

【Translation】

# Ennostar

TWSE: 3714

Ennostar Inc.

## 2025 Annual Report

Printed on March 15, 2026

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Website to inquire annual reports

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

**Notice to readers**

*This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

## 1. Spokesperson & Deputy Spokesperson

Spokesperson : Shao-Lan Wang , Associate Vice President , Finance Center  
Deputy Spokesperson : Jia-Wei Tzeng, Director , Finance and Investor Relations Department.  
Tel : +886 3 567-9000  
Email : ir@Ennostar.com

## 2. Headquarters, Branches, and Plant

Ennostar Inc.

Address : 9F. -1, No. 67, Ziyou Rd., East Dist., Hsinchu City, Taiwan (R.O.C.)

TEL : +886 3 567-9000

Ennostar Corporation

Address : No. 21, Lixing Rd., Hsinchu Science Park

TEL : +886 3 567-8000

Ennostar Corporation Zhunan Branch

Address : 1F., No. 1, Keyi St., Zhunan T ownship, Miaoli County

TEL : +886 3 567-8000

## 3. Common Share Transfer Agent and Registrar

Name : Taishin Securities Co., Ltd. Stock Affairs Department

Address : B1, No. 96, Sec. 1, Jianguo N. Rd, Zhongshan Dist., Taipei City

Website : <https://www.tssco.com.tw/stocktransfer>

TEL : +886 2 2504-8125

## 4. Auditors

Name of auditors : Tien-Yi Li , Chien-Hung Chou

Name of Accounting : Pricewaterhouse Coopers, Taiwan

Address : 27F., No.333, Sec. 1, Keelung Rd., SongshanDist., Taipei City

Website : <http://www.pwc.tw/>

TEL : +886 2 2729-6666

## 5. Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: Not applicable.

## 6. Corporate Website: <http://www.ennostar.com>

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# 1. Letter to Shareholders

Looking back on 2025, the global economic environment faced multiple challenges, including geopolitical risks and the US reciprocal tariffs policies. For the above reasons, demand in consumer end markets turned cautious and the seasonal peak effect was weaker than usual. The recovery of demand remained slow, and the industry competition intensified during the past year. The challenges were further compounded by the appreciation of the New Taiwan dollar and a surge in precious metal prices. Therefore, Net loss attributable to equity holders of the parent company was NT\$2.71 billion, with a basic loss per share (EPS) of -NT\$3.69.

Confronted with this challenging market environment, Ennostar remained committed to the core principles of prudent operations and forward-looking deployment. We proactively strengthened our fundamentals by optimizing our product portfolio and capacity allocation. Furthermore, we exercised strict control over operating expenses and carefully evaluated capital expenditures. Also, disposing of low efficiency investments and idle assets ensured a robust financial structure and a healthy cash position.

## **Integration Completed. A Stronger Ennostar Emerges.**

The year 2025 marked a pivotal milestone in the Group's deep integration journey, laying a critical foundation for future growth. Building upon the previous year's consolidation of systems and processes, we further enhanced the resource integration, and the synergies of "One Ennostar" have gradually begun to emerge. These efforts have established a solid foundation for enhancing mid- to long-term operational efficiency and overall competitiveness. During the year, Epistar Corporation completed its corporate name change and merged with Lextar Electronics Corporation to formally establish Ennostar Corporation. Through substantive integration of organizational structures and resource allocation, we strengthened upstream and downstream collaboration, enhanced operational agility, and reinforced our competitive positioning, providing robust support for future growth.

In our operating strategy, we operated under three guiding principles: Focus, Simplify, and Value-added. We drove revenue growth by concentrating on our 3+1 core valued-added fields, streamlined our product portfolio to reduce pricing pressure, and directing resources toward key customers and differentiated technologies. Through disciplined resource prioritization, we continue to improve operational efficiency and profitability structure.

## **Dual-Strategy Approach Powering Our Transformation**

### **Field Value-Added Approach: Expanding High-Value Growth Platforms**

#### **A. Automotive**

Automotive segment remains a core strategic focus and represented our most significant area of achievement in 2025, as well as a primary growth driver for the coming years. Ennostar has

long cultivated expertise in automotive LED and display technologies, holding over 50% global market share in yellow and red automotive LED chips, and ranking among the world's top three automotive backlight suppliers.

Strategically, we have evolved from a single-component supplier to an application-driven development partner. Leveraging our optoelectronic semiconductor integration capabilities, we continue to deepen collaborations with global Tier 1s and OEMs, advancing automotive optoelectronic components toward system-level and platform-based solutions.

In 2025, we achieved multiple milestones in the automotive segment. We launched our mini-like and i-mini pixelated interactive Intelligent Signaling Display (ISD) solutions, debuting with Valeo at IAA MOBILITY 2025. We also achieved mass production projects with leading Chinese automakers. Meanwhile, our Mini LED backlight solutions were adopted by several global automotive brands, further solidifying our leadership in the automotive display market.

## **B. Advanced Display**

Advanced display technology and commercialization is a strategic priority, centered on Micro LED and Smart Display solutions. Micro LED, with its high brightness, low power consumption, and superior reliability, is widely regarded as a critical enabling technology for next-generation displays and high-speed optical transmission. Smart Display solutions emphasize high curvature and customizable form factors to meet diverse application requirements.

From a technology and strategy perspective, we continue to focus on breakthrough process development in advanced displays and collaborate closely with ecosystem partners to accelerate adoption. Anchored in core display components and manufacturing technologies, we integrate platform-based design with scalable production processes to help partners bring products to market efficiently.

Ennostar achieved meaningful progress in 2025. Micro LED products entered official mass production with brand customers. At Touch Taiwan exhibition in 2025, we unveiled the GemiLED™ technology platform, which maintains high brightness and performance while significantly reducing end-product power consumption, making it well suited for immersive interactive and large-scale display applications. Smart Display solutions were successfully adopted in gaming and other specialized applications, with further market expansion underway.

## **C. Smart Sensing**

Smart sensing represents a strategic extension of our optoelectronic core competencies and a key driver of system-level integration value. Ennostar is among the few companies globally capable of offering a full-spectrum technology platform spanning from deep ultraviolet (UVC) to extended short-wave infrared (eSWIR). Our sensing solutions serve healthcare, consumer electronics, and industrial applications, and we maintain over 40% global market share in wearable sensing market.

Strategically, we continue to enhance product depth and integration capability in smart sensing, expanding from emitter devices to receiver components. By building a comprehensive

technology platform covering epitaxy, chips, packages and modules integration, we enable customers to accelerate adoption through one-stop solutions.

In 2025, we further increased our industry visibility. We commenced mass production of InGaAs infrared photodiode receiver components and, in collaboration with partners, showcased integrated display and sensing solutions at Automation Intelligence and Robot Show, successfully entering the smart automation market. Looking ahead, we will further expand into high-value applications such as industrial automation and robotics to strengthen our growth drivers.

#### **D. AI Optical Interconnects**

AI optical interconnect represents a key future growth engine. As AI model scale expands, demand for high-speed interconnects within and between data center racks continues to accelerate. Leveraging our III-V compound semiconductor expertise and extensive optoelectronic manufacturing experience, Ennostar is well positioned to supply critical emitter and receiver components for AI optical interconnect systems.

Technologically, we are pursuing parallel multi-light-source development to address varying transmission distances and system architectures. Our portfolio includes Micro LED, VCSEL, and CW-DFB laser diode (LD) technologies. By integrating Group resources, we provide both emitter and receiver capabilities while collaborating with module and system partners to validate applications.

All three AI optical interconnect light source platforms advanced steadily in 2025, with joint system-level development initiatives underway to establish a foundation for future commercialization and mass production.

#### **Solution Value-Added Approach: From Components to Integrated Solutions**

Solution value-added represents the core engine of our transformation. Beginning in 2025, we accelerated our evolution from a light-source supplier to an integrated solution provider, centering on end-application requirements and integrating design, manufacturing, and system capabilities.

From a business model perspective, early-stage co-development with customers was central to our approach. Through collaborative specification definition, platform-based design, and scalable manufacturing processes, we shortened development cycles and enhanced program success rates.

By deepening our optoelectronic solution integration, we aimed to optimize profit structure and elevated our strategic position within the supply chain. Expanding from component supply into solution architecture and system integration enabled stronger, more resilient long-term partnerships and reinforces overall competitiveness.

## **Advancing Toward Net Zero and Strengthening Talent Development: Building Sustainable Competitiveness Through a Resilient Supply Chain**

The Ennostar Group places great importance on carbon reduction, setting clear targets and taking proactive actions. Beginning January 1, 2025, the Group's facilities in Mainland China have fully transitioned to 100% green electricity, raising the Group's overall renewable energy usage to over 40%. In addition, at the end of 2025, Ennostar officially passed the review of the Science Based Targets initiative (SBTi), confirming that its targets align with the 1.5°C warming control pathway advocated by the Paris Agreement, marking a significant step toward achieving its sustainability vision. The Group also actively collaborates with supply chain partners to conduct greenhouse gas inventories and commits to joint carbon reduction efforts to build a more resilient low-carbon supply chain.

Ennostar firmly believes that talents are the core asset for long term competitiveness and sustainable corporate development. Talent cultivation is ensured closely aligned with corporate strategy and to systematically respond to organizational growth, industry changes, and future succession needs, the Group has established a comprehensive talent development governance framework.

### **A Clear Path to Sustainable Value Creation**

Looking ahead, Ennostar will continue to advance its next stage of growth with strategic clarity and operational discipline. Guided by our vision—**“Bright Innovation, Sustainable Future”**—we will integrate technological innovation, resource consolidation, and sustainable governance while deepening global collaboration.

Amid ongoing external uncertainties, we will remain committed to strengthening our long-term competitive advantages. Through our Dual-strategy Approach and focused 3+1 Value-added fields, we will capture opportunities in a dynamic environment and create sustainable, long-term value for our shareholders.

Chairman    Shuang-Lang Peng

## 2. Corporate Governance Report

### 2.1 Information about Directors, president, vice presidents, assistant vice presidents, and department and branch managers

#### 2.1.1 Information about directors

Base date of shareholding February 28, 2026; Unit: shares

Title	Nationality or Place of Registration	Name	Gender/ Age	Date elected (inauguration) Date	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Shareholding of spouse and minor children		Shareholding in others' name		Experience & Education	Current Positions at the Company and Other Companies	Managers, directors or supervisors who are spouses or relatives within the second degree of kinship		
							Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relationship
Chairman	R.O.C.	Shuang-Lang Peng	Male/ 61-70	2023.05.31	3 years	2010.06.18	150,000	0.02%	250,000	0.03%	0	0.00%	0	0.00%	Chairman and CEO, AUO Corporation Director, Qisda Corporation MBA, Heriot-Watt University	Note 1	No	No	No
Director	R.O.C.	AUO Corporation	Not applicable	2023.05.31	3 years	2005.05.18	93,568,898	12.40%	93,568,898	12.68%	0	0.00%	0	0.00%	Not applicable	Note 2	No	No	No
		Representative Yu-Chieh Lin	female/ 51-60	2023.05.31	3 years	2023.05.31	NA	-	3,930	0.00%	0	0.00%	0	0.00%	Vice President, AUO Corporation Taiwan Display Union Association supervisor M.A., Institute of Physics, National Central University	Note 3	No	No	No
Director	R.O.C.	Chin-Yung Fan	Male/ 61-70	2023.05.31	3 years	2019.06.20	133,506	0.02%	219,801	0.03%	411	0.00%	0	0.00%	President of Epistar Corporation M.A., Institute of Physics, National Central University	Note 4	No	No	No
Director	R.O.C.	Hsiu-Mu Tang	Male/ 51-60	2023.05.31	3 years	2023.05.31	249,230	0.03%	322,295	0.04%	0	0.06%	0	0.00%	President of Lextar Electronics Corp. PhD, Chemical Engineering, National Tsing Hua University	Note 5	No	No	No
Independent Director	R.O.C.	Wei-Min Sheng	Male/ 61-70	2023.05.31	3 years	2003.06.18	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Professor of Department of Public Finance in National Taichung University of Science and Technology. Independent Director, Epistar Corporation PhD in Accounting, Purdue University	Note 6	No	No	No
Independent Director	R.O.C.	Shian-Ho Shen	Male/ 71-80	2023.05.31	3 years	2003.05.29	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Vice President and Plant Chief, United Microelectronics Corporation Vice President, AUO Corporation Independent Director, Lextar Electronics Corp. Bachelor, Department of Electronic Engineering, Chung Yuan Christian University	Note 7	No	No	No
Independent Director	R.O.C.	Wei-Cheng Wang	Male/ 61-70	2023.05.31	3 years	2021.08.11	0	0.00%	0	0.00%	0	0.00%	0	0.00%	CPA and Partner, PwC Department of Accounting, NCCU	Note 8	No	No	No
Independent Director	R.O.C.	En-Te Hsu	Male/ 61-70	2023.05.31	3 years	2014.06.17	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Professor of Accounting in Tunghai University Chief. of Accounting and Industry-Academic Research Center and EMBA in Tunghai University PhD in Accounting, National Taiwan University	Note 9	No	No	No
Independent Director	R.O.C.	Chun-Hsin Chou	female/ 41-50	2023.05.31	3 years	2014.01.22	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Chief. and lawyer of AIPT International Law Office Chairman and arbitrator of Chinese Construction Industry Arbitration Association PhD in Law in China University of Political Science and Law	Note 10	No	No	No

- The first appointment date of directors and supervisors of listed companies.
- Any relevant information where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: After taking into account the independence of Board members, the adequacy and necessity of the managers, and the improvement of the Group's management efficiency and decision-making execution, the Company's internal division of authority and responsibilities has clearly defined the approval authority of the Chairman and the President. In accordance with Article 4 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers," the Company completed the addition of five Independent Directors in advance in 2021, resulting in the number of Independent Directors exceeding half of all Directors. We believe that the corporate governance structure of the Board is sufficient to supervise the material decisions of the Company and protect shareholders' value.

Note:

1. Chairman, Shuang-Lang Peng concurrently serve as Chairman and Chief Executive Officer of AUO Group (TWSE: 2409); Chairman of AUO Foundation. ; Director of AUO (Shanghai) Co., Ltd; Chairman of AUO Singapore Pte. Ltd.; Chairman of Konly Venture Corp.; Chairman of Ronly Venture Corp.; Director of AUO Digitech Holding Limited; Director of ADT Technology Service (Suzhou) Co., Ltd. ; Director of AUO Megainsight (Xiamen) Co., Ltd.; Director of AUO Megalnsight (Suzhou) Co., Ltd.; Director of Aedgetech Data Technologies (Suzhou) Corp., Ltd; Chairman of Harvestar Investment Corp. and Chairman of Calystar Investment Corp.
2. Corporate director AUO Corporation concurrently serve as Director of Qisda Corporation.(TWSE: 2352) ; Director of Darwin Precisions Corporation (TWSE : 6120) 、 Director of Adlink Technology Inc. (TWSE : 6166); Director of SINTRONES Technology Corp. (TPEX : 6680) ; Director of Konly Venture Corp. ; Director of Ronly Venture Corp. ; Director of AUO Crystal Corp. ; Director of AET Corporation. ; Director of Star River Energy Corp. ; Director of Star Shining 2 Energy Corporation ; Director of Star Shining Energy Holdings Corporation. ; Director of AUO Display Plus Corporation. ; Director of Da Ping Green Energy Corporation. ; Director of AUO Health Inc. ; Director of AUO Power Corporation ; Director of AUO Mobility Solutions Corporation ; Director of Yenrich Technology Corporation ;Director of Star Shining Enetek Corporation and Supervisor of Yo-Pei Water Corporation. °
3. Director Yu-Chieh Lin concurrently serves as Vice President of AUO Corporation (TWSE: 2409) and Director of YTTEK Technology Corp.
4. Director, Chin-Yung Fan, concurrently serves as Chairman and CEO of Ennostar Corporation; Chairman of Liang Li Venture Corp.; Chairman of Wellybond Corporation; Director of Wellypower Optronics Corporation; Director of Apower Optronics Corporation and Director of Lextar (Singapore) Pte. Ltd. The abovementioned companies are all direct or indirect reinvestees of Ennostar.
5. Director Hsiu-Mu Tang concurrently serves as Business Operation general manager of Ennostar Corporation; Chairman of Lighting Investment Corp.; Director of TE OPTO CORPORATION; Director of Episky (Hong Kong)Ltd.; Director of Lighting Investment Ltd.; Director of Epistar JV Holding (BVI) Co., Ltd.;Director of LiteStar JV Holding (BVI) Co., Ltd.; Director of Epicrystal (Hong Kong) Co., Ltd.; Director of HUGA Holding (Samoa) Limited and Chairman of Unikorn Semiconductor Corporation. The abovementioned companies are all direct or indirect reinvestees of Ennostar.
6. Independent Director, Wei-Min Sheng concurrently serves as the Independent Director of Elite Semiconductor Memory Technology Inc. (TWSE: 3006) and Independent Director of Innostar Service Inc. (Emerging: 7828).
7. Independent Director, Shian-Ho Shen concurrently serves as Supervisor of Chem Tec Corporation Co., Ltd.
8. Independent Director, Wei-Cheng Wang concurrently serves as Independent Director of Taiwan mask corporation (TWSE: 2338); Independent Director of Feature Integration Technology Inc. (TPEX: 4951) (He resigned on February 23, 2026, effective on May 15, 2026.) and Independent Director of Etron Technology, Inc. (TPEX: 5351).
9. Independent Director, En-Te Hsu concurrently serves as Independent Director of Mobiletron Electronics Co., Ltd. (TWSE: 1533).
10. Independent Director, Chun-Hsin Chou concurrently serves as Independent Director of Chaheng Precision Co., Ltd. (Emerging: 4546).

Major shareholders of corporate shareholders

Name of corporate shareholders	Major shareholders of corporate shareholders	Shareholding percentage (%)
AUO Corporation (Note1)	Qisda Corporation	6.92
	Trust Holding for Employees for AUO	5.81
	Quanta Computer Inc.	4.63
	Taiwan Cooperative Bank	2.99
	ADR of AUO	2.30
	New Labor Pension Fund	1.73
	Nan Shan Life Insurance Company, Ltd.	1.49
	Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	1.09
	Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.03
	Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	0.65

Note1: record on the shareholder roster at the book closure day, March 30, 2025.

The major shareholders of the major shareholder in the table above are corporate

Name of corporate	Major shareholder of corporate	Shareholding percentage (%)
Qisda Corporation (Note 2)	AUO Corporation	12.20
	Acer Incorporated	4.21
	Taishin International Bank entrusted with the Qisda Corporation Employee Stock Ownership Trust Account	3.89
	Konly Venture Corp.	2.60
	Darfon Electronics Corp.	2.07
	Chunghwa Post Co., Ltd.	1.39
	Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	0.99
	Polunin Developing Countries Fund, LLC	0.95
	Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	0.92
	DongMu Association	0.89
Quanta Computer Incorporated (Note 3)	Chien Yu Investment Co., Ltd	14.82
	Barry Lam	10.76
	Cathay Life Insurance Co., Ltd	2.36
	C.C. Leung	2.14
	New Labor Pension Fund	2.13
	Yi Chia Xin Investment Company Ltd.	1.47
	Fubon Life Insurance Co. Ltd.	1.46
	Xin Ming Investment Company Limited	1.27
	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (Custodian: TaiShin Bank)	1.22
	Xin Ming Leung	1.15
Nan Shan Life Insurance Company, Ltd. (Note 4)	Runcheng Investment Holding Co., Ltd.	89.55
	Runhua Dyeing Factory Co., Ltd.	1.34
	Du Yingzong	1.16
	Runtaixing Co., Ltd.	0.97
	Runtai Innovation International Co., Ltd.	0.23
	Runtai Global Co., Ltd.	0.21
	Yuanxin Investment Co., Ltd.	0.16
	Runtai Leasing Co., Ltd.	0.12
	Jipin Investment Co., Ltd.	0.11
Pengcheng Co., Ltd.	0.10	

Note 2: information recorded in the shareholder roster at the book closure date, March 31, 2025.

Note 3: information recorded in the shareholder roster at the book closure date, April 15, 2025.

Note 4: information recorded on March 31, 2025.

## **Information about diversity of the Board of Directors**

### **Policy of diversity of Directors**

The Board of Ennostar leads the corporate strategies, supervises the management, and is held responsible for the Company and shareholders. The Board diversity policy is established in the Corporate Governance Best-Practice Principles. Apart from the Directors concurrently serving as the Company's managers being no more than one-third of all Directors, the diversity policy of the two following aspects is formulated based on the operation, operating patterns, and development requirements:

- I. Basic conditions and values: Gender, age, nationality, and culture
- II. Professional knowledge and skills: Professional background (e.g. law, accounting, finance, industry, marketing or technology), professional skills and industry experience.

The FSC has added mandatory rules for Directors of different genders under the Sustainable Development Action Plan for TWSE/TPEX Listed Companies announced in March 2023. The Board of TWSE/TPEX listed companies shall include at least one Director of a different gender starting from 2024. To implement the gender equality policy, Ennostar adopted the progressive approach to introducing two female Directors and Board members with legal professions upon the re-election of the 2nd session of Directors in May 2023. Currently, female Directors account for approximately 22%. In line with the Board's diversity objectives, the Company plans to add one female Director to the third Board of Directors to achieve the goal of having Directors of either gender account for one-third of the Board, thereby enhancing gender equality in corporate governance. In addition, the Company strictly complies with applicable regulations in determining and assessing the independence of Independent Directors, arranges for Directors to complete six hours of continuing education each year, and continuously evaluates the contributions of individual Directors to ensure that the Board maintains fresh perspectives and continues to optimize corporate governance.

**Specific management objectives in the Board diversity policy and achievements for the 2nd session of the Board are as follows:**

Management objectives	2nd session (in-service period)
Independent directors more than a majority of the members	Achieved
A majority of the Independent Directors shall hold office for no more than three consecutive terms*	Achieved
All Independent Directors shall hold office for no more than three consecutive terms*	Achieved
It is advisable that the directors concurrently serving as the Company's managerial officers shall be no more than one-third of the whole directors.	Achieved
Including at least one director of different gender	Achieved
Each gender accounts for at least one-third of the Board seats	Not achieved (To be applied from the third term onward.)
Board member(s) with legal expertise	Achieved
Complete the continuing education courses for six hours each year (Note)	Achieved

Note: For those who become Directors of a TWSE/TPEX listed company for the first time, 12 hours of continuing education have been completed during the year of assumption (2023).

\*Beginning in 2024, in connection with the expiration of Directors' terms of office (2024–2026), more than half of the Independent Directors may not serve more than three consecutive terms.

\*Beginning in 2027, in connection with the expiration of Directors' terms of office (2027–2029), all Independent Directors may not serve more than three consecutive terms.

Professional qualification of directors and independence of independent directors

Title	Condition	Gender	Age range	Professional knowledge and skills		Major experience		Concurrent Managerial officers	Term of Office			Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
	Name			Law Accounting Finance	Industry Marketing Technology	Professional Skill	Industry Experience		3 years under	3-9 years	9 years or more	
Chairman	Shuang-Lang Peng	Male	61-70 years old		✓	✓	✓	✓		✓		0
Director	Yu-Chieh Lin	Female	51-60 years old		✓	✓	✓			✓		0
Director	Chin-Yung Fan	Male	61-70 years old		✓	✓	✓	✓		✓		0
Director	Hsiu-Mu Tang	Male	51-60 years old		✓	✓	✓	✓		✓		0
Independent Director	Wei-Min Sheng	Male	61-70 years old	✓	✓	✓				✓		2
Independent Director	Shian-Ho Shen	Male	71 years old or more	✓	✓	✓	✓			✓		1
Independent Director	Wei-Cheng Wang	Male	61-70 years old	✓		✓				✓		3(Note)
Independent Director	En-Te Hsu	Male	61-70 years old	✓		✓				✓		1
Independent Director	Chun-Hsin Chou	Female	41-50 years old	✓		✓				✓		1

Mark "✓" if the condition is met

Note : Among the three independent directorships concurrently held, the independent directorship at Feature Integration Technology Inc. resigned on February 23, 2026, with the resignation taking effect on May 15, 2026.

- The board members are all nationals of the R.O.C., without circumstance specified in Article 30 of the Company Act, nor related to each other as spouse or relatives within 2nd degree kinship.
- The average age of directors is about 61 years old. The proportion of directors who are employees is 33%, that of independent directors is 56%, and that of female directors is 22%. For the future nomination of board members, the Board of Directors of Ennostar will introduce female directors.
- All the independent directors of the second term do not serve more than three terms in row.

### **Ability and experience of the Board of Directors**

All members of the Board of Directors have the knowledge, skills, industry knowledge, rich experience and professionalism in financial, commercial and management fields necessary to perform their duties. All independent directors can exercise their powers objectively and meet the independence qualifications stipulated by laws and regulations.

Through the self-assessment, the directors made the following analysis:

Title	Name	Condition	Make judgments about operations ability	Accounting and financial analysis ability	Business management ability	Risk Management /Crisis management ability	Knowledge of the industry	An international market perspective.	Leadership ability	Decision-making ability
Chairman	Shuang-Lang Peng		✓		✓	✓	✓	✓	✓	✓
Director	Yu-Chieh Lin		✓		✓	✓	✓	✓	✓	✓
Director	Chin-Yung Fan		✓		✓	✓	✓	✓	✓	✓
Director	Hsiu-Mu Tang		✓		✓	✓	✓	✓	✓	✓
Independent Director	Wei-Min Sheng		✓	✓	✓	✓	✓		✓	
Independent Director	Shian-Ho Shen		✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Wei-Cheng Wang			✓			✓			
Independent Director	En-Te Hsu		✓	✓	✓	✓			✓	✓
Independent Director	Chun-Hsin Chou		✓		✓	✓			✓	✓

Note: Mark “✓” if the condition is met

#### I. Directors serving as managerial officers

Shuang-Lang Peng, Chin-Yung Fan, and Hsiu-Mu Tang are all the key managerial officers of the Company, in charge of leading Ennostar’s industrial cooperation strategies from upstream to downstream.

##### (I) Chairman, Shuang-Lang Peng

Mr. Shuang-Lang Peng is currently the Chairman and President of ENNOSTAR Inc., and also serves as the Chairman and Group CEO of AUO group. He has engaged in the technology industry for more than three decades and generated rich experience in the display industry. Meanwhile, he promotes cross-region integration and resource sharing in the industry chain proactively. For the time being, he is also a member of the Board of Science and Technology, Executive Yuan, responsible for planning and promoting the national digital technology application and innovation development policy.

##### (II) Director, Chin-Yung Fan

Mr. Chin-Yung Fan is currently the Chairman and President of Ennostar Corporation. He has more than 30 years of extensive management experience and a comprehensive background in the optoelectronics industry, having held key positions in production, logistics management, quality, and sales and marketing management. With outstanding leadership, he successfully led Epistar Corporation away from the price-cutting competition in the LED industry, strategically

positioned the Company in next-generation display technologies, guided the technical team in pursuing innovation, enhanced R&D capabilities, and worked with customers to realize a wide range of possibilities for end products.

(III) Director, Hsiu-Mu Tang

Mr. Hsiu-Mu Tang is currently the General Manager, Components Business Group of Ennostar Corporation. He has more than 25 years of extensive experience in the LED industry and is well versed in LED epitaxy, chip technologies, and manufacturing. He is responsible for key initiatives including the advancement of intelligent supply chain operations, upstream and downstream resource integration, development of forward-looking technologies, the backlighting products business, and the construction and operation of manufacturing sites in China. He has also accumulated extensive leadership experience in process R&D, production and supply chain management, as well as business and operations.

II. Independent directors with industrial background and fully qualified for independence

The members of 2nd board of independent directors of Ennostar are recommended by the Board of Directors of Ennostar, which have included two females, one of whom has a legal expertise. Therefore, it should be considered meeting the specific management objectives of the diversity policy. The Company reviews if the independent directors continuously conform to the independence requirements set forth by laws and regulations. As of now, all the independent directors of the Company conform to the independence requirements set forth in Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies Including but not limited to the independent directors, their spouse, relatives within the second degree of kinship serving as director, supervisor, or employee of the company or any of its affiliates; not holding the Company's share, nor their spouse, the person's spouse, relatives within the second degree of kinship, or held by the person under others' names; not servicing as director, supervisor, or employee of the company having special relationship with the Company (please refer to subparagraph 5-8, paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and subparagraph 5-8, paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange; not providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years or receiving corresponding compensation

(I) Wei-Min Sheng Independent Director

He holds a Ph.D. in Accounting from Purdue University and previously served as a professor in the Department of Public Finance and Taxation at National Taichung University of Science and Technology for more than 15 years. He has industry experience in semiconductors, electronic components, and the electronics industry. He was formerly an Independent Director of Epistar Corporation and previously served as an Independent Director and Compensation Committee member of Siliconware Precision Industries Co., Ltd. He also participated in the share exchange transaction for the establishment of an investment holding company between ASE Industrial Holding Co., Ltd. and Siliconware Precision Industries Co., Ltd.

(II) Shian-Ho Shen Independent Director

Having the electronic engineering background; served as independent director of Lextar Electronics Corp., as well as VP and Plant Chief of UMC, and VP of AUO Corporation.

(III) Wei-Cheng Wang Independent Director

Served as the CPA stationed in Hsinchu Science Park of PwC, Taiwan; experienced in finance and accounting, while growing along with the high technology industries in Taiwan, with deep knowledge of the needs of the Company and the industry.

(IV) En-Te Hsu Independent Director

Doctor of Accounting from National Taiwan University, currently a professor at the Department of Accounting, Tunghai University, with the seniority for 20 years as a teacher and research expertise in game theory and social enterprise.

- (V) Chun-Hsin Chou Independent Director  
Doctor of Law from China University of Political Science and Law, and Master of Law from Soochow University, currently the President of AIPT International Law Office, practicing law for more than 15 years, also a patent attorney serving as the legal advisor of multiple technology companies.

- III. Representative of corporate shareholder who has an industrial background  
Vice President of AUO, Yu-Chieh Lin, has been involved in the technology industry. The expertise and knowledge accumulated during this period have established her authoritative position in the display industry. Through the cooperation between the two companies, the next-generation display technology is jointly developed. Ennostar is responsible for the production of epitaxy and crystal grains in the upstream of the Micro LED industry chain, and AUO offers the experience and technologies developed during their long-time engagement of display industry. It is expected to have a deeper understanding to crystal grains and panel design, and further accelerate the pace of realizing the integration of crystal grains and panel in the future, achieving the goal of Micro LED mass production.

#### **Succession Planning for Key Management and Its Implementation**

In a rapidly changing and uncertain business environment, executive succession planning has become essential to corporate governance, organizational resilience, and long-term competitiveness. A robust succession planning ensures leadership continuity and strategic stability during periods of transformation, expansion, and generational transition. Accordingly, Ennostar integrates succession governance into its talent development framework and mid-to-long term strategy, strengthening leadership continuity as a cornerstone of sustainable growth.

Building on its established succession governance structure, Ennostar's 2025 succession strategy focuses on deepening the leadership talent pool and enhancing successor readiness, with dual priorities on developing key talent and strengthening organizational resilience. Succession planning is closely integrated into the annual talent development framework, enabling high-potential talent to progressively build the professional depth and leadership perspective required for critical roles through structured development and cross-functional experience. Under this approach, succession planning extends beyond individual role replacement to the development of a multi-level leadership pipeline, ensuring sustained leadership continuity to support strategic execution and organizational growth across different stages of development. To accelerate successor readiness, Ennostar continues to implement strategically planned role deployments and cross-functional assignments for key management positions, providing practical leadership exposure that strengthens decision-making capabilities, broadens organizational insight, and facilitates effective knowledge and leadership continuity in support of long-term sustainable growth. The arrangements have been integrated into the annual talent development framework to align talent pipelines with future organizational needs.

In a rapidly changing business environment, Ennostar develops a diversified leadership pipeline to enhance organizational adaptability and resilience, ensuring leadership continuity across different scenarios while mitigating risks arising from potential talent gaps. Through regular reviews of successor readiness and role suitability conducted by the Talent Development Committee, and via institutionalized assessments and ongoing adjustments, succession governance remains closely aligned with corporate strategy, sustaining a stable leadership foundation in support of long-term sustainable growth.

