40,045
Other interest expense	34,193	60,744
	<u>\$ 51,510</u>	<u>\$ 100,789</u>

(30) Expenses by nature

	Three months ended September 30, 2025	Three months ended September 30, 2024
Employee benefit expenses	\$ 1,693,697	\$ 1,882,677
Depreciation (Note)	\$ 875,771	\$ 994,296
Amortisation	\$ 79,828	\$ 124,609
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Employee benefit expenses	\$ 5,353,480	\$ 5,805,330
Depreciation (Note)	\$ 2,687,598	\$ 3,133,093
Amortisation	\$ 238,698	\$ 250,231

Note: Depreciation amounting to \$7,307, \$26,885, \$29,161 and \$72,423 were recognized as miscellaneous expenses for the three months and nine months ended September 30, 2025 and 2024, respectively.

(31) Employee benefit expenses

	Three months ended September 30, 2025	Three months ended September 30, 2024
Wages and salaries	\$ 1,405,286	\$ 1,568,761
Labor and health insurance expenses	88,822	98,562
Pension costs	78,236	97,111
Other personnel expenses	121,353	118,243
	<u>\$ 1,693,697</u>	<u>\$ 1,882,677</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Wages and salaries	\$ 4,433,399	\$ 4,841,972
Labor and health insurance expenses	281,936	307,267
Pension costs	259,634	298,334
Other personnel expenses	378,511	357,757
	<u>\$ 5,353,480</u>	<u>\$ 5,805,330</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 nine months ended September 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 (benefits)

(a) Components of income tax expense (benefits):

	Three months ended September 30, 2025	Three months ended September 30, 2024
Current tax:		
Current tax on profits for the period	\$ 20,939	\$ 5,149
Tax withheld at source from foreign income	26	6,844
Prior year income tax (overestimation) underestimation	(9,514)	1,393
Total current tax	11,451	13,386
Deferred tax:		
Origination and reversal of temporary differences	(3,476)	(24,151)
Total deferred tax	(3,476)	(24,151)
Income tax expense (benefit)	\$ 7,975	\$ 10,765
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Current tax:		
Current tax on profits for the period	\$ 38,449	\$ 49,281
Tax withheld at source from foreign income	52	15,939
Prior year income tax underestimation	(8,032)	(15,219)
Total current tax	30,469	50,001
Deferred tax:		
Origination and reversal of temporary differences	14,021	48,888
Total deferred tax	14,021	48,888
Income tax expense	\$ 44,490	\$ 98,889

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

	Three months ended September 30, 2025	Three months ended September 30, 2024
Change in fair value of financial assets at fair value through other comprehensive (income) loss	(\$ 82,770)	\$ 44,658
Currency translation differences	503	228
Share of other comprehensive (income) loss of associates	(1,025)	15
Total	(\$ 83,292)	\$ 44,901

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Change in fair value of financial assets at fair value through other comprehensive income	(\$ 53,619)	(\$ 143,505)
Currency translation differences	(563)	395
Share of other comprehensive (income) loss of associates	(960)	168
Remeasurement of defined benefit obligations	-	5
Total	(\$ 55,142)	(\$ 142,937)

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 have been assessed and approved by the Tax Authority.

(33) Earnings (loss) per share

Three months ended September 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	(\$ 613,232)	736,658	(\$ 0.83)
Three months ended September 30, 2024			
	Amount after tax	Weighted average number of outstanding ordinary shares (share in thousands)	Earnings per share (in dollars)
<u>Basic and diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 7,492	736,658	\$ 0.01
Nine months ended September 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	(\$ 1,933,320)	736,658	(\$ 2.62)
Nine months ended September 30, 2024			
	Amount after tax	Weighted average number of outstanding ordinary shares (share in thousands)	Loss per share (in dollars)
<u>Basic and diluted loss per share</u>			
Loss attributable to ordinary shareholders of the parent	(\$ 762,002)	743,675	(\$ 1.02)

(34) Supplemental cash flow information

A. Investing activities with partial cash payments

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Purchase of property, plant and equipment	\$ 810,773	\$ 822,934
Add: Opening balance of payable on equipment	421,648	683,775
Less: Ending balance of payable on equipment	(476,394)	(577,373)
Less: Net cash changes of prepayment for equipment	2,714	18,905
Cash paid during the period	<u>\$ 758,741</u>	<u>\$ 948,241</u>

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Purchase of intangible assets	\$ 47,004	\$ 47,271
Add: Opening balance of payables (including non-current portion)	10,401	51,527
Less: Ending balance of payables (including non-current portion)	(30,743)	(46,968)
Add: Net cash changes of prepayments	43,651	-
Cash paid during the period	<u>\$ 70,313</u>	<u>\$ 51,830</u>

B. Investing activities with partial cash received

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Sale of property, plant and equipment	\$ 110,724	\$ 724,331
Add: Opening balance of receivables	1,084	32
Less: Ending balance of receivables	(5,198)	-
Add: Ending balance of advances	-	(252)
Cash collected during the period	<u>\$ 106,610</u>	<u>\$ 724,111</u>

C. Financing activities with partial cash payments

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Cash dividends from capital surplus declared	\$ 664,146	\$ 677,646
Less : dividends paid to subsidiaries	(1,154)	(1,178)
Cash paid during the period	<u>\$ 662,992</u>	<u>\$ 676,468</u>

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

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Disposal proceeds	\$ 59,149	\$ 135,552
Less: Ending balance of receivables	(249)	-
Net cash provided by disposal of subsidiaries and associates	<u>\$ 58,900</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	(365,523)	(648,161)	(1,095,188)	(74,161)	5,419	(2,177,614)
Effect of interest	-	-	-	15,887	-	15,887
Changes in other non-cash items	-	-	-	(76,504)	(10,417)	(86,921)
Impact of changes in foreign exchange rate	(4,339)	(23,162)	(27)	(2,753)	(1,631)	(31,912)
At September 30, 2025	<u>\$ 196,566</u>	<u>\$ 174,376</u>	<u>\$ 292,992</u>	<u>\$ 1,213,699</u>	<u>\$ 42,897</u>	<u>\$ 1,920,530</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	(559,895)	(326,532)	(1,418,281)	(81,246)	(1,205)	(2,387,159)
Effect of interest	-	-	-	17,222	-	17,222
Changes in other non-cash items	(22,225)	(78,621)	-	(42,643)	46,122	(97,367)
Impact of changes in foreign exchange rate	11,636	35,139	-	1,654	999	49,428
At September 30, 2024	<u>\$ 176,652</u>	<u>\$ 925,126</u>	<u>\$ 2,305,329</u>	<u>\$ 1,398,271</u>	<u>\$ 72,319</u>	<u>\$ 4,877,697</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group	Note
LEDAZ Co., Ltd.	Associates	
Yenrich Technology Corporation	Associates	
LEADSTAR Micro-Crystal Display Corporation (Jiangsu) Ltd.	Associates	
GCS Holdings, Inc.	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	
AUO Corporation	Other related parties	
AUO (Xiamen) Co., Ltd.	Other related parties	
AUO (Suzhou) Co., Ltd.	Other related parties	
AU Optronics(Shanghai) Co., Ltd.	Other related parties	
AUO Crystal Corp.	Other related parties	

Names of related parties	Relationship with the Group	Note
AUO Megainsight Smart Manufacturing (Suzhou) Corp., Ltd	Other related parties	
AUO Digitech Taiwan Inc.	Other related parties	Note 1
AUO Envirotech Inc.	Other related parties	Note 2
Anhui Inter-Mei Lighting Co., Ltd.	Other related parties	Note 3
Intermate Co., Ltd. (Suzhou)	Other related parties	Note 3
Bridgelux Optoelectronics (Xiamen) Co., Ltd.	Other related parties	Note 3
Ronly Venture Corp.	Other related parties	
AUO Education Service Corp.	Other related parties	
Darwin Precisions Corporation	Other related parties	
Darwin Precision (Xiamen) Corporation	Other related parties	
AUO Display Plus Corporation	Other related parties	
Fortech Electronics (Suzhou) Co., Ltd.	Other related parties	
Play Nitride Display Co., Ltd.	Other related parties	

Note 1: The liquidation was completed in September 2025.

Note 2: AUO Envirotech Inc. was renamed as AET Corporation. starting from September 2025.

Note 3: Because the company's shares held by the Company were sold and the Company resigned the director's position, the relationship between two companies was changed from other related party to non-related party since August 2025.

(2) Significant related party transactions and balances

A. Operating revenue:

	Three months ended September 30, 2025	Three months ended September 30, 2024
Other related parties	\$ 197,639	\$ 187,077
Associates	88,431	139,502
Total	<u>\$ 286,070</u>	<u>\$ 326,579</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Other related parties	\$ 555,879	\$ 657,755
Associates	342,030	414,801
Total	<u>\$ 897,909</u>	<u>\$ 1,072,556</u>

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

B. Purchases:

	Three months ended September 30, 2025	Three months ended September 30, 2024
Other related parties	\$ 67	\$ 1,340
Associates	63,795	110,461
Total	<u>\$ 63,862</u>	<u>\$ 111,801</u>
	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Other related parties	\$ 4,679	\$ 2,895
Associates	255,353	261,808
Total	<u>\$ 260,032</u>	<u>\$ 264,703</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):

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Other related parties	\$ 277,214	\$ 261,513	\$ 285,247
Associates	135,486	157,282	194,755
Total	<u>\$ 412,700</u>	<u>\$ 418,795</u>	<u>\$ 480,002</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:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Other related parties	\$ 35,646	\$ 26,757	\$ 26,815
Associates	6,574	25,644	13,561
Total	<u>\$ 42,220</u>	<u>\$ 52,401</u>	<u>\$ 40,376</u>

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

E. Payables from related parties:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Other related parties	\$ -	\$ 3,730	\$ 1,505
Associates	260,082	127,853	264,982
Total	<u>\$ 260,082</u>	<u>\$ 131,583</u>	<u>\$ 266,487</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:

	<u>Three months ended September 30, 2025</u>		<u>Three months ended September 30, 2024</u>	
	<u>Acquisition proceeds</u>	<u>Accrued payable</u>	<u>Acquisition proceeds</u>	<u>Accrued payable</u>
Play Nitride Display Co., Ltd.	\$ -	\$ -	\$ 130,990	\$ 112,437
Other related parties	6,869	-	17	-
Associates	2,253	-	5,671	-
	<u>\$ 9,122</u>	<u>\$ -</u>	<u>\$ 136,678</u>	<u>\$ 112,437</u>
	<u>Nine months ended September 30, 2025</u>		<u>Nine months ended September 30, 2024</u>	
	<u>Acquisition proceeds</u>	<u>Accrued payable</u>	<u>Acquisition proceeds</u>	<u>Accrued payable</u>
Play Nitride Display Co., Ltd.	\$ -	\$ -	\$ 133,335	\$ 112,437
Other related parties	35,485	-	995	-
Associates	55,605	-	5,671	-
	<u>\$ 91,090</u>	<u>\$ -</u>	<u>\$ 140,001</u>	<u>\$ 112,437</u>

(b) Disposal of property, plant and equipment:

	Three months ended September 30, 2025		Three months ended September 30, 2024	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
Global Communication Semiconductors, LLC Associates	\$ -	\$ -	\$ 436,400	\$ 141,430
	-	-	240	240
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 436,640</u>	<u>\$ 141,670</u>
	Nine months ended September 30, 2025		Nine months ended September 30, 2024	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
Global Communication Semiconductors, LLC Associates	\$ -	\$ -	\$ 436,400	\$ 141,430
	-	-	240	240
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 436,640</u>	<u>\$ 141,670</u>

(c) Acquisition of financial assets:

	Accounts	Number of shares (thousands)	Objects	Nine months ended September 30, 2025
				Consideration
Ronly Venture Corp.	Investments accounted for using equity method	3,500	Stock	<u>\$ 288,750</u>
For the three months ended September 30, 2025: None.				
	Accounts	Number of shares (thousands)	Objects	Three months and nine months ended September 30, 2024
				Consideration
GCS Holdings, Inc.	Investments accounted for using equity method	131,400	Stock	<u>\$ 450,000</u>

(3) Key management compensation

	Three months ended September 30, 2025	Three months ended September 30, 2024
Salaries and other short-term employee benefits	\$ 34,887	\$ 78,838
Post-employment benefits	431	836
Total	<u>\$ 35,318</u>	<u>\$ 79,674</u>

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Salaries and other short-term employee benefits	\$ 134,812	\$ 159,639
Post-employment benefits	1,574	2,235
Total	<u>\$ 136,386</u>	<u>\$ 161,874</u>

8. PLEGDED ASSETS

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

Pledgred assets	Carrying amounts		September 30, 2024	Purpose
	September 30, 2025	December 31, 2024		
Bank deposits (shown in "Current financial assets at amortised cost and non-current financial assets at amortised cost")	\$ 124,586	\$ 521,036	\$ 485,368	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")	91,904	218,053	378,843	Long-term borrowings, lease deposit, customs deposit, factory deposit, dormitory security deposit, payables for bankers' acceptances
Notes receivable	80,736	6,400	14,145	Payables for bankers' acceptance
Land, building and structures	541,633	543,802	324,933	Long-term borrowings
Machinery and office equipment	-	-	439,552	Funding loan
	<u>\$ 838,859</u>	<u>\$ 1,289,291</u>	<u>\$ 1,642,841</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