**2.1.2 The general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units**

Shareholding base date: February 28, 2026; unit: shares

Title	Nationality	Name	Gender	Date of Inauguration	Shareholding		Shareholding of spouse and minor children		Shareholding in others' name		Experience & Education	Positions concurrently serving in other companies	Managerial officer who is the spouse of relative within 2nd degree kinship		
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relationship
President	R.O.C.	Shuang-Lang Peng	Male	2023.05.31	250,000	0.03%	0	0.00%	0	0.00%	Chairman and CEO, AUO Corporation Director, Qisda Corporation MBA, Heriot-Watt University	Note 1	No	No	No
Associate Vice President	R.O.C.	Shao-Lan Wang	Male	2025.10.01	2,548	0.00%	0	0.00%	0	0.00%	Senior Director, Ennostar INC. M.A., Business Administration from National Central University	Note 1	No	No	No
Associate Vice President	R.O.C.	Hung-Ching Chao	Male	2025.05.01	3,000	0.00%	0	0.00%	0	0.00%	Director, AUO Corporation M.A., Mechanical Engineering from National Taiwan University of Science and Technology	No	No	No	No
Subsidiary President	R.O.C.	Chin-Yung Fan	Male	2021.01.06	219,801	0.03%	411	0.00%	0	0.00%	President, Epistar Corporation President, Lextar Electronics Corp. M.A., Institute of Physics, National Central University	Note 1	No	No	No
General Manager, Business Group	R.O.C.	Hsiu-Mu Tang	Male	2021.01.06	322,295	0.04%	0	0.00%	0	0.00%	President, Lextar Electronics Corp. President, Epistar Corporation PhD, Chemical Engineering, National Tsing Hua University	Note 1	No	No	No
Subsidiary Executive Vice President	R.O.C.	Tsun-Chung Lee	Male	2021.01.06	169,440	0.02%	5,000	0.00%	0	0.00%	Vice President, Lextar Electronics Corp. CSO and COO, NICHE-TECH GROUP LIMITED MBA, UC Berkeley	Note 1、2	No	No	No
Subsidiary Executive Vice President	R.O.C.	Ming-Ta Chin	Male	2021.01.06	177,942	0.02%	0	0.00%	0	0.00%	Vice President, Epistar Corporation M.A., Institute of Electrophysics, NCTU	Note 1	No	No	No
Subsidiary Vice President	R.O.C.	Lin-Tien Yang	Male	2021.11.10	53,451	0.01%	127	0.00%	0	0.00%	Vice President, Epistar Corporation Assistant VP, SOUTH EPITAXY CORP. M.A., Institute of Business and Management, NCTU	No	No	No	No
Subsidiary Vice President	R.O.C.	Chen,Ou	Male	2021.01.06	824	0.00%	49	0.00%	0	0.00%	Vice President, Epistar Corporation PhD NCTU	Note 3	No	No	No

Title	Nationality	Name	Gender	Date of Inauguration	Shareholding		Shareholding of spouse and minor children		Shareholding in others' name		Experience & Education	Positions concurrently serving in other companies	Managerial officer who is the spouse of relative within 2nd degree kinship		
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relationship
Subsidiary Vice President	R.O.C.	Chih-Jie Lai	Male	2021.01.06	53,657	0.01%	0	0.00%	0	0.00%	Vice President, Epistar Corporation Assistant VP, Neo Solar Power Co., Ltd. Bachelor, Department of Applied Mathematics, NCTU	No	No	No	No
Subsidiary Vice President	R.O.C.	Chi-Chung Chao	Male	2024.01.19	10,000	0.00%	0	0.00%	0	0.00%	Vice President, Lextar Electronics Corp. M.A., Mechanical Engineering, National Taiwan University	Note 1	No	No	No
Subsidiary Vice President	R.O.C.	Hsiao-Heng Ho	Male	2024.01.19	23,509	0.00%	0	0.00%	0	0.00%	Vice President, Lextar Electronics Corp. M.A., Institute of Geological Sciences, National Taiwan University	Note 1	No	No	No
Subsidiary Vice President	R.O.C.	Wen-Chieh Kuo	Male	2024.01.19	23,032	0.00%	0	0.00%	0	0.00%	Vice President, Epistar Corporation M.A., Science in Industrial and Information Management, National Cheng Kung University	Note 1	No	No	No
Subsidiary Associate Vice President	R.O.C.	Yun-Yi Tian	Male	2025.05.01	3,285	0.00%	0	0.00%	0	0.00%	Associate Vice President, Lextar Electronics Corp. Ph.D. in Materials Science, National Yang Ming Chiao Tung University	No	No	No	No
Subsidiary Associate Vice President	R.O.C.	Chi-Kung Wang	Male	2025.05.01	22,705	0.00%	0	0.00%	0	0.00%	Associate Vice President, Lextar Electronics Corp. M.A., Engineering Science (Optoelectronics Program) from National Taiwan University	Note 1	No	No	No
Subsidiary Associate Vice President	R.O.C.	Chih-Sheng Hsu	Male	2025.05.01	3,608	0.00%	0	0.00%	0	0.00%	Associate Vice President, Lextar Electronics Corp. M.A., Industrial Engineering and Management from National Yunlin University of Science and Technology	Note 1	No	No	No
Subsidiary Associate Vice President	R.O.C.	Chang-Ta Tsai	Male	2025.10.01	4,454	0.00%	0	0.00%	0	0.00%	Associate Vice President, Epistar Corporation Ph.D. in Optical Sciences from National Central University	Note 1	No	No	No
Subsidiary Associate Vice President	R.O.C.	Chih-Hui Chen	Male	2025.10.01	871	0.00%	0	0.00%	0	0.00%	Senior Director, Epistar Corporation M.A., in Chemical Engineering from National Cheng Kung University	No	No	No	No

Title	Nationality	Name	Gender	Date of Inauguration	Shareholding		Shareholding of spouse and minor children		Shareholding in others' name		Experience & Education	Positions concurrently serving in other companies	Managerial officer who is the spouse of relative within 2nd degree kinship		
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relationship
Accounting Officer	R.O.C.	Ya-Chi Chen	Female	2024.05.24	21,582	0.00%	0	0.00%	0	0.00%	Director, Ennostar INC. Master of Management Science, National Chiao Tung University	No	No	No	No

Note 1: With respect to the information of managerial officers concurrently serving for the positions in the affiliates, it has been filed to the MOPS website (<https://mops.twse.com.tw/mops/#/web/home>). Please refer to the information under MOPS > Basic information > E-books > the "Section of Statements of Affiliates."

Note 2: Tyntek Corporation. (TWSE : 2426) Director legal representative and GCS Holdings, Inc. (TPEX: 4991) Director legal representative.

Note 3: PlayNitride Inc. (TWSE : 6854) Director legal representative °

**2.1.3 Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest-level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response there to.**

After comprehensive consideration of the independence of Board members, as well as the suitability and necessity of the management team, and in order to enhance the Group's operational efficiency and the execution of decision-making, the Company has established clear approval authorities for the Chairman and the President under its internal authorization rules. In addition, no major corporate decision may be implemented unless it has first been approved by the functional committees established under the Board of Directors. Furthermore, in accordance with Article 4 of the Taiwan Stock Exchange Corporation's Directions for the Establishment and Exercise of Powers by the Boards of Directors of TWSE Listed Companies, the Company completed the early appointment of five Independent Directors in 2021, with Independent Directors accounting for more than half of all Board seats. The Company therefore believes that the Board's corporate governance structure is sufficient to oversee the Company's major decisions and safeguard shareholder value.

## 2.2 Remuneration Paid to Directors, General Manager and Vice President in the most recent year

### 2.2.1 Remuneration Paid to Directors

December 31, 2025 Unit: NT\$ thousand

Title	Name	Director Remuneration								Total of the Four Items (A+B+C+D) as a% of Net Income after tax		Compensation for serving as employee concurrently								Remuneration received from investee enterprises other than subsidiaries or from the parent company				
		Compensation (A)		Pension (B)		Compensation to Directors (C)		Expenses of conducting business (D)				Base Compensation, Bonuses, and Allowances (E)		Severance Pay and Pensions (F)		Employee remunerations (G)					Total of the Seven Items (A+B+C+D+E+F+G) as a% of Net Income after tax			
		The Company	All consolidated entities	The Company	All consolidated Entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	Cash	Share	Cash	Share		The Company	All consolidated entities		
Chairman	Shuang-Lang Peng	2,600	2,600	0	0	0	0	100	100	2,700 -0.10%	2,700 -0.10%	15,808	15,808	0	0	0	0	0	0	18,508	18,508	-0.68%	-0.68%	0
Director	Chin-Yung Fan	1,000	1,000	0	0	0	0	100	100	1,100 -0.04%	1,100 -0.04%	0	15,204	0	0	0	0	0	0	1,100	16,304	-0.04%	-0.60%	0
Director	Hsiu-Mu Tang	1,000	1,000	0	0	0	0	100	100	1,100 -0.04%	1,100 -0.04%	0	14,162	0	0	0	0	0	0	1,100	15,262	-0.04%	-0.56%	0
Director	AUO Corporation	1,000	1,000	0	0	0	0	0	0	1,000 -0.04%	1,000 -0.04%	0	0	0	0	0	0	0	0	1,000	1,000	-0.04%	-0.04%	0
	Representative: Yu-Chieh Lin	0	0	0	0	0	0	100	100	100 -0.00%	100 -0.00%	0	0	0	0	0	0	0	0	100	100	-0.00%	-0.00%	0
Independent Director	Wei-Min Sheng	1,300	1,300	0	0	0	0	100	100	1,400 -0.05%	1,400 -0.05%	0	0	0	0	0	0	0	0	1,400	1,400	-0.05%	-0.05%	0
Independent Director	Shian-Ho Shen	1,300	1,720	0	0	0	0	120	140	1,420 -0.05%	1,860 -0.07%	0	0	0	0	0	0	0	0	1,420	1,860	-0.05%	-0.07%	0
Independent Director	Wei-Cheng Wang	1,300	1,300	0	0	0	0	120	120	1,420 -0.05%	1,420 -0.05%	0	0	0	0	0	0	0	0	1,420	1,420	-0.05%	-0.05%	0
Independent Director	En-Te Hsu	1,300	1,300	0	0	0	0	120	120	1,420 -0.05%	1,420 -0.05%	0	0	0	0	0	0	0	0	1,420	1,420	-0.05%	-0.05%	0
Independent Director	Chun-Hsin Chou	1,200	1,200	0	0	0	0	100	100	1,300 -0.05%	1,300 -0.05%	0	0	0	0	0	0	0	0	1,300	1,300	-0.05%	-0.05%	0

Note 1: Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid: The remuneration to directors of the Company is distributed by the Board of Directors under the authorization of the Articles of Incorporation based on directors' degree of participation in the Company's operation and contribution and with reference to the payment level of its peers. When the Company records a profit, the Board of Directors shall determine the remuneration to directors by a resolution in accordance with the Articles of Incorporation. Independent Directors are the members of functional committees, so, apart from the general remuneration to directors, additional reasonable compensation in various amounts is allotted depending on their duties and risks undertaken and time invested

Note 2: In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities /invested enterprises): None.

Note 3: In 2025, only travel expenses and fixed remuneration will be paid, and no variable remuneration will be paid.

A: Remuneration to directors in 2025 (including director's salary, duty allowance, severance pay, bonus and reward, et al.)

B: the provision

C: Amount of distributed remuneration to directors approved by the board in 2025.

D: 2025 expense for directors to conduct business (transportation subsidy, allowance, various subsidies, or provision in kind, e.g. dorm and car).

E: Salaries, allowance, severance pay, bonus, incentives, transportation subsidy, special disbursement, subsidies, or provision in kind, e.g. dorm and car, as well as the compensations expenses recognized based on IFRS 2, "Share-Based Payment received by the directors for their concurrent service as the employee (including concurrently serving as president, vice president, other managerial officers or employee in 2025.

F: Retirement benefits and payment of severance pay comply with the regulations, and the Company's "Procedures for Resignation and Retirement of the Appointed Managerial Officers and Directors Serving as Labor."

G: For the amount of 2025 distributed employee remuneration resolved by the board, the proposed amount was calculated by referring the historic distribution principles or actual distribution percentage.

Net income after tax: refers to the net income loss after tax in 2025 parent-only financial statements, NT\$2,714,954 thousand

### Range of Remuneration

Unit: NT\$

Range of Remuneration Paid to Each Director	Name of Directors			
	Total of first four remunerations (A to D)		Total of first seven remunerations (A to G)	
	The Company	All consolidated entities	The Company	Parent and all reinvestees
NT\$0~ NT\$ 999,999	Representative of AUO Corporation: Yu-Chieh Lin,	Representative of AUO Corporation: Yu-Chieh Lin,	Representative of AUO Corporation: Yu-Chieh Lin,	Representative of AUO Corporation: Yu-Chieh Lin,
NT\$1,000,000 ~ NT\$1,999,999	Chin-Yung Fan, Hsiu-Mu Tang, AUO Corporation, Wei-Min Sheng, Shian-Ho Shen, Wei-Cheng Wang, En-Te Hsu, Chun-Hsin Chou	Chin-Yung Fan, Hsiu-Mu Tang, AUO Corporation, Wei-Min Sheng, Shian-Ho Shen, Wei-Cheng Wang, En-Te Hsu, Chun-Hsin Chou	Chin-Yung Fan, Hsiu-Mu Tang, AUO Corporation, Wei-Min Sheng, Shian-Ho Shen, Wei-Cheng Wang, En-Te Hsu, Chun-Hsin Chou	AUO Corporation, Wei-Min Sheng, Shian-Ho Shen, Wei-Cheng Wang, En-Te Hsu, Chun-Hsin Chou
NT\$2,000,000 ~ NT\$3,499,999	Shuang-Lang Peng	Shuang-Lang Peng	No	No
NT\$3,500,000 ~ NT\$4,999,999	No	No	No	No
NT\$5,000,000 ~ NT\$9,999,999	No	No	No	No
NT\$10,000,000 ~ NT\$14,999,999	No	No	No	No
NT\$15,000,000 ~ NT\$29,999,999	No	No	Shuang-Lang Peng	Shuang-Lang Peng, Chin-Yung Fan, Hsiu-Mu Tang
NT\$30,000,000~ NT\$49,999,999	No	No	No	No
NT\$50,000,000 ~ NT\$99,999,999	No	No	No	No
Over NT\$100,000,000	No	No	No	No
Total	10	10	10	10

## 2.2.2 Remuneration Paid to President and Vice President

December 31, 2025 Unit: NT\$ thousand

Title	Name	Salary (A)		Pension (B)		Bonus and allowance (C)		Amount of employee's remuneration (D)				Total of (A+B+C+D) and percentage to net income after tax (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Cash	Share	Cash	Share			
President	Shuang-Lang Peng	8,844	8,844	0	0	6,964	6,964	0	0	0	0	15,808 -0.58%	15,808 -0.58%	0
Subsidiary President	Chin-Yung Fan	0	8,838	0	0	0	6,366	0	0	0	0	0 0%	15,204 -0.56%	0
Subsidiary President	Hsiu-Mu Tang	0	7,922	0	0	0	6,240	0	0	0	0	0 0%	14,162 -0.52%	0
Chief Strategy Officer	Feng Cheng Su	7,017	7,017	667	667	4,462	4,462	0	0	0	0	12,146 -0.45%	12,146 -0.45%	110
Subsidiary Executive Vice President	Ming-Ta Chin	0	6,650	0	305	0	4,437	0	0	0	0	0 0%	11,392 -0.42%	0
Executive Vice President	Tsun-Chung Lee	14,143	50,853	297	1,465	8,473	30,211	0	0	0	0	Total : 22,913 Rate : -0.84%	Total : 82,529 Rate : -3.04%	136
Vice President	Lin-Tien Yang													
Vice President	Hsing Chia Liu (Note 1)													
Subsidiary Vice President	Chen Ou													
Subsidiary Vice President	Chih-Jie Lai													
Subsidiary Vice President	Wen-Chieh Kuo													
Subsidiary Vice President	Chi-Chung Chao													
Subsidiary Vice President	Xiao-Heng He													
Subsidiary Vice President	Ming-Xun Hsieh (Note 2)													
Subsidiary Vice President	Li-Cheng Hung (Note 2)													
Subsidiary Vice President	Chia-Lin Chen (Note 3)													
Subsidiary Vice President	Chung-Ming Weng (Note 4)													
Subsidiary Vice President	Chao-Nien Huang (Note 4)													

Note 1: Mr. Hsing Chia Liu stepped down as the Company's CFO and spokesperson on October 1, 2025. The relevant remuneration was calculated based on the period during which he served as a manager.

Note 2: Mr. Ming-Xun Hsieh and Ms. Li-Cheng Hung ceased to serve in their managerial positions on May 1, 2025, and the relevant remuneration was calculated based on the period up to their dismissal date.

Note 3: Mr. Chia-Lin Chen was relieved of his managerial positions on July 1, 2025, and the relevant remuneration was calculated up to the date of dismissal.

Note 4: Mr. Chung-Ming Weng and Mr. Chao-Nien Huang ceased to serve in their managerial positions on October 1, 2025, and the relevant remuneration was calculated based on the period up to their dismissal date.

A: 2025 salaries, allowance, and severance pay of the president and vice president.

B: the provision

C: Bonus, incentives, transportation subsidy, special disbursement, subsidies, or provision in kind, e.g. dorm and car, as well as the compensations expenses recognized based on IFRS 2, "Share-Based Payment received by the president and vice presidents in 2025.

D: For the amount of 2025 distributed employee remuneration resolved by the board, the proposed amount was calculated by referring the historic distribution principles or actual distribution percentage of EPISTAR and Lextar.

Net income after tax: refers to the net income loss after tax in 2025 parent-only financial statements, NT\$ 2,714,954 thousand

Range of Remuneration

Unit: NT\$

Remuneration Range Paid to President and Vice Presidents	Name of President and Vice Presidents	
	The Company	Parent and all reinvestees
NT\$0~ NT\$ 999,999	No	No
NT\$1,000,000 ~ NT\$1,999,999	No	Li-Cheng Hung
NT\$2,000,000 ~ NT\$3,499,999	No	Ming-Xun Hsieh
NT\$3,500,000 ~ NT\$4,999,999	No	Chia-Lin Chen
NT\$5,000,000 ~ NT\$9,999,999	Hsing Chia Liu , Lin-Tien Yang , Tsun-Chung Lee	Hsing Chia Liu , Lin-Tien Yang , Tsun-Chung Lee ,Chen Ou , Chih-Jie Lai , Wen-Chieh Kuo , Chung-Ming Weng, Chao-Nien Huang , Chi-Chung Chao , Hsiao-Heng Ho
NT\$10,000,000 ~ NT\$14,999,999	Feng-Cheng Su	Hsiu-Mu Tang , Ming-Ta Chin, Feng-Cheng Su
NT\$15,000,000 ~ NT\$29,999,999	Shuang-Lang Peng	Shuang-Lang Peng , Chin-Yung Fan
NT\$30,000,000~ NT\$49,999,999	No	No
NT\$50,000,000 ~ NT\$99,999,999	No	No
Over NT\$100,000,000	No	No
Total	5	18

Note 1: Mr. Hsing Chia Liu stepped down as the Company's CFO and spokesperson on October 1, 2025. The relevant remuneration was calculated based on the period during which he served as a manager.

Note 2: Mr. Ming-Xun Hsieh and Ms. Li-Cheng Hung ceased to serve in their managerial positions on May 1, 2025, and the relevant remuneration was calculated based on the period up to their dismissal date.

Note 3: Mr. Chia-Lin Chen was relieved of his managerial positions on July 1, 2025, and the relevant remuneration was calculated up to the date of dismissal.

Note 4: Mr. Chung-Ming Weng and Mr. Chao-Nien Huang ceased to serve in their managerial positions on October 1, 2025, and the relevant remuneration was calculated based on the period up to their dismissal date.

### 2.2.3 Name of Managerial Officers Received Employee Remunerations and the Distribution

December 31, 2025 Unit: NT\$ thousand

Title and Name				Share amount	Cash amount	Total	Total to the net income after tax (%)
Title	Name	Title	Name				
President	Shuang-Lang Peng	Vice President of the subsidiary	Chih-Jie Lai	0	0	0	0
CSO	Feng-Cheng Su	Vice President of the subsidiary	Wen-Chieh Kuo				
Vice President	Lin-Tien Yang	Vice President of the subsidiary	Chi-Chung Chao				
Executive Vice President	Tsun-Chung Lee	Vice President of the subsidiary	Hsiao-Heng Ho				
Vice President	Hsing Chia Liu(Note1)	Vice President of the subsidiary	Ming-Xun Hsieh (Note 2)				
President of the subsidiary	Chin-Yung Fan	Vice President of the subsidiary	Li-Cheng Hung (Note 2)				
President of the subsidiary	Hsiu-Mu Tang	Vice President of the subsidiary	Chia-Lin Chen (Note 3)				
Subsidiary Executive Vice President	Ming-Ta Chin	Vice President of the subsidiary	Chung-Ming Weng (Note 4)				
Vice President of the subsidiary	Che, Ou	Vice President of the subsidiary	Chao-Nien Huang (Note 4)				

Note 1: Mr. Hsing Chia Liu stepped down as the Company's CFO and spokesperson on October 1, 2025. The relevant remuneration was calculated based on the period during which he served as a manager.

Note 2: Mr. Ming-Xun Hsieh and Ms. Li-Cheng Hung ceased to serve in their managerial positions on May 1, 2025, and the relevant remuneration was calculated based on the period up to their dismissal date.

Note 3: Mr. Chia-Lin Chen was relieved of his managerial positions on July 1, 2025, and the relevant remuneration was calculated up to the date of dismissal.

Note 4: Mr. Chung-Ming Weng and Mr. Chao-Nien Huang ceased to serve in their managerial positions on October 1, 2025, and the relevant remuneration was calculated based on the period up to their dismissal date.

- The proposed amount for the current year was determined with reference to the employee compensation for 2025 as approved by the Board of Directors, as well as the allocation principles or actual allocation ratios adopted in prior years.
- Net income after tax: refers to the net income loss after tax in 2025 parent-only financial statements, NT\$2,714,954 thousand

**2.2.4 Total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, presidents, and vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.**

1. Remunerations of directors (independent director include) and supervisors.

The remuneration of directors is recommended by the Remuneration Committee, and submitted to the board of directors for resolution:

(1) Variable remuneration (i.e. director's remuneration distributed from earnings)

The Company's Articles of Incorporation provide that directors' remuneration shall be determined by the Board of Directors based on the extent of each director's participation in the Company's operations and the value of his or her contributions, with reference to peer industry standards, and shall not exceed 2% of the Company's annual profits.

Pursuant to the Company's Regulations Governing Performance Evaluation of the Board of Directors and Functional Committees, the Company conducts annual self-evaluations of the Board of Directors, individual directors, and members of each functional committee, and takes the results of such performance evaluations into consideration when determining individual remuneration.

In terms of operating performance, the Company considers, among other factors, earnings per share, return on equity, operating margin, and EBITDA percentage. However, in the most recent two years, the Company paid only transportation allowances and fixed remuneration, and did not pay any variable remuneration.

(2) Fixed remuneration

Taking into account that Independent Directors are expected to possess expertise in professional fields, industry experience, and experience in corporate governance and ESG matters, as well as a considerable understanding of the Company, which is conducive to providing in-depth and independent insights into the Company's business strategies and is of significant benefit to the Company in the exercise and performance of their duties, and also considering the substantial responsibilities and obligations imposed on Independent Directors under applicable laws and regulations, the Company pays each director/Independent Director fixed annual remuneration with reference to peer industry standards and benchmark companies in other industries. Where a director/Independent Director concurrently serves as the chair of a functional committee, such remuneration is subject to an additional weighted increase at a certain percentage.

(3) Attendance subsidy

The attendance of directors and members of functional committees will be subsidized for attendance allowance/transportation subsidies.

2. Remuneration of president and vice presidents

The remuneration of the president and vice presidents includes salary, bonus, employee remuneration and rewards as share-based payment.

(1) Fixed salaries and bonuses

The payments shall be made according to the "manager remuneration policy" established by the Remuneration Committee and the Board, and the policy is submitted to the Board for resolution after being reviewed and discussed by the Remuneration Committee each year. According to the remuneration management regulations, the Company stated its salaries, allowances, and bonuses and regularly participated in the salary survey of

external consultation companies to maintain its competitiveness in the market. The range of salary adjustments is planned with consideration to individual performance, business management ability, and the operating status of the Company. The distribution of variable rewards is mainly approved based on the overall operating performance, department performance, and individual work performance. According to the Company's performance management regulations, the evaluation items are divided into functional performance, work achievements, the annual working plan, and social responsibility management to serve as a reference for the approval and distribution of bonuses.

(2) Employee Compensation

Employee compensation is distributed in accordance with the Company's Articles of Incorporation, ranging from 0.1% to 15% of the profit before tax for the year, with no less than 20% allocated to frontline employees. The distribution is approved by a resolution of the Board of Directors, requiring the attendance of two-thirds of the directors and approval by a majority of those present, and is subsequently reported to the shareholders' meeting. Compensation for the President and Vice Presidents is determined with reference to the Company's operating performance and integrates ESG development into the Company's core competencies. ESG considerations are internalized within the Company's management framework, ensuring robust alignment with the Company's ESG management policies and implementation effectiveness. This linkage also serves as a key reference for advancing the objectives of the Corporate Sustainability and Risk Management Committee.

(3) Long-term incentive plan

The Long-term Incentive Plan (LTI) is designed to align the Company's operations, ESG performance indicators, and individual performance, while strengthening the robust linkage between executive compensation and shareholder value. The plan is implemented through a three-year contract and a 100% shareholding trust arrangement, under which the designated contribution amount is used to purchase Company shares and place them into a trust. Performance targets are established by the Remuneration Committee in accordance with the Company's strategic development. These targets include financial indicators such as operating margin, EBITDA, and free cash flow, as well as non-financial ESG performance indicators aligned with the Company's development priorities in "low-carbon manufacturing," "social co-prosperity," and "sustainable governance." Non-financial metrics include energy-saving and carbon-reduction performance, employee engagement, enhancement of social inclusion participation, succession planning, and progress in Sustainability Academy programs. Upon completion of the plan period, the number of incentive shares to be vested is determined based on the achievement levels of each performance indicator. By quantifying both financial and non-financial metrics, the plan reinforces the alignment between executive compensation, corporate performance, sustainable development, and long-term shareholder value.

Title	Remuneration of Directors, Supervisors, Presidents and Vice Presidents to Net Income After Tax in Parent-Only Financial Statements (%)			
	2024		2025	
	The Company	All consolidated entities	The Company	All consolidated entities
Director	-1.76	-4.01	-1.06	-2.16
Presidents and Vice Presidents	-4.06	-14.86	-1.87	-5.57

Note 1: Refers to the net income loss after tax in 2025 parent-only financial statements, NT\$ 2,714,954 thousand.

Note 2: The remuneration ratio for 2025 decreased as compared with 2024, primarily due to the increase in the Company's net loss for the period in 2025.

## 2.3 Implementation of Corporate Governance

### 2.3.1 Board of Directors Meeting Status

Total of six (A) meetings were held by the board of directors in 2025 (meeting dates: 02/21、05/09、05/23、07/04、08/08、11/07). The attendance of the directors as the following:

Title	Name	Attendance in Person (B)	Attendance By Proxy	Actual attendance rate (B/A)	Remark
Chairman	Shuang-Lang Peng	6	0	100.0%	
Director	AUO Corporation Representative: Yu-Chieh Lin	6	0	100.0%	
Director	Chin-Yung Fan	6	0	100.0%	
Director	Hsiu-Mu Tang	6	0	100.0%	
Independent Director	Wei-Min Sheng	6	0	100.0%	
Independent Director	Shian-Ho Shen	6	0	100.0%	
Independent Director	Wei-Cheng Wang	6	0	100.0%	
Independent Director	En-Te Hsu	6	0	100.0%	
Independent Director	Chun-Hsin Chou	6	0	100.0%	

#### Other matters to be specified

1、Where the Board of Directors' operation meets any of the following circumstances, please clearly state the directors' meeting date, term, contents of motions and resolution thereof, opinions of all independent directors and the Company's handling of said opinions:

(1) Securities and Exchange Act §14-3 resolutions: Please refer to Page36~39.

(2) Other than the aforesaid matters, other written or otherwise recorded resolutions on which an independent director had a dissenting opinion or qualified opinion: none.

2、Recusals of Directors due to conflicts of interests

The directors have a clear understanding of the proposals with conflicts of interest. In addition to explaining the important content of their conflicts of interest, they also recused themselves from discussions and voting, nor exercised the voting rights on behalf of other directors.

Term/Meeting Date	Proposal	Recused director	Status
2-12 2025.02.21	Lifting of the non-competition restriction imposed on Directors.	Chairman Shuang-Lang Peng , Director Yu-Chieh Lin	Chairman Shuang-Lang Peng, and Director Yu-Chieh Lin have an interest in the proposal; they recused themselves from the discussion and voting. The chairperson Shuang-Lang Peng designated Director Wei-Min Shen as the acting chairperson, and the remaining attending Directors agreed to approve the proposal as proposed.
	Proposal for subsidiary Epistar Corporation to acquire from related party Ronly Venture Corporation the private equity interests in GCS Holdings, INC.	Chairman Shuang-Lang Peng , Director Yu-Chieh Lin	Chairman Shuang-Lang Peng, and Director Yu-Chieh Lin have an interest in the proposal; they recused themselves from the discussion and voting. The chairperson Shuang-Lang Peng designated Director Wei-Min Shen as the acting chairperson, and the remaining attending Directors agreed to approve the proposal as proposed.
2-16 2025.08.08	Proposal for the recommendation of senior executives of the subsidiary.	Director Chin-Yung Fan	Director Chin-Yung Fan has an interest in the proposal; he recused himself from the discussion and voting. The remaining attending Directors agreed to approve the proposal as presented.

3、Evaluation period of the board of director

type	evaluation periods	evaluation cycles	evaluation scope	method of evaluation	evaluation content
External	2024.07.01 to 2025.06.30	Conducted once every three years	Board of Directors	Through document review and on-site interaction with Board members	<ul style="list-style-type: none"> <li>A. Board Composition and Division of Responsibilities</li> <li>B. Board Guidance and Oversight</li> <li>C. Board Authorization and Risk Management</li> <li>D. Board Communication and Collaboration</li> <li>E. Board Self-Discipline and Continuous Improvement</li> </ul>
Internal	2025.01.01 to 2025.12.31	Once a year	Board of Directors	Mutual Evaluation by Directors	<ul style="list-style-type: none"> <li>A. Participation in the Company's operations</li> <li>B. Improvement of the Board's decision-making quality</li> <li>C. Composition and structure of the Board of Directors</li> <li>D. Election and continuing education of directors</li> <li>E. Internal control, supervision by the Board of Directors, and risk management</li> <li>F. The Company's sustainable operation</li> </ul>
	2025.01.01 to 2025.12.31	Once a year	Individual Board members	Self-evaluation by directors	<ul style="list-style-type: none"> <li>A. Alignment of the Company's goals and missions</li> <li>B. Awareness toward Directors' Duties and Fulfillment</li> <li>C. Participation in the Company's operations</li> <li>D. Internal relationship management and communication</li> <li>E. Directors' professionalism, self-discipline and continuing education</li> <li>F. Internal control</li> </ul>
	2025.01.01 to 2025.12.31	Once a year	Audit Committee	Self-evaluation by independent directors	<ul style="list-style-type: none"> <li>A. Participation in the Company's operations</li> <li>B. Awareness toward functional committees' duties</li> <li>C. Improvement of functional committees' decision-making quality</li> <li>D. Composition of the functional committee, and election and continuing education of members</li> <li>E. Internal control</li> </ul>

type	evaluation periods	evaluation cycles	evaluation scope	method of evaluation	evaluation content
	2025.01.01 to 2025.12.31	Once a year	Remuneration Committee	Self-evaluation by members	A. Participation in the Company's operations B. Awareness toward functional committees' duties C. Improvement of functional committees' decision-making quality D. Composition of the functional committee, and election and continuing education of members
	2025.01.01 to 2025.12.31	Once a year	Corporate Governance & Nominating Committee	Self-evaluation by members	A. Participation in the Company's operations B. Awareness toward functional committees' duties C. Improvement of functional committees' decision-making quality D. Composition of the functional committee, and election and continuing education of members
	2025.01.01 to 2025.12.31	Once a year	Sustainability & ERM Committee	Self-evaluation by members	A. Participation in the Company's operations B. Awareness toward functional committees' duties C. Improvement of functional committees' decision-making quality D. Composition of the functional committee, and election and continuing education of members

#### External Evaluation

The Company's Articles of Self-Evaluation of the Board of Directors and Functional Committees were adopted by the Board of Directors on August 12, 2021. In 2025, the Company engaged an external professional and independent institution, the Taiwan Corporate Governance Association, to conduct the external performance evaluation of the Company's second-term Board of Directors.

**(1) Evaluation Period** : July 1, 2024 to June 30, 2025

**(2) Date of On-site Evaluation** : August 7, 2025

**(3) Name of the External Professional Institution Conducting the Evaluation** :

Taiwan Corporate Governance Association

**(4) Reasons for the Independence of the External Institution** :

The Taiwan Corporate Governance Association is not a related party of the Company and does not have any business relationship that may affect its independence. Neither the personnel involved in the evaluation nor any of their relatives within the second degree of kinship holds a position with significant influence in the Company. In addition, they have no direct or indirect financial interest in the Company and have not received any gifts from the Company.

#### **(5) Evaluation Method :**

An independent and professional external team, based on the Company's stage of development, assisted the Company in periodically reviewing the effectiveness of the Board's functions through document review of the Company's Board operations and on-site interaction with Board members. The purpose was to jointly identify opportunities for Board enhancement that best reflect the Company's culture and characteristics and align with its phased development goals.

#### **(6) Evaluation Standards (Content and Items) :**

##### **● Board Composition and Division of Responsibilities**

As the Board supervises the Company's operations through collective decision-making, its composition should meet the needs of the Company's operational development, and the selection, nomination, and election process of its members should be formal and rigorous. In order to encourage broad-based deliberation and bring diversified perspectives to Board discussions, the Board should, to the extent possible, possess an appropriate mix of backgrounds and competencies so as to maximize its overall effectiveness.