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

	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	<u>\$ 969,504</u>	<u>\$ 824,117</u>	<u>\$ 636,117</u>

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital risk management

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

(2) Financial instruments

A. Financial instruments by category

	September 30, 2025	December 31, 2024	September 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	\$ 2,699	\$ -	\$ 46,797
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	2,701,900	5,272,388	3,268,451
Financial assets at amortised cost			
Cash and cash equivalents	14,327,601	14,677,812	14,379,151
Financial assets at amortised cost	244,472	896,514	1,185,711
Notes receivable	1,184,761	748,305	718,165
Accounts receivable	6,609,987	7,677,262	7,993,692
Accounts receivable - related parties	412,700	418,795	480,002
Other receivables	184,778	119,049	210,759
Other receivables - related parties	42,220	52,401	40,376
Guarantee deposits paid	43,016	51,257	41,940
Other financial assets	3	3	3
	<u>\$ 25,754,137</u>	<u>\$ 29,913,786</u>	<u>\$ 28,365,047</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit and loss			
Financial liabilities held for trading	\$ 70,084	\$ 75,337	\$ 236
Financial liabilities at amortised cost			
Short-term borrowings	196,566	566,428	176,652
Short-term notes and bills payable	174,376	845,699	925,126
Notes payable	9,500	10,877	1,857
Accounts payable	2,880,194	2,850,161	2,930,013
Accounts payable - related parties	260,082	131,583	266,487
Other payables	3,030,785	3,427,573	3,472,322
Long-term borrowings (including current portion)	292,992	1,388,207	2,305,329
Long-term accounts payable	-	4,000	3,861
Guarantee deposits received	42,897	49,526	72,319
	<u>\$ 6,957,476</u>	<u>\$ 9,349,391</u>	<u>\$ 10,154,202</u>
Lease liabilities (including current portion)	<u>\$ 1,213,699</u>	<u>\$ 1,351,230</u>	<u>\$ 1,398,271</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:

September 30, 2025				
		Foreign currency	Exchange	Book value
		amount (in thousands)	rate	(in thousands of NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	154,352	30.4450	\$ 4,699,247
RMB:NTD		114,196	4.2710	487,731
<u>Non-monetary items</u>				
USD:NTD		55,787	30.4450	1,698,435
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD		37,466	30.4450	1,140,652
RMB:NTD		140,318	4.2710	599,298

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	\$ 5,541,517
RMB:NTD		98,644	4.4780	441,728
<u>Non-monetary items</u>				
USD:NTD		57,823	32.7850	1,895,727
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD		33,253	32.7850	1,090,200
RMB:NTD		129,501	4.4780	579,905

September 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	\$	190,478	31.6500	\$ 6,028,629
RMB:NTD		115,990	4.5230	524,623
<u>Non-monetary items</u>				
USD:NTD		57,823	31.6500	1,830,098
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD		41,111	31.6500	1,301,163
RMB:NTD		138,036	4.5230	624,337

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.

Nine months ended September 30, 2025				
Unrealized exchange gain (loss)				
	Foreign currency amount (in thousands)		Exchange rate	Book value (in thousands of NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	-	30.4450	\$ 24,837
RMB:NTD		-	4.2710	6,403
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD		-	30.4450	(6,368)
RMB:NTD		-	4.2710	(10,331)

Nine months ended September 30, 2024				
Unrealized exchange gain (loss)				
	Foreign currency amount (in thousands)		Exchange rate	Book value (in thousands of NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	-	31.6500	(\$ 62,830)
RMB:NTD		-	4.5230	1,255
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD		-	31.6500	26,307

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

Nine months ended September 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%	\$	46,992	\$ -
RMB:NTD	1%		4,877	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(	11,407)	-
RMB:NTD	1%	(	5,993)	-

Nine months ended September 30, 2024				
Sensitivity analysis				
		Effect on		Effect on other
Degree of variation		profit or loss		comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$ 60,286	\$	-
RMB:NTD	1%	5,246		-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	(13,012)		-
RMB:NTD	1%	(6,243)		-

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 10% with all other variables held constant, post-tax profit for the nine months ended September 30, 2025 and 2024 would have increased/decreased by \$6,739 and \$4,656, 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 \$270,190 and \$326,845, 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 \$13,838 and \$11,897 for the nine months ended September 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 September 30, 2025, December 31, 2024 and September 30, 2024, the Group's written-off financial assets that are still under recourse procedures all amounted to \$948,089, \$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 September 30, 2025, December 31, 2024 and September 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>September 30, 2025</u>						
Expected loss rate	0%	0~5.27%	0~95.88%	0%	0%~100%	
Total book value	\$ 8,393,244	\$ 28,265	\$ 6,712	\$ 149	\$ 105,545	\$ 8,533,915
Loss allowance	\$ -	\$ 107	\$ 93	\$ -	\$ 99,269	\$ 99,469
	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due	Over 180 days past due	Total
<u>December 31, 2024</u>						
Expected loss rate	0~100%	0~15.6%	0~32.46%	0~40.31%	0~100%	
Total book value	\$ 8,644,972	\$ 209,607	\$ 152,119	\$ 9,818	\$ 99,208	\$ 9,115,724
Loss allowance	\$ 4,022	\$ 62	\$ 1,716	\$ 149	\$ 93,963	\$ 99,912
	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due	Over 180 days past due	Total
<u>September 30, 2024</u>						
Expected loss rate	0%	0~15.6%	0~100%	0~64.76%	0~100%	
Total book value	\$ 9,347,626	\$ 79,524	\$ 9,130	\$ 4,849	\$ 98,476	\$ 9,539,605
Loss allowance	\$ -	\$ 548	\$ 1,265	\$ 1,742	\$ 93,056	\$ 96,611

	Individual provision	Group provision	Total
<u>September 30, 2025</u>			
Expected loss rate	100%	0%~100%	
Total book value	\$ 70,673	\$ 8,463,242	\$ 8,533,915
Loss allowance	<u>\$ 70,673</u>	<u>\$ 28,796</u>	<u>\$ 99,469</u>
<u>December 31, 2024</u>			
Expected loss rate	100%	0%~100%	
Total book value	\$ 74,474	\$ 9,041,250	\$ 9,115,724
Loss allowance	<u>\$ 74,474</u>	<u>\$ 25,438</u>	<u>\$ 99,912</u>
<u>September 30, 2024</u>			
Expected loss rate	100%	0%~100%	
Total book value	\$ 69,215	\$ 9,470,390	\$ 9,539,605
Loss allowance	<u>\$ 69,215</u>	<u>\$ 27,396</u>	<u>\$ 96,611</u>

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

	2025	
	Accounts receivable (including notes receivable)	Other receivables
At January 1	\$ 19,331	\$ 80,581
Provision for impairment	15,305	160
Write-offs	(12,594)	-
Effect of exchange rate changes	(845)	(2,469)
At September 30	<u>\$ 21,197</u>	<u>\$ 78,272</u>
	2024	
	Accounts receivable (including notes receivable)	Other receivables
At January 1	\$ 12,155	\$ 75,082
Provision for impairment	9,465	626
Disposal of subsidiaries	(1,889)	-
Effect of exchange rate changes	537	635
At September 30	<u>\$ 20,268</u>	<u>\$ 76,343</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and external regulatory or legal requirements.

ii. Surplus cash are invested in interest bearing current accounts, time deposits and money market deposits, with appropriate maturities or sufficient liquidity to provide sufficient headroom and meet the above-mentioned forecasts. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group held money market position of \$14,327,601, \$14,677,812 and \$14,379,151, respectively, and those are expected to readily generate cash inflows for managing liquidity risk.

iii. The Group has the following undrawn borrowing facilities:

	September 30, 2025	December 31, 2024	September 30, 2024
Floating rate:			
Expiring within one year	\$ 10,210,196	\$ 11,725,544	\$ 8,525,826
Expiring beyond one year	1,100,000	11,418,680	14,194,912
	<u>\$ 11,310,196</u>	<u>\$ 23,144,224</u>	<u>\$ 22,720,738</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:

September 30, 2025	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	\$ 70,084	\$ -	\$ -	\$ -

Non-derivative financial liabilities:

September 30, 2025	Less than 1 year	Between 1 and 5 years	Between 5 and 7 years	Over 7 years
Short-term borrowings	\$ 196,566	\$ -	\$ -	\$ -
Short-term notes and bills payable	174,376	-	-	-
Notes payable	9,500	-	-	-
Accounts payable (including related parties)	3,140,276	-	-	-
Other payables	3,030,785	-	-	-
Lease liabilities	92,516	294,196	124,957	949,295
Long-term borrowings (including current portion)	162,842	137,770	-	-
Guarantee deposits received	40,913	1,260	-	724

Derivative financial liabilities:

December 31, 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	\$ 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

Non-derivative financial liabilities:

September 30, 2024	Less than 1 year	Between 1 and 5 years	Between 5 and 7 years	Over 7 years
Short-term borrowings	\$ 176,652	\$ -	\$ -	\$ -
Short-term notes and bills payable	925,126	-	-	-
Notes payable	1,857	-	-	-
Accounts payable (including related parties)	3,196,500	-	-	-
Other payables	3,472,322	-	-	-
Lease liabilities	109,219	349,838	142,809	1,041,358
Long-term borrowings (including current portion)	-	506,193	-	-
Long-term payables (including current portion)	-	3,861	-	-
Guarantee deposits received	65,792	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.

	September 30, 2025			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Long-term borrowings (including current portion)	\$ 292,992	\$ -	\$ 294,748	\$ -
		December 31, 2024		
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Long-term borrowings (including current portion)	\$ 1,388,207	\$ -	\$ 1,388,263	\$ -

September 30, 2024				
	Book value	Fair value		
		Level 1	Level 2	Level 3
Financial liabilities:				
Long-term borrowings				
(including current portion)	\$ 2,305,329	\$ -	\$ 2,182,353	\$ -
(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:				
September 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	\$ -	\$ 2,699	\$ -	\$ 2,699
Financial assets at fair value through other comprehensive income				
Equity securities	1,187,017	-	1,514,883	2,701,900
Total	\$ 1,187,017	\$ 2,699	\$ 1,514,883	\$ 2,704,599
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivatives	\$ -	\$ 70,084	\$ -	\$ 70,084
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

September 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				
Derivatives	\$ -	\$ 46,797	\$ -	\$ 46,797
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,052,666</u>	<u>-</u>	<u>2,215,785</u>	<u>3,268,451</u>
Total	<u>\$ 1,052,666</u>	<u>\$ 46,797</u>	<u>\$ 2,215,785</u>	<u>\$ 3,315,248</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivatives	<u>\$ -</u>	<u>\$ 236</u>	<u>\$ -</u>	<u>\$ 236</u>

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

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

- | | <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 nine months ended September 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	(750,392)	(726,615)
Disposals	(1,119,352)	(277,018)
Effect of exchange rate changes	(108,120)	118,191
At September 30	\$ 1,514,883	\$ 2,215,785

- 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 September 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 1,407,970	Market comparable companies	Price to book ratio multiple	1.98~2.24	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	106,913	Market comparable companies	Enterprise value multiple (EV/Revenue) on September 30, 2025	2.65	The higher the enterprise value multiple, the higher the fair value.
			Liquidity discount ratio on September 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 September 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted stocks	\$ 2,157,029	Market comparable companies	Price to book ratio multiple	1.01~2.03	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	56,256	Market comparable companies	Enterprise value multiple (P/B ratio) on September 30, 2024	2.03	The higher the enterprise value multiple, the higher the fair value.
			Liquidity discount ratio on September 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:

		September 30, 2025			
		Recognised in profit or loss		Recognised in other comprehensive income	
		Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets					
Equity instrument	Discount for lack of marketability	±1%	\$ -	\$ -	\$ 15,149 (\$ 15,149)
		December 31, 2024			
		Recognised in profit or loss		Recognised in other comprehensive income	
		Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets					
Equity instrument	Discount for lack of marketability	±1%	\$ -	\$ -	\$ 34,927 (\$ 34,927)
		September 30, 2024			
		Recognised in profit or loss		Recognised in other comprehensive income	
		Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets					
Equity instrument	Discount for lack of marketability	±1%	\$ -	\$ -	\$ 22,158 (\$ 22,158)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

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

(2) Information on investees

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

(3) Information on investments in Mainland China

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

14. SEGMENT INFORMATION

(1) General information:

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

(2) Segment information

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

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

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

Nine months ended September 30, 2025

	<u>Epistar Group</u>	<u>Lextar Group</u>	<u>Others</u>	<u>Consolidated</u>
Revenues from external customers	\$ 10,436,934	\$ 6,538,151	\$ -	\$ 16,975,085
Segment loss	(1,665,174)	(245,701)	(35,622)	(1,946,497)
<u>September 30, 2025</u>				
Segment assets	\$ 37,442,256	\$ 10,313,802	\$ 4,512,350	\$ 52,268,408