The Board should regularly review the composition, division of responsibilities, and operational performance of the Board and its functional committees, strive for continuous improvement, and keep pace with changing circumstances to ensure an open and diverse leadership and deliberation culture. In addition, companies pursuing sustainable development should actively plan for Board succession and development.

##### **● Board Guidance and Oversight**

As the center of corporate decision-making, the Board should, based on the Company's external environment, examine its own strengths and resources in order to set and adjust the Company's vision, goals, and strategies, and effectively supervise the management team in implementing such strategies to achieve those goals. In the process of leading the Company toward the realization of its vision and goals, the Board should guide major strategies and action plans, evaluate and supervise the performance of key executives, and demonstrate Board leadership.

In addition, supervising compliance in the course of the Company's operations, overseeing the training and succession planning of senior management, and supervising the implementation of the Company's ESG vision are also important matters for the Board to ensure sound operations and mitigate risk.

##### **● Board Authorization and Risk Management**

In performing its key functions, the Board should ensure that the Company has sufficient resources within its risk management framework to respond to major risks, such as digital security risks, tax management and tax compliance risks, supply chain risks, environmental compliance risks, and geopolitical risks, so that the Company maintains sufficient resilience and sustainability.

The Board identifies major risk matters, defines risk tolerance, oversees the Company's risk management mechanisms, and establishes sound internal control systems to provide reasonable assurance regarding the results of the Company's operations.

Based on the Company's goals, strategies, and organizational structure, the Board determines which important operational matters, including but not limited to financial, business, and human resources matters, should remain subject to Board approval, and which matters may be delegated to the Chairman and key executives, and regularly reviews such arrangements to ensure their completeness and appropriateness.

The Board also supports implementation through the establishment of independent full-time internal audit personnel, the engagement of external professional accountants, and the assistance of appropriate functional committees, thereby helping ensure that the Company acts in accordance with its established policies, systems, goals, and strategies. In addition, through the Remuneration Committee, the Board oversees the implementation of senior executive performance evaluations and the design of the remuneration system, so as to fulfill its role in incentivizing senior executives.

##### **● Board Communication and Collaboration**

In modern corporate leadership and management, effective communication by the Board is a core function. The exercise of the Board's guidance and oversight function, as well as the implementation of delegation and division of responsibilities, all depend on a sound foundation and mechanism for communication. The Board's communication counterparts include Board members themselves, the management team, shareholders, and other stakeholders. The Board

must also pay attention to communication topics, communication and feedback mechanisms, and the Board’s deliberation culture.

A professional and well-established Board support system can help enhance Board effectiveness, including clearly defined responsibilities of corporate governance personnel and periodic reviews thereof, agenda and meeting planning, information provision, meeting minutes and post-meeting follow-up management, orientation for newly appointed directors, and continuing education for directors.

● **Board Self-Discipline and Continuous Improvement**

The Board leads the Company’s business direction, and its actions are closely related to the Company’s success or failure. Accordingly, it is crucial for the Board to exercise a high degree of self-discipline, led by example, and perform its duties in accordance with high ethical standards. The demonstration of such high ethical standards not only enhances stakeholders’ trust and confidence in the Company, but also helps foster a culture of integrity.

The Board must regularly evaluate the discharge of its functions and its operational performance, and conduct substantive reviews. Directors should pursue continuing education to enhance their understanding of the industry in which the Company operates, the management team, and the functions of the Board. In addition, directors should continuously reflect upon and strengthen their listening skills, as well as their understanding of collective decision-making and conflict resolution, so as to exert a greater positive influence on the Company.

**(7) Date of Reporting the Evaluation Results to the Board of Directors :** March 6, 2026

**(8) Recommendations and Improvement Plans :**

Recommendation	Improvement plan
Recommend establishing a channel for independent directors (or the Audit Committee) to concurrently receive material whistleblowing reports, to further strengthen the whistleblower mechanism.	Plan for the Chief Internal Auditor to report regularly to the independent directors
Establish the New Director Orientation and Training Program	In response to the recommendations from the external Board performance evaluation, the Company amended the Organizational Charter for Corporate Governance and Nominating Committee on March 6, 2026, to incorporate the guidelines for the orientation program for newly appointed directors.

Self-evaluation

The Company has completed the self-evaluation of the board performance for 2025. The evaluation results were submitted to the Board for reporting on March 6, 2026, as a basis for review and improvement.

- (1) The overall average score of the Board’s self-performance evaluation is 5 points (out of 5 points), and the overall average score of the self-performance evaluation of individual directors is 4.98 points (out of 5 points), showing that the overall operation of the Board was good;
- (2) For the self-performance evaluation results of the Audit Committee, the Remuneration Committee, Sustainability & ERM Committee and Corporate Governance & Nominating Committee all members are 100% satisfied with each measurement item and the overall average score of the self-performance evaluation of individual directors is 5 points (out of 5 points).

4、Evaluation of the goals to strengthen the functions of the board of directors and implementation in the current year and the most recent year

- (1) To demonstrate the Company’s commitment to corporate sustainability and risk management, the Company has changed the “ESG Committee” to the “Sustainability & ERM Committee” and formulated the “Organization Rules of the Sustainability & ERM Committee,” in order to fulfill the corporate social responsibility, link the international trends, proactively respond to stakeholders’ assessments on environmental, social, and corporate governance risks and countermeasures, and achieve the goal of sustainable operation.
- (2) The Company has established the Corporate Governance and Nomination Committee as a

functional committee under the Board of Directors and adopted the relevant Organizational Rules. The Committee is composed of six members, including the Chairman and all Independent Directors.

The Committee is responsible for formulating standards for the professional knowledge, skills, experience, gender, diversified backgrounds, and independence required of Board members, and, based thereon, identifying, reviewing, and nominating director candidates. It also establishes and develops the organizational structure of the Board of Directors and its committees, conducts performance evaluations of the Board, its committees, and individual directors, assesses the independence of Independent Directors, and periodically reviews succession plans for the President and senior executives at or above an equivalent rank. In addition, the Committee provides appropriate orientation for newly appointed directors to help them understand their duties and become familiar with the Company's operations and environment, thereby further strengthening the functions of the Board through the operation of the Committee.

- (3) The chair of each committee regularly reports to the Board on the activities and actions of each committee, and invites the CPAs to participate in the Audit Committee. For the review or audit results of the quarterly financial report, as well as other relevant legal requirements, they are communicated and discussed with the attesting CPAs, with the recommendation furnished as reference. For every six months, the individual communication between the independent directors and CPAs, and Chief Auditor, respectively is conducted. The communication is smooth.

### 2.3.2 Operation of the Audit Committee

Total of six (A) Audit Committee meetings were held in 2025 (meeting dates: 2/20、5/8、5/23、7/4、8/8、11/6). The independent directors' attendance is as below.

Title	Name	Attendance in Person (B)	Attendance by Proxy	Actual attendance rate (B/A)	Remarks
Independent Director	Wei-Min Sheng	6	0	100.0%	Convener
Independent Director	Shian-Ho Shen	6	0	100.0%	
Independent Director	Wei-Cheng Wang	6	0	100.0%	
Independent Director	En-Te Hsu	6	0	100.0%	
Independent Director	Chun-Hsin Chou	6	0	100.0%	

#### Other Matters Required to be Disclosed:

- 1、The matters reviewed by the Audit Committee and its key areas of focus during 2025 primarily included the following:
  - (1) Establishment or amendments to the internal control system in accordance with Article 14-1 of the Securities and Exchange Act
  - (2) Assessment of the effectiveness of the internal control system
  - (3) Establishment or amendments to procedures for acquiring or disposing of assets, engaging in derivative transactions, lending funds to others, endorsements or guarantees for others, and other significant financial/business activities in accordance with Article 36-1 of the Securities and Exchange Act
  - (4) Matters involving conflicts of interest of directors
  - (5) Significant asset or derivatives transactions
  - (6) Significant lending of funds, endorsements, or provision of guarantees
  - (7) Offering, issuance, or private placement of equity-type securities
  - (8) Appointment, dismissal, or remuneration of independent auditors
  - (9) Appointment or dismissal of financial, accounting, or internal audit heads
  - (10) Annual financial reports signed or sealed by the Chairman, managers, and the chief accountant, and the second-quarter financial statements required to be reviewed by Certified Public Accountant
  - (11) Other significant matters required by the company or competent authorities
- 2、If any of the following circumstances occur in the operation of the Audit Committee, the

company shall disclose the meeting date, session, agenda, dissenting or qualified opinions or material recommendations expressed by independent directors, the resolutions of the Audit Committee, and the company's handling of the Audit Committee's opinions:

(1) Matters set forth in Article 14-5 of the Securities and Exchange Act and its implementation:

Term/Meeting Date	Agenda	Independent Directors' Opinions and Audit Committee Resolution	Board of Directors' Handling of the Audit Committee's Opinions
2-10 2025.02.20	<ul style="list-style-type: none"> <li>● Assessment of the effectiveness of the internal control system for 2024 and the Internal Control Statement</li> <li>● Proposal for the distribution of directors' remuneration and employees' compensation for 2024</li> <li>● The Company's financial statements and business report for 2024, and the operating plan for 2025</li> <li>● Proposal for loss offsetting</li> <li>● Reduction of the Group's capital expenditure budget for 2024 and application for the capital expenditure budget for 2025</li> <li>● Amendments to certain provisions of "Procedures for Lending Funds to Others"</li> <li>● Proposed merger of subsidiaries Epistar Corporation and Lextar Electronics Corp.</li> <li>● Proposed acquisition by the Company's subsidiary, Epistar Corporation, of private placement equity interests in GCS Holdings, Inc. from a related party,</li> </ul>	All independent directors expressed their approval, and the proposal was unanimously approved by the Audit Committee.	The Board of Directors approved all proposals in accordance with the recommendations of the Audit Committee.

Term/Meeting Date	Agenda	Independent Directors' Opinions and Audit Committee Resolution	Board of Directors' Handling of the Audit Committee's Opinions
	Ronly Venture Corp.		
2-11 2025.05.08	<ul style="list-style-type: none"> <li>● The Company's consolidated financial statements for Q12025</li> <li>● Proposed cash distribution from capital surplus</li> <li>● Proposed additional capital expenditure budget for the Company's subsidiary, Epistar Corporation, and its subsidiaries</li> <li>● cancellation of the syndicated loan facility with First Commercial Bank as the lead arranger</li> </ul>	All independent directors expressed their approval, and the proposal was unanimously approved by the Audit Committee.	The Board of Directors approved all proposals in accordance with the recommendations of the Audit Committee.
2-12 2025.05.23	<ul style="list-style-type: none"> <li>● Proposed cash distribution from capital surplus</li> <li>● Proposed disposal of equity interest in PlayNitride Inc. by the Company's subsidiary, Lighting Investment Ltd.</li> </ul>	All independent directors expressed their approval, and the proposal was unanimously approved by the Audit Committee.	The Board of Directors approved all proposals in accordance with the recommendations of the Audit Committee.
2-13 2025.07.04	<ul style="list-style-type: none"> <li>● Proposed disposal of equity interest in Bridgelux Optoelectronics (Xiamen) Co., Ltd. by the Company's subsidiary, Epistar JV Holding (BVI) Co., Ltd.</li> </ul>	All independent directors expressed their approval, and the proposal was unanimously approved by the Audit Committee.	The Board of Directors approved all proposals in accordance with the recommendations of the Audit Committee.
2-14 2025.08.08	<ul style="list-style-type: none"> <li>● The Company's consolidated financial statements for Q2 2025</li> <li>● Proposed adjustments to capital expenditure budget</li> </ul>	All independent directors expressed their approval, and the proposal was unanimously approved by the Audit	The Board of Directors approved all proposals in accordance with the recommendations of the Audit Committee.

Term/Meeting Date	Agenda	Independent Directors' Opinions and Audit Committee Resolution	Board of Directors' Handling of the Audit Committee's Opinions
	<ul style="list-style-type: none"> <li>● Proposed acquisition of equity interest in ProLight Opto Technology Corporation by the Company's subsidiary, Wellybond Corporation</li> <li>● Proposed participation by the Company's subsidiary, Lextar Electronics Corp., in the cash capital increase of Wellybond Corporation</li> <li>● Proposed engagement of PwC Taiwan as a consulting advisor for IFRS Sustainability Disclosure Standards</li> <li>● Proposed appointment of the Company's chief financial officer</li> </ul>	Committee.	
2-15 2025.11.06	<ul style="list-style-type: none"> <li>● Amendments to "Internal Control System" and "Internal Audit Implementation Rules"</li> <li>● The Company's audit plan for 2026</li> <li>● The Company's consolidated financial statements for Q3 2025</li> <li>● Assessment of the independence and competence of the attesting CPAs</li> <li>● Proposed disposal of a portion of equity interest in PlayNitride Inc. by the Company's subsidiary, Ennostar Corporation</li> </ul>	All independent directors expressed their approval, and the proposal was unanimously approved by the Audit Committee.	The Board of Directors approved all proposals in accordance with the recommendations of the Audit Committee.

(2) Other matters (in addition to the above) not approved by the Audit Committee but

approved by two-thirds or more of all directors: None.

(3) For information on the performance evaluation, please refer to page 28–32 of this Annual Report.

3、Implementation of recusals by independent directors for agenda items involving conflicts of interest: None.

4、Communications between independent directors and the chief internal auditor and attesting CPAs

(1) Methods of communication

- A. After the Company's internal audit reports and follow-up reports are approved, they are provided to all independent directors for review by the end of the following month. Independent directors may provide recommendations on the reports, to which the chief internal auditor responds with supplemental explanations in writing or by email. In addition, the chief internal auditor regularly reports on internal audit activities at meetings of the Audit Committee and communicates with the independent directors regarding audit findings and the status of follow-up actions.
- B. The attesting CPAs attend Audit Committee meetings on a quarterly basis to report to the independent directors on the results of their reviews or audits of the financial statements of the Company and its subsidiaries, as well as the status of internal control audits.
- C. In addition to the aforementioned two matters, during each semiannual Audit Committee meeting, all other attendees are requested to leave the meeting room. The Company's chief internal auditor and the external auditor then separately hold individual communication sessions with the independent directors.

(2) Summary of the communication between independent directors and chief internal auditor

The communication in 2025 was outlined as following :

Date	Attendees	Key point of communication	Result of communication
2025.02.20 Audit Committee	Independent Director : Wei-Min Sheng Shian-Ho Shen Wei-Cheng Wang En-Te Hsu Chun-Hsin Chou	1. 2024 Q4 internal audit implementation report 2. 2024 Statement of Internal Control System 3. Individual communication between the independent directors and the audit officer (1) Integrate topics progress explanation (2) The chief internal auditor answered the questions raised by the independent directors in the meeting.	No comments  submitted to the Audit Committee and the Board of Directors for approval
2025.05.08 Audit Committee	Independent Director : Wei-Min Sheng Shian-Ho Shen Wei-Cheng Wang	1. 2024 internal audit implementation report 2. 2025 Q1 internal audit implementation report	No comments

Date	Attendees	Key point of communication	Result of communication
	En-Te Hsu Chun-Hsin Chou		
2025.08.08 Audit Committee	Independent Director : Wei-Min Sheng Shian-Ho Shen Wei-Cheng Wang En-Te Hsu Chun-Hsin Chou	1. 2024 internal audit implementation report 2. 2025 Q2 internal audit implementation report 3. Individual communication between the independent directors and the chief internal auditor (1) Amendments schedule to internal control systems and internal audit implementation rules in response to the Integration Initiative (2) The chief internal auditor answered the questions raised by the independent directors in the meeting.	No comments
2025.11.06 Audit Committee	Independent Director : Wei-Min Sheng Shian-Ho Shen Wei-Cheng Wang En-Te Hsu Chun-Hsin Chou	1. 2024 internal audit implementation report 2. 2025 Q3 internal audit implementation report 3. Amendments and clarifications to internal control systems and internal audit implementation rules 4. 2026 audit plan	No comments  Submitted to the Audit Committee and the Board of Directors approval

(3) Summary of communications between independent directors and the attesting CPAs

The communication in 2025 was outlined as following :

Date	Attendees	Key point of communication	Result of communication
2025.02.20 Audit Committee	Independent Director : Wei-Min Sheng Shian-Ho Shen Wei-Cheng Wang En-Te Hsu Chun-Hsin Chou CPA : Tien-Yi Li	1. Report on the audit result of the Company's consolidated and Individual financial statements and internal control status for 2024. 2. Explanation of key audit matters 3. Matters to be communicated with the main governance entities 4. CPAs explained the	The financial statements have been approved by the Audit Committee and submitted to and approved by the Board of Directors, and have been duly announced and filed with the

Date	Attendees	Key point of communication	Result of communication
		<p>questions raised by the Audit Committee.</p> <p>5. Independence of CPAs</p>	<p>competent authority within the prescribed period.</p>
2025.05.08 Audit Committee	<p>Independent Director : Wei-Min Sheng Shian-Ho Shen Wei-Cheng Wang En-Te Hsu Chun-Hsin Chou CPA : Tien-Yi Li Shu-Chun Jhang</p>	<ol style="list-style-type: none"> <li>1. Report on the review result of the Company's consolidated financial statements and internal control status for Q1 2025.</li> <li>2. Explanation of key review items</li> <li>3. Matters to be communicated with the main governance entities</li> <li>4. CPAs explained the questions raised by the Audit Committee.</li> <li>5. Independence of CPAs</li> </ol>	<p>The financial statements have been approved by the Audit Committee and submitted to and approved by the Board of Directors, and have been duly announced and filed with the competent authority within the prescribed period.</p>
2025.08.08 Audit Committee	<p>Independent Director : Wei-Min Sheng Shian-Ho Shen Wei-Cheng Wang En-Te Hsu Chun-Hsin Chou CPA : Tien-Yi Li Shu-Chun Jhang</p>	<ol style="list-style-type: none"> <li>1. Report on the review result of the Company's consolidated financial statements and internal control status for Q2 2025.</li> <li>2. Explanation of key review items</li> <li>3. Matters to be communicated with the main governance entities</li> <li>4. CPAs explained the questions raised by the Audit Committee.</li> <li>5. Independence of CPAs</li> </ol>	<p>The financial statements have been approved by the Audit Committee and submitted to and approved by the Board of Directors, and have been duly announced and filed with the competent authority within the prescribed period.</p>
2025.11.06 Audit Committee	<p>Independent Director : Wei-Min Sheng Shian-Ho Shen Wei-Cheng Wang En-Te Hsu Chun-Hsin Chou CPA : Tien-Yi Li</p>	<ol style="list-style-type: none"> <li>1. Report on the review result of the Company's consolidated financial statements and internal control status for Q3 2025.</li> <li>2. Explanation of key review items</li> <li>3. Matters to be communicated with the</li> </ol>	<p>The financial statements have been approved by the Audit Committee and submitted to and approved by</p>

Date	Attendees	Key point of communication	Result of communication
	Shu-Chun Jhang	main governance entities 4. CPAs explained the questions raised by the Audit Committee. 5. Referred to Audit Quality Indicators (AQIs), independence and competence of the CPAs 6. Explanation of 2025 Annual Audit Plan	the Board of Directors, and have been duly announced and filed with the competent authority within the prescribed period.

**2.3.3 Implementation of corporate governance, the variances from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons**

Assessment Item	Implementation Status			Variances from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons
	Yes	No	Summary	
(1) Does the Company follow “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” to establish and disclose its corporate governance principles?	✓		The Company has established the “Corporate Governance Best-Practice Principles” in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” to regulate the protection of the rights and interests of shareholders, strengthen the functions of the Board, enhance the Audit Committee’s responsibilities, respect the rights and interests of stakeholders, and improve information transparency. For the Company’s Corporate Governance Best-Practice Principles, please visit the Company’s website for inquiries.	No material variance
(2) Shareholding Structure & Shareholders’ Rights				
a. Does Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly?	✓		The Company has the following channels to ensure timely and fair disclosure of information that may affect shareholders' decision-making. 1. Spokesperson and acting spokesperson. 2. Investor’s mailbox: IR@Ennostar.com. 3.Channels including the Company's website to handle shareholders’ suggestions or disputes.	No material variance
b. Does Company possess a list of major shareholders and beneficial owners of these major shareholders?	✓		The professional shareholder service agent would be responsible for handling it, and controlling the information about shares held by insiders according to the information about changes of insiders’ equity on a monthly basis.	No material variance
c. Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates?	✓		The powers and responsibilities between the Company and its affiliates are clear. In addition to the “Operating Procedures for Transactions with Related Parties and Group Companies,” the reinvestments and related matters are handled by complying with the “Handling Procedures for the Acquisition or Disposal of Assets,” the internal control system, and relevant laws and regulations, to grasp the financial and operational information all the time. In addition, for the concurrent positions and compete conducts of directors and managerial officers, the shareholders’ meeting and the Board are requested to lift the non-compete restrictions for them.	No material variance
d. Has the Company established internal regulations to prohibit the insiders from trading securities with the information not disclosed to the market?	✓		The Company has adopted the Procedures for Preventing Insider Trading, and has disclosed such operating procedures on the Company’s official website. The scope of application is not limited to insiders, but also includes their related parties, persons who have ceased to be insiders for less than six months, and any persons who have learned such information from the aforementioned persons. The Company’s internal personnel are required to perform their duties with	No material variance

Assessment Item	Implementation Status			Variances from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
			<p>the care of a prudent administrator and the duty of loyalty. In the event of any material event, the relevant persons are required to execute a confidentiality agreement and may not disclose any material non-public information known to them to any third party, nor may they use information unavailable to the market for personal gain. As of the date of publication of this annual report, the Company has not received any whistleblower reports or complaints relating to the foregoing matters.</p> <p>The Company's Corporate Governance Best Practice Principles provide that directors are prohibited from trading in the Company's shares during the closed period of 30 days prior to the publication of the annual financial report and 15 days prior to the publication of each quarterly financial report. Before the commencement of each such closed period, the Company again notifies Board members in order to prevent any inadvertent violation of such requirement.</p> <p>In 2025, the Company sent email notifications and conducted awareness communications on January 14, April 16, July 15, and October 14 to insiders, including directors, major shareholders, and managerial officers. In addition, on October 29, 2025, the Company conducted further email-based awareness communication with directors regarding integrity and the prevention of insider trading.</p>	
<b>(3) Composition and Responsibilities of the Board of Directors</b>				
a. Has the Board of Directors formulated and implemented a diversity policy regarding the composition of its members, with concrete management targets?	✓		Please refer to page 9-11 of the annual report	No material variance
b. Other than the Remuneration Committee and the Audit Committee that are required by law, does the Company plan to set up other Board committees?	✓		To improve and implement the high attention attached to sustainable economic development, implement corporate social responsibility, and connect to international trends, we actively responded to risk assessments and countermeasures for environmental, social, and corporate governance aspects of concern to stakeholders. The ESG Corporate Sustainability Committee was established under the Board in 2021 as a functional committee, which consists of the Chairman and two Independent Directors as members. In 2024, the Company demonstrated its decision to value corporate sustainability and risk management and changed the ESG Corporate Sustainability Committee to the "Sustainability & ERM Committee." To enhance corporate governance, improve the functions of the	No material variance

Assessment Item	Implementation Status			Variances from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
			Board, and continuously seek comprehensive corporate governance, the "Corporate Governance and Nomination Committee" was otherwise established under the Board in 2023.	
c. Has the Company established regulations governing board performance evaluation and the method of evaluation? Are performance evaluations conducted every year with the outcomes of the performance evaluation reported to the Board of Directors and used as a reference in deciding the remuneration of individual directors and their nomination for re-appointment?	✓		<p>The Board approved the establishment of "Regulations for the Performance Evaluation of the Board of Directors and Functional Committees" on August 12, 2021. The evaluation methods include the internal self-evaluation of the Board and individual Directors, consignment of external professional institutions or experts, or other performance evaluations through appropriate methods. The internal performance evaluation of the Board is implemented once every year, and evaluation implemented by assigning external professional institutions or experts is made every three years. The results of the performance evaluation of the Board are appropriately linked with the salary payments of Directors.</p> <p>The self-evaluation of Board performance for 2025 was completed in January 2026 and submitted to the Board of Directors in the first quarter of 2026. The external evaluation of the second-term Board of Directors was conducted by the independent external institution, the Taiwan Corporate Governance Association, on August 7, 2025, and the evaluation results were submitted to the Board of Directors in the first quarter of 2026. For further information, please refer to the section entitled "Implementation of Board Performance Evaluation" in this annual report.</p>	No material variance
d. Does the Company regularly evaluate its external auditors' independence?	✓		<p>The Company conducts an annual evaluation of the independence and suitability of its certifying CPAs. The principal scope of services to be provided in 2026 and the related remuneration were approved by the Board of Directors on November 7, 2024. The independence and suitability of the two appointed certifying CPAs were further reviewed and approved by the Audit Committee on November 6, 2025, and by the Board of Directors on November 7, 2025.</p> <p>The evaluation procedure for independence and eligibility is summarized as following:</p> <ol style="list-style-type: none"> <li>1. The CPA has no direct or indirect financial interest relationship with the Company.</li> <li>2. The CPA has no financing or guarantee relationship with the Company or the Company's directors.</li> <li>3. The CPA has no close business relationship and potential employment</li> </ol>	No material variance

Assessment Item	Implementation Status			Variances from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
			<p>relationship with the Company.</p> <ol style="list-style-type: none"> <li>4. The CPA and its audit team members do not hold, or didn't hold in the most recent two years, the position as director or managerial officer of the Company or any position that has significant influence on the audit.</li> <li>5. The CPA doesn't provide any non-auditing services that might affect the audit directly.</li> <li>6. The CPA doesn't act as a broker of the stock or other securities issued by the Company.</li> <li>7. The CPA doesn't act as the Company's advocate, or settle the dispute between the Company and a third party on behalf of the Company.</li> <li>8. The CPA has no kinship relationship with any of the Company's directors or managerial officers, or any persons who hold the position that might affect the audit materially.</li> <li>9. Obtained/ Referred to the Audit Quality Indicators (AQIs)</li> </ol>	
(4) If a TWSE/TPEx listed company, is there an adequate number of corporate governance personnel, and a chief corporate governance officer appointed in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors and supervisors, assisting directors and supervisors with legal compliance, handling matters relating to board meetings and shareholders meetings in accordance with the law, and producing minutes of boarding meetings and shareholders meetings)?	✓		<p>The Company's Board approved the appointment of Associate Vice President, Mr. Shao-Lan Wang to serve as the Corporate Governance Officer, to take charge of the supervision and planning of corporate governance. His qualification meets the requirements of Section 1 of Article 3-1 of the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies. While the Corporate Governance Officer is concurrently served by the Chief Finance Officer, he can effectively implement and maintain independence when performing his own duties and concurrent duties, and there is no conflict of interest or violation of the internal control system. Handle matters related to the board meetings and shareholders' meetings pursuant to laws, and assist the Company to comply with the relevant laws and regulations relevant to the board of directors and shareholders' meetings. The scope is described as below:</p> <ol style="list-style-type: none"> <li>1. Taking the meeting minutes of board meeting and shareholders meeting.</li> <li>2. Assisting the directors in onboarding and continuing education.</li> <li>3. Providing the directors with the information relating to perform the duties.</li> <li>4. Assisting the directors to comply with the law and regulation.</li> <li>5. Report to the Board about the results of the review on whether the qualifications of independent directors comply with relevant laws and regulations at the time of nomination, election and during their office.</li> <li>6. Handle matters related to the change of directors.</li> <li>7. Report to the Audit Committee and the board of directors on the operation of corporate governance.</li> </ol>	No material variance

Assessment Item	Implementation Status			Variances from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
			<p>8. After a Board meeting, he/she is responsible for reviewing the publication of material information regarding the material resolutions made by the Board, ensuring the legitimacy and accuracy of the content published so as to protect the equivalent transaction information of investors.</p> <p>The corporate governance officer of the company continues to participate in the continuing education and training related to corporate governance. Please refer to the annual report – Continuing education and training related to corporate governance participated in by the Chief Corporate Governance Officer, Chief Accounting Officer, and Chief Internal Audit Officer.</p>	
(5) Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers and suppliers) and created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?	✓		<p>The Company has established a spokesperson system. In addition, detailed information regarding communication channels with key stakeholders and communication results is disclosed in the "Stakeholder Engagement" section under "Corporate Sustainability" on the Company's official website.</p> <p>Through various communication channels, the Company engages with stakeholders to understand their needs and expectations of the Company. In addition to providing timely responses, such communications serve as reference for the Company's sustainable development initiatives. The Company reports its stakeholder communication activities to the Board of Directors on a regular annual basis and updates the relevant information on the Company's official website.</p>	No material variance
(6) Has the Company appointed a professional registrar for its Shareholders' Meetings?	✓		The Company has engaged the Stock Affairs Agency Department of Taishin Securities Co., Ltd. to handle its shareholder services.	No material variance
(7) Information Disclosure				
a. Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?	✓		The Company has set up information sections for investors, product introductions and technology R&D at the official websites of the Company to disclose information on consolidated financial statement, business and corporate governance from time to time.	No material variance
b. Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons,	✓		<p>1. The Company has set up the English version of its homepage.</p> <p>2. The Company has implemented a spokesperson system. Mr. Shao-Lan Wang (CFO) is the spokesperson, and Mr. Jia-Wei Tseng (Director of the Finance and Investor Relations Department) is the deputy spokesperson. The exclusive contact account for the spokesperson is also established (IR@Ennostar.com)</p>	No material variance

Assessment Item	Implementation Status			Variances from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
webcasting investors conference etc.)?			3. The Company presents publicly disclosed financial, business, and other related information at its quarterly investor conferences. The presentation materials used in such investor conferences are also made available on the Company's official website for investors' reference.	
c. Did the Company publish and report its annual financial report within two months after the end of a financial year, and publish and report its financial reports for the first, second, and third quarters as well as the operating status for each month before the specified deadline?		✓	Although the Company did not announce and file its 2025 annual financial report within two months after the end of the fiscal year, it nevertheless completed such announcement and filing in advance within the statutory deadline. The financial reports for the first, second, and third quarters, as well as monthly operating information, were also uploaded to the Market Observation Post System in advance within the prescribed deadlines.	No material variance
(8) Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	✓		<ol style="list-style-type: none"> <li>1. Employee's interests and rights &amp; employee care: Please see the section about management-labor relationship in the annual report.</li> <li>2. Investor relations: The Company has designated dedicated personnel to be responsible for announcing information on finance, business, and changes in insider shareholding on the MOPS in accordance with relevant requirements. It has established an Investor Relations Department and provided contact information on the Company's website as the channel dedicated to handling shareholder recommendations and responding to investors' questions. Investor conferences are convened quarterly to provide descriptions of published financial and business information to external parties.</li> <li>3. Supplier relations: The Company requires all suppliers to sign the "Supplier Social Responsibility Recognition Letter" and to strengthen the awareness and implementation of RBA behaviors regarding labor, health and safety, environmental protection, ethical standards, and management systems in order to ensure that suppliers comply with the highest social, environmental, and ethical standards.</li> <li>4. Customer relations: For product health and safety, marketing communication, customer satisfaction, legal compliance, customer privacy, and other communication issues, customers can adopt questionnaire surveys, customer service e-mail, customer satisfaction</li> </ol>	No material variance

Assessment Item	Implementation Status			Variances from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reasons
	Yes	No	Summary	
			<p>surveys, the Company’s website, and other communication channels. Employees of the Group occasionally visit customers or participate in exhibitions of relevant products to gain direct insights into customer needs and market development trends.</p> <p>5. Rights of stakeholders: The Company established diverse interaction methods for different stakeholders. Apart from disclosing them in the ESG Report each year, they are also set out in “interactions with stakeholders” under “corporate social responsibility” on the Company’s website. In addition, the Company reports to the Board regarding the communication with stakeholders each year to allow the Board to understand the opinions of stakeholders.</p> <p>6. Directors’ continuing education: Please refer to the section about Directors’ continuing education in the annual report and the MOPS.</p> <p>7. Implementation status of risk management policies and risk measurement standards: The Corporate Sustainability and Risk Management Committee of the Company carries out the risk scenario analysis of the Group, implements risk assessments, countermeasures, and action plans, and regularly reports at the Corporate Sustainability and Risk Management Committee meetings and Board meetings each year regarding the implementation status of risk management work.</p> <p>8. Please refer to Page 94 of the annual report for the Company’s purchase of liability insurance for Directors.</p>	
<p>(9) Explain the improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange, and the priority of enhancement and measures for these not yet improved:</p> <p>The Company has consistently ranked within the top 5% in the corporate governance evaluation over the years, which reflects strong recognition of the Company’s excellence in corporate governance. Starting from 2025, the Company has convened shareholders’ meetings with video conferencing assistance to enhance the convenience and flexibility of shareholder participation and further promote corporate governance.</p>				

### 2.3.4 Operation of the Remuneration Committee

1. Member information: Members of the Remuneration Committee are nominated by the Chairman, resolved by the Board, and appointed, and the number of members shall be no less than three. There are three members of the Remuneration Committee who are Independent Directors at present. Please refer to pages 11 to 14 of the annual report for their “professional qualifications and experience” and “independence status.”
2. Responsibilities

The Remuneration Committee shall faithfully perform the following duties with the due care of a prudent administrator and submit its recommendations to the Board of Directors for discussion. The primary items deliberated by the Remuneration Committee and its 2025 key focus areas include:

- (1) Establish and periodically review the policies, systems, standards, and structures for performance evaluation and compensation of directors and managerial officers.
- (2) Regularly assess and determine the compensation of directors and managerial officers.