Nine months ended September 30, 2024

	<u>Epistar Group</u>	<u>Lextar Group</u>	<u>Others</u>	<u>Consolidated</u>
Revenues from external customers	\$ 12,012,679	\$ 6,596,244	\$ 271,697	\$ 18,880,620
Segment loss	(329,292)	(143,579)	(649,303)	(1,122,174)
<u>September 30, 2024</u>				
Segment assets	\$ 41,966,254	\$ 12,191,069	\$ 4,537,848	\$ 58,695,171

ENNOSTAR INC.
Loans to others
Nine months ended September 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 nine 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 single party	Ceiling on total loans granted	Footnote
					September 30, 2025	September 30, 2025	drawn down	rate					Item	Value			
1	Epistar Corporation	Unikorn Semiconductor Corporation	Other receivables-related parties	Y	\$ 1,100,000	\$ 800,000	\$ 750,000	1.585%~1.65%	Short-term financing	\$ -	Working capital	\$ -	-	\$ -	\$ 3,020,442	\$ 9,061,326	Note 1
2	Epicrystal Corporation (ChangZhou) Ltd.	Episky Corporation (Xiamen) Ltd.	Other receivables-related parties	Y	1,624,320	768,780	768,780	0.98%	Short-term financing	-	Working capital	-	Promissory Note	768,780	1,636,736	1,636,736	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	-	-	-	149,528	149,528	Note 3
4	Lextar Electronics (Chuzhou) Corp.	Episky Corporation (Xiamen) Ltd.	Other receivables-related parties	Y	823,140	768,780	-	Reference to short-term cost of capital	Short-term financing	-	Working capital	-	Promissory Note	768,780	3,621,885	3,621,885	Note 4
5	Lextar Electronics Corp.	Hexawave, Inc.	Other receivables	N	10,000	-	-	Reference to short-term cost of capital	Short-term financing	-	Working capital	-	-	-	737,567	2,212,702	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
Nine months ended September 30, 2025

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

		Party being endorsed/guaranteed												
Number (Note 1)	Endorser/ guarantor	Company name	Relationship with the endorser/ guarantor (Note 2)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of September 30, 2025	Outstanding endorsement/ guarantee amount at September 30, 2025	Actual amount drawn down	Amount of endorsements secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements /guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
1	Epistar Corporation	ENNOSTAR Inc.	3	\$ 9,061,326	\$ 750,000	\$ -	\$ -	\$ -	-	\$ 9,061,326	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)
Nine months ended September 30, 2025

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

				As of September 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	296,353	13.68	296,353	
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	832,922	10.00	832,922	
Epistar Corporation	XENIO CORPORATION (Stock)	None	Non-current financial assets at fair value through profit or loss	7,878	-	0.06	-	

				As of September 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	7,577,338	\$ 1,163,121	6.44	\$ 1,163,121	
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	-	
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	81,721	0.87	81,721	

Table 3-2

				As of September 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	\$ 33,410	3.72	\$ 33,410	
Lighting Investment Corp.	Oree Advanced Illumination Solutions, Inc. (Stock)	None	Non-current financial assets at fair value through profit or loss	79,407	-	5.00	-	
Lighting Investment Corp.	TERA XTAL TECHNOLOGY CORPORATION (Stock)	None	Non-current financial assets at fair value through profit or loss	795,000	-	0.42	-	
Lighting Investment Corp.	XENIO CORPORATION (Stock)	None	Non-current financial assets at fair value through profit or loss	16,463	-	0.13	-	
Lighting Investment Corp.	FormoLight Technologies, Inc. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	2,038,230	12,679	10.00	12,679	
Lighting Investment Corp.	Advanced Photoelectronic Technology Limited (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	562,018	124,367	5.74	124,367	
Lighting Investment Corp.	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

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of September 30, 2025				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Lighting Investment Corp.	ENNOSTAR Inc. (Stock)	Parent company of Epistar Corporation	Current financial assets at fair value through profit or loss	1,282,377	\$ 50,333	0.17	\$ 50,333	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.	Advanced Photoelectronic Technology Limited (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	200,000	44,257	2.04	44,257	
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	73,503	8.19	73,503	
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	9,741	13.96	9,741	
Wellybond Corporation	Wellysun Inc.(Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	2,014,000	23,896	4.23	23,896	

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

Nine months ended September 30, 2025

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

							Differences in transaction		Notes/accounts receivable		
							terms		(payable)		

Table 4-1

Transaction						Differences in transaction terms		Notes/accounts receivable (payable)			
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Lextar Electronics Corp.	Fortech Electronics (Suzhou) Co., Ltd.	Other related parties	Sales	(\$ 139,298) (	0.82)	120 days after monthend closing	Normal	Normal	\$ 71,691	0.87	
Lextar Electronics (Chuzhou) Corp.	Lextar Electronics Corp.	Note 1	Sales	(2,125,712) (	12.52)	120 days after monthend closing	Normal	Normal	981,528	11.96	
Episky Corporation (Xiamen) Ltd.	Jiangsu Canyang Optoelectronics Ltd.	Note 1	Purchases	235,947	2.28	120 days after monthend closing	Normal	Normal	(52,691) (	1.67)	
Episky Corporation (Xiamen) Ltd.	Epicrystal Corporation (ChangZhou) Ltd.	Note 1	Purchases	1,550,949	14.98	180 days after monthend closing	Normal	Normal	(1,345,778) (	42.73)	
Episky Corporation (Xiamen) Ltd.	Epistar Corporation	Note 1	Purchases	851,374	8.22	90 days after monthend closing	Normal	Normal	(235,978) (	7.49)	
Epistar Corporation	Jiangsu Canyang Optoelectronics Ltd.	Note 1	Purchases	120,551	1.16	90 days after monthend closing	Normal	Normal	(44,785) (	1.42)	
Epistar Corporation	Episky Corporation (Xiamen) Ltd.	Note 1	Purchases	748,385	7.23	90 days after monthend closing	Normal	Normal	(277,575) (	8.81)	
Epistar Corporation	Epicrystal Corporation (ChangZhou) Ltd.	Note 1	Purchases	635,568	6.14	90 days after monthend closing	Normal	Normal	(213,704) (	6.78)	
Epicrystal Corporation (ChangZhou) Ltd.	Jiangsu Canyang Optoelectronics Ltd.	Note 1	Purchases	593,014	5.73	90 days after monthend closing	Normal	Normal	(242,479) (	7.70)	
Lextar Electronics Corp.	Lextar Electronics (Chuzhou) Corp.	Note 1	Purchases	2,125,712	20.53	120 days after monthend closing	Normal	Normal	(981,528) (	31.16)	
Lextar Electronics Corp.	Epistar Corporation	Note 1	Purchases	140,840	1.36	90 days after monthend closing	Normal	Normal	(52,756) (	1.67)	
Lextar Electronics Corp.	Tyntek Corporation	Note 1	Purchases	155,275	1.50	120 days after monthend closing	Normal	Normal	(73,735) (	2.34)	
Lextar Electronics (Chuzhou) Corp.	Episky Corporation (Xiamen) Ltd.	Note 1	Purchases	132,503	1.28	90 days after monthend closing	Normal	Normal	(53,439) (	1.70)	

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

September 30, 2025

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 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		
Episky Corporation (Xiamen) Ltd.	Epistar Corporation	Note 2	\$ 277,575	\$ 6,901	\$ 284,476	4.43	\$ -	-	\$ -	\$ -
Epistar Corporation	Episky Corporation (Xiamen) Ltd.	Note 2	235,978	34,210	270,188	3.35	9,067	Note 1	13,674	-
Epistar Corporation	Unikorn Semiconductor Corporation	Note 2	19,648	775,012	794,660	0.06	1,072	Note 1	10,059	-
Epicrystal Corporation (ChangZhou) Ltd.	Episky Corporation (Xiamen) Ltd.	Note 2	1,345,778	769,408	2,115,186	1.88	-	-	-	-
Epicrystal Corporation (ChangZhou) Ltd.	Epistar Corporation	Note 2	213,704	-	213,704	0.81	-	-	-	-
Jiangsu Canyang Optoelectronics Ltd.	Epicrystal Corporation (ChangZhou) Ltd.	Note 2	242,479	1,357	243,836	2.39	-	-	67,365	-
Epistar Corporation	LEDAZ Co., Ltd	Note 2	93,213	7,038	100,251	1.03	7,038	-	-	7,038
Lextar Electronics Corp.	Lextar Electronics (Chuzhou) Corp.	Note 2	102,489	-	102,489	5.45	-	-	-	-
Lextar Electronics (Chuzhou) Corp.	Lextar Electronics Corp.	Note 2	981,528	922	982,450	3.07	-	-	279,452	-

Note 1: All the overdue amounts are being actively collected. Epistar Corporation has recovered \$50 overdue from Episky Corporation (Xiamen) Ltd. after the balance sheet date. Epistar corporation has recovered \$1,072 overdue from Unikorn Semiconductor Corporation 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
Nine months ended September 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	\$ 176,466	Based on contract terms	1.04
0	ENNOSTAR Inc.	Epistar Corporation	1	Other operating revenue	334,846	Based on contract terms	1.97
1	Epistar Corporation	Episky Corporation (Xiamen) Ltd.	3	Sales	851,374	Conducted in the ordinary course of business with terms similar to those with third parties	5.02
1	Epistar Corporation	Lextar Electronics Corp.	3	Sales	140,840	Conducted in the ordinary course of business with terms similar to those with third parties	0.83
1	Epistar Corporation	Episky Corporation (Xiamen) Ltd.	3	Accounts receivable	235,978	Conducted in the ordinary course of business with terms similar to those with third parties	0.45
1	Epistar Corporation	Unikorn Semiconductor Corporation	3	Other receivable	775,012	Based on contract terms	1.48
2	Episky Corporation (Xiamen) Ltd.	Epistar Corporation	3	Sales	748,385	Conducted in the ordinary course of business with terms similar to those with third parties	4.41
2	Episky Corporation (Xiamen) Ltd.	Lextar Electronics (Chuzhou) Corp.	3	Sales	132,503	Conducted in the ordinary course of business with terms similar to those with third parties	0.78

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	
2	Episky Corporation (Xiamen) Ltd.	Epistar Corporation	3	Accounts receivable	\$ 277,575	Conducted in the ordinary course of business with terms similar to those with third parties	0.53
3	Epicrystal Corporation (ChangZhou) Ltd.	Episky Corporation (Xiamen) Ltd.	3	Sales	1,550,949	Conducted in the ordinary course of business with terms similar to those with third parties	9.14
3	Epicrystal Corporation (ChangZhou) Ltd.	Epistar Corporation	3	Sales	635,568	Conducted in the ordinary course of business with terms similar to those with third parties	3.74
3	Epicrystal Corporation (ChangZhou) Ltd.	Episky Corporation (Xiamen) Ltd.	3	Accounts receivable	1,345,778	Conducted in the ordinary course of business with terms similar to those with third parties	2.57
3	Epicrystal Corporation (ChangZhou) Ltd.	Epistar Corporation	3	Accounts receivable	213,704	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	769,408	Based on contract terms	1.47
4	Jiangsu Canyang Optoelectronics Ltd.	Episky Corporation (Xiamen) Ltd.	3	Sales	235,947	Conducted in the ordinary course of business with terms similar to those with third parties	1.39
4	Jiangsu Canyang Optoelectronics Ltd.	Epicrystal Corporation (ChangZhou) Ltd.	3	Sales	593,014	Conducted in the ordinary course of business with terms similar to those with third parties	3.49
4	Jiangsu Canyang Optoelectronics Ltd.	Epistar Corporation	3	Sales	120,551	Conducted in the ordinary course of business with terms similar to those with third parties	0.71
4	Jiangsu Canyang Optoelectronics Ltd.	Epicrystal Corporation (ChangZhou) Ltd.	3	Accounts receivable	242,479	Conducted in the ordinary course of business with terms similar to those with third parties	0.46

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	
5	Lextar Electronics Corp.	Lextar Electronics (Chuzhou) Corp.	3	Accounts receivable	\$ 102,489	Conducted in the ordinary course of business with terms similar to those with third parties	0.20
6	Lextar Electronics (Chuzhou) Corp.	Lextar Electronics Corp.	3	Sales	2,125,712	Conducted in the ordinary course of business with terms similar to those with third parties	12.52
6	Lextar Electronics (Chuzhou) Corp.	Lextar Electronics Corp.	3	Accounts receivable	981,528	Conducted in the ordinary course of business with terms similar to those with third parties	1.88

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)
Nine months ended September 30, 2025

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at September 30, 2025					
Investor	Investee	Location	Main business activities	Balance as at September 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the nine months ended September 30, 2025	Investment income (loss) recognised by the Company for the nine months ended September 30, 2025	Footnote
ENNOSTAR Inc.	Epistar Corporation	Taiwan	Resarching, developing, manufacturing and sales of LED wafers and chips	\$ 36,794,780	\$ 36,794,780	1,207,079,188	100.00	\$ 30,154,086	(\$ 1,668,872)	(\$ 1,666,756)	
ENNOSTAR Inc.	Lextar Electronics Corp.	Taiwan	Resarching, developing, manufacturing and sales of LED wafers, packages and modules	9,924,646	10,724,646	514,916,380	100.00	8,594,058	(228,835)	(268,381)	
ENNOSTAR Inc.	Harvestar Investment Corp.	Taiwan	General investment	1,440,000	1,150,000	144,000,000	100.00	901,234	(555)	(555)	
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	615,369	(53,525)	(4,495)	Note 1
ENNOSTAR Inc.	Amengine Corporation	Taiwan	Developing, manufacturing and sales of optical sensing modules	-	40,212	-	0.00	-	-	(231)	