Compensation, as referred to herein, includes cash remuneration, stock options, profit-sharing share awards, retirement benefits or severance payments, various allowances, and other measures that provide substantial incentives.

The Organizational Regulations of the Remuneration Committee are available on the Company's website.

#### 3. Implementation Status

- (1) The term of the current committee members is from May 31, 2023 to May 30, 2026 (the expiry date is same as the expiry date of directors’ term of office), and in 2024, the Remuneration Committee held six meetings(A). (meeting dates: 1/17、2/21、5/2、5/9、8/8、11/7) The members’ attendance is as following:

Title	Name	Attendance in person (B)	Attendance by Proxy	Actual attendance rate (B/A)	Remarks
Convener	Shian-Ho Shen	6	0	100.0%	
Member	Wei-Chen Wang	6	0	100.0%	
Member	En-Te Hsu	6	0	100.0%	

- (2) Important resolutions and implementation

Term/Meeting Date	Proposal	Members' opinions and Remuneration Committee resolutions	The company's handling of the Committee's opinions
2-9 2025.01.17	● Proposal for the Distribution of 2024 Annual Variable Incentives for Managerial Officers	All members affirmed their approval, and it was approved by the Remuneration Committee.	The board of directors approved to pass the proposal as it was.
2-10 2025.02.21	● Proposal for Defining the Scope of the Company’s Frontline Employees ● Proposal for the Senior Management Long-term Incentive Plan ● Proposal on 2024 Remuneration for Directors and Managerial Officers		

Term/Meeting Date	Proposal	Members' opinions and Remuneration Committee resolutions	The company's handling of the Committee's opinions
2-11 2025.05.02	● Proposal for the 2025 Salary Adjustments for Managerial Officers		
2-12 2025.05.09	● Proposal for Salary Adjustments for Senior Management		
2-13 2025.08.08	● Proposal for Salary Adjustments for Senior Management ● Proposal on the Senior Management Compensation Policy		
2-14 2025.11.07	● Proposal on the 2026 Allocation Ratios for Directors' Remuneration and Employee Compensation ● Proposal for Salary Adjustments for Senior Management		

Other matters required to be disclosed :

- If the Board of Directors did not adopt or amend the recommendations of the Remuneration Committee: None.
- If any members of the Remuneration Committee expressed dissenting or qualified opinions on the resolutions, with records or written statements: None.
- The Company reviews market salary levels and economic trends each year and adjusts employee compensation based on the Company's operating performance and individual performance. Accordingly, the annual salary adjustment rate is proposed with reference to market benchmarks, and variable bonuses are accrued as incentive tools. In addition, when employees are promoted, their salaries are adjusted in a timely manner to encourage and retain outstanding talent.

(3) Please refer to pages 28–32 of the Annual Report for details on the performance evaluation.

### 2.3.5 Operation of the Corporate Governance and Nomination Committee

1. Member information: The Corporate Governance and Nomination Committee shall be composed of at least three Directors nominated by the Board, in which more than half of the Independent Directors shall participate. There are six members of the Remuneration Committee who are the Chairman and all Independent Directors at present. Please refer to pages 11 to 14 of the annual report for their "professional qualifications and experience."

2. Responsibilities

Pursuant to the authorization of the Board of Directors, this Committee shall perform the following duties with the care of a prudent administrator and in good faith, and shall submit its recommendations to the Board of Directors for discussion. The principal work items for 2025 included the following:

- (1) Formulate the professional knowledge, technology, experience, gender and other diversity and independence standards required for the Board members, and identify, review and nominate director candidates accordingly.
- (2) Construct and develop the organizational structure of the Board and various committees, conduct performance evaluations on the Board, committees and Directors, and evaluate the independence of Independent Directors.
- (3) The continuing education programs for directors are established and regularly reviewed.
- (4) Review the succession plan for senior managers as the president (or equivalent) or above.
- (5) Provide new directors with appropriate orientation instructions to enable the new Directors to understand their responsibilities and get familiar with the Company's operation and environment.
- (6) The Company's Corporate Governance Best-Practice Principles are established.

(7) Other matters as directed by the Board.

Please refer to the Company's website for the Organization Rules of the Corporate Governance and Nomination Committee.

### 3. Implementation Status

(1) The term of the current committee members is from August 3, 2023 to May 30, 2026, and in 2025, the Corporate Governance & Nominating Committee held two meetings (A). (meeting dates: 02/21 ~ 08/07) The members' attendance is as following:

Title	Name	Attendance in person (B)	Attendance by Proxy	Actual attendance rate (B/A)	Remarks
Convener and Chairman	Shuang-Lang Peng	2	0	100.0%	
Member and Independent Director	Wei-Min Sheng	2	0	100.0%	
Member and Independent Director	Shian-Ho Shen	2	0	100.0%	
Member and Independent Director	Wei-Chen Wang	2	0	100.0%	
Member and Independent Director	En-Te Hsu	2	0	100.0%	
Member and Independent Director	Chun-Hsin Chou	2	0	100.0%	

(2) Important resolutions and implementation

Term/Meeting Date	Proposal	Members' opinions and Remuneration Committee resolutions	The company's handling of the Committee's opinions
1-4 2025.02.21	<ol style="list-style-type: none"> <li>Proposal to amend certain provisions of the Audit Committee Charter, Remuneration Committee Charter, Corporate Sustainability and Risk Management Committee Charter, Corporate Governance Best Practice Principles, and the Rules for Performance Evaluation of the Board of Directors and Functional Committees</li> <li>Proposal to engage an external institution to conduct the Board performance evaluation</li> </ol>	All members expressed their approval in favor, and the Corporate Governance and Nomination Committee approved the motion.	Approved by the Board of Directors as it was.
1-5 2025.08.07	<ol style="list-style-type: none"> <li>Proposal to abolish the Rules of Procedure for the Management Committee</li> <li>Proposal to design self-assessment questionnaires for the performance of the Board of Directors and functional committees</li> </ol>	All members expressed their approval in favor, and the Corporate Governance and Nomination Committee approved the motion.	Approved by the Board of Directors as it was.

(3) For performance evaluation details, please refer to pages 28~32 of the annual report.

**2.3.6 Differences in promoting sustainable development implementation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor**

Promoting item	State of implementation		Summary description	Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
(1) Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development unit with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	✓		<p>The Company has established the Corporate Sustainability and Risk Management Committee as the highest governance body responsible for driving and overseeing sustainability operations. The Committee is responsible for coordinating and formulating the Group's ESG policies and sustainability roadmap, responding to the United Nations Sustainable Development Goals (SDGs), and identifying ESG-related risks and opportunities to inform investment strategies. At the same time, the Committee oversees the setting and achievement of ESG performance targets. In addition, the Company has established a dedicated functional unit, the Sustainability Development Office, to support the operation of the Committee and to promote sustainability initiatives across the Group.</p> <p>The Committee operates under a three-tier governance structure. At the top level is the Board of Directors, which is responsible for approving material ESG matters and evaluating ESG performance across the Group. The second level is the Corporate Sustainability and Risk Management Committee, whose members are appointed by the Board of Directors and consist of the Group Chairman and two Independent Directors. The Committee's responsibilities include identifying ESG-related risks and opportunities, determining the strategic direction of the Group's ESG initiatives, and supervising ESG performance. The third level is the ESG Committee, which integrates existing working groups, eight ESG task forces, and subsidiary-level resources.</p> <p>The Company has also established eight Group-level ESG task forces, including the Innovative Technology Task Force, Sustainable Manufacturing Task Force, Sustainable Energy Task Force, Risk Governance Task Force, Social Impact Task Force, Stakeholder Engagement Task Force, Smart Enterprise Task Force, and Sustainable Value Chain Task Force. These task forces facilitate cross-company resource integration and value chain collaboration within the Group, with the aim of accelerating the implementation of the Group's ESG strategic roadmap and expanding positive social impact. For further details, please refer to the Company's ESG Report.</p>	No material variance

Promoting item	State of implementation		Summary description	Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
			The Board of Directors regularly reviews the progress and performance of ESG strategic objectives submitted by the Corporate Sustainability and Risk Management Committee, as well as the implementation status of related initiatives. For example, following the Company's announcement to join the RE100 initiative jointly led by The Climate Group and the Carbon Disclosure Project (CDP), the Board approved the Group's action plan to progressively procure and use renewable electricity at its facilities starting from 2025. In the event of any material ESG-related proposals, the Corporate Sustainability and Risk Management Committee is required to submit such matters to the Board of Directors for deliberation and guidance before major initiatives may be implemented.	
(2) Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	✓		<p>The Company formulates risk management strategies and objectives based on material topics across the three key dimensions of economic, environmental, and social aspects, with the aim of strengthening corporate governance, promoting environmental sustainability, safeguarding social well-being, and enhancing information disclosure. Management policies are established accordingly, and each department regularly reports the status of ESG implementation and execution to the ESG Committee. The operating effectiveness of these initiatives is periodically reported to and reviewed by the Corporate Sustainability and Risk Management Committee, and ultimately presented to the Board of Directors.</p> <p>The Company places significant importance on stakeholders' ESG expectations. In 2021, upon the publication of the Ennostar Group's inaugural ESG Report, the Company convened Group senior management and ESG Committee members to conduct the identification of key stakeholders. Based on the assessment results, key stakeholder groups were identified. Prior to the preparation of the ESG Report each year, ESG issue questionnaires are distributed to stakeholders, covering key subsidiaries of the Group in Taiwan and Mainland China, to identify material sustainability topics. In 2025, the Company re-identified its stakeholders and defined employees, suppliers/contractors, government authorities, shareholders/investors, customers, media, banks, and communities (including academic and research institutions and social organizations) as the eight key stakeholder groups, and conducted the annual materiality assessment accordingly.</p> <p>The Company also maintains open and continuous communication with stakeholders through its official</p>	No material variance

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			<p>website by periodically disclosing investor conference information, customer satisfaction surveys, dedicated mailboxes, latest news, social media platforms, and ESG Reports, thereby ensuring ongoing transparent disclosure of the Company's sustainability performance.</p> <p>To achieve sound business operations and long-term sustainability objectives, the Board of Directors approved the establishment of the Risk Management Policies and Procedures in 2022, with reference to the Practical Guidelines for Risk Management of TWSE and TPEX Listed Companies and the Regulations Governing Establishment of Internal Control Systems by Public Companies. In the same year, enterprise risk management (ERM) was incorporated into daily operations in accordance with the prescribed procedures. Under the Corporate Sustainability and Risk Management Committee, a Risk Management Committee and subcommittees within key subsidiaries were formed to define various categories of risks in alignment with overall operational strategies. The scope of risks includes, but is not limited to, operational, market, environmental, strategic, financial and governance, compliance, and reporting risks. A comprehensive risk management mechanism has been established to enable early identification, analysis, evaluation, response, monitoring, and review of risks within the defined risk appetite, with the objective of preventing potential losses. Based on changes in internal and external environments, best risk management practices are continuously reviewed and enhanced to protect the interests of employees, shareholders, business partners, and customers, increase corporate value, and the implementation status of risk management activities is reported quarterly to the Corporate Sustainability and Risk Management Committee and the Board of Directors.</p> <p>Following the annual risk assessment conducted in 2025, a total of 197 annual risk scenarios were identified. Among them, 28 risk scenarios were assessed with residual risk ratings of 8 or above (high risk), 92 risk scenarios with residual risk ratings between 5 and 7 (medium risk), and 77 risk scenarios with residual risk ratings between 2 and 4 (low risk). For risks with residual risk ratings of 8 or above, risk management personnel within operating units developed corresponding risk response action plans. After review by risk management personnel, a total of 26 high-risk items were prioritized, resulting in 26 Risk Response Strategy and Action Plan documents. Through senior-level calibration meetings of the</p>	

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			<p>Company's Risk Management Committee, the risk identification results from operating units were reviewed and internal and external risks were evaluated, leading to the selection and prioritization of five key risk areas for the Group in the current year, namely innovation, technology advancement, industry competition, product responsibility, and key talent shortages.</p> <p>Details regarding the issues of concern raised by stakeholders in 2025, as well as the Company's management strategies, risk management policies, objectives, and implementation status, are disclosed in the ESG Report.</p>	
(3) Environmental topic				
a. Has the Company set an environmental management system designed to industry characteristics?	✓		<p>Since 2021, the Ennostar Group has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework to conduct comprehensive assessments of climate change-related risks and opportunities. At the same time, the Group has expanded the implementation of ISO management system certifications and adopted systematic and science-based management approaches to advance various internal carbon reduction strategies. As disclosed in the Ennostar Annual Report 2025, all subsidiaries of the Group have obtained external verification of greenhouse gas inventories in accordance with the Greenhouse Gas Protocol (GHG Protocol). In addition, the Group has established short-, medium-, and long-term strategies to align with international net-zero trends. Looking ahead, the Group aspires to collaborate with its supply chain to build a low-carbon value chain, jointly advance toward net-zero goals, and fulfill corporate sustainability commitments. Details regarding the Group's environmental management systems and performance are disclosed in the ESG Report.</p> <p>The Ennostar Group has obtained the following environment, health, and safety (EHS) management system certifications. The validity periods of all certifications extend through fiscal year 2026. For individual certification validity periods, please refer to the Company's official website (About Ennostar &gt; Download Center &gt; Certification and Verification).</p>	No material variance

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b. Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	✓		<p>In response to the government's 2050 net-zero emissions pathway and to leverage corporate influence, the Ennostar Group has signed and joined the RE100 initiative, led by The Climate Group in partnership with CDP (Carbon Disclosure Project). The Group commits to achieving a renewable energy ratio of 60% by 2030 and 100% renewable energy usage by 2050.</p> <p>To fulfill its commitment to achieving 100% renewable energy usage, the Ennostar Group has established four action plans:</p> <ol style="list-style-type: none"> <li>1. Actively entering into power purchase agreements (PPAs): Starting from 2025, all manufacturing sites in Mainland China have used 100% renewable electricity, and the Group's overall green energy usage is expected to reach approximately 45% in 2025. In parallel, manufacturing sites in Taiwan continue to enter into Power Purchase Agreements (PPAs), with plans to gradually increase the proportion of renewable electricity usage starting from 2027, to achieve the Group's commitment of 60% renewable energy usage by 2030.</li> <li>2. On-site rooftop solar power generation for self-consumption: The total installed capacity of rooftop solar photovoltaic systems at the Group's Taiwan sites amounts to 1,360 kWp. As of 2025, 1,146 kWp has been completed, generating a total of 1.06 M-kWh for self-consumption and obtaining 100 renewable energy certificates. It is expected that full self-consumption will be completed by the first quarter of 2026, with an estimated annual self-generated electricity volume exceeding 1.7 M-kWh.</li> <li>3. Independent energy conservation initiatives: The Group has set energy-saving targets based on a 2022 baseline and aims to reduce electricity consumption by 27% by 2030. Energy management and conservation initiatives are implemented across four key areas, including lighting management, air-conditioning management, equipment and system improvements, and process efficiency enhancement. In addition, the Group has introduced the ISO 50001 Energy Management System, established utility baselines and energy intensity metrics to identify energy-saving opportunities. As of 2025,</li> </ol>	No material variance

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	Yes	No		
			<p>five manufacturing sites have cumulatively obtained third-party verification, with phased implementation planned across all Group sites.</p> <p>4. Supplementary procurement of Renewable Energy Certificates (RECs).</p> <p>In response to the increasingly evident impacts of global climate change and the greenhouse effect, the Group has demonstrated its commitment to advancing toward net-zero carbon emissions by joining the RE100 initiative, while actively undertaking climate actions to contribute to sustainable development and the well-being of the planet. The progress of implementation will be disclosed and updated annually in the ESG Report to enhance information transparency.</p> <p>Note: RE100 is a global initiative comprising companies committed to transitioning to 100% renewable electricity.</p>	
c. Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	✓		<p>To continuously promote environmental friendliness, the Group continues to implement energy conservation and carbon reduction management practices to mitigate cost-related risks. Leveraging its core business capabilities, the Group is committed to integrating green technologies into product development and research, providing customers with environmentally friendly and energy-efficient products, and enhancing product competitiveness in sustainability-related issues. In line with international trends, the Group actively addresses climate change and reduces greenhouse gas emissions, while planning and deploying renewable energy facilities and advancing toward natural resource management and sustainable operations.</p> <p>The implementation status will be updated annually in the ESG Report published each year to enhance information transparency.</p> <p>In the face of global climate change and significant ecological transformation, the Company, as a member of the global community, acknowledges that environmental protection is an inescapable responsibility. According to United Nations reports, Taiwan is considered a high-risk region for climate change impacts. The climate change induced by global warming presents concerns regarding alternating periods of</p>	No material variance

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			<p>extreme rainfall and severe drought. Even if total annual precipitation does not decrease, extreme rainfall events and prolonged droughts continue to pose recurring water scarcity risks in Taiwan. To mitigate operational risks arising from climate change and to enhance product competitiveness, the Company's response measures include:</p> <table border="1"> <tr> <td>Flood Prevention</td> <td>To mitigate the risk of heavy rainfall caused by climate change and its potential impact on manufacturing operations, flood barriers are installed at vehicle entrances prone to water ingress and at critical equipment rooms to reduce disaster-related losses. Flood prevention plans and standard operating procedures have been established, and disaster preparedness drills are conducted on a regular basis each year, including flood barrier deployment drills and on-site flood control pump installation drills.</td> </tr> <tr> <td>Increase in Reclaimed Water Volume</td> <td>A large volume of ultra-pure water is required for wafer rinsing during the manufacturing process. Certain process steps allow for water recovery, thereby increasing the reuse rate of water resources.</td> </tr> <tr> <td>Water Use Planning During Water Shortage Periods</td> <td>To prevent partial or full capacity impacts at individual sites due to water rationing measures imposed by water utility companies, water tanker supply and non-production water restriction measures are activated when pressure reduction or water supply suspension is announced, and on-site water storage falls below safety thresholds. In accordance with the Ennostar Corporation Drought and Water Rationing – Emergency Response Plan, different action strategies are implemented across stages including emergency observation, emergency response, crisis management, and operational recovery, to minimize impacts on customers.</td> </tr> <tr> <td>Enhancement of Water Shortage Crisis Drills</td> <td>Water shortage crisis drills are conducted on a regular annual basis, and industrial water support drills are implemented at manufacturing sites.</td> </tr> <tr> <td>Energy Conservation and Carbon Reduction</td> <td>Electricity-saving and water-saving programs are implemented annually to protect the environment and contribute to the well-being of the planet.</td> </tr> </table>	Flood Prevention	To mitigate the risk of heavy rainfall caused by climate change and its potential impact on manufacturing operations, flood barriers are installed at vehicle entrances prone to water ingress and at critical equipment rooms to reduce disaster-related losses. Flood prevention plans and standard operating procedures have been established, and disaster preparedness drills are conducted on a regular basis each year, including flood barrier deployment drills and on-site flood control pump installation drills.	Increase in Reclaimed Water Volume	A large volume of ultra-pure water is required for wafer rinsing during the manufacturing process. Certain process steps allow for water recovery, thereby increasing the reuse rate of water resources.	Water Use Planning During Water Shortage Periods	To prevent partial or full capacity impacts at individual sites due to water rationing measures imposed by water utility companies, water tanker supply and non-production water restriction measures are activated when pressure reduction or water supply suspension is announced, and on-site water storage falls below safety thresholds. In accordance with the Ennostar Corporation Drought and Water Rationing – Emergency Response Plan, different action strategies are implemented across stages including emergency observation, emergency response, crisis management, and operational recovery, to minimize impacts on customers.	Enhancement of Water Shortage Crisis Drills	Water shortage crisis drills are conducted on a regular annual basis, and industrial water support drills are implemented at manufacturing sites.	Energy Conservation and Carbon Reduction	Electricity-saving and water-saving programs are implemented annually to protect the environment and contribute to the well-being of the planet.	
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d. Does the Company collect data for greenhouse gas	✓		Ennostar Group is committed to environmental sustainability and aims to advance toward net-zero carbon emissions together with the industry value chain. The Group continues to participate in the CDP climate disclosure project on an annual basis, and the implementation status and relevant policies are updated each year in the ESG Report to strengthen information transparency.	No material variance										

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(4) Social topic																									
a. Does the	✓		Respect for human rights and the creation of a dignified working environment are the foundation of a	No material																					

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Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?			<p>company's sustainable operation. Our company and its subsidiaries are committed to complying with the UN Global Covenant, the Universal Declaration of Human Rights, the UN Guiding Principles for Business and Human Rights, the OECD Guidelines for Multinational Corporations, the International Covenant on Economic, Social and Cultural Rights (ICESCR), the Socially Responsible International Organization (SAI), the Responsible Business Alliance (RBA), relevant labor laws, and international human rights standards. We have established human rights management procedures to implement human rights protection in all our operations and comply with applicable labor and employee recruitment laws and relevant international standards. The Human Rights Governance of the Ennostar Group is overseen by the Corporate Sustainability and Risk Management Committee under the Board of Directors. The scope of our human rights policy covers all employees, subsidiaries, business partners, suppliers, and contractors of all Ennostar Group companies. The principles for protection include: (1) prohibiting human trafficking and forced labor; (2) prohibiting the employment of child labor and protecting young workers; (3) working hours and wages; (4) humane treatment; (5) respect for diversity and non-discrimination; (6) freedom of association; (7) a healthy and safe working environment; and (8) ethics.</p> <p>Our company conducts human rights due diligence on employees within our own operations in accordance with RBA human rights standards and the human rights policy of the Ennostar Group. The process involves identifying and assessing various human rights risks, integrating prevention and mitigation measures into operational management based on the severity and likelihood of the assessment, and continuously monitoring to achieve risk management objectives.</p> <p>The implementation status in 2025 includes:</p> <table border="1"> <thead> <tr> <th>Human rights risk issues</th> <th>Preventive measures or mitigation measures</th> </tr> </thead> <tbody> <tr> <td>Freedom of Employment and</td> <td> <ul style="list-style-type: none"> <li>Promote the zero- fee policy and freedom of employment for foreign migrant workers.</li> </ul> </td> </tr> </tbody> </table>	Human rights risk issues	Preventive measures or mitigation measures	Freedom of Employment and	<ul style="list-style-type: none"> <li>Promote the zero- fee policy and freedom of employment for foreign migrant workers.</li> </ul>	variance
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Occupational health and safety	<ul style="list-style-type: none"> <li>Establish a comprehensive workplace health protection and care system — promoting colleague health through hazard prevention, health care, health management, health promotion, and maternal protection.</li> <li>In accordance with international standards and local regulations, we have developed an environmental safety and health management manual and occupational safety and health code. We have also established an occupational safety and health committee, which meets quarterly at the head office level and monthly at each factory level.</li> </ul>							
Ethical and Integrity Management	<ul style="list-style-type: none"> <li>New employees are required to undergo training on the Ennostar Group's Integrity and Ethical Conduct Management Regulations.</li> <li>Annual training and education sessions on integrity and ethical conduct for on-the-job personnel will be conducted.</li> </ul>							

Promoting item	State of implementation		Summary description	Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
			<p>2. During new employee training, general employees must complete the course and pass the test with a perfect score. Foreign migrant workers are not tested during the initial stage and their completion is determined by their training records. During the annual retraining, all employees must complete the course reading and pass the test with a perfect score. Those who fail must retake the test.</p> <p>3. In 2025, 166 new employees (excluding migrant workers) received training; the annual refresher training (including migrant workers) covered 3,699 employees, totaling 3,877 training hours, with a completion rate of 100%.</p> <p>In the event of any infringement of workers' rights, the company provides an effective and appropriate appeal mechanism and shall respond appropriately to employees' appeals to ensure that the appeal process is fair and transparent.</p> <p>Ennostar Group has established the Ennostar Supplier/Contractor Code of Conduct, which covers climate change and disclosure, labor, health and safety, environment, ethics and management systems. It exerts its influence through annual supplier conferences, supplier social responsibility self-assessments and supplier RBA audits, hoping to achieve common prosperity in the supply chain.</p> <p>Human rights due diligence procedures and results for suppliers:  In 2025, a Supplier Social Responsibility (SSR) self-assessment and risk review were conducted for 80% of suppliers (engineering, raw materials, and outsourcing) and 100% of indirect suppliers (security, cleaning, catering, and intermediaries), achieving a 100% completion rate. No significant human rights or ethical risks were identified among the suppliers by 2025. In addition to the self -assessment and review, three suppliers were selected for on-site RBA audits. One major non-compliance with environmental permits was found, and immediate on-site communication and guidance were provided to request improvement. Other suppliers with minor non-compliance or potential risks have all proposed and implemented corresponding corrective measures.</p>	

Promoting item	State of implementation			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
b. Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	✓		<p>The Company firmly believes that every employee is its most valuable asset. Adhering to a people-centric and humanistic management philosophy, we foster two-way communication and active participation to align individual goals with corporate operational objectives, ensuring that the fruits of our success are shared with all.</p> <p>Our remuneration and benefits system, retirement security, and family-friendly workplace environments are built upon the core principles of fairness, transparency, and competitiveness, aimed at continuously enhancing our employees' quality of work and life. Furthermore, we strictly prohibit any form of disparate treatment. Compensation is determined solely based on professional competencies, academic and work experience, and performance results, ensuring that no disparate treatment occurs due to gender, age, race, marital status, or any other non-work-related factors.</p> <p>[ Fair Compensation and Performance Linkage ]</p> <ul style="list-style-type: none"> <li>• Profit Sharing: the Company prioritizes talent retention and performance sharing. As explicitly stipulated in the Articles of Incorporation, if the Company records a profit for the year, 0.1% to 15% of the after-tax profit shall be appropriated as employee remuneration. To ensure equitable distribution, the Company guarantees that the allocation to entry-level employees shall not be less than 20%, allowing the workforce to collectively share in the Company's operational success. There was a loss in 2025, therefore no distribution was made.</li> <li>• Internal and External Benchmarking and Salary Adjustments: The Company participates in annual external market salary surveys to evaluate the alignment between internal and external compensation levels. Annual salary adjustments are implemented based on market benchmarks for specific job roles and individual performance appraisal results. In 2025, the performance-based salary adjustment ranged from 2% to 4%. Furthermore, the average standard remuneration for entry-level employees consistently exceeds the local statutory minimum wage.</li> </ul>	No material variance

Promoting item	State of implementation		Summary description	Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
			<ul style="list-style-type: none"> <li>• Performance-Driven Compensation Framework: The Company’s remuneration policy is anchored in the core principles of “performance-driven” and “shared success.” Corporate operational performance is directly integrated into the overall compensation structure through the following mechanisms:               <ol style="list-style-type: none"> <li>1. Annual Performance Bonuses: Bonuses are disbursed based on the Company’s annual operational results, departmental achievements, and individual performance appraisal results, ensuring that employees collectively share in the Company’s success.</li> <li>2. Employee Remuneration Allocation: In accordance with the Articles of Incorporation, a specific percentage of profits is appropriated for employee remuneration. Allocation is executed based on job contribution, performance ratings, and organizational development requirements to ensure equitable distribution.</li> <li>3. Long-term Incentive Plan (LTI): Through retention incentive mechanisms—such as retention bonuses or Employee Stock Ownership Trusts (ESOT)—the Company encourages key talent to grow alongside the Company and share in long-term value creation.</li> <li>4. Diverse Incentives: Our comprehensive rewards program includes holiday bonuses, performance bonuses, employee patent application incentives, and employee suggestion awards, designed to spearhead continuous innovation and foster a culture of excellence.</li> </ol> </li> </ul> <p>[Employee Benefits and Care Measures]</p> <p>Employee welfare benefits begin with basic protections, including labor insurance, national health insurance, and comprehensive group insurance (life insurance, accident insurance, hospitalization medical insurance, accidental medical insurance, etc.). An employee welfare committee has been established in accordance with the law to coordinate the planning and implementation of various benefits. Benefits include wedding gifts, maternity allowances, funeral expenses, hospitalization condolence payments, childcare subsidies, birthday gifts, and holiday gifts. The company regularly holds family days or sports meets, festival activities, sports months, lectures by prominent figures, and year-end parties, and provides subsidies for clubs and travel, as well as departmental activity bonuses, allowing employees to have diverse social and leisure options outside of work. Regarding the workplace environment, we have set up fitness</p>	

Promoting item	State of implementation		Summary description	Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
			<p>and leisure areas, a dance studio, billiards and table tennis facilities, and provide comprehensive medical resources and breastfeeding rooms. Depending on the location of each factory, convenience stores and cafes are also introduced to create comfortable dining spaces and diverse food options. To allow employees to make flexible arrangements according to their individual needs, the company provides optional benefit points that can be used for company trip, tickets, and various group activities. It also provides a leave system that is superior to the law, including one day of paid volunteer leave per year and one day of paid engagement leave to support employees in engaging in social welfare and important moments in their lives.</p> <p>[ Retirement Systems and their Implementation Status ]</p> <p>The Company and its domestic subsidiaries have established the "Employee Retirement Regulations" in accordance with the Labor Standards Act and the Labor Pension Act. Contributions are made on a monthly basis, and the procedures and conditions for retirement applications are clearly stipulated in the relevant regulations.</p> <ul style="list-style-type: none"> <li>◆ Old Labor Pension System (Labor Standards Act): The Company contributes 2% of the total monthly wage to a retirement fund. This fund is deposited in a dedicated account at the Bank of Taiwan under the name of the Supervisory Committee on Labor Retirement Fund.</li> <li>◆ New Labor Pension System (Labor Pension Act): The Company contributes 6% of each employee's monthly wage to their individual pension account at the Bureau of Labor Insurance. Employees may also voluntarily contribute up to an additional 6% of their monthly wage, which is exempt from income tax. Each year, the Company commissions an actuary to provide an actuarial report to ensure adequate funding and to safeguard the rights and interests of employees.</li> </ul> <p>[Marriage, Childbearing, and Family Care]</p> <ul style="list-style-type: none"> <li>◆ Family care allowance (regional differences): Taiwan factory area: Wedding gift NT\$3,000, birth gift NT \$3,600 per child .</li> </ul>	

Promoting item	State of implementation		Summary description	Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
			<p>Mainland China factory area: Wedding gift RMB 200-300, birth gift RMB 200-300 per child (depending on the region).</p> <p>◆Childcare Support: Starting in 2022, a "Childcare Subsidy for Children Aged 2-6" will be provided. Employees with children aged 2-6 who are enrolled in government-registered kindergartens or childcare centers, and if both spouses are employees of the company, can apply separately. The subsidy is NT\$1,800 per child per semester, twice a year, for a total of NT\$3,600 per child per year.</p> <p>Application statistics for 2025:</p> <p>©Childcare subsidy for children aged 2-6: A total of 539 people applied, with a total subsidy amount of NT\$970,200.</p> <p>© Birth subsidy: A total of 59 people applied, with a total subsidy amount of NT\$209,800.</p> <p>to optimize compensation, benefits, and retirement security mechanisms through institutionalized and data-driven management, creating a friendly workplace that balances work and life, and promoting talent sustainability and long-term corporate competitiveness.</p>	
c. Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	✓		<p><b>Occupational Health Management:</b> Health Service Centers are established at each of the Company's sites to safeguard employees' physical well-being through a comprehensive approach. Services include biennial health checkups, provision of up-to-date health information, and medical consultations. The Company also oversees and ensures the nutritional quality of employee cafeterias to further protect employees' health.</p> <p><b>Health Care:</b> The Group has established "Health Centers" that provide not only standard medical room services, but also proactively organize various free health screenings, medical consultation seminars, and health promotion lectures.</p> <p>According to statistics from Taiwan's Health Promotion Administration, 68,000 people die annually from chronic diseases related to the "three highs" (hypertension, hyperglycemia, and hyperlipidemia), surpassing cancer-related deaths (53,000). As early symptoms are often not apparent, these conditions are</p>	No material variance

Promoting item	State of implementation		Summary description	Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
			<p>difficult to detect and control, making them a hidden threat to public health.</p> <p>To prevent and manage obesity and abnormalities related to the three highs among employees, the Company classifies employees with abnormal results into Level 1 to Level 4 follow-up cases. Nurses provide individualized health guidance or arrange consultations with on-site physicians.</p> <p>For example, between 2024 and 2025, a total of 3,266 employees completed health examinations, of whom 532 (16.2%) showed abnormalities related to the three highs. Based on the on-site physician's classification:</p> <p>Levels 1–2: Nurses provide health education materials.</p> <p>Level 3: Nurses issue re-examination notices according to physicians' recommendations and request employees to submit medical receipts or relevant test records for follow-up management.</p> <p>Level 4: Consultations and interviews are arranged with on-site physicians.</p> <p>In addition to professional medical consultations, the Company organizes health seminars on a regular basis. In 2025, topics included: "Winter Skincare Tips in Traditional Chinese Medicine," "Healthy Anti-Aging for the Skin," "Traffic Safety Seminar," and "Effective Protein Supplementation." Health information is also published through the health management system and distributed via email newsletters, such as "Build Healthy Habits to Prevent the Flu" and "Stay Warm and Protect Your Health in Cold Weather."</p> <p>Employees are encouraged to develop regular exercise habits. The Company provides an on-site gym and well-equipped fitness facilities to create an optimal recreational and exercise environment.</p> <p><b>Prevention and Response Measures for Workplace Misconduct :</b></p> <p>To protect employees' work rights and respect personal dignity, in accordance with Article 6, Paragraph 2, Item 3 of the Occupational Safety and Health Act, our company has established the "Regulations for Preventing and Managing Wrongful Physical or Mental Harm Caused by the Actions of Others During the Execution of Job Duties" and the "Regulations for Sexual harassment and appeal" to prevent physical or mental misconduct caused by others during the performance of duties.</p>	