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2025					Footnote
				Balance as at September 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the nine months ended September 30, 2025	Investment income (loss) recognised by the Company for the nine months ended September 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	7.93	\$ 282,323	(50,129)	3,480	Note 1
ENNOSTAR Inc.	Calystar Investment Corp.	Taiwan	General investment	700,000	440,000	71,355,925	100.00	613,129	(209)	(209)	
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	7.92	333,123	(50,129)	3,271	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	266,040	263,864	13,214,000	4.40	255,319	(53,525)	(4,288)	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	5.71	178,999	(50,129)	2,359	Note 1

Table 7-2

				Initial investment amount		Shares held as at September 30, 2025						
Investor	Investee	Location	Main business activities	Balance as at September 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the nine months ended September 30, 2025	Investment income (loss) recognised by the Company for the nine months ended September 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	\$ 185,570	\$ 151,238	10,070,000	3.35	\$ 166,168	(\$ 53,525)	(\$ 2,682)	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	855	(50,129)	8	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	35,134	(20,797)	(10,568)		
Epistar Corporation	Epistar JV Holding (BVI) Co., Ltd.	British Virgin Islands	General investment	14,960,129	14,960,129	48,278	100.00	8,301,789	233,949	223,340		
Epistar Corporation	Lighting Investment Corp.	Taiwan	General investment	1,561,814	1,561,814	191,478,518	100.00	2,015,908	115,193	115,910		
Epistar Corporation	Unikorn Semiconductor Corporation	Taiwan	Original equipment manufacturer of III-V semiconductor	1,340,825	826,083	336,485,000	100.00	(345,212)	(168,755)	(168,755)		
Epistar Corporation	TE Opto Corporation	Taiwan	Sales of LED chips	9,200	9,200	920,000	40.00	40,880	1,234	493		

Table 7-3

			Initial investment amount		Shares held as at September 30, 2025						
Investor	Investee	Location	Main business activities	Balance as at September 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the nine months ended September 30, 2025	Investment income (loss) recognised by the Company for the nine months ended September 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	\$ 681	(\$ 74)	(\$ 48)	
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	1,162	(53,525)	(8)	Note 1
Epistar Corporation	Can Yang Investments Limited	Hong Kong	General investment	66,745	66,745	2,679,063	3.53	60,274	50,585	1,783	
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	91,874	(50,129)	1,391	Note 1
Epistar JV Holding (BVI) Co., Ltd.	HUGA Holding (SAMOA) Limited	Samoa	General investment	334,967	334,967	12,551,035	100.00	76,916	47	47	
Epistar JV Holding (BVI) Co., Ltd.	LiteStar JV Holding (BVI) Co., Ltd.	British Virgin Islands	General investment	3,408,835	3,408,835	10,882	82.41	3,148,964	(85,464)	(70,431)	
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	328,932	83,725	62,677	
Epistar JV Holding (BVI) Co., Ltd.	Episky (Hong Kong) Ltd.	Hong Kong	General investment	2,124,096	2,124,096	Cash USD 68,000,000	100.00	1,983,493	180,617	180,617	
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	1,508,277	50,585	44,621	
Lighting Investment Ltd.	LEDAZ CO., Ltd.	Korea	Engineering service of LED	48,166	48,166	88,460	28.13	27,548	49,451	10,369	

Table 7-4

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2025					Footnote
				Balance as at September 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the nine months ended September 30, 2025	Investment income (loss) recognised by the Company for the nine months ended September 30, 2025	
LiteStar JV Holding (BVI) Co., Ltd.	Epicrystal (Hong Kong) Co. Ltd.	Hong Kong	General investment	4,403,034	4,403,034	146,600,000	100.00	3,820,960	(85,287)	(85,287)	
Lighting Investment Corp.	LEDAZ CO., Ltd.	Korea	Engineering service of LED	23,993	23,993	44,065	14.01	13,724	49,451	5,205	
Lighting Investment Corp.	Lighting Investment Ltd.	British Virgin Islands	General investment	152,701	152,701	45,643	100.00	1,069,874	122,926	122,925	
Lighting Investment Corp.	Can Yang Investments Limited	Hong Kong	General investment	72,436	72,436	5,218,605	6.87	117,468	50,585	3,475	
Lighting Investment Corp.	LEDOLUX Sp.Zo.O.	Poland	Manufacturing and sales of LED products	-	133,455	-	0.00	-	(4,232)	(2,536)	
Lighting 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	1,276	1,276	50,000	0.02	755	(53,525)	(8)	Note 1
Lighting Investment Corp.	GaN Force Corporation	Taiwan	Design, manufacturing and sales of semiconductor materials and modules	641	641	620,400	35.68	698	(74)	(26)	
Lighting Investment Corp.	Domi-Star Optoelectronics Corporation	Taiwan	Design and sales of LED lighting product	-	490	-	-	-	(10)	(5)	

Table 7-5

				Initial investment amount		Shares held as at September 30, 2025						
Investor	Investee	Location	Main business activities	Balance as at	Balance as at	Number of shares	Ownership (%)	Book value	Net profit (loss)	Investment	Footnote	
				September 30, 2025	December 31, 2024				of the investee for the nine months ended September 30, 2025	income (loss) recognised by the Company for the nine months ended September 30, 2025		
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	\$ 135,440	(\$ 91,333)	(\$ 3,023)		
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	232,170	(1,472,094)	(166,500)		
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	123,941	131,266	3,630		
Episky Corporation (Xiamen) Ltd.	Shenzhen Epikylin Optoelectronics Co.,Ltd.	China	Sales of LED chips	-	43,770	-	-	-	(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	2,523,332	(25,716)	(25,716)		
Lextar Electronics Corp.	Wellypower Optronics Corporation	British Virgin Islands	General investment	44,898	44,898	5,153,061	100.00	165,835	(2,001)	(2,001)		
Lextar Electronics Corp.	Apower Optronics Corporation	British Virgin Islands	General investment	381,638	381,638	31,600,000	100.00	1,189,307	(15,355)	(15,355)		
Lextar Electronics Corp.	Liang Li Venture Corp.	Taiwan	General investment	175,374	175,374	18,000,000	100.00	98,565	(3,368)	(3,368)		
Lextar Electronics Corp.	Wellybond Corporation	Taiwan	General investment	1,096,484	746,484	110,000,000	100.00	762,633	(39,367)	(39,367)		
Lextar Electronics Corp.	Trendylite Corporation	Taiwan	Sales of LED products	21,245	21,245	3,150,000	53.84	25,583	(8,437)	(4,543)		
Lextar Electronics Corp.	Hexawave, Inc.	Taiwan	Manufacturing and sales of compound semiconductor materials and modules	-	147,506	-	-	-	(24,899)	(7,837)		
Lextar Electronics Corp.	Yenrich Technology Corporation	Taiwan	Research, development and sales of electronic component	541,341	541,341	7,538,471	39.37	26,303	(29,767)	(11,719)		