Promoting item	State of implementation			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
			<ul style="list-style-type: none"> <li>◆ Every three years, using the "Hazard Identification and Risk Assessment Form for Misconduct During Duty," we identify high-risk groups prone to workplace misconduct based on the on-site work environment and characteristics, and review existing control measures, making additions or improvements as necessary. In 2025, all units in our company achieved a 100% completion rate in their assessments.</li> <li>◆ If a complaint of workplace misconduct or sexual harassment is received, our company provides response measures such as employee assistance plans, disciplinary actions, and educational promotion based on the nature and extent of the impact, considering internal company regulations, past cases, and learning experiences, as well as the rights of the affected individuals.</li> <li>◆ To prevent workplace misconduct, our company conduct hazard prevention promotions and related educational training for all employees. Additionally, we offer "Friendly Workplace Dialogue Skills" workshops for supervisors, with 355 supervisors trained in 2025.</li> </ul> <p><b>Hazard Identification and Risk Assessment (HIRA) :</b></p> <p>We prioritize employee safety. In the event of an incident, we immediately make the required notifications and activate procedures to minimize injuries and reduce operational losses.</p> <p>Following an incident, the Company conducts investigations in accordance with its Incident Reporting and Investigation Procedure, together with employee representatives, to perform root cause analysis (RCA) and implement appropriate corrective and preventive actions (CAPA).</p> <p>The investigation report is concurrently presented to Safety Committees at each facility, and, where necessary, findings are shared and applied across sites to drive improvements and prevent recurrence. The Incident Reporting and Investigation Procedure applies to all employees and contractors across all facilities.</p> <p>The scope of this Procedure covers on-site incidents, including on-site traffic incidents. Off-site incidents are reportable for statistical purposes only and are not subject to investigation under this Procedure.</p>	

Promoting item	State of implementation		Summary description	Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
			<p><b>The Company holds the following Occupational Health and Safety Management System certifications:</b></p> <ol style="list-style-type: none"> <li>In addition to complying with applicable domestic regulations, the Company has obtained and maintains ISO 45001 Occupational Health and Safety Management System certification and CNS 45001 certification in Taiwan to ensure a safe and healthful workplace for employees. These certifications are maintained through periodic surveillance audits. The ISO 45001/CNS 45001 certificates are valid through April 15, 2026.</li> <li>In accordance with applicable laws and regulations, the Company conducts workplace environmental (industrial hygiene) monitoring and provides occupational health examinations that exceed regulatory requirements. We use the results to improve workplace conditions, implement necessary protective measures, and modify workstations or job assignments as appropriate.</li> <li>We incorporate Occupational Safety and Health (OSH) training into new hire onboarding and annual in-service training at each site, covering occupational injury prevention, traffic safety, workplace and home safety awareness, and case studies. This training equips employees with relevant OSH knowledge and skills and supports a safe, healthy workplace.</li> <li>The Company maintains an Emergency Response Team (ERT) and an Emergency Response Plan (ERP), and conducts annual safety and emergency response training and drills to enhance employees' safety awareness and reduce incident-related impacts. We also deliver health promotion programs guided by health risk indicators, including tailored interventions and risk management initiatives that broaden the reach and improve the quality of health services. In partnership with Hsing-Chih International Enterprise Management Consulting Co., Ltd., we offer a confidential Employee Assistance Program (EAP) that provides professional counseling, consultation, and referral services to support employees with work and personal matters.</li> <li>In accordance with applicable regulations, the Company conducts periodic workplace inspections, including, at each facility, annual building safety inspections; annual inspection, maintenance, and</li> </ol>	

Promoting item	State of implementation			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
			<p>regulatory reporting of fire protection systems; and workplace environmental (industrial hygiene) monitoring conducted twice per year.</p> <p>Findings are reviewed, and any deficiencies requiring immediate corrective action are addressed promptly.</p> <p>In addition, to mitigate fire risk from overheating at electrical contact points, we perform annual infrared thermography of electrical equipment and wiring—covering ovens; high and low voltage electrical panels and switchgear; and chemical benches with heating functions.</p> <p>6. The Company recorded zero major occupational accidents and no fire incidents in Year 2025.</p>	
d. Has the Company established effective career development training plans for its employees?	✓		<p>To support employee development, the Group has established Ennostar University, comprising six academies: the Sustainability Academy, Leadership Academy, General Education and Business Academy, Quality Academy, Science Academy, and Engineering Academy. Structured training programs are provided for both new employees and existing employees, offering a wide range of learning resources to support capability development while fostering strong quality awareness and sustainability mindset. For further details on employee training, please refer to Section V (Operational Overview) – Labor Relations in this Annual Report.</p>	No material variance
e. Does the Company's product and service comply with related regulations and international rules for	✓		<p>The products manufactured and services provided by the Group comply with applicable laws and regulations and are managed in accordance with internal audit and review procedures under the ISO 9001 Quality Management System and IATF 16949. Each year, the Group conducts effectiveness assessments of hazardous substance-related regulations and customer requirements for Hazardous Substance Free (HSF) compliance to ensure that products meet regulatory restrictions on environmentally hazardous substances and customer HSF control requirements. The Group also regularly engages independent third-party verification bodies to verify products, thereby ensuring regulatory compliance and fulfillment of customer requirements.</p> <p>The Group places strong emphasis on customer privacy. To prevent the leakage of confidential customer</p>	No material variance

Promoting item	State of implementation		Summary description	Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
customers' health and safety, privacy, sales, labelling and set policies to protect consumers' or customers' rights and consumer appeal procedures?			<p>information, continuous functional enhancements will be implemented to establish effective management mechanisms. To safeguard critical customer data, business partners who engage with the Company and are involved with the integrity and confidentiality of information assets are required to sign confidentiality undertakings and customer data non-disclosure agreements. Such parties are required to acknowledge that all information obtained during engagement is the property of the Company and may not be used for any unauthorized purposes, thereby reinforcing the protection of customer privacy.</p> <p>In addition to regular meetings with customers to communicate requirements, the Company conducts annual customer satisfaction surveys for key product customers, collecting feedback and recommendations across dimensions such as product quality and customer service. Upon completion of the surveys, the results are consolidated and reviewed, and subsequently reported to internal management meetings for review. Senior management then determines necessary adjustments to operational strategies, and the responsible departments implement improvement plans accordingly. Detailed information is disclosed in the ESG report.</p> <p><b>Whistleblowing and Grievance Mechanism</b>  The Group has established internal and external reporting channels and procedures to allow stakeholders to report illegal or unethical conduct. Employees may submit grievances or whistleblower reports through internal channels, while external stakeholders may report misconduct through the whistleblowing section on the Company's official website.  Ethics Reporting Portal: <a href="https://www.ennostar.com/contact">https://www.ennostar.com/contact</a></p> <p>The Chairman appoints the head of the internal audit function to be responsible for handling whistleblowing cases and may engage external experts (such as legal counsel or certified public accountants) to assist with investigations when necessary. Investigation results are reported directly to the Chairman, who may convene the heads of relevant departments as appropriate. If investigations identify</p>	

Promoting item	State of implementation		Summary description	Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
			material violations or indicate a risk of significant damage to the Company, a report is immediately prepared and submitted in writing to the Audit Committee or supervisors. Where whistleblowing cases involve directors or senior management, such matters are reported to the Audit Committee or supervisors.	
f. Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	✓		<p>The Group conducts reviews of new suppliers across multiple dimensions, including operational services, quality management systems, research and development capabilities, manufacturing capabilities, environmental management, labor and human rights, and business ethics and integrity. Only suppliers whose review results meet the Group's standards are included in the Group's qualified supplier list. The Group has also established supplier management procedures and supplier evaluation processes. Procurement, quality management, and relevant departments conduct regular assessments of suppliers with respect to quality, pricing, service and technical capabilities, delivery performance, and compliance with restricted and prohibited hazardous substance requirements. Evaluation results serve as a basis for supplier risk management within the Ennostar Group.</p> <p>In addition, the Group promotes supplier assessments covering environmental and social aspects, including environmental, safety, and health (ESH), ethical conduct, and human rights. In 2025, a total of 108 suppliers were assessed, with no suppliers receiving poor evaluation results. Further details regarding supplier management and implementation status are disclosed in the ESG Report.</p>	No material variance
(5) Does the Company refer to international reporting rules or	✓		The Company was approved for establishment by the competent government authority on January 6, 2021. To enhance the credibility of its reporting, the Company engaged an independent third-party assurance provider, TÜV Rheinland, to conduct external assurance on the information disclosed in the Sustainability Report. TÜV Rheinland applied the AA1000 Assurance Standard, developed by the	No material variance

Promoting item	State of implementation		Summary description	Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
<p>guidelines to publish ESG Report to disclose non-financial information of the Company? Has the assurance or opinion from third-party certifying institutions been obtained for the reports of the preceding paragraph?</p>			<p>international non-profit organization Accountability, and provided a Type 2 Moderate Assurance level. The assurance statement issued by TÜV Rheinland is included in the appendix of the ESG Report.</p>	
<p>(6) If the Company has established ethical corporate governance policies based on Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation:</p> <p>The Company has formulated the “Sustainable Development Best Practice Principles,” regulating on the realization of corporate governance, developing sustainable environment, maintaining social charity. The information can be downloaded from the Company’s official website; Please refer to the Company website for our sustainable development strategies, state of implementation, and the ESG report released in every year.</p>				

Promoting item	State of implementation		Summary description	Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		

(7) Other important information to facilitate better understanding of the Company's implementation of sustainable development:

Formally set up the Sustainability & ERM Committee. Related ESG sustainable development projects and plans are proceeded with, intensely now. Starting from identifying materiality topics of stakeholders, the management policy was then defined. The short-, medium- and long-term targets of materiality were established next. Strengthening implementation of the action plan and regular meeting reviews show our determination in promoting ESG sustainable development. There are six parts to the promotion. They are targets, academies, projects, reports, official website and activities. Please refer to ESG report for details.

Sustainability & ERM Committee Organization



Promoting item	State of implementation			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
<u>Work function</u>				
Unit	Powers and responsibilities		Unit	Powers and responsibilities
Board of Directors	<ul style="list-style-type: none"> <li>● Confirm the Group's ESG mission and vision</li> <li>● Deliberate and decide on material ESG matters</li> <li>● Evaluate ESG performance</li> </ul>		Sustainability & ERM Committee	<ul style="list-style-type: none"> <li>● Formulate ESG mission, vision, policies, and objectives</li> <li>● Identify ESG-related risks and opportunities and determine relevant investment strategies</li> <li>● Oversee ESG strategy planning and implementation</li> <li>● Supervise ESG performance and information disclosure</li> </ul>
ESG Committee/ Working Groups	<ul style="list-style-type: none"> <li>● Set Group-level objectives</li> <li>● Promote ESG programs</li> <li>● KPI performance reporting and tracking</li> <li>● Convene regular meetings</li> </ul>		Task Forces	<ul style="list-style-type: none"> <li>● Set Group-level objectives</li> <li>● Promote ESG programs and integrate subsidiary resources</li> <li>● KPI performance reporting and tracking</li> <li>● Convene regular meetings</li> <li>● Identify innovation opportunities and potential business opportunities</li> </ul>

## 2.3.7 Implementation of climate-related information among TWSE/TPEX listed companies

### i. Implementation Status of Climate-related Information

Item	Status of implementation
<p>1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.</p>	<p>The Sustainability &amp; ERM Committee established by the Board consists of the Chairman of the Group, Independent Directors, and the senior management. It is a functional committee under the Board of Directors that holds regular meetings to coordinate and plan the Group's ESG policy and sustainable goal roadmap, as well as to identify ESG-related risks and opportunities to determine relevant investment strategies, while monitoring various ESG performance metrics and achievements.</p>
<p>2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).</p>	<p>1. Increase in raw material prices due to carbon tax levied on suppliers</p> <ul style="list-style-type: none"> <li>■ Strategies include :               <ol style="list-style-type: none"> <li>(1) Evaluating the introduction of low-carbon and renewable low-carbon alternative raw materials.</li> <li>(2) Modifying product design to reduce reliance on specific raw materials.</li> <li>(3) Recycling and circular reuse of packaging materials.</li> <li>(4) Localization of procurement to reduce transportation-related carbon emissions.</li> <li>(5) Avoiding reliance on a single supplier to diversify risk and enhance negotiation leverage.</li> </ol> </li> <li>■ As suppliers adjust raw material prices due to carbon tax implementation, procurement costs are estimated to increase by approximately 10%.</li> </ul> <p>2. In response to corporate decarbonization trends, the Company has progressively promoted and participated in the Science Based Targets initiative (SBTi) since 2023 to set science-based emission reduction targets.</p> <ul style="list-style-type: none"> <li>■ Strategies include :               <ol style="list-style-type: none"> <li>(1) Short term: Installation of rooftop solar panels across the Group with green electricity use commencing in 2025, and installation of fluorinated gas abatement equipment at manufacturing sites.</li> <li>(2) Medium and long term: Procurement of externally sourced renewable electricity expected to commence from 2027. The</li> </ol> </li> </ul>

Item	Status of implementation
	<p>Group aims to achieve a 27% reduction in electricity consumption by 2030 compared to the 2022 baseline year.</p> <p>Financial impacts include investments in solar panel installation and renewable electricity procurement, with estimated cumulative expenditures of approximately NTD 806 million from 2023 to 2030, as well as approximately NTD 26.03 million for the installation of fluorinated gas abatement equipment across manufacturing sites.</p>
<p>3. Financial impacts posed by extreme climate events and transformational actions</p>	<ol style="list-style-type: none"> <li>1. The financial impact is associated with meeting potential future market requirements for carbon reduction, thereby avoiding adverse impacts on orders due to insufficient decarbonization performance.</li> <li>2. Inflationary impacts of approximately 10% on key raw materials resulting from carbon pricing levied on suppliers.</li> </ol>
<p>4. Describe how the process of identifying, evaluating and managing climate risks is integrated into the overall risk management system.</p>	<p>All of the Group's subsidiaries have established management guidelines for climate risk, and have formulated corresponding measures based on each risk/opportunity. They have set short-, medium-, and long-term goals, regularly tracked and checked the compliance status, and continued to adjust and improve in order to increase the Company's resilience to climate risks and steadily move toward the 2050 net zero emission goal.</p>
<p>5. If a scenario analysis is used to evaluate the resilience in the face of climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.</p>	<p>Water resource stress (water scarcity) : Based on SSP5-8.5, adverse impacts on the quality and quantity of water resources are expected due to global or regional climate change effects, with estimated operating costs for implementing action plans of approximately NTD 200,000.</p> <p>Changes in raw material prices: Based on the STEPS scenario, suppliers may increase raw material prices due to the implementation of carbon taxes. Assuming full implementation of carbon pricing by 2030, key raw materials are expected to experience inflationary impacts of approximately 10% because of carbon pricing.</p>
<p>6. If there is a transformation plan in response to the management of climate-related risks, describe the contents of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.</p>	<p>The water resource stress plan includes :</p> <ol style="list-style-type: none"> <li>1. Establishing water-saving targets and continuously implementing water conservation measures.</li> <li>2. Developing and deploying process water recycling technologies.</li> <li>3. Preparing contract management arrangements for water tanker supply.</li> </ol> <p>The raw material price change response plan includes :</p> <ol style="list-style-type: none"> <li>1. Evaluating the introduction of low-carbon and renewable low-carbon alternative raw materials.</li> <li>2. Modifying product design to reduce reliance on specific raw materials.</li> </ol>

Item	Status of implementation
	<ol style="list-style-type: none"> <li>3. Recycling and circular reuse of packaging materials.</li> <li>4. Localization of procurement to reduce transportation-related carbon emissions.</li> <li>5. Avoiding reliance on a single supplier to diversify risks and enhance negotiation leverage.</li> </ol>
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be explained.	For the pilot project in 2023, the Company applied the shadow price model to evaluate and plan the installation of carbon reduction equipment based on the initial price of NT\$300 per metric ton proposed by the Ministry of Environment, Taiwan.
8. If climate-related goals are set, specify the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year. If carbon offsets or renewable energy certificates (RECs) are used to achieve related goals, specify the source and quantity of carbon reduction credits or quantity of RECs for which they are exchanged.	<p>Three major action plans have been established to continuously invest in energy efficiency improvements for Scope 2 greenhouse gas emissions, enhance energy use efficiency, implement integrated management practices, and reduce operational carbon emissions.</p> <p>Action plans include :</p> <ol style="list-style-type: none"> <li>1. Achieving annual electricity savings of over 3%, implementing a five-year replacement plan for major energy-consuming equipment, and conducting annual reviews and revisions based on equipment efficiency, service life, operational risk, and operational requirements.</li> <li>2. Introduction of the ISO 50001 Energy Management System: Pilot sites have implemented ISO 50001 to establish facility energy baselines and energy intensity metrics, identify energy-saving opportunities, and expand implementation to all manufacturing sites in Taiwan by 2025.</li> <li>3. Establishment of a digital energy management platform: A digital platform was introduced at pilot sites in 2023 to establish energy data management, with expansion planned to all manufacturing sites in Taiwan by 2025.</li> <li>4. Use and planning of green electricity (renewable energy): Manufacturing sites plan to install solar power generation systems for short-term feed-in tariff sales, commence self-consumption from 2025, and align deployment with the Group's green electricity roadmap.</li> </ol>
9. GHG inventory and assurance, reduction target, strategy, and substantial action plan	Please refer to the information disclosed in Sections ii-1, ii-2, and ii-3 below.

ii. Greenhouse gas inventory and assurance status for the most recent two fiscal years

ii-1 Greenhouse gas inventory information

Category	Carbon Emissions (metric tons CO <sub>2</sub> e)	Data Coverage	Carbon Emissions (metric tons CO <sub>2</sub> e)	Data Coverage
	FY 2024		FY 2025	
Scope 1	53,978.32	<ul style="list-style-type: none"> <li>• ENNOSTAR Inc.</li> <li>• Epistar Corporation</li> <li>• Lextar Electronics Corp.</li> <li>• Lextar Electronics (Chuzhou) Corp.</li> <li>• Unikorn Semiconductor Corporation</li> <li>• Epicrystal Corporation (ChangZhou) Ltd.</li> <li>• Episky Corporation (Xiamen) Ltd.</li> <li>• Jiangsu Canyang Optoelectronics Ltd.</li> </ul>	53,769.89	ENNOSTAR Inc. and subsidiaries included in the consolidated financial statements
Scope 2	235,524.20		114,378.19	
Total	289,502.52		168,148.07	
Emissions Intensity (metric tons CO <sub>2</sub> e / Revenue (NTD million))	11.9		7.58	

\*As of the publication date of the Annual Report, the complete greenhouse gas inventory data for 2025 are still under assurance. Full details will be disclosed in the ESG Report.

\* Subsidiaries under liquidation in fiscal year 2025, namely Gan Force Corporation and United LED Shan Dong Corporation, are excluded from the greenhouse gas inventory and assurance scope.

Note 1 : Direct emissions (Scope 1), referring to emissions generated directly from sources owned or controlled by the Company; energy indirect emissions (Scope 2), referring to indirect greenhouse gas emissions resulting from the consumption of purchased electricity, heat, or steam; and other indirect emissions (Scope 3), referring to emissions generated by the Company's activities that are not classified as energy indirect emissions and arise from sources owned or controlled by other entities.

ii-2 Greenhouse Gas Assurance Information

FY 2024				FY 2025			
Assurance Scope	Name of Assurance Provider	Assurance Standard	Assurance Opinion	Assurance Scope	Name of Assurance Provider	Assurance Standard	Assurance Opinion
• ENNOSTAR Inc.	TUV	The third-party assurance provider applied ISO 14064-3 and completed external verification in accordance with ISO 14064-1.	Based on the assurance procedures and processes performed by the verifier, sufficient evidence has been obtained to indicate that the greenhouse gas assertions of United Renewable Energy Co., Ltd. are free from material misstatement, and have been prepared in accordance with internationally recognized standards for greenhouse gas quantification, monitoring, and reporting as stipulated in the agreed assurance criteria, and fairly present the greenhouse gas data and related information.	Ennostar Inc. and consolidated financial reporting subsidiaries	TUV	The third-party assurance provider applied ISO 14064-3 and completed external verification in accordance with the Greenhouse Gas Protocol (GHG Protocol).	As of the publication date of the Annual Report, the assurance process is still ongoing. Complete information will be disclosed in the Ennostar Report.
• Epistar Corporation	BSI						
• Lextar Electronics Corp.	BSI						
• Lextar Electronics (Chuzhou) Corp.	SGS						
• Unikorn Semiconductor Corporation	SGS						
• Epicrystal Corporation (ChangZhou) Ltd.	Intertek						
• Episky Corporation (Xiamen) Ltd.	Intertek						
• Jiangsu Canyang Optoelectronics Ltd.	Intertek						

\* As of the publication date of the Annual Report, the complete greenhouse gas inventory data for 2025 are still under assurance. Full details will be disclosed in the Ennostar Sustainability Report.

\* Subsidiaries under liquidation in fiscal year 2025, namely Gan Force Corporation and United LED Shan Dong Corporation, are excluded from the greenhouse gas inventory and assurance scope.

ii-3 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

(Unit)	Year	2022	Reduction Target by 2032
Scope 1 : Direct Emissions (metric tons CO <sub>2</sub> e)		66,085.74	50.4%
Scope 2 : Indirect Emissions (metric tons CO <sub>2</sub> e)		280,416.31	

In response to international net-zero carbon emission trends, the Group has comprehensively planned its carbon net-zero pathway and roadmap. With the core objective of achieving net zero by 2050, the Group is implementing its initiatives in a phased and systematic manner.

In 2025, the Group formally obtained validation of its near-term targets under the Science Based Targets initiative (SBTi). Using 2022 as the baseline year, the target is to achieve an absolute reduction of 50.4% in Scope 1 and Scope 2 greenhouse gas emissions by 2032, and to achieve a 30% reduction in Scope 3 greenhouse gas emissions, using 2023 as the baseline year.

Ennostar Group Scope 1 and Scope 2 Greenhouse Gas Reduction Strategies

- Reduction of fluorinated gases : The Ennostar Group reduces the use of carbon tetrafluoride (CF<sub>4</sub>) in its manufacturing processes and has installed process exhaust gas treatment equipment, which is expected to reduce fluorinated gas emissions by at least 90%.
- Use of green electricity : The Group has installed solar power generation equipment at its manufacturing sites and actively enters into green electricity procurement contracts or acquires related renewable energy certificates to increase the proportion of renewable energy usage. In 2024, the Group signed and joined the RE100 initiative, committing to achieve 60% renewable energy usage by 2030 and 100% renewable energy usage by 2050.
- Energy conservation measures : The Group promotes energy-saving initiatives, including lighting management, air-conditioning management, equipment and system improvements, and process efficiency enhancements.

Ennostar Group Scope 3 Greenhouse Gas Reduction Strategies

The Group promotes green design, circular economy practices, smart manufacturing, and green procurement to reduce Scope 3 greenhouse gas emissions.

## 2.3.8 Operation of the Sustainability & ERM Committee

### 1. Member information

The Sustainability & ERM Committee of the current session shall be composed of at least three Directors nominated by the Board, in which more than half of the Independent Directors shall participate; the Chairman shall be the convener. There are three members of the Sustainability & ERM Committee who are the Chairman and two Independent Directors at present. Please refer to pages 11 to 14 of the annual report for their “professional qualifications and experience.” Mr. Shuang-Lang Peng, the convener, has long been involved in ESG-related fields. He is currently the chairman of “Taiwan Climate Partnership” and a member of “National Climate Change Countermeasures Committee” to facilitate consensus for net-zero transformation among the industry, academic, and government sectors, and to promote the implementation of cross-field climate actions. Independent Director Wei-Chen Wang and Independent Director Chun-Hsin Chou, who are members, possess sustainability expertise and capabilities. The titles of the continuing education courses are announced in the section of Directors’ continuing education on the MOPS.

### 2. Duties

With the authorization from the Board of Directors, the Committee shall perform the following functions and powers with due diligence as a good administrator, and submit the recommendations to the Board of Directors for discussion:

- (1) Formulation of ESG mission, vision, policies and goals
- (2) Identify ESG risk opportunities and decide related investment strategies
- (3) Supervise ESG strategy planning and implementation
- (4) Monitor ESG performance and information disclosure

Please refer to our company website for the organizational charter of the Sustainability & ERM Committee.

### 3. Implementation Status

- (1) The term of the current committee members is from May 31, 2023 to May 30, 2026 (the expiry date is same as the expiry date of directors’ term of office), and in 2025, the Sustainability & ERM Committee held four meetings (A). (meeting dates: 2/20、5/8、8/7、11/6) The members’ attendance is as following:

Title	Name	Attendance in person (B)	Attendance by Proxy	Actual attendance rate (B/A)	Remarks
Convener and Chairman	Shuang-Lang Peng	4	0	100.0%	
Member and Independent Director	Wei-Chen Wang	4	0	100.0%	
Member and Independent Director	Chun-Hsin Chou	4	0	100.0%	

- (2) Major resolutions and implementation thereof

Term/Session Date	Motion	Committee members’ opinions and resolutions of the Sustainability & ERM Committee	The Company’s resolution against the committee’s opinions
2-7 2025.2.20	● Proposal to amend the Sustainability & ERM Committee Charter	All members expressed their approval in favor, and the Sustainability & ERM Committee approved the motion.	Approved by the Board of Directors as it was.
2-8 2025.05.08	● Report on work progress, and there are no discussion matters	-	-

Term/Session Date	Motion	Committee members' opinions and resolutions of the Sustainability & ERM Committee	The Company's resolution against the committee's opinions
	resolved.		
2-9 2025.08.07	<ul style="list-style-type: none"> <li>● Proposal to approve the Company's 2024 Sustainability Report</li> <li>● Proposal to amend certain provisions of the Risk Management Policies and Procedures</li> </ul>	All members expressed their approval in favor, and the Sustainability & ERM Committee approved the motion.	Approved by the Board of Directors as it was.
2-10 2025.11.06	<ul style="list-style-type: none"> <li>● Proposal to amend certain provisions of the Sustainable Development Best Practice Principles</li> </ul>	All members expressed their approval in favor, and the Sustainability & ERM Committee approved the motion.	Approved by the Board of Directors as it was.

(3) For performance evaluation details, please refer to pages 28~32 of the annual report.

**2.3.9 Fulfilling ethical management and differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof**

Assessment item	State of operation		Summary description	Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
(1) Establishment of ethical corporate management policy and plan				
a. Does the Company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		Integrity and honesty are core values that underpin our business operations. Upholding integrity is our responsibility to shareholders, customers, suppliers, business partners, and colleagues. We consider our suppliers important partners and aspire to achieve sustainable business operations and growth through mutually beneficial partnerships. " The Ethical Corporate Management Best Practice Principles " and "Ethical Conduct" disclosed on our website are integrity-based business policies approved by the Board of Directors. In addition to signing "Commitment Clauses on Honest Transactions and Confidentiality Obligations" with our suppliers, we have also established " Ennostar Group Integrity and Ethical Conduct Management Guidelines " for all employees to comply with.	No material variance
b. Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed	✓		Our company's " Ethical Conduct " clearly outlines guidelines for conflict of interest, legal compliance, trade secrets and company assets, political participation, and related conduct. We have the reporting system of professional ethics violations, providing channels for internal and external stakeholders ( such as suppliers, consumers, customers, employees, and shareholders ) to report violations. A dedicated unit handles these reports, and penalties are imposed according to the severity of the offense, following our employee reward and punishment management procedures.	No material variance

Assessment item	State of operation		Summary description	Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
Companies?				
c. Whether the Company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	✓		Our company's "Work Rules" , " Ethical Conduct " and " Ennostar Group Integrity and Ethical Conduct Management Guidelines " explicitly prohibit directly or indirectly accepting invitations from vendors to meals, gifts, or other social events, and include regulations to prevent dishonest behavior. Our company also has a professional ethics violation reporting system, providing internal and external stakeholders with a channel to report misconduct in order to prevent abuses.	No material variance
(2) Ethic Management Practice				
a. Whether the Company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	✓		The Group treats its customers, suppliers, distributors, competitors, and employees with fairness and impartiality, and will not tolerate any competitive advantage gained through dishonest conduct. The Company has clearly defined its "Honest Transaction and Confidentiality Commitment Terms," which include obligations to maintain honest business practices, confidentiality of business or technology, and other related matters. If a counterparty engages in dishonest conduct, the counterparty may terminate all transactions, disqualify the supplier, and claim damages at any time.	No material variance
b. Whether the Company has set up a unit which is dedicated to promoting the Company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct	✓		Human rights policies and integrity and ethical conduct management procedures have been formulated, with the Corporate Sustainability and Risk Management Committee under the Board of Directors as the responsible unit. The Committee will report to the Board of Directors on the	No material variance

Assessment item	State of operation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
and monitor its implementation?			<p>specific practices and implementation status of the integrity management policy for 2025 on March 6, 2026.</p> <p>Key Tasks for 2025: Continuing the operation of the "Human Rights Protection Working Group" established in 2023, the group will strengthen its governance structure and cross-departmental collaboration in 2025. This includes completing the annual human rights risk assessment and implementing improvement plans; disclosing human rights management content in the ESG report; formulating the Ennostar Group's "Human Rights Protection Policy"; planning promotional materials for the human rights protection policy; and conducting human rights protection education and training. The group will also promote a zero-fee policy for foreign migrant workers and advocate for their freedom to choose employment; optimize the hiring process; and ensure the signing of employment contracts. The grievance handling committee will be restructured into a permanent organization to provide dedicated handling of grievances. The recruitment process and personnel information forms will be revised to ensure non-discrimination. New employees and all employees will receive education and training on human rights policies, integrity and ethics, prohibition of insider trading, and labor-management meetings to ensure all personnel are aware of Ennostar integrity and ethical conduct management regulations. These regulations detail various preventative measures and serve as the basis for</p>	

Assessment item	State of operation		Summary description	Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
			<p>formulating and implementing integrity and ethical conduct management education and training.</p> <p>The implementation status of education and training in 2025 is as follows:  1. Course Theme: Promotion of RBA and Integrity Policy of Ennostar Group. The Group will incorporate the integrity policy into the training courses for new employees and the annual retraining mechanism.  2. During new employee training, general employees must complete the course and pass the test with a perfect score. Foreign migrant workers are not tested during the initial stage and their completion is determined by their training records. During the annual retraining, all employees must complete the course reading and pass the test with a perfect score. Those who fail must retake the test.  3. In 2025, 166 new employees (excluding foreign migrant workers) received training; 3,699 employees (including foreign migrant workers) received follow-up training, with a total training time of 3,877 hours and a completion rate of 100%.</p>	
c. Whether the Company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	✓		<p>Employee section:  Our company has established conflict-of-interest prevention policies in its " Ethical Conduct " and " Ennostar Group Integrity and Ethical Conduct Management Guidelines." All employees are obligated to avoid any potential conflicts of interest between themselves and the company, and must prioritize the company's best interests when making decisions or taking any action. In addition to contacting their immediate supervisors and the Human Resources department, employees can consult with the company through</p>	No material variance

Assessment item	State of operation		Summary description	Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
			<p>accessible communication channels, including the General Manager's mailbox, employee suggestion box, the 7885 (Please Help Me) hotline, and email, to assist employees in raising and resolving issues.</p> <p>Board of Directors Section:  Article 16 of the Company's Rules for the Procedures of the Board of Directors' Meeting stipulates the system of conflict of interest avoidance for directors—Directors shall exercise a high degree of self-discipline. If a proposal listed by the Board of Directors has a conflict of interest with themselves or the legal entity they represent, they shall explain the important details of their conflict of interest at the meeting. If there is any risk that it may harm the interests of the Company, they shall not participate in the discussion or voting, and shall recuse themselves from such discussion and voting. They shall not act as proxies for other directors in exercising their voting rights. The meeting organization shall remind each director to pay attention to whether there are any proposals requiring conflict of interest avoidance when sending meeting materials.</p>	
d. To implement relevant policies on ethical conducts, has the Company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?	✓		The internal audit unit will each year conduct internal control system effective risk assessment based on the transaction manner of every operating location and the possibility of fraud and corruption. The annual audit plan will be established in cooperation with the newly announced related laws and regulations. It will be reported to the board for approval, which implementation will begin thereafter. The audit results will be reported to the board and audit committee members on a regular basis.	No material variance
e. Does the Company provide internal and external ethical conduct training programs on a regular	✓		October 2025, our company used its internal education and training platform to conduct the "2025 Ennostar Group RBA and Integrity Policy Promotion	No material variance

Assessment item	State of operation		Summary description	Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
basis?			Online Course" for all employees, training 3,699 people with a 100% completion rate; after adding the promotion content on preventing insider trading to the promotion course content, we also sent it to each director as an annual material for promoting integrity and preventing insider trading to the directors.	
<b>(3) Implementation of Complaint Procedures</b>				
a. Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	✓		The Company has established the "Whistle-blowing Channel and Protection System" and unimpeded communication channels, including: president mailbox, complaint mailbox for unlawful infringement in the performance of duties, sexual harassment complaint mailbox, ethical violation reporting system, employee comments mailbox and so on. Externally there is the contact us area on the Company website disclosing the ethical violation reporting system and there are dedicated personnel to handle the report matters. Other than as regulated by legislations, there are appropriate protection and confidentiality measures to adopt for the complainant, the information provided, and privacy. If the report is true, the Company will proceed with punishment for the unlawful conduct.	No material variance
b. Whether the Company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?	✓		The Company's "Whistle-blowing Channel and Protection System" stipulates related confidentiality mechanism for handling the reported matter.	No material variance
c. Does the Company adopt proper measures to prevent a complainant from retaliation for his/her	✓		According to the Company's "Whistle-blowing Channel and Protection System," other than those regulated under the legislation, there are	No material variance

Assessment item	State of operation		Summary description	Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No		
filing a complaint?			appropriate protection and confidentiality measures to adopt for the individual complainant and the information provided, and privacy.	
(4) Information Disclosure				
a. Does the Company disclose the content and effectiveness of its Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System?	✓		Our company has documented our integrity practices and the results of our annual updates in the "Corporate Sustainability Responsibility" section and "ESG Report" on our website. We have also disclosed our "Code of Conduct for Integrity" in the investor section of our website. For more information, please visit our website: <a href="https://www.ennostar.com">https://www.ennostar.com</a> .	No material variance
(5) If the Company has established ethical corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: No material variance.				
(6) Other important information to facilitate better understanding of the Company's implementation of sustainable development				
(I) Establishing a policy and culture of integrity Adhering to the business philosophy of integrity, transparency, and responsibility, Ennostar Group has established the " Ethical Corporate Management Best Practice Principles " and the "Ennostar Group Integrity and Ethical Conduct Management Guidelines" to ensure sound business operations and absolutely prohibit corruption and any form of fraud. Employees who violate company rules and regulations and related provisions on ethical business conduct, once verified, will be disciplined in accordance with applicable management regulations. In serious cases, in addition to taking necessary legal action, the employee will be dismissed and will not be rehired. In addition, relevant prevention plans have been established, including operating procedures, behavioral guidelines and education and training. In order to communicate with stakeholders, the policy of honest operation is clearly stated in internal regulations, the Ennostar website and relevant external documents. Before conducting business transactions, the legitimacy of agents, suppliers, customers or other business partners should be considered and whether they have a record of dishonest behavior, so as to avoid doing business with those with a record of dishonest behavior.				
(II) Reporting and Whistleblowing System (Auditing Department Responsible) To strengthen corporate governance, implement integrity and ethical conduct guidelines, provide channels for reporting violations of integrity and ethical conduct,				

Assessment item	State of operation			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary description	
			<p>and establish a "reporting channel and protection system".</p> <p>Ennostar has established a "Reporting System for Professional Ethics Violations" on its official website and internal website for whistleblowers to use anonymously. The identity of the whistleblower and the content of the report are kept confidential and protected. The Chairman appoints the head of the audit department to handle the reported cases. When necessary, experts (lawyers, accountants, etc.) may be invited to assist in the investigation. The investigation results are reported to the Chairman, and the relevant top executives may be convened as appropriate. If the investigation finds serious violations or causes significant damage to the Group, or if the reported matter involves directors or senior executives, the matter is reported to the Audit Committee or the Supervisory Commission.</p> <p>( III) Anti-corruption education and training</p> <p>Ennostar Group strictly prohibits any acts of corruption, bribery, or extortion. To guide employees to behave in accordance with ethical standards, the company stipulates that employees should be cautious in their words and deeds, maintain integrity, and refrain from using their positions for personal gain or accepting gifts from others. The company also continuously strengthens employee education and training by offering online and in-person courses and publishing related newsletters on an irregular basis each year.</p> <p>The Group, its directors, managers, employees, appointees, and de facto controllers shall not, in the course of performing business, directly or indirectly offer, promise, demand, or receive any form of improper benefit to interested parties. All external donations or sponsorships shall be handled in accordance with relevant laws and internal regulations to prevent bribery, acceptance of bribes, and illegal political donations.</p>	

## 2.3.10 Other important information to facilitate better understanding of the Company's implementation of corporate governance

### 1. Continuing Education/Training of Directors in 2025

Title	Name	Date of course	Organizer	Course name	Hours of education
Chairman and also President	Shuang-Lang Peng	2025.05.29	Independent Director Association Taiwan	A New U.S.-China Landscape: Impacts of Neo-Trumpism on Taiwan's Economy and Finance and Responses from Global Economies and Industries	3.0
		2025.05.29	Independent Director Association Taiwan	Key Strategies for Corporate Global Expansion	3.0
Director	Yu-Chieh Lin	2025.05.08	Securities and Futures Institute	2025 Global Economic Outlook	3.0
		2025.05.29	Independent Director Association Taiwan	A New U.S.-China Landscape: Impacts of Neo-Trumpism on Taiwan's Economy and Finance and Responses from Global Economies and Industries	3.0
		2025.05.29	Independent Director Association Taiwan	Key Strategies for Corporate Global Expansion	3.0
		2025.11.06	Securities and Futures Institute	Post-Merger Integration and Synergy Evaluation	3.0
Director and also the President of the Subsidiary	Chin-Yung Fan	2025.05.08	Securities and Futures Institute	2025 Global Economic Outlook	3.0
		2025.11.06	Securities and Futures Institute	Post-Merger Integration and Synergy Evaluation	3.0
Director and also, the General Manger of the Business Organization of the Subsidiary	Hsiu-Mu Tang	2025.05.08	Securities and Futures Institute	2025 Global Economic Outlook	3.0
		2025.11.06	Securities and Futures Institute	Post-Merger Integration and Synergy Evaluation	3.0
Independent Director	Wei-Min Shen	2025.05.08	Securities and Futures Institute	2025 Global Economic Outlook	3.0
		2025.11.06	Securities and Futures Institute	Post-Merger Integration and Synergy Evaluation	3.0
Independent Director	Shian-Ho Shen	2025.05.08	Securities and Futures Institute	2025 Global Economic Outlook	3.0
		2025.11.06	Securities and Futures Institute	Post-Merger Integration and Synergy Evaluation	3.0
Independent	Wei-Chen	2025.05.05	Securities and Futures Institute	NVIDIA's Three-Trillion Miracle: New Perspectives on the	3.0

Title	Name	Date of course	Organizer	Course name	Hours of education
Director	Wang			Semiconductor Industry Revolution Behind Artificial Intelligence	
		2025.05.08	Securities and Futures Institute	2025 Global Economic Outlook	3.0
		2025.11.06	Securities and Futures Institute	Post-Merger Integration and Synergy Evaluation	3.0
		2025.11.14	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3.0
Independent Director	En-Te Hsu	2025.05.08	Securities and Futures Institute	2025 Global Economic Outlook	3.0
		2025.11.06	Securities and Futures Institute	Post-Merger Integration and Synergy Evaluation	3.0
Independent Director	Chun-Hsin Chou	2025.05.08	Securities and Futures Institute	2025 Global Economic Outlook	3.0
		2025.11.06	Securities and Futures Institute	Post-Merger Integration and Synergy Evaluation	3.0

Note: The continuing education hours completed by all incumbent directors have satisfied the requirements prescribed under the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies.

2. Corporate Governance Managers, Accounting Managers and Audit Managers will participate in corporate governance-related training and further studies in 2025

Title	Name	Date of course	Organizer	Course name	Hours of education
Chief Corporate Governance Officer	Shao-Lan Wang (Note)	2025.10.03	Securities and Futures Institute	2025 Seminar on Insider Trading Prevention	3.0
		2025.10.16	Financial Supervisory Commission, R.O.C.	The 15th Taipei Corporate Governance Forum	6.0
		2025.11.06	Securities and Futures Institute	Post-Merger Integration and Synergy Evaluation	3.0
Accounting Officer	Ya-Chi Chen	2025.09.04 ~ 2025.09.05	Accounting Research and Development Foundation	Continuing Education Program for Chief Accounting Officers of Issuers, Securities Firms, and Stock Exchanges	12.0
Chief Internal Audit Officer	Wen-Ting Tseng	2025.07.02	The Institute of Internal Auditors, R.O.C.	Applying Artificial Intelligence in Internal Auditing	6.0
		2025.10.08	The Institute of Internal Auditors, R.O.C.	Generative AI and AI Data Protection: Essential Knowledge for Internal Audit Personnel	6.0

Note: Mr. Wang, Shao-Lan assumed the position of Corporate Governance Officer on October 1, 2025.

3. State of purchasing liability insurance for the directors by the Company

The insured	Insurance company	Insured amount	Period of insurance
All directors and supervisors	Insurance Company of North America Taiwan Branch/ Cathay Century Insurance Co., Ltd./ Fubon Insurance Co., Ltd.	USD 30,000,000	January 6, 2025 ~ January 6, 2026
All directors and supervisors	Insurance Company of North America Taiwan Branch/ Cathay Century Insurance Co., Ltd./ Fubon Insurance Co., Ltd.	USD 30,000,000	January 6, 2026 ~ January 6, 2027

Note: The renewal of Directors and Officers Liability Insurance coverage amount, scope of coverage, and premium rate have been reported to the Board of Directors on March 6, 2026 for record.

4. The Company's Intellectual Property Management Plan and Its Implementation

Ennostar Group regards intellectual property (IP) as a core driver of corporate growth and competitiveness. A dedicated IP unit has been established to formulate IP management policies, objectives, and operating systems and to oversee the acquisition, maintenance, and utilization of IP across the Group. Through a systematic management framework, the Group integrates R&D achievements with business strategies to ensure that IP serves not only as a legal protection mechanism but also as a strategic asset supporting operational objectives and sustainable competitiveness.

The Company adopts the PDCA cycle to establish an IP management system that covers the acquisition, maintenance, and utilization of patents, trademarks, and trade secrets. Regular assessments of IP asset value are conducted to eliminate low-efficiency items and maintain reasonable maintenance costs. Meanwhile, the Company strengthens patent depth in core technological domains and deploys trademarks in emerging technologies and potential markets to ensure that innovation outcomes directly support product strategies and market expansion.

From an ESG perspective, Lextar Electronics Corp., a subsidiary of ENNOSTAR Inc., obtained A-level certification from the Taiwan Intellectual Property Management System (TIPS) in 2023 (effective until December 31, 2025). Ennostar Corporation, another subsidiary, obtained A-level certification from the TIPS in 2026 (effective until December 31, 2026). These efforts have been incorporated into the Company's governance framework, with the Board of Directors periodically overseeing IP-related risks and asset utilization to ensure compliance and sustainable development. In addition, the Company promotes internal IP education and training to enhance organizational IP awareness, reduce infringement risks, and strengthen IP compliance requirements for supply chain partners, thereby fulfilling corporate social responsibility.

Ennostar Group's Intellectual Property Management Plan

A. The Goal of IP Management

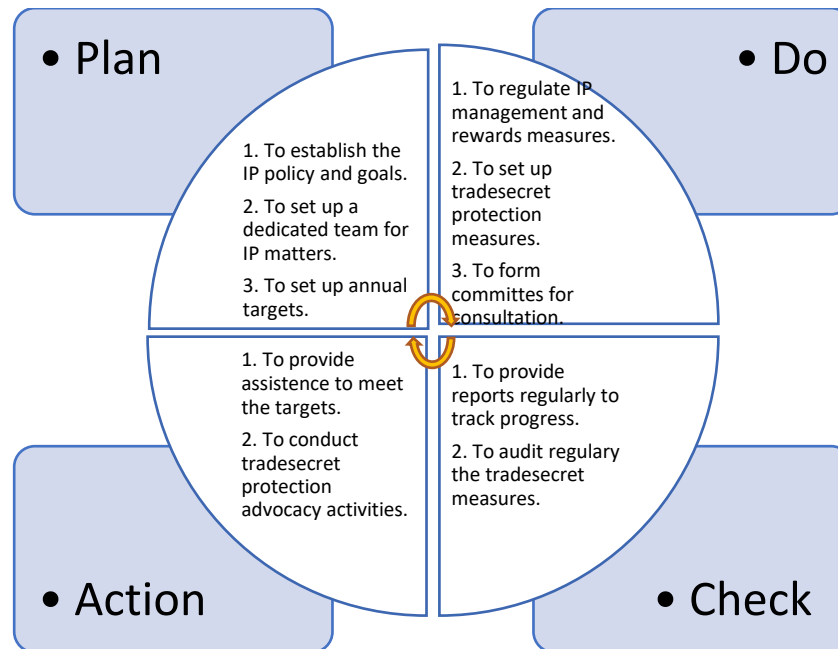
- To sustain the momentum of research and development activities to ensure the leading brand of the technology and products in the industry.
- To protect the company's intangible assets and to have an effective risk control for the operation.
- To implement the corporate governance and the regulation compliance for sustainable operation.

B. IP Management Policies

- To plan IP deployment properly.
- To strengthen the awareness of IP protection.
- To integrate with the R&D strategy and business strategy closely for business goal accomplishment.

C. IP Management System

- Using PDCA management cycle to establish the IP management system:



#### D. Implementation Measures

Ennostar Group spares no effort to ensure the trade secrets, patents, trademarks, and the information security generated from colleagues' achievements are well protected so the important information will not be leaked out and the competitiveness of company can be sustained. Ennostar implements the following measures to manage its IP:

- IP Rights Protection: Research and development outputs are protected by intellectual property rights such as patents, trade secrets, and trademarks according to their characteristics. At the same time, by taking stock of various intellectual property rights, the Company can grasp the intangible assets it owns and conduct regular assessments and maintenance to appropriately use resources to maintain the effectiveness of the Company's intangible assets.
- Trade Secret Registration: Important subsidiaries have the trade secret registration system to keep the company's valuable intangible assets. R&D engineers are also required to take engineering notebooks to preserve the development history and records, which can be defense evidence for possible IP disputes in the future.
- Due Diligence: during the product development, Ennostar performs relevant art search to keep up with the state of the art, inspire the innovation, or design around.
- Technology Collaboration: when collaborating with third parties for R&D or OEM businesses, Ennostar stipulates the terms to protect the confidential information and IP ownership in the written contracts drafted by the legal team or outside counsels.
- Confidential Information Management: the IT and Administration departments manage the IT security and access controls to control the information transmission. Ennostar also has training programs to raise colleagues' awareness of secrecy protection.
- Marketing and Promotion: the Marketing team conducts internal reviews of external materials to ensure that confidential information is not disclosed and that third-party copyrights and trademarks are properly respected.

#### E. Implementation Status

- The Management Plan has been presented to the board meeting on August 8, 2025.
- Ennostar Group's Patents Deployment: (updated: December 31, 2025).

	TW	US	CN	JP	KR	EU	Other	Total
Issued	2,159	1,911	1,181	313	225	220	15	6,024
Pending	268	228	244	16	35	47	0	838
Total	2,427	2,139	1,425	329	260	267	15	6,862

#### 2.3.11 Internal Control System Execution Status

The relevant information has been duly reported and filed on the Market Observation Post System (<https://mopsov.twse.com.tw/mops/web/index>) in accordance with applicable laws and regulations. Please refer to the Market Observation Post System > Single Company > Corporate Governance > "Internal Control" for further information.

#### 2.3.12 Important resolutions of the shareholder meeting and board meeting and state of implementation review from the most recent year up to the date of publication of the annual report.

1、2025 Annual General Meeting

(1) Recognition of the 2024 business report and financial statements

Status of implementation:

Resolved to approve that the consolidated operating revenue for 2024 is NT\$24,387,261 thousand, operating losses were NT\$1,624,264 thousand, net loss after tax was NT\$1,767,327 thousand, and loss per share was NT\$1.87.

(2) Recognition of the proposal for the 2024 loss compensation

Status of implementation:

The resolution was approved. The Company incurred a net loss after tax of NT\$1,385,074,015 for 2024. After taking into account the changes in actuarial gains and losses for 2024, the disposal of equity instruments measured at fair value through other comprehensive income, and the difference between the actual consideration received or paid and the carrying amount arising from the acquisition or disposal of equity interests in subsidiaries, the loss to be covered for the current year amounted to NT\$1,422,636,865, and it is proposed that such loss be offset against capital surplus—common share premium.

(3) Approved the amendments to partial provisions of the Articles of Incorporation

Status of implementation:

The resolution was approved and became effective on May 23, 2025.

(4) Approved the amendments to the “Handling Procedures for Loaning Funds to Other Parties”

Status of implementation:

The resolution was approved and became effective on May 23, 2025.

(5) Approved the lifting of the non-competition restriction imposed on Directors

Status of implementation:

Approved the lifting of non-competition restrictions imposed on Shuang-Lang Peng, and AUO For details, please refer to the minutes of the 2025 Annual General Meeting.

2、Board’ Meeting

Date of resolution	Important resolutions	Executive Summary
2025.02.21	<ol style="list-style-type: none"> <li>1. Assessment of the effectiveness of the internal control system for FY 2024 (ROC Year 113) and the Statement on the Internal Control System</li> <li>2. Proposal for the distribution of directors’ remuneration and employees’ remuneration for FY 2024 (ROC Year 113)</li> <li>3. Proposal regarding the Company’s FY 2024 financial statements and business report, and the FY 2025 operating plan</li> <li>4. Proposal for covering/offsetting accumulated losses</li> <li>5. Proposal for the Group’s FY 2024 capital expenditure budget downward adjustment and the FY 2025 capital expenditure budget</li> <li>6. Proposal to define the scope of the Company’s rank-and-file employees</li> <li>7. Proposal to amend certain articles of the Articles of Incorporation</li> <li>8. Proposal to amend certain provisions of the Procedures for Lending Funds to Others</li> <li>9. Proposal to grant permission for directors to engage in competing business</li> <li>10. Proposal regarding the date, venue, and convocation matters for the FY 2025 annual general meeting</li> </ol>	All matters are implemented in accordance with the resolutions of the meeting.

Date of resolution	Important resolutions	Executive Summary
	<p>of shareholders</p> <ol style="list-style-type: none"> <li>11. Proposal to amend certain provisions of the Audit Committee Charter, Compensation Committee Charter, Corporate Sustainability and Risk Management Committee Charter, Corporate Governance Best Practice Principles, and the Rules for Performance Evaluation of the Board of Directors and Functional Committees</li> <li>12. Proposal to engage an external institution to evaluate the performance of the Board of Directors</li> <li>13. Proposal for a Long-Term Incentive (LTI) plan for senior executives</li> <li>14. Proposal regarding directors' and managers' compensation for FY 2024.</li> <li>15. Proposal to grant variable year-end performance bonuses/awards to managers for FY 2024.</li> <li>16. Proposal to apply to financial institutions for additional and renewed credit facilities/lines</li> <li>17. Proposal for the merger of subsidiaries Epistar Corporation and Lextar Electronics Corporation</li> <li>18. Proposal for subsidiary Epistar Corporation to acquire from related party Ronly Venture Corporation the private equity interests in GCS Holdings, INC.</li> </ol>	
2025.05.09	<ol style="list-style-type: none"> <li>1. Proposal regarding the Company's financial statements for the first quarter of 2025.</li> <li>2. Proposal to distribute cash to shareholders from capital reserve</li> <li>3. Proposal for additional capital expenditure budget for subsidiary Epistar Corporation and its subsidiaries</li> <li>4. Proposal to cancel the syndicated credit facility with First Commercial Bank as the lead bank</li> </ol>	All matters are implemented in accordance with the resolutions of the meeting.
2025.05.23	<ol style="list-style-type: none"> <li>1. Proposal to distribute cash to shareholders from capital surplus</li> <li>2. Proposal for subsidiary Lighting Investment Ltd. to dispose of its shareholding in PlayNitride Inc.</li> </ol>	All matters are implemented in accordance with the resolutions of the meeting.
2025.07.04	Proposal for subsidiary Epistar JV Holding (BVI) Co., Ltd. to dispose of its equity interest in Bridgelux Optoelectronics (Xiamen) Co., Ltd.	All matters are implemented in accordance with the resolutions of the meeting.
2025.08.08	<ol style="list-style-type: none"> <li>1. Proposal regarding the Company's financial report for the second quarter of 2025</li> <li>2. Proposal to adjust the capital expenditure budget (increases and reductions)</li> <li>3. Proposal for subsidiary Wellybond Corporation to acquire equity in ProLight Opto Technology Corporation</li> <li>4. Proposal for subsidiary Lextar Electronics Corp. to participate in the cash capital increase of Wellybond Corporation</li> <li>5. Proposal to set the record date for the Company's name change and the share certificate exchange plan</li> <li>6. Proposal to abolish the Rules of Procedure for the Management Committee</li> </ol>	All matters are implemented in accordance with the resolutions of the meeting.

Date of resolution	Important resolutions	Executive Summary
	<ol style="list-style-type: none"> <li>7. Proposal to amend certain provisions of the Guidelines for the Supervision and Management of Subsidiaries</li> <li>8. Proposal to amend certain provisions of the Risk Management Policies and Procedures</li> <li>9. Proposal to renew the Company’s credit facilities with financial institutions</li> <li>10. Proposal to approve the Company’s 2024 Sustainability Report</li> <li>11. Proposal regarding senior executive personnel matters</li> <li>12. Proposal to remove a Company manager from his/her position</li> <li>13. Proposal on senior executive compensation policy</li> <li>14. Proposal to engage PwC Taiwan (PricewaterhouseCoopers Taiwan) as a consulting advisor on the IFRS Sustainability Disclosure Standards (ISSB)</li> <li>15. Proposal to appoint the Company’s Chief Financial Officer and Chief Corporate Governance Officer</li> </ol>	
2025.11.07	<ol style="list-style-type: none"> <li>1. Proposal to amend the Internal Control System and the Implementation Rules for Internal Audit</li> <li>2. Proposal regarding the Company’s FY 2026 audit plan</li> <li>3. Proposal regarding the Company’s financial report for the third quarter of 2025</li> <li>4. Proposal to evaluate the independence and suitability/competence of the signing CPA (external auditor)</li> <li>5. Proposal for subsidiary Ennostar Corporation to dispose of part of its shareholding in PlayNitride Inc.</li> <li>6. Proposal for the FY 2025 “Enhancing Corporate Value Plan”</li> <li>7. Proposal to approve permission for the Company’s managers to engage in competing business</li> <li>8. Proposal to recommend allocation ratios for directors’ remuneration and employees’ remuneration for FY 2026</li> <li>9. Proposal to amend certain provisions of the Guidelines for the Supervision and Management of Subsidiaries</li> <li>10. Proposal to amend certain provisions of the Sustainable Development Best Practice Principles</li> <li>11. (Extemporaneous Motions) Request the Company to propose a more effective cash utilization plan</li> </ol>	All matters are implemented in accordance with the resolutions of the meeting.
2026.03.06	<ol style="list-style-type: none"> <li>1. Proposal for the Evaluation of the Effectiveness of the 2025 Internal Control System and the Internal Control System Statement</li> <li>2. Proposal for Amendments to the “Internal Control System” and the “Detailed Rules for Internal Audit Implementation”</li> <li>3. Proposal for the Distribution of Directors’ Compensation and Employees’ Compensation for 2025</li> <li>4. Proposal for the Company’s 2025 Financial Statements, Annual Business Report, and 2026 Business Plan</li> <li>5. Proposal for the Appropriation of Losses</li> <li>6. Proposal for the Disposal of the Zhunan Plant and Its Ancillary Equipment by Subsidiary Ennostar Corporation</li> <li>7. Proposal for the Reduction of the Group’s 2025 Capital Expenditure Budget and the 2026 Capital Expenditure Budget</li> </ol>	All matters are implemented in accordance with the resolutions of the meeting.

Date of resolution	Important resolutions	Executive Summary
	<ol style="list-style-type: none"> <li>8. Proposal for the Participation by Subsidiary Ennostar Corporation in the Cash Capital Increase of Unikorn Semiconductor Corporation</li> <li>9. Proposal for the Transaction of Production-Related Equipment between Subsidiary Ennostar Corporation and Unikorn Semiconductor Corporation</li> <li>10. Proposal for the Change in the Use of Funds Raised through Private Placement</li> <li>11. Proposal for Partial Amendments to the “Sustainability &amp; ERM Committee Charter”</li> <li>12. Proposal for Partial Amendments to the “Remuneration Committee Charter”</li> <li>13. Proposal for Partial Amendments to the “Organizational Charter for Corporate Governance and Nominating Committee”</li> <li>14. Proposal for Amendments to the “Board Diversity Policy and Management Objectives”</li> <li>15. Proposal for the Number of Seats and Composition of the Third Board of Directors and Functional Committees</li> <li>16. Proposal for the Election of the Third Board of Directors and the Nomination of Director Candidates</li> <li>17. Proposal for the Approval of Non-Compete Restrictions for Director Candidates</li> <li>18. Proposal for Partial Amendments to the “Articles of Incorporation”</li> <li>19. Proposal for Partial Amendments to the “Acquisition or Disposal Procedures of Asset”</li> <li>20. Proposal for Partial Amendments to the “Supervision and Management of Subsidiaries”</li> <li>21. Proposal for the Adoption of the Group “Tax Management Policy”</li> <li>22. Proposal for the Date, Venue, and Agenda of the 2026 Annual General Meeting of Shareholders</li> <li>23. Proposal for the Renewal of Credit Facilities with Financial Institutions</li> <li>24. Proposal for the Long-term Incentive Compensation Plan for Senior Executives</li> <li>25. Proposal for the 2025 Compensation of Directors and Managers</li> <li>26. Proposal for Amendments to the Rules Governing the Distribution of Fixed Compensation and Variable Remuneration for Directors</li> <li>27. Proposal for the Approval of Non-Compete Restrictions for Managers</li> <li>28. Proposal for the Acquisition of Equity Interest in AUO Corporation by Subsidiary Ennostar Corporation</li> </ol>	

**2.3.13 From the most recent year up to the date of publication of the annual report, if board directors or supervisors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None.**

## 2.4 Information of CPA audit fee

Unit: Thousands of NTD

CPA Firm	Name of CPA	Audit period	Audit fee	Non-audit fee	Total
PwC Taiwan	Tien-Yi Li Chien-Hung Chou	2025.01.01~ 2025.12.31	10,622	3,316	13,938

Note 1: Non-audit fees consisted primarily of fees for transfer pricing documentation (three-tier documentation), advisory services, and PRC investment filing services.

Note 2: If the audit fee of the year is less than that of the previous years after changing CPA firm, then the audit fee before and after the change and the reason for change shall be disclosed: Not applicable.

Note 3: If the audit fee is less than that of the previous year by over 10%, then the less amount of audit fee, its proportion, and the reason shall be disclosed: Not applicable.

## 2.5 Replacement of CPAs: None.

## 2.6 Information on the company's chairman, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None.

## **2.7 Changes in the transfer or pledge of shares by directors, managers, and shareholders holding over 10% of the shares**

The relevant information has been duly reported and filed on the Market Observation Post System (<https://mopsov.twse.com.tw/mops/web/index>) in accordance with applicable laws and regulations. Please refer to the Market Observation Post System > Single Company > Shareholding Changes > “Post-Reporting Form for Changes in Insider Shareholdings” for the relevant information.

## 2.8 Information on the relationship among the top 10 shareholders

No.	Name	Shares Held		Shares held by spouse and minors		Shares held in the name of others		Name and relationship between Ennostar's shareholders.	
		Number of shares	%	Number of shares	%	Number of shares	%	Name (Name)	Relationship
1	AUO Corporation	93,568,898	12.68%	NA	NA	NA	NA	Note 2	None
	Representative: Shuang-Lang Peng	250,000	0.03%	0	0.00%	0	0.00%		None
2	Ronly Venture Corp.	20,686,050	2.80%	NA	NA	NA	NA	Note 2	None
	Representative: Shuang-Lang Peng	250,000	0.03%	0	0.00%	0	0.00%		None
3	Konly Venture Corp.	16,413,457	2.22%	NA	NA	NA	NA	Note 2	None
	Representative: Shuang-Lang Peng	250,000	0.03%	0	0.00%	0	0.00%		None
4	Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	8,267,740	1.12%	NA	NA	NA	NA	None	None
5	Taiwan Life Insurance Co., Ltd.	7,618,000	1.03%	NA	NA	NA	NA	None	None
	Representative: Hsu,Shu-Po	0	0%	0	0.00%	0	0.00%	None	None
6	Taishin International Bank (as Trustee) — Ennostar Inc. Short-term Project Employee Stock Ownership Trust (ESOT) Property Account	7,489,237	1.01%	NA	NA	NA	NA	None	None
7	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	7,234,726	0.98%	NA	NA	NA	NA	None	None
8	Zeng, Wan-Ting	6,811,000	0.92%	NA	NA	NA	NA	None	None
9	Polunin Developing Countries Fund, LLC	6,157,000	0.83%	NA	NA	NA	NA	None	None
10	Taishin International Bank (as Trustee) — Ennostar Inc. Employee Stock Ownership Trust (ESOT) Property Account	5,791,092	0.78%	NA	NA	NA	NA	None	None

Note 1: Prior to the date of report publication, stock transfer has not been closed. The above table shows the number of shares owned and total issued shares based on the most recent stock transfer closure date which is Sep 15, 2025

Note 2: Ronly Venture Corp. and Konly Venture Corp. are 100% owned subsidiaries of AUO Corporation. Chairman for the 3 companies is Mr. Shuang-Lang Peng.

**2.9 The total number of shares and total equity stake held in any single enterprise by the Company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company.**

December 31, 2025

Non-consolidated affiliates	Ownership by Ennostar		Ownership by directors, supervisors, managers and directly/indirectly owned subsidiaries		Total ownership	
	Number of shares	Percentage %	Number of shares	Percentage %	Number of shares	Percentage %
Ennostar Corporation	1,207,079,188	100	0	0.00	1,207,079,188	100
Lextar Electronics Corp.	514,916,380	100	0	0.00	514,916,380	100
Harvestar Investment Corp.	144,000,000	100	0	0.00	144,000,000	100
Calystar Investment Corp.	71,355,925	100	0	0.00	71,355,925	100
*Tyntek Corporation (TWSE: 2426)	23,799,000	7.92	27,689,000	9.21	51,488,000	17.13
*GCS HOLDINGS, INC. (TPEX: 4991)	9,028,000	7.93	19,033,000	16.72	28,061,000	24.65
*LEADSTAR Micro-Crystal Display Corporation (JiangSu)Ltd.	RMB 100,900,000	25.23	RMB 72,433,300	18.10	RMB 173,333,300	43.33

\*Note: Long-term investments made by the Company with the equity method.

### 3. Capital Overview

#### 3.1 Capital and shares

##### 3.1.1 Source of capital

Unit: NTD

Year/ Month	Issued Price (Face value per share)	Authorized capital		Paid-in capital		Notes		
		Number of shares (Thousand shares)	Amount (Thousand NTD)	Number of shares (Thousand shares)	Amount (Thousand NTD)	Source of capital	Substitution of capital stock with assets other than cash	Others (Note)
2021.01	10	1,500,000	15,000,000	685,953	6,859,527	Organization re-group of EPISTAR and Lextar Electronics	None	2
2021.06	10	1,500,000	15,000,000	685,251	6,852,515	Cancellation of restricted stock awards	None	3
2022.03	10	1,500,000	15,000,000	684,784	6,847,840	Cancellation of restricted stock awards	None	4
2022.07	10	1,500,000	15,000,000	754,784	7,547,840	Cash capital increase to issue private placement common stock	None	5
2023.10	10	1,500,000	15,000,000	752,940	7,529,405	Cancellation of treasury shares of dissenting shareholders	None	6
2024.08	10	1,500,000	15,000,000	737,940	7,379,405	Cancellation of repurchased treasury shares	None	7

Note 1: The above information is as of the date of the annual report publication.

Note 2: On 2021/01/06, Jing-Shang-Zi No. 10901160930.

Note 3: On 2021/06/09, Jing-Shang-Zi No. 11001096380.

Note 4: On 2022/04/18, Jing-Shang-Zi No. 11101055630

Note 5: On 2022/08/19, Jing-Shang-Zi No. 11101143120

Note 6: On 2023/12/05, Jing-Shang-Zi No. 11230219090

Note 7: On 2024/10/15, Jing-Shang-Zi No. 11330159440

Unit: Shares

Types of shares	Authorized capital (Are shares of listed companies)		
	Outstanding shares (Note)	Unissued shares	Total
Common shares	737,940,460	762,059,540	1,500,000,000

Note: Said information refers to that available until the date of publication, including the treasury stock held by subsidiaries, totaling 1,282,377 shares, and the Private placement common stock for a capital increase of 70,000,000 shares on 2022/7/8.

Shelf Registration in Taiwan: Not applicable.