Table 7-6

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2025					Footnote
				Balance as at September 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the nine months ended September 30, 2025	Investment income (loss) recognised by the Company for the nine months ended September 30, 2025	
Lextar Electronics Corp.	ProLight Opto Technology Corporation	Taiwan	Manufacturing and sales of LED packages	\$ -	\$ 99,081	-	-	\$ -	(\$ 38,821)	(\$ 3,478)	
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	787	(53,525)	(98)	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	5,337	359	359	
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	250,000	50.00	6,366	3,461	1,731	
Wellybond Corporation	Hexawave, Inc.	Taiwan	Manufacturing and sales of compound semiconductor materials and modules	-	147,494	-	-	-	(24,899)	(7,837)	
Wellybond Corporation	Trendylite Corporation	Taiwan	Sales of LED products	18,312	18,312	2,361,538	40.37	19,179	(8,437)	(3,406)	
Wellybond Corporation	ProLight Opto Technology Corporation	Taiwan	Manufacturing and sales of LED packages	691,345	326,817	63,643,517	93.51	616,985	(38,821)	(22,980)	

Table 7-7

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2025					Footnote
				Balance as at September 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the nine months ended September 30, 2025	Investment income (loss) recognised by the Company for the nine months ended September 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	\$ 770	(\$ 53,525)	(\$ 99)	Note 1
Liang Li Venture Corp.	ProLight Opto Technology Corporation	Taiwan	Manufacturing and sales of LED packages	-	96,604	-	-	-	(38,821)	(3,478)	
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	784	(53,525)	(96)	Note 1
ProLight Opto Technology Corporation	ProLight Opto Holding Corporation	Seychelles	General investment	4,402	4,402	150,000	100.00	12,348	7,614	7,614	
ProLight Opto Holding Corporation	ProLight Opto Technology Corporation	Seychelles	General investment	4,403	4,403	150,000	100.00	12,375	7,615	7,615	

Table 7-8

				Initial investment amount		Shares held as at September 30, 2025						
Investor	Investee	Location	Main business activities	Balance as at September 30, 2025	Balance as at December 31, 2024	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the nine months ended September 30, 2025	Investment income (loss) recognised by the Company for the nine months ended September 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	\$ 3,621,886	(\$ 30,497)	(\$ 30,497)		
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	-	(40,945)	(8,313)		

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
Nine months ended September 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 nine months ended September 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2025	Net income of investee for the nine months ended September 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2025	Book value of investments in Mainland China as of September 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of September 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	\$ 1,708,400	1	\$ 583,428	\$ -	\$ -	\$ 583,428	\$ 131,266	33.63	\$ 6,354	\$ 452,046	\$ -	2(3) 、6
Episky Corporation (Xiamen) Ltd.	Manufacturing and sales of LED chips	1,905,068	2	2,124,096	-	-	2,124,096	180,617	100.00	180,617	1,983,486	-	2(2)
United LED Shan Dong Corporation	Information technology consulting services	2,194,671	2	1,824,844	-	-	1,824,844	83,342	74.86	62,390	341,649	-	2(3)
Epicrystal Corporation (ChangZhou) Ltd.	Manufacturing and sales of LED wafers and chips	4,331,639	2	3,423,550	-	-	3,423,550	(91,333)	76.95	(70,285)	3,148,852	-	2(2)
Bridgelux Optoelectronic (Xiamen) Co., Ltd.	Manufacturing and sales of LED wafers, chips, packages and modules	1,281,300	2	1,461,593	-	(1,461,593)	-	-	-	-	-	-	2(3) 、9

Table 8-1

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 nine months ended September 30, 2025		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2025	Net income of investee for the nine months ended September 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine months ended September 30, 2025	Book value of investments in Mainland China as of September 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2025	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
APT Electronics Co., Ltd.	Developing, manufacturing and sale of LED extension and chip, module and light instrument	\$ 2,294,154	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	925,099	2	96,084	-	-	96,084	-	8.19	-	-	-	2(3)
Jiangsu Canyang Optoelectronics Ltd.	Manufacturing and sales of LED wafers and chips	5,360,129	2	2,592,697	-	-	2,592,697	50,418	98.61	49,717	1,740,034	-	2(2)
Lextar Electronics (Suzhou) Corp.	Manufacturing and sales of LED and modules	3,695,226	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	3,991	2	4,695	-	-	4,695	5,434	93.51	4,573	9,863	-	2(2)

Table 8-2

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 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	\$ 42,140,965
Epistar Corporation	\$ 10,357,379	\$ 13,824,398	\$ 30,204,419
Lextar Electronics Corp.	\$ 3,737,600	\$ 4,198,743	\$ 7,375,672

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.

Note 9: Epistar JV Holding (BVI) Co., Ltd. disposed of all its equity interest in Bridgelux (Xiamen) Co., Ltd. in August 2025. 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
Nine months ended September 30, 2025

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals			Financing				
	Amount	%	(Purchase) sale amount	(Loss) gain	Balance at September 30, 2025	%	Balance at September 30, 2025	Purpose	Maximum balance during the nine months ended September 30, 2025	Balance at September 30, 2025	Interest rate	Interest during the nine months ended September 30, 2025	Others	
Investee in Mainland China														
Episky Corporation (Xiamen) Ltd.	\$ 851,374	(5.02)	\$ 36,538	\$ 6,133	\$ 235,978	2.88	\$ -	-	\$ -	\$ -	-	\$ -	-	
Episky Corporation (Xiamen) Ltd.	(748,385)	7.23	(6,196)	-	(277,575)	(8.81)	-	-	-	-	-	-	-	
Epicrystal Corporation (ChangZhou) Ltd.	(635,568)	6.14	42,304	(4,643)	(213,704)	(6.78)	-	-	-	-	-	-	-	
Jiangsu Canyang Optoelectronics Ltd.	(120,551)	1.16	-	-	(44,785)	(1.42)	-	-	-	-	-	-	-	
Lextar Electronics (Chuzhou) Corp.	(2,125,712)	20.53	1,376	(14)	(981,528)	(31.16)	-	-	-	-	-	-	-	

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