### 3.1.2 List of major shareholders

Unit: Shares

Name of major shareholders	Shares	Number of shares held (shares)	Shareholding percentage (%)
AUO Corporation		93,568,898	12.68%
Ronly Venture Corp.		20,686,050	2.80%
Konly Venture Corp.		16,413,457	2.22%
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		8,267,740	1.12%
Taiwan Life Insurance Co., Ltd.		7,618,000	1.03%
Taishin International Bank (as Trustee) — Ennostar Inc. Short-term Project Employee Stock Ownership Trust (ESOT) Property Account		7,489,237	1.01%
Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds		7,234,726	0.98%
Zeng, Wan-Ting		6,811,000	0.92%
Polunin Developing Countries Fund, LLC		6,157,000	0.83%
Taishin International Bank (as Trustee) — Ennostar Inc. Employee Stock Ownership Trust (ESOT) Property Account		5,791,092	0.78%

Note 1: As of the publication date of the Annual Report, the suspension of share transfer registration has not yet commenced; therefore, the shareholding information in the above table is presented based on the most recent record date for suspension of share transfer registration (September 15, 2025).

### 3.1.3 Dividends policy and implementation

(1) Dividends policy

Considering the characteristics of the industry where the Company operates, the earnings are distributed annually. Based on factors such as the Company's current and future development plans, investment environment, capital demand, and domestic and foreign competition conditions, while taking shareholders' interests and capital adequacy ratio into account, it is determined by the Board of Directors. The principle is 10% to 80% of the after-tax profit of the concerned year, and the proportion of cash dividend distribution to shareholders shall not be less than 10% of the total dividends distributed.

(2) The stock grants proposed by the Board of Directors

date: February 28, 2026 Unit: NTD

Shares Year	Resolution of Board of Directors Approved the dividend distribution date	Shareholders dividend		
		Cash dividend	Capital surplus Cash distribution	Stock dividends from earnings
2024	2025.05.09	0 (NTD 0 per share)	664,146,414 (NTD 0.9 per share)	0 (NTD 0 per share)
2025	2026.03.06	0 (NTD 0 per share)	0 (NTD 0 per share)	0 (NTD 0 per share)

(3) Expected dividend policy will have a significant change in circumstances: None.

### 3.1.4 The effect of the stock dividends proposed at the shareholders' meeting on the Company's business results and earnings per share: Not applicable.

### 3.1.5 Profit sharing remuneration for employees and directors

(1) The percentage and scope of the employees, directors, and supervisor's remuneration as stated in

the Company's Articles of Incorporation

Item	Percentage and scope
Employees remuneration	Depending on the profit status for the current fiscal year, the Company will set aside 0.1%~15% for employee remuneration; The employee remuneration can be paid in the form of stock or cash, and the recipient of the payment includes employees of subordinate companies qualifying the conditions. Of the employee compensation amount distributed pursuant to the preceding paragraph, not less than 20% shall be allocated to non-managerial employees.
Directors remuneration	Depending on the profit status for the current fiscal year, the Company will set aside 2% as the director's remuneration; The director's remuneration can only be paid in the form of cash.

Note: The employee and director remuneration shall be approved by majority of the directors in a meeting attended by two-thirds or more of all directors, and the resolution shall be reported to the shareholder's meeting.

- (2) The estimate basis for the estimates of employees' and directors' remuneration of the current period (2025) is based on the calculation basis for the number of shares for the distribution of the shares as employees' remuneration and the appropriation in accounting when there are differences between the actual distributed amount and the estimated amount.

The basis for the estimate of the employee's and director's remuneration and fees is the board will formulate according to the Company's articles of incorporation and the laws and regulations, and reference standards by industry peers. If the board decides to pay employee remuneration in the form of stock, the number of stocks shall be calculated based on the remuneration amount decided at the board meeting divided by the closing price one day before the board decision. If the Board of Directors subsequently modifies the estimates significantly, the Company will recognize the change as an adjustment in the profit or loss in the subsequent period. The difference between the estimation and the resolution of the shareholders' meeting will be recognized in profit or loss in the subsequent year.

- (3) 2025 State of the remuneration distribution approved by the Board of Directors

Unit: NTD

Item	Account estimate		Board of Directors resolution (2026.03.06)		difference number
	%	Amount	%	Amount	
Directors' compensation (cash)	0%	0	0%	0	0
Employees' compensation (cash)	0%	0	0%	0	0
Total		0		0	0

- (4) 2024 State of the actual distribution of directors' and employee's remuneration:

Unit: NTD

Item	Board of Directors resolution (2025.02.21)	difference number	Reason
Directors' compensation (cash)	0	0	None
Employees' compensation (cash)	0	0	None
Total	0	0	None

**3.1.6 Status of re-purchase of the Company's shares: None.**

**3.2 Issuance of Corporate Bonds: None.**

**3.3 Preferred Shares:** None.

**3.4 Issuance of Overseas Depositary Shares:** None.

**3.5 Status of Employee Stock Option Plan:** None.

**3.6 Status of New Restricted Employee Shares:** None.

**3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions:** None.

**3.8 Financing Plans and Implementation:**

The Company has reported the information to the MOPS (<https://mopsov.twse.com.tw/mops/web/index>); please refer to the information under MOPS > Investment Section > the “Private Placement Section.”

## 4. Operational Overview

### 4.1 Business Activities

As used herein, “the Company” or “Ennostar Group” refers to Ennostar Inc. and its subsidiaries.

#### 4.1.1 Business Highlight and Growth Strategy

1. One Ennostar to Improve the Corporate Fundamentals  
Ennostar Group has initiated organizational and resource adjustments aimed at improving operating efficiency and capital utilization. The Group is advancing three core strategies—efficiency, cost discipline, and streamlining—to strengthen financial soundness and corporate resilience, ensuring sustained competitiveness amid rapid market changes.
  - (1) Improve efficiency: Standardized management and operation optimization  
Ennostar Group integrated its internal resources to promote a unified operating standard that covers human resources, administration and the operating procedures of each department so as to achieve standardized management and reduce the communication costs due to system differences. Over the long term, such measures will significantly improve operating efficiency, reduce operating expenses, and further increase the net profits of the company.
  - (2) Precise expenditure reduction: Focus on the core sites and strengthen cost control  
Ennostar Group conducts performance evaluations on its global production sites and concentrates resources at key sites to improve asset utilization efficiency. This not only improves production flexibility but also significantly strengthens cost-control capabilities, thereby enhancing the Group’s competitive advantages in the market.
  - (3) Strategic streamlining: Focus on core technologies and improve capital efficiency  
Ennostar Group implemented streamlining initiatives across both its business operations and financial structure. Through resource integration and a focus on technology development and capacity expansion for high-value-added products, the Group aimed to further improve its return on invested capital and after-tax net profit margin, reinforce its financial foundation, and better position itself to respond to market challenges.
    - A. Business Focus: Concentrate on core optoelectronic technologies and gradually divest equity investments that do not align with strategic benefits to activate assets and improve the financial structure. Reallocate capital toward high value-added emerging markets—including automotive, advanced displays, intelligent sensing, and AI optical communications—to enhance long-term operating performance and asset efficiency.
    - B. Financial Optimization: Continue to strengthen cost control and rigorously review capital and operating expenditures to improve operating cash flow and reduce losses, ensuring a more robust financial structure.
2. The “Dual-Strategy Approach” Focuses On “3+1” High-Value Application Markets to Drive the Transformation  
Ennostar Group has outlined its five-year development blueprint centered on its “Dual-Strategy Approach.” Through the concurrent execution of “Solution Value-Added” and “Field Value-Added” initiatives, the Group aims to enhance product value-add and profitability, strengthen its competitive position in the optoelectronic industry, and advance toward becoming a comprehensive optoelectronic solution provider, driving the enterprise into a new phase of growth.
  - (1) Solution Value-added Approach: Integrate resources and build comprehensive and customized solutions  
Ennostar Group integrated upstream, midstream, and downstream resources and leveraged its strengths in key technologies and system-level integration—from component development through module engineering to algorithm optimization—to deliver end-to-end, fully customized solutions for customers. These capabilities enabled the Group to address diverse market requirements comprehensively and enhance the application value and competitiveness of its products.
  - (2) Field Value-added Approach: Focus on the “3+1” high value-added fields and expand the application scenarios

Ennostar Group focuses on the “3+1” high value-added fields to actively explore markets with high growth and expand the application scope of optoelectronic technologies:

- A. Automotive: Promote the development of automotive lighting, automotive display, and automotive smart sensing technology and deepen the smart applications of vehicles.
- B. Advanced display: Expand into Micro LED, Mini LED, and high-end display technologies to improve image quality and efficiency performance.
- C. Smart Sensing: Develop biometrics, environmental sensors, and industrial automation applications to assist customers in upgrading the intelligence level of their products.
- D. “+1” Emerging Market: Cover optical communication, III-V solar cells with high conversion efficiency, robot automation, and other advanced technologies to improve growth momentum in the future.

#### 4.1.2 Scope of business

##### 1. Main scope of business

As a company focused on the optoelectronic semiconductor sector, Ennostar Group leverages advanced technologies and a fully integrated supply chain to actively expand into high-growth markets. Our core business spans epitaxial wafers, chips/dies, packaging, and modules. We continuously strengthen technological innovation to drive product and application upgrades, enhancing our market competitiveness. The primary business fields include:

##### (1) R&D, manufacturing, and sales of epitaxial wafers and chips

Ennostar Group holds a leading edge in high-brightness and high-performance LED epitaxial wafer and chip technologies. Our products are widely applied across automotive, advanced displays, smart sensing, and new emerging market:

- A. AlGaInP epitaxial wafers and chips: Used in high-brightness LED lighting and display technologies, delivering stable luminous efficacy.
- B. InGaN epitaxial wafers and chips: High-efficiency emission technology broadly adopted in automotive, backlighting, display, and lighting markets.
- C. AlGaAs infrared (IR) epitaxial wafers and chips: Applied in biometrics, 3D sensing, and industrial inspection.
- D. AI optical communications and high-speed light sources (high-speed Micro LED, VCSEL, CW-DFB LD) to strengthen competitiveness in the optical communication market.

##### (2) R&D, manufacturing, and sales of packaging and modules

Ennostar Group is committed to providing high-performance LED packaging and module technologies for automotive, display, and sensing applications. Key products and applications include:

- A. Automotive optoelectronic solutions
  - a. Interactive Intelligent Signal Display (ISD) and automotive exterior matrix displays leverage high-brightness, high-contrast LED technologies to serve as safe and design-forward external human-machine interfaces.
  - b. Mini LED backlighting featuring patented Mini LENS design offers ultra-thin, high-brightness display modules that outperform traditional OLED.
  - c. Micro LED transparent displays deliver high transmittance and high brightness, enabling more possibilities for future smart cockpits.
  - d. Automotive lighting LEDs cover headlights, daytime running lights (DRL), ambient lighting, instrument cluster lights, reading lights, door lights, trunk or compartment lights, tail lights, and signal lights.
  - e. Automotive intelligent sensing includes the development of low red-glowing

- IR components for driver monitoring systems (DMS).
- B. Advanced display optoelectronic solutions
    - a. Micro LED display technology continues to evolve and is being introduced into smart wearables, automotive, high-end TVs, and transparent displays.
    - b. Mini LED display technology is steadily growing in gaming and public information display (PID) markets and has already entered the supply chains of multiple international brands.
  - C. Smart sensing optoelectronic solutions
    - a. Biosensing technologies, with chips and packages widely used in wearables, enabling heart-rate, blood-oxygen, hydration monitoring, and AR/VR eye-tracking applications.
    - b. Industrial automation and AI sensing provide 1D/3D red and IR optical sensors and encoders for industrial inspection, optimizing robotics and drone applications.
  - D. “Photonic solutions for “+1” emerging market
    - a. AI optical communications and co-packaged optics (CPO) light sources layout, developing 50–100 Gbps PAM4 VCSELs and collaborating with ecosystem partners to advance silicon photonics.
    - b. High-conversion-efficiency III-V solar cells: Achieving approximately 50% higher power-generation efficiency versus silicon-based solar cells.
    - c. Professional lighting technologies, including human-centric lighting and horticultural lighting, and collaborating with major European and U.S. brands to expand the market.

2. Operating Proportion in 2025

Unit: NT\$ thousand

Item	Sales amount	% of sales
Chip/wafer	13,618,296	61.39
Packaging and Module	7,695,175	34.69
Others	869,344	3.92
Total	22,182,815	100.00

Note: consolidated entity

3. Current products (services) items

The Group’s main products currently include “Epitaxial Wafers and Chips” and “Packaging and Modules,” as outlined below:

(1) Epitaxial Wafers and Chips

Product categories are classified by emission color and material system as follows:

Emission Color		Material	Product Types
High Brightness	Red	AlGaInP	Epitaxial wafers & chips
	Orange		
	Yellow		
	Yellow-Green		
	Green	InGaN	
Blue			
UV		AllnGaN	
Infrared		AlGaAs	

(2) Packaging and Modules

Product categories are classified by application as follows:

- A. Packaged components, modules, and finished products for automotive lighting applications
- B. Packaged components and modules for automotive backlighting applications
- C. Packaged components and modules for display backlighting applications

- D. Packaged components, modules, and finished products for professional lighting applications
  - E. Packaged devices and modules for sensing applications (LED, VCSEL, PD)
  - F. Packaged components and modules for RGB LED display
4. New Products (Services) Planned to be Developed
- (1) Optoelectronic semiconductor epitaxial wafers, chips (dies), packaging, and modules
  - (2) Light emitters and photodiodes (PD) for optoelectronic semiconductor applications in the three core domains: automotive, advanced displays, and smart sensing
  - (3) Light emitters and photodiodes (PD) for AI optical communications and professional lighting applications

### 4.1.3 Industry Overview and Development

1. Global LED Market Overview and Outlook

Taiwan’s LED industry boasts a comprehensive supply chain and leading process technologies, holding a pivotal role in display, lighting, automotive, sensing, and optical communications. In recent years, with the advancement of high-end display technologies such as Micro LED and Mini LED, Taiwan’s LED sector has actively positioned itself in high value-added markets to strengthen competitiveness and increase market penetration. Compared with OLED, Micro LED offers advantages in brightness, energy consumption, response speed, lifespan, and contrast. As production costs and technical bottlenecks are progressively addressed, Micro LED is gradually entering mass production. Overall, as technology, quality, and cost converge toward market requirements, Micro LED is expected to become the mainstream next-generation display technology. Moreover, driven by global economic recovery and the upgrading of technology applications, the scope of LED applications continues to expand—covering emerging fields such as automotive lighting and displays, smart sensing, AI optical communications, advanced display technologies (Micro/Mini LED), and biomedical and medical sensing—driving industrial upgrades and growth.

Ennostar Group is focused on “3+1” high value-added domains, covering three primary application markets—automotive, advanced displays, and smart sensing—alongside “new emerging applications” with long-term growth momentum.

(1) Automotive

Including three areas: automotive lighting, automotive displays, and automotive sensing.

A. Automotive Lighting:

In 2025, the global automotive LED lighting market is expected to continue steady growth. Key market drivers include higher energy efficiency and longer lifespan versus traditional halogen/xenon lamps, along with full-vehicle energy-saving needs. The rapid expansion of the EV market also accelerates adoption of high-efficiency LED lighting systems. As advanced driver assistance systems (ADAS) and autonomous driving technologies become mature, intelligent lighting solutions such as adaptive driving beam (ADB) and matrix LED are becoming mainstream design trends, improving nighttime driving safety and visual perception.

For LED headlamps, matrix and pixel-array LED headlamps enable localized dimming to prevent glare for oncoming drivers, while enhancing nighttime visibility and safety. High-pixel LED headlamps provide finer beam control, offering greater flexibility in beam adjustment and obstacle recognition—one of the key technical focus areas for 2025. In tail and signal lighting, RGB Mini LED tail-lamp systems are emerging as a new design trend, providing richer signaling and higher recognizability. Smart-cockpit lighting is also diversifying, with rapid penetration of interior ambient lighting, dynamic welcome lights, and reading lights, enhancing cabin comfort and human-machine interaction.

B. Automotive Displays:

In 2025, growth in automotive LED display applications will be driven by increased demand for multi-display configurations, in-vehicle infotainment (IVI) systems, digital instrument clusters, and high-end head-up displays (HUD). In-cabin displays have evolved from a single instrument panel or central screen into a multi-screen ecosystem with interactive interfaces and high-resolution display hubs—particularly

propelled by EVs and smart in-vehicle systems.

Mini LED backlighting and local-dimming technologies have begun to be adopted in select models since 2025 (e.g., NIO, GM, BYD), reflecting OEMs' preference for LED-based solutions to enhance display brightness and dynamic range. Automakers are actively planning Mini LED displays featuring high HDR, local dimming, and power-saving advantages. Micro LED display technology is also gaining industry attention and has potential to become a primary choice for in-vehicle transparent displays.

C. Automotive Sensing:

As autonomous driving and ADAS continue to advance, sensing technologies are becoming a key driver of smart cockpits. In-cabin sensing modules not only monitor driver behavior and environmental conditions but, when integrated with display systems, also enhance interactivity and safety—forming an important growth engine for mid-to-large display panels and sensing modules.

In smart cockpits, sensors such as ambient-light sensing, gesture recognition, and eye-tracking can capture driver and passenger behavior in real time, dynamically adjusting information presentation—for example, brightness control or adaptive interface design—to enable more intuitive and safer human-machine interaction. HUD systems leverage sensing data from forward-facing cameras and radar to integrate real-time information—such as speed, navigation, distance warnings, and pedestrian recognition—and transform these sensing results into tools that support driver decision-making, significantly enhancing driving safety and convenience.

(2) Advanced Displays

A. Micro LED

In 2025, Micro LED display applications remain in the pre-commercialization phase, which keeps market development centered on high value-added use cases, while the most mature deployments are large-format tiled video walls and commercial displays, including executive meeting rooms, command centers, retail/showcase installations, and high-end residential settings. Looking ahead, Micro LED displays are projected to further expand their penetration into a wide range of markets—from large-format displays and wearables to automotive and near-eye displays. Driven by process optimization and yield improvements, large tiled displays and high-brightness modules are taking the lead in commercialization and becoming key growth drivers. Demand in wearables (including smartwatches) and in-vehicle displays is also gradually rising, scaling the market and deepening adoption. Despite the challenge of high costs, Micro LED's advantages in brightness, durability, and energy efficiency provide differentiated competitiveness in outdoor display and other niche segments. In addition, horizontal expansion into non-display fields such as optical interconnects are helping extend the overall industry value chain.

B. Mini LED Applications Market

In 2025, Mini LED backlighting continues to play a pivotal role in the display market, especially driven by steady demand in TVs, gaming monitors, and automotive displays. With high brightness, superior contrast, and local-dimming capabilities, Mini LED backlights retain cost competitiveness in large-screen LCD TVs and offer clear differentiation from OLED in both price and specifications. As brands manufacturers drive technology upgrades and cost optimization, backlight technology is entering a "2.0 era." On the supply side, LED die and panel makers are reducing system-level costs through vertical integration, ensuring a stable supply for backlight and display applications.

Although overall demand in the global TV market remains flat in 2025, Mini LED TVs continue to strengthen on the back of consumer demand for larger sizes and premium specifications. Samsung is aggressively launching multiple Mini LED TV models to expand its mid-to-high-end portfolio; Chinese brands such as TCL and Hisense are steadily increasing shipments in North America and Europe, significantly boosting penetration; Xiaomi, leveraging brand recognition and affordably positioned offerings, is rapidly opening the China market and driving the popularization of low-zone-count Mini LED backlit TVs. International brands including Samsung, TCL,

Hisense, and Sony are also rolling out high-end RGB Mini LED backlit TVs which, beyond high brightness and high contrast, further enhance color-gamut performance—achieving BT.2020 coverage above 95%, even surpassing OLED’s typical 80–90%. This enables LCD to compete not only on cost but also on specifications.

Meanwhile, the Mini LED direct-view market in 2025 continues to move toward higher resolution and professional/commercial applications, with a focus on fine pixel pitch below 1.5 mm and COB (chip-on-board) as the mainstream packaging technology. Benefiting from enterprise digitalization, smart-city projects, and the visualization of public information, demand for Mini LED direct-view displays is rising, with growing penetration in conference rooms, control centers, command and dispatch hubs, exhibition/showcase venues, and premium commercial spaces. Compared with traditional SMD-based displays, Mini LED direct-view solutions deliver greater brightness uniformity, higher contrast, and improved reliability, effectively reducing dead-pixel rates and maintenance costs—clear advantages in long-duration, high-stability scenarios. On the supply side, Chinese LED display manufacturers continue to expand capacity, pushing prices downward and accelerating market adoption. However, intense price competition is prompting vendors to differentiate through module integration, system-level design, and after-sales services to maintain margins and competitiveness.

(3) Smart Sensing Market

Using infrared LEDs (IR LEDs) as active light sources, stable demand persists across applications such as security surveillance, CCTV night vision, human presence and motion sensing, and biomedical/health monitoring. Growth in professional systems is expected to offset some of the downturn pressure in consumer products, further lifting overall IR LED demand.

On the end-market side, automotive sensing (e.g., night vision and driver monitoring systems), industrial automation, and consumer electronics (including facial recognition and gesture sensing) are the primary growth drivers. Technologically, some vendors have launched products featuring high radiant intensity and miniaturized packages to support emerging applications such as VR/AR, eye tracking, and physiological sensors, expanding the technical boundaries of IR LEDs.

Overall, IR LED dies for sensing applications continue to post steady growth. As smart devices proliferate and security monitoring penetration rises, both market scale and technological sophistication are increasing, demonstrating long-term development resilience and potential.

(4) “+1” Emerging Market

In 2025, the global market for optical-communication light sources continues to be driven by strong demand from AI data-center high-speed interconnects and cloud infrastructure upgrades, with notable growth in high-performance laser sources and silicon-photonics light sources. Demand for high-speed optical transceivers—particularly 800 Gbps and above—is surging, resulting in short-term supply bottlenecks for upstream laser sources. Among these, lead times for CW-DFB lasers and EMLs (electro-absorption modulated lasers) have reportedly extended into 2027 and beyond, underscoring tight supply-demand conditions.

From a technology perspective, co-packaged optics (CPO) is expected to gradually enter mass production in 2026, accelerating the shift from copper to optical interconnects within data centers. This will not only boost bandwidth and energy efficiency but also spur demand for related light sources and passive optical components. Regionally, North America and Asia-Pacific show strong momentum due to the expansion of data-center clusters and upgrades to 5G and future networks, with particularly high growth in silicon photonics and high-speed optical interconnect solutions.

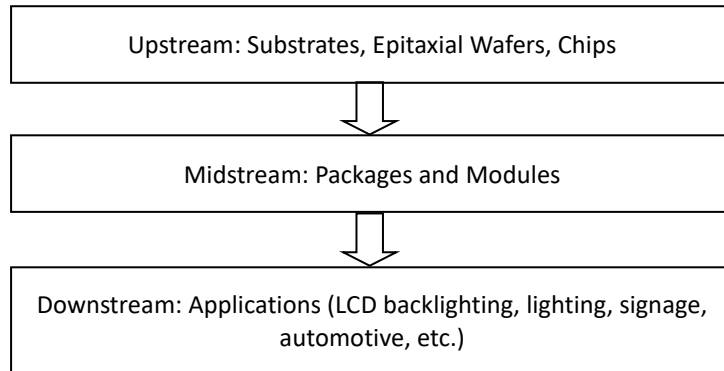
Overall, in 2025 the optical-communication light-source market faces concurrent supply tightness and technological upgrades. Products are evolving from traditional modules toward highly integrated optical-interconnect light sources, laying a critical foundation for commercial all-optical networks and AI-grade high-speed interconnect

architectures.

2. Upstream–Midstream–Downstream Relationships in the Industry

The overall LED industry can broadly be segmented by process into upstream manufacturing of substrates (Substrate), epitaxial wafers (Epi Wafer), and chips (Chip); midstream packaging and module manufacturing; and downstream application industries, as illustrated in the figure below.

LED Industry Structure



Source: Ennostar Inc. (March 2026)

LED Introduction:

Industry	Product	Process Description
Upstream (Epitaxy)	Substrates Epitaxial Wafers	The fabrication method involves growing one or more epitaxial layers on a single-crystal substrate. Through chemical reactions and bonding, an epitaxial wafer composed of multiple chemical elements is formed.
Upstream (Chips)	Chips	Metal evaporation is performed on the epitaxial wafer to form the two metal electrodes (anode and cathode) of the LED. Photolithographic masking and etching, followed by thermal treatment (annealing), are then carried out on the epi wafer. The substrate is subsequently thinned and polished, and finally scribed/diced and cleaved to singulate individual LED dies.
Midstream (Packages)	Packages	The midstream segment is primarily engaged in packaging, with traditional processes including die attach, wire bonding, dicing or stamping/forming, testing, and final packing. LED die packages, depending on the packaging technology, come in the following component types: Lamp (through-hole LED) · Digit Display (seven-segment LED) · Dot Matrix (matrix LED) Surface Mount (SMD LED).
Midstream (Modules)	Backlight-Module Automotive-Lighting-Module	Integrating display components, sensors, driver ICs, and other electronic parts onto a single substrate (e.g., a printed

Industry	Product	Process Description
	RGB Display	circuit board, PCB) enables the basic functionality of electronic devices.
Downstream (End Products)	Automotive TV Computer Smartwatch Data Center	By integrating module-form products such as backlight modules and sensing modules with mechanical components and final product housings/form factors, the finished product is delivered for direct end-consumer use.

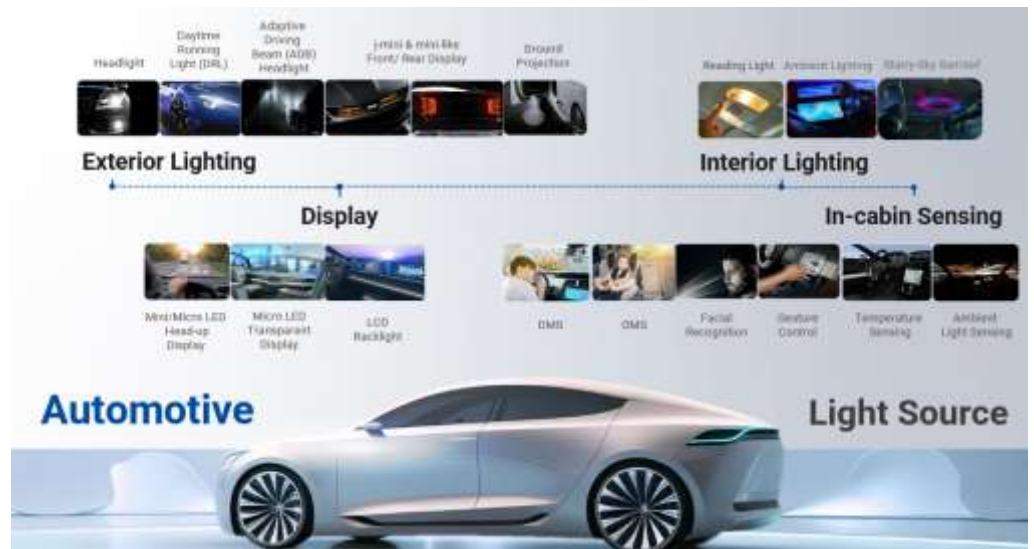
Source: Ennostar Inc. (March 2026)

### 3. 3LED Application Markets and Development Trends

#### “3+1” High Value-Added Application Markets and Development Trends

The Group is committed to developing “3+1” high value-added application markets, comprising three primary segments—automotive, advanced displays, and smart sensing— together with a “new domain” that offers long-term growth potential.

#### (1) Automotive



#### A. Automotive LED lighting

LEDs—enabled by their long lifetime, energy efficiency, high brightness, and instantaneous response—have become core elements in automotive interior and exterior design. Automotive LED lighting has expanded from high-end models to mainstream mid-tier vehicles and is increasingly standard equipment. Premium models are jointly developed with lamp manufacturers to introduce projection-type and matrix headlamps, enhancing road illumination and human–vehicle communication functions, and driving medium-to-long-term growth opportunities for high-power LEDs and Mini LEDs.

The automotive LED lighting market can be broadly categorized into headlamps, interior indicator lights, and exterior signal lights.

##### a. Automotive Headlamps :

LED headlamp technology focuses on enhancing illumination performance, energy efficiency, and intelligence. Adaptive Driving Beam (ADB) and laser headlamps are becoming mainstream, automatically adjusting the lighting range based on environmental sensing to improve driving safety. Current key development points include:

- Matrix LED: Mainstream designs feature 12–100 LEDs. Going forward, 100-pixel solutions are expected to replace the current 84-pixel designs, enabling finer road illumination and glare-free high beam
- Micro LED pixel arrays: By introducing Micro LED pixel arrays, pixel counts can be increased to around 100,000, delivering precise digital control and flexible beam shaping to meet regional regulatory and safety requirements
- Intelligent headlamps: Through individually controlling high-performance LEDs, the nighttime field of view is expanded and forward obstacle recognition is enhanced, providing a safer driving experience

b. In-Cabin Indicator Lighting:

The evolution of smart cockpits is pushing in-vehicle LED lighting toward multi-scenario, personalized, and intelligent solutions. Key application areas include :

- Ambient lighting: Creates an immersive driving experience with adjustable colors and flexible lighting effects.
- Reading lights: Soft illumination that enhances cabin comfort.
- Door-lock and storage-compartment lighting: Improves convenience for nighttime operation.
- Footwell lighting: Enhances nighttime driving safety.
- Innovation: Intelligent ambient lighting integrated with driver ICs enables synchronized responses with in-vehicle systems, precise color reproduction, and high refresh rates to meet smart-vehicle requirements.

c. Automotive Exterior Signal Lights:

Exterior LED lighting plays an important role in enhancing driving safety, information communication, and aesthetics. The main types include:

- Turn signals and tail lamps: Clearly convey driving intent and enhance safety.
- Brake lights and reverse lights: Instantaneous response that reduces rear-end collision risk.
- Fog lamps and daytime running lights (DRLs): Improve visibility in adverse weather conditions.
- Warning lights: Provide effective alerts for emergency vehicles.
- Design and technological innovations:
  - Continuous light-bar tail lamps, Mini LED tail lamps, and OLED-like tail lamps: Leverage high design freedom to integrate dynamic displays, information signaling, and aesthetics.
  - Mini LED tail-lamp technology: Using metal traces and flexible substrates to achieve ultra-high-density arrays and zonal lighting control, enabling more diverse styling and functional expression while further enhancing vehicle recognizability and brand value.

The automotive LED lighting market, driven by technological innovation, intelligent upgrades, and energy efficiency and environmental protection, will continue to set new benchmarks for vehicle design and driving safety, becoming a key cornerstone of smart mobility.

B. Automotive Displays

a. Automotive Back-Lighting Display

As in-cabin digitization accelerates, vehicles are adopting more—and larger—LCD panels across a wide range of applications, including instrument clusters, center-stack displays, passenger-side displays, rear-seat entertainment, digital rearview mirrors, and head-up displays (HUD).

Automotive display technology is evolving toward higher resolution, higher brightness, wider color gamut, lower power consumption, and thinner/lighter form factors. This trend further increases the LED count required per LCD backlight unit, with direct-lit backlight architectures in particular driving LED demand growth. To meet requirements for high dynamic range (HDR), local dimming, wide color gamut (WCG), and energy efficiency, Mini LED direct-lit backlight technology has become one of the key next-generation solutions for in-vehicle displays.

Unlike consumer displays, which are gradually shifting to OLED, automotive LCDs retain strong advantages in reliability and cost, securing a significant market position. The LCD ecosystem is actively developing Mini LED automotive displays with ultra-thin designs, high HDR performance, and high color saturation. As LED counts increase, LEDs account for a larger share of total system cost, making them a critical component that drives market development.

Looking ahead, automotive displays will continue to advance toward HDR, higher local-dimming zone counts, wide color gamut, and curved designs. Mini LED and HDR technologies will play increasingly pivotal roles in the automotive market.

b. Automotive Smart Displays

Exterior Intelligent Smart Display (ISD) have emerged as a major trend. Via ISD, vehicles can communicate with the outside environment—including other vehicles and pedestrians—significantly enhancing driving safety and providing a new interface for future autonomous-vehicle communication.

As driver-assistance information increases, head-up displays (HUD) are becoming popular features and are being actively adopted by major global automakers. HUD solutions include conventional resin-lens projection, flat-glass projection, and augmented-reality HUD (AR-HUD). These innovations support driving safety while also gaining traction in the market.

HUD is a promising application area for Micro LED. Owing to its high brightness, high resolution, and flexible form factors, Micro LED is increasingly becoming a key HUD solution. Leading vendors have introduced transparent Micro LED HUD displays with over 70% transparency, which have passed automotive extreme high- and low-temperature environmental tests.

C. Automotive Sensing

As governments worldwide place increasing emphasis on road safety, related regulations are becoming more stringent. The EU's recently published GSR II stipulates that, starting in 2026, all new vehicles must be equipped with systems capable of monitoring driver attention to help reduce accidents caused by driver negligence. This requirement not only accelerates OEM investment in Driver Monitoring Systems (DMS) but also further drives the automotive industry toward greater intelligence and safety. In addition, the industry is actively developing cabin Occupancy Monitoring Systems (OMS) to detect passengers and enhance overall in-vehicle safety.

a. Driver Monitoring System (DMS) and Occupancy/Occupant Monitoring System (OMS)

Global regulatory mandates requiring vehicles to be equipped with Driver Monitoring Systems (DMS) are accelerating the technology's adoption. Automakers are implementing facial recognition, eye tracking, and iris recognition. Using cameras paired with infrared LEDs and VCSELs (vertical-cavity surface-emitting lasers), these systems monitor driver state in real time—such as eyelid closure, blink rate, gaze direction, yawning, and head movements—to detect drowsiness and distraction early and ensure driving safety.

b. Gesture Recognition

Gesture recognition enables drivers and passengers to intuitively control vehicle systems via hand gestures, enhancing convenience and safety. The technology employs infrared (IR) light sources—such as LEDs and VCSELs—combined with time-of-flight (ToF) sensing to detect and recognize gestures in real time.

c. Facial Recognition

With the proliferation of keyless entry systems, automotive facial recognition is steadily evolving from simple unlocking to identity verification and personalized in-cabin settings. High-end models have already adopted this technology, enabling the vehicle to automatically adjust the seat, steering wheel, and mirrors based on the owner's identity, delivering a more intelligent driving experience.

d. In-cabin Optoelectronic Sensing: Key Development Focus

- High-precision sensing: LEDs/VCSELs serve as efficient light sources to

- capture driver attention, drowsiness, and changes in passenger position.
  - Optimized optical control: VCSELS provide high directionality and uniform illumination, ensuring sensors acquire accurate images.
  - High-speed response: VCSELS respond faster than LEDs, making them suitable for 3D time-of-flight (ToF) applications and enabling high-resolution image analysis.
  - Strong anti-interference: The narrow spectral linewidth of VCSELS effectively suppresses interference from external light sources (e.g., sunlight), improving sensing accuracy and stability.
  - Automotive-grade safety standards: LEDs/VCSELS must comply with automotive regulations such as AEC-Q102 to ensure reliable operation under harsh conditions and meet safety requirements.
- e. Automotive Exterior Optoelectronic Sensing Applications
- LEDs/VCSELS have diverse exterior sensing applications, including:
- LiDAR: VCSELS are well-suited for LiDAR systems, enabling high-precision 3D imaging to help autonomous vehicles perceive their surroundings and avoid obstacles.
  - Night-vision assist: LEDs are used in automotive night-vision systems to enhance nighttime visibility and improve driving safety in low-light conditions.
  - Distance sensing: LEDs/VCSELS can be applied to inter-vehicle distance detection, helping vehicles maintain a safe following distance and reduce collision risk.

Ennostar Group continues to advance LED/VCSEL technologies to drive vehicle intelligence, striving to deliver a safer and more efficient driving environment.

(2) Advanced display



A. Micro LED

Micro LED, backed by its tiny die size, high resolution, low power consumption, and high transparency, has garnered significant attention as a next-generation display technology. From transparent displays for specialized environments to AR/VR smart glasses rising alongside advances in AI, Micro LED has become a key focus of development for leading global companies. Its development trajectory clearly follows a “high-end first, then broader diffusion” path, with distinct growth cadences and technical priorities across two major application markets: head-mounted devices and automotive displays.

a. Head-Mounted Display (HMD)

For head-mounted devices, Micro LED is regarded as a key display technology for AR glasses and high-end MR headsets, offering high brightness, low power consumption, low latency, and high contrast that make it suitable for outdoor environments and extended-wear usage, and providing clear advantages over OLED and LCoS. Market demand in 2025 mainly comes from enterprise, industrial,

and developer segments, covering scenarios such as maintenance guidance, remote collaboration, and professional training, while mass-transfer yield, full-color architectures, and cost constraints continue to limit broader consumer adoption. As monochrome Micro LED and optical waveguide-integration technologies steadily mature, head-mounted devices are likely to become among the earliest application areas to achieve commercial deployment.

b. Automotive Displays

In automotive displays, Micro LED's momentum is fueled by continuous upgrades in smart cockpits and premium electric vehicles. Application scenarios include center-stack displays, digital instrument clusters, large in-cabin display walls, and head-up displays (HUD). With high brightness, heat tolerance, long lifetime, and burn-in resistance, Micro LED meets stringent automotive reliability and safety requirements, making it a key alternative to OLED. In 2025, adoption will remain concentrated in high-end models and concept cars, with market focus on modular design, panel cost reduction, and completing full automotive qualification processes.

Overall, Micro LED is in a phase where technology maturation and application expansion advance in parallel. In the short term, head-mounted devices are expected to lead initial commercial breakthroughs, while in the mid- to long term, automotive displays will drive scale and position Micro LED as a major growth engine in the high-end display market.

B. Mini LED

a. LCD Display

Mini LED direct-lit backlight products leverage full-array local dimming (FALD) to deliver high brightness and contrast for LCD while improving energy efficiency. In IT monitors and TVs, multiple technical routes—including COB (Chip on Board), POB (Package on Board), and DOB (Driver on Board)—have emerged in recent years, creating greater flexibility in cost structures. This allows brands to select Mini LED solutions at different price points, broaden their product portfolios, and increase market share in line with their product strategies. TV brands are lowering costs and defending market share through PCB optimization, high voltage LED chips, and multi-channel driver ICs. At the same time, they are introducing higher-end RGB Mini LED products using RGB COB or RGB POG (Package on Glass) architectures, strengthening their ability to compete directly with OLED.

b. Smart Display

LED packaging technology continues to advance, evolving from single-color indicator lamps to high-end RGB and multi-color displays, as well as ultra-compact and slim form factors. These advances are broadening the range of applications, including connected home appliances, gaming peripherals, laptop secondary/companion displays, smart speakers, and true wireless stereo (TWS) earbuds.

(3) Smart Sensing



Source: Ennostar Inc. (March 2026)

LEDs and VCSELs have broad applications in intelligent sensing. By employing light sources at different wavelengths together with photodetectors, these technologies enable high-precision signal acquisition and sensing. Key applications include heart-rate and blood-oxygen monitoring in wearable devices, infrared sensing in smart-home systems and smart door locks, and facial authentication in 2.5D notebook designs.

As end-product requirements evolve, sensing technologies are progressing toward greater multifunctionality and miniaturization, with packaging shifting from single LED-and-detector pairings to semiconductor system-in-package (SiP) solutions that integrate multiple wavelengths, multi-emitter, and multi-receiver configurations.

Overall, infrared LED and VCSEL technologies play an increasingly important role in smart robotics, security, identification, and biometric sensing, enhancing quality of life and forming a key pillar of the intelligent-sensing market.

A. Sensing Applications in Smart Robots

With the advancement of AI technologies, smart robots are moving beyond manufacturing into everyday life, becoming part of future consumers' work and lifestyles. Major players—including Tesla, NVIDIA, and OpenAI—are actively investing in and developing related products, reflecting the strong commercial potential of the field.

Improvements in robotic vision, force feedback, and tactile hardware are enabling robots to adapt more effectively to their environments and enhance their capacity for self-learning. 3D sensing technologies—such as time-of-flight (ToF) ranging and structured-light approaches—play a central role in this progress. As a core emitter for 3D sensing, VCSELs are set to become increasingly important in applications including robot vacuums, AR/VR devices, autonomous vehicles, and biomedical sensing. In parallel, higher-level sensing technologies—from optical and touch switches to tactile, acoustic, and visual sensors—will play a vital role in smart robotics and intelligent manufacturing, supporting the ongoing shift toward industrial automation and digital intelligence.

B. Wearables

Wearables—such as smartwatches, bands, and earbuds—are increasingly adopting PPG (photoplethysmography) for health monitoring, including heart-rate and blood-oxygen measurement as well as activity tracking. PPG is a non-invasive optical technique that uses infrared or near-infrared light to illuminate the skin and measures changes in the intensity of reflected light from blood, thereby enabling physiological data monitoring.

As the technology advances, PPG will deliver higher measurement accuracy and

stability and see broader deployment in wearables like smartwatches and smartphones. In parallel, with the proliferation of true wireless stereo (TWS) earbuds, biometric sensing will become a value-added feature. It may leverage the short-wave infrared (SWIR, 1,000–1,700 nm) band for skin sensing to estimate blood glucose and other physiological indicators, expanding the application scenarios for health management.

C. Smart Security, Smart Home, and Smart Locks

Infrared LEDs are seeing rapid adoption in the smart security market, primarily enabling facial recognition, object detection, and distance measurement. Future technical requirements include:

- a. Higher resolution and accuracy: Achieve more precise target identification and tracking.
- b. Lower power consumption: Improve component efficiency and extend device lifespan.
- c. Stronger anti-interference capability: Enhance LED component stability across diverse environments.

These requirements will drive continuous innovation and application of infrared LEDs in smart security, enhancing overall safety.

D. Face Unlock on Laptops

In facial recognition applications for laptops, the development trends and technological requirements of IR LEDs mainly focus on the following aspects:

- a. Improved recognition accuracy: As technology advances, the resolution and accuracy of IR LED-based facial recognition continue to improve, enabling more precise identification and enhanced security.
- b. Lower-power design: To extend laptop battery life, IR LEDs need to deliver higher efficiency to reduce power consumption.
- c. Enhanced anti-interference capability: IR LEDs must maintain stable recognition performance, especially in challenging lighting conditions such as strong ambient light or low light.

These advancements will help popularize facial unlock on laptops and further improve the user experience.

(4) “+1” Emerging Market

The “+1 Emerging Market” primarily encompasses the optical communications applications market and the professional LED lighting market.

A. AI optical communication

As the global digital economy and AI computing capacity expand rapidly, optical communications have become the foundational technology enabling cloud services, data-center upgrades, and telecom network evolution. In 2025, market growth is driven primarily by the surge in high-speed data-transfer demand—especially the need for large bandwidth, low latency, and high energy efficiency in interconnects for AI model training and inference—which is accelerating the deployment of optical interconnects both within and between data centers.

In data-center applications, network architectures are quickly moving from 400G to 800G, with initial adoption of 1.6T underway. This transition is significantly boosting demand for high-speed optical transceiver modules, laser light sources, and advanced modulation schemes. To reduce power consumption and signal attenuation, optical modules are evolving toward shorter electrical paths, higher density, and greater integration. Commercial validation of co-packaged optics (CPO) and silicon photonics has become a key industry trend.

In telecom networks, 5G continues to expand and is progressing toward 5G Advanced, while early groundwork for 6G is already in motion. As a result, fronthaul, midhaul, and backhaul networks are seeing steady growth in demand for high-speed, long-distance, and highly reliable fiber-optic communications. Optical communications are also deepening their role in metro networks, backbone networks, and submarine cable systems, further expanding the market for optical components and high-power light sources.

Beyond telecom, optical communications are extending into enterprise networks,

high-performance computing (HPC), data storage, and industrial networks, shifting the market structure from traditional telco-centric to data-center- and cloud-centric with diversified applications. Overall, the optical-communications market is advancing toward higher speeds, lower power, tighter system integration, and opto-electronic co-packaging, with a clear long-term growth trajectory—positioning it as an indispensable core technology for future digital infrastructure. Optoelectronic modules consist of multiple components, including photodetectors, optical waveguides, optical modulators, current and voltage amplifiers, driver ICs, and switching devices. At present, these components are distributed across different areas of the PCB. Silicon-photonics technology integrates all of these components onto a single silicon chip, through which the industry is transitioning from traditional pluggable optical modules toward co-packaged optics, commonly referred to as CPO (Co-Packaged Optics).

To reduce losses associated with electrical signaling and high-speed computation, silicon-photonics components are repositioned closer to server switch circuitry, further shortening the electrical transmission distance. Under this approach, conventional pluggable modules retain only the optical-fiber portion. This architecture—known as Co-Packaged Optics (CPO)—co-packages electronic integrated circuits (EICs) and photonic integrated circuits (PICs) on the same substrate, forming a co-packaged module-and-chip structure. By replacing traditional optical transceiver modules, this configuration brings the optical engine closer to the CPU or GPU, shortens electrical transmission paths, and reduces transmission loss and signal latency.

Co-Packaged Optics enables higher integration density, lower cost, and high-density interconnects, helping to overcome the power-consumption and size limitations of conventional discrete-packaging solutions. Integration of light sources within silicon-photonics platforms has become a key technology trend for 800G and 1.6T optical transceiver modules and provides a foundation for future all-optical interconnect (All-Optical Interconnect) architectures.

Co-Packaged Optics (CPO) is a key architecture for enhancing data-center power efficiency in the future and is expected to co-package optical components—including laser light sources—with ASIC or FPGA chips to shorten electrical paths and reduce power consumption. Under this architecture, light sources are required to demonstrate higher stability, stronger thermal-management capability, and more compact form factors, driving the evolution of light-source packaging toward higher density, lower thermal resistance, and improved reliability.

Starting in 2025, high-speed data-center transmission systems are seeing 800G modules enter volume deployment, and Broadcom has begun delivering the industry's first 102.4-Tbps CPO Ethernet switch—Tomahawk 6 “Davisson.” TSMC's Compact Universal Photonic Engine (COUPE) is expected to reach mass production in 2026, integrated with CoWoS packaging, as a CPO-class product; it is anticipated to be used in NVIDIA's next-generation Rubin platform to alleviate interconnect bottlenecks in AI servers. Looking ahead, developing light sources that deliver higher transmission speeds, greater performance, high reliability, lower cost, higher integration, and lower power consumption will be the key task for the optical-communications industry to meet the escalating demands of high-speed data transfer and high-performance computing.

In optical-communication systems, the light source—primarily semiconductor lasers—is one of the core components determining data-transmission speed, energy efficiency, and reliability. As demand from data centers, telecommunications networks, and high-performance computing continues to grow rapidly, the global market for optical-communication light sources remains in a phase of robust expansion. At the same time, high-speed optical transceiver modules—such as 400G, 800G, and higher-speed solutions—are increasingly demanding light sources that deliver both low power consumption and high bandwidth, positioning laser light sources at the center of supply-and-demand dynamics.

Industry performance benchmarks are no longer focused solely on achieving higher transmission rates measured in gigabits per second (Gbps); instead, attention has shifted toward minimizing energy consumption per bit (pJ/bit). According to a report released by TrendForce in early 2026, to address the surge in inter-rack data traffic driven by rising computing density, the global shipment shares of 800G-and-above optical transceiver modules—including 1.6T solutions—is expected to increase rapidly from 19.5% in 2024 to over 60% by 2026.

The core function of an optical-communication module is to convert electrical signals into optical signals. In this process, the selection of the light source directly determines transmission distance, bandwidth density, and ultimate energy efficiency. To meet varying transmission-distance requirements, the industry has developed three distinct technology pathways for optical light sources.

a. CW DFB (Continuous Wave Distributed Feedback) Lasers

Although silicon photonics technology enables large scale manufacturing of optical components using semiconductor processes, silicon itself does not possess light emitting properties. As a result, silicon photonics engines typically require an external or heterogeneously integrated light source, a role well served by DFB lasers. Owing to their highly concentrated beam and single frequency output—which minimizes dispersion during long distance transmission—DFB lasers are well suited for use in single mode fiber (SMF) links spanning distances from approximately 500 meters to several kilometers, including inter rack and inter data center connections. During the 2025–2026 technology evolution cycle, leading vendors such as Lumentum and Coherent have actively increased the output power of DFB lasers to continuous wave (CW) levels of 400 mW and even beyond 1 W, positioning these light sources as key drivers for next generation 3.2T and 6.4T co packaged optics (CPO) engines.

b. VCSEL (Vertical Cavity Surface Emitting Laser)

While DFB lasers are optimized for long distance single mode transmission, VCSEL technology dominates the short reach (approximately 30–100 meters) multi-mode fiber (MMF) market. Because VCSELS emit light vertically from the surface of the chip, engineers can readily arrange dozens or even hundreds of emission points into a compact two-dimensional (2D) array on a small chip area. In recent years, Coherent has jointly demonstrated 200G per lane multi-mode VCSEL technology with Keysight. By reducing lithographic aperture size and combining this approach with advanced PAM4 modulation, the technology successfully doubles per lane data throughput while maintaining extremely low power consumption. Meanwhile, Lumentum unveiled a 1060 nm VCSEL array CPO solution designed specifically for AI scale up networks at OFC 2026, demonstrating excellent high temperature stability.

c. Micro LED: A Massively Parallel Architecture Disrupting Conventional Optical Interconnects

In response to the AI data center industry’s relentless demand for ultra-low energy consumption, Micro LED technology—originally developed for advanced display applications—is quietly driving a new wave of innovation in optical interconnects. Traditional lasers require relatively high threshold current to initiate lasing, whereas Micro LEDs emit light and transmit signals even under extremely small current input.

Due to their ultra small size, typically only a few micrometers, hundreds or even thousands of Micro LED channels can be integrated on a single chip. In the Micro LED optical interconnect field, Avicena is widely recognized as a leading innovator. Adopting a fab lite strategy, Avicena announced in April 2025 a deep collaboration with TSMC to leverage TSMC’s expertise in CMOS image sensor (CIS) processes for developing highly sensitive silicon-based photodetector (PD) arrays for its LightBundle technology. At the same time, Avicena is working with ams OSRAM to manufacture gallium

nitride (GaN) Micro LEDs, ensuring the mass production feasibility of this “wide and slow” parallel transmission architecture.

B. LED Professional Lighting Market

With advances in full-spectrum tuning, LED conversion efficiency continues to improve, while reliability design has been enhanced. As LED lighting products progressively obtain professional certifications, they are becoming able to comply with a wider range of specialty-lighting requirements. Beyond general illumination, LEDs are increasingly used in specialized fields such as cleanroom amber lighting, human-centric lighting, horticultural lighting, industrial lighting, medical lighting, and safety signaling.

Cleanroom amber LED lighting is designed to meet the specific requirements of cleanroom environments. Its primary purpose is to minimize ultraviolet and other wavelengths that may affect products within the cleanroom, while delivering high stability, low light pollution, and high illuminance. Amber LED luminaires should offer long lifetimes (typically 50,000 hours or more) and stable operation to reduce maintenance and replacement frequency, thereby minimizing disruptions to cleanroom processes.

In medical and healthcare lighting, design approaches grounded in circadian-rhythm theory recognize that correlated color temperature (CCT) influences sleep patterns, mood, and productivity. Cool CCT during daytime can enhance alertness and concentration, while warm CCT at night supports relaxation and rest. With the tunability of LED lighting, these solutions are increasingly deployed in wards, operating rooms, and clinics to align with time-of-day requirements and improve the patient-care experience.

Industrial cold-storage lighting is an emerging niche within the specialized lighting market. By employing special spectral solutions with high color rendering, high efficacy, and long lifetime—combined with KSF phosphor—luminous efficacy can be increased by 10% to 14%. In high-CRI applications, tailoring spectral content to different food types can enhance perceived freshness and color vividness.

4. Competitive Landscape

Competitive Environment for the “3+1” Long-Term Businesses

(1) Automotive Market

In 2025, the market for ambient lighting and grille lighting continue to expand, with widespread adoption across multiple automakers and models, including BMW X3, Lincoln Navigator, VW Jetta/VW Jetta GLI, Mercedes-Benz, Volvo, Rolls-Royce, Hyundai Elantra, Genesis GV60, Cadillac Escalade, Ford Mustang, Lexus ES, Acura RDX, Nissan Elgrand/Ariya, Mazda CX-5, Toyota Corolla Concept, BYD, XPeng G6, Chery Fulwin A9L, Geely Galaxy/Lynk, AITO M7, and Zeekr. Major system integrators driving these solutions include Forvia Hella, Hyundai Mobis, LTI Atlanta, Xingyu, and Mande.

With the rise of new-energy vehicles, light sources have become central to human-vehicle interaction. Ennostar Group has cultivated the automotive market for years, with a portfolio spanning adaptive driving beam (ADB) headlamps, in-cabin Mini LED backlights, Micro LED transparent displays, Driver Monitoring Systems (DMS), and ranging LiDAR.

In automotive-grade LED dies, Ennostar Group’s 2025 market share exceeds 50% globally for red/yellow tail and signal-lamp dies, ranking No. 1; over 30% for daytime running lamp (DRL) dies; and over 30% for automotive display backlight dies. The Group possesses a comprehensive set of advanced technologies and competitive strengths in the automotive segment. Its portfolio spans ultra-high-brightness exterior lighting; tail-lamp LED dies that deliver industry-leading thermal performance; full-spectrum ambient-lighting dies that achieve exceptional color uniformity; ambient LEDs with integrated driver ICs and temperature-compensation functions; low-red-exposure infrared solutions for DMS/OMS driver and occupant monitoring; VCSEL-based 3D dot-matrix projector sensing modules; and the world’s smallest automotive-grade display dies supporting customizable, stylized designs.

In-cabin Mini LED backlights, Ennostar Group offers ultra-thin, high-brightness Mini COB light-board modules for 7–34-inch automotive displays, delivering performance superior to OLED. Across DMS, exterior interactive displays (ISD), and ambient lighting, Ennostar Group integrates upstream and downstream resources to provide leading technologies such as low-red-exposure sensing, high-uniformity premium illumination, and high-frequency temperature compensation. Working with global tier-one partners, the Group has successfully deployed products with well-known automakers in Japan and China.

Solution-wise, Ennostar Group integrates driver ICs within each smart LED package to enable automatic color calibration and temperature compensation. This breakthrough not only enhances product performance but also significantly shortens optical tuning time, delivering higher efficiency and better cost effectiveness for customers. Looking ahead, Ennostar Group will continue providing comprehensive, modular solutions in collaboration with global customers, showcasing its end-to-end capabilities in automotive lighting.

(2) Advanced display

The advanced-display market is expected to continue expanding as multiple brands roll out products featuring Mini LED technology. Korean manufacturers such as Samsung Electronics and LG Electronics have introduced large-size TVs with Mini LED backlighting, while Chinese brands including Hisense, Skyworth, Xiaomi, and Huawei have followed suit—reflecting strong confidence across the industry in Mini LED backlight applications.

As Mini LED mass-production technologies continue to mature and costs gradually improve, expectations for its future development remain high. Mini LED is gaining an increasingly prominent position in the high-end LCD display market. In its competition with OLED, Mini LED leverages advantages such as high brightness, strong contrast, and local dimming to provide a cost-effective alternative with compelling performance, positioning it as a key driver of next-generation display-technology advancement.

In the advanced-display LED die market, Ennostar Group holds the No. 1 global position in 2025 with a market share exceeding 65% in fine-pitch RGB direct-view dies. The Group was also the first worldwide to introduce Mini LED into IT and VR backlight products. Its backlight technologies have since been adopted by the world's top three brands across laptops, monitors, and TVs.

Ennostar Group possesses key technologies and strengths in advanced displays, including precise mastery of Micro LED mass-transfer, testing, and repair; mature and stable full-line mass-production capabilities for Micro LED EPI, COW, and COC1; high wavelength uniformity and outstanding efficiency enabled by Micro LED COC technology; high angular light concentration and excellent optical uniformity enabled by Micro LED technology; i-Pixel+™ Micro LED integrated IC technology; flexible and irregular-shaped Smart Display technologies; and high-transmittance Micro LED transparent displays.

Although the penetration of large-format Micro LED displays has been relatively slow, robust investment and proactive deployment by key players—drawing in multiple brands—are expected to accelerate cost optimization in die fabrication and transfer processes. Over the mid-to-long term, both capacity-scaling measures driven by heavy investment and industry maturation that improves product cost competitiveness will facilitate broaden adoption of Micro LED in large-format display products.

(3) Intelligent Sensing

In 2025, leading AI-robotics companies—including NVIDIA, Tesla, Boston Dynamics, Apptronik, Agility Robotics, Figure AI, and China's Unitree Robotics—continue to roll out humanoid-robot products. Overall, humanoid robots remain in the pilot and capital-investment phase, with competition centering on AI capabilities, real-world data, and mass-production costs. The competitive landscape is shifting from hardware to platforms and ecosystems. Meanwhile, Warehouse AMRs have entered a mature stage, competing on software-hardware integration, system

deployment, and operations. For restaurant and service robots, labor shortages are driving adoption, making channel and site integration the key differentiators.

In the intelligent-sensing LED die market, Ennostar Group's 2025 market share exceeds 70% in sensing and recognition applications and over 50% in wearable applications, ranking No. 1 globally in both categories. The Group holds around 20% in security-surveillance applications and around 20% in proximity-switch applications. Ennostar Group demonstrates core technologies and strengths in intelligent sensing, including a full-spectrum product portfolio spanning UVC to eSWIR; high-efficiency, low-red-exposure infrared dies for security monitoring and facial-recognition applications; world-leading SWIR LED photoelectric-conversion efficiency; photodiode technology offering high signal-to-noise ratios and enhanced detection sensitivity; the industry's smallest integrated PPG sensor; and non-contact, high-accuracy thermopile temperature-sensing solutions.

(4) +1" Emerging Market

A. Optical Communication

Following 2025, the competitive landscape for optical-communication light-source vendors has shifted from simple specification upgrades toward a more comprehensive competition centered on higher transmission speeds, mass-production reliability, and long-term supply capability. As data-center bandwidth continues to scale, the 400-Gbps optical-module market has entered a mature phase with increasingly pronounced price competition. By contrast, 800-Gbps has become the mainstream volume-production generation, driving rapid growth in demand for EML and high-end CW-DFB lasers, while the higher-capacity 1.6T generation is accelerating into mass-production deployment. From a technology-roadmap perspective, InP-based DFB lasers—well suited for medium- to long-reach transmission and often likened to “high-speed express links”—remain the mainstream architecture for external light sources (ELS) on silicon-photonics platforms. However, to address the growing demand for short-reach, ultra-high-bandwidth interconnects within AI server racks, VCSEL and Micro LED technologies have concurrently emerged as highly visible development trends across the industry. Leading vendors such as Lumentum and Coherent have broken through single-lane transmission limits by introducing high-density VCSEL arrays capable of 200-Gbps per lane. These solutions combine ultra-low power consumption with cost advantages, enabling efficient support for short-reach 1.6T optical modules and co-packaged optics (CPO). In 2026, NVIDIA further strengthened this ecosystem by announcing strategic investments totaling USD 2 billion in each company, effectively securing long-term capacity for advanced laser and VCSEL supply. Meanwhile, Micro LED technology leverages lower-speed but massively parallel transmission to achieve extremely low energy consumption per bit. Industry leaders such as Avicena have introduced LightBundle technology, demonstrating record-low energy efficiency per bit, while collaborating with TSMC to optimize sensor-array manufacturing processes—jointly accelerating the commercialization pathway toward fully optical interconnect architectures.

In the optical-communication module supply chain, key light-source technologies remain predominantly controlled by U.S. and Japanese vendors, including Lumentum, Broadcom, Coherent, and Sumitomo. These suppliers offer clear advantages in transmission speed and long-term reliability, making their products the preferred light-source solutions for mid- to high-end optical-communication modules. Major cloud service providers have increasingly taken direct steps to secure supply. In particular, NVIDIA announced in 2026 strategic investments totaling up to USD 4 billion in Lumentum and Coherent to ensure stable access to critical light-source capacity in support of its AI infrastructure roadmap.

Overall, the post-2025 optical-communication light-source market is characterized by rising technical barriers. Vendors with strong process-optimization capabilities, scalable production capacity, and deep, long-term collaboration with end customers—particularly hyperscale cloud

service providers—are expected to increasingly differentiate themselves, gradually widening competitive gaps across the industry.

**B. Professional Lighting**

In professional lighting, Ennostar Group held an estimated 45% market share in red dies for horticultural lighting in 2025, ranking No. 2 globally. In this field, the Group offers a comprehensive set of strengths and capabilities, including ultra-high wall-plug-efficiency dies for horticultural lighting; UVC and UVB dies that provide stable output, high energy efficiency, and strong reliability; UVA solutions offering high quality and high brightness; and end-to-end opto-mechanical-electrical-thermal integration services. The Group also delivers customized lighting solutions from die to module, supplying diversified wattage and color options with high reliability and consistent chromatic performance.

#### 4.1.4 Technology and R&D Overview

1. R&D expenditures invested in the most recent year and up to the date of publication of the annual report

Unit: NT\$ thousand

Year	R&D expenses	as a percentage of revenue (%)
2025	2,315,828	10.44

Note: IFRS (consolidated entity) is adopted.

2. In the most recent year and as of the publication date of the annual report, the technologies or products successfully developed by the Group can be roughly divided into “Epitaxial wafers and chips” and “package and modules”:

**Epitaxial Wafer & Chip:**

- (1) Developed high-power, high-reliability flip-chip LED chips for automotive headlamp applications.
- (2) Developed high-current-density blue LED epitaxy technology for automotive headlamps.
- (3) Developed high-quality RGB Mini LED epitaxy and chips for in-car ambient lighting.
- (4) Developed high-voltage RGB Mini LED chips for wide-color-gamut TVs and monitors.
- (5) Developed high-voltage RGB Micro LED epitaxy and chips technologies.
- (6) Developed narrow-emission-angle Micro LED epitaxy and chips.
- (7) Developed blue Micro LED epitaxy grown on silicon substrates.
- (8) Developed eSWIR photodetector epi wafers and devices.
- (9) Developed high-power blue laser chips.
- (10) Developed 1300-nm SWIR photonic crystal surface-emitting laser (PCSEL) technology.
- (11) Developed high-efficiency III-V solar-cell products.
- (12) Developed Micro LED light engine for AR glasses.
- (13) Developed Micro LED full-color module.
- (14) Developed Micro LED products for optical-communications applications.
- (15) Developed DFB (Distributed Feedback) and VCSEL products for optical communications.
- (16) Developed RGB Micro LED/Micro IC heterogeneous-integration packaging technology for fine-pitch displays.
- (17) Developed POG (phosphors on glass) solutions for automotive lighting products.

**Packages and Modules:**

- (1) Developed high-efficacy, high-thermal-stability LED products for headlamps, applicable to conventional automotive/motorcycle headlamps and ADB headlamps.

- (2) Developed high-efficacy automotive Mini-lens white COB lightboard technology.
- (3) Launched thin Mini-lens blue COB lightboards for in-vehicle backlights, reducing module thickness while enabling wide-color-gamut display performance.
- (4) Developed RGB Smart LED packages and modules that integrate with smart decorative surface panels to create linear or 2D dynamic, interactive lighting effects.
- (5) Introduced high-resolution Mini LED exterior interactive displays for vehicles—supporting high-brightness front grille/logo designs, rear Red/Super Red display needs, and exterior RGB panels that can show preloaded safety signaling animations (e.g., braking/turning) and provide real-time warnings or situational visuals to pedestrians and following vehicles.
- (6) Developed the iPixel+™ head-up display: an active-matrix, see-through Micro LED display that mitigates flicker associated with passive-matrix driving; its high transmittance suits automotive, home-appliance, and retail scenarios.
- (7) Developed a Micro LED head-up display: an active-matrix, see-through Micro LED display using mass-transfer to a TFT-glass backplane, achieving up to 640×640 pixels at 0.3-mm pitch with overall transmittance up to 60%. The design effectively mitigates flicker associated with passive-matrix driving and is applicable to automotive, home-appliance, and retail environments.
- (8) Mass-produced low-red-exposure IR light sources for covert security systems, automotive driver/occupant monitoring, and laptop facial authentication; in addition to improved user experience, they comply with Windows Hello specifications for compatibility.
- (9) Developed temperature-sensing products integrated with mass-produced SWIR-band emitters and detectors, enabling wearable sensing modules to capture more biometric signals.
- (10) Mass-produced high-efficacy flip-chip emitters and detectors for wearables, delivering superior optical performance and a more polished design, improving device accuracy and overall aesthetic quality.
- (11) Developed RDL-based Micro LED i-Pixel® micro-packages; the 0202 size is the industry’s smallest RGB package for pixel-pitch ≤1.0-mm displays, offering high contrast and low reflectance for diverse commercial applications.
- (12) Developed BG+R wide-gamut packages for ultra-thin, wide-gamut creator-class laptops, delivering 100% coverage of both DCI-P3 and Adobe RGB. When applied to smartphone TFT BLU modules, BG+R achieves 100% coverage of DCI-P3 and Adobe RGB—or ≥100% sRGB—meeting the industry’s highest mobile color-performance standards.
- (13) Industry-leading mass production of P1.2 curved R35 RGB Mini LED displays for e-sports, casino, and other commercial applications—achieving the smallest bend radius among full-color RGB displays.

### 3. Future R&D Plans and Estimated R&D Expenses

Ennostar Group expects to invest approximately NT\$2.1 billion in research and development expenditures in 2026. The R&D projects, including the R&D projects of “Epitaxial wafers and chips” and “packages/modules” are described as follows:

#### **Epitaxial Wafers and Chips:**

- (1) Developed efficiency-enhancement technologies for high-quality RGB Mini LED epitaxy and chips for in-vehicle ambient lighting.
- (2) Developed high-voltage DBR (Distributed Bragg Reflector) flip-chip LED chips with stress-robust structural design for TV backlight applications.
- (3) Developed stamp transfer technology for fine-pitch RGB Micro LED devices.
- (4) Developed 8-inch Micro IC COC technology for mass-transfer applications.
- (5) Developed 650-nm VCSEL chips for industrial sensors.
- (6) Developed high-power NIR 850/940-nm dual-stack LED chips.
- (7) Developed SWIR 2500-nm photodetector epi wafers and devices.
- (8) Developed flip-chip InGaAs photodiode (PD) products.

- (9) Developed high-efficiency concentrator III-V solar-cell technology.
- (10) Developed high-efficiency flip-chip III-V solar-cell technology.
- (11) Developed Micro LED array module CSP for optical-communications applications.
- (12) Developed Micro LED products for optical-communications applications.
- (13) Developed DFB and VCSEL products for optical-communications applications.
- (14) Developed high-power blue-laser products.
- (15) Developed photonic-crystal surface-emitting laser (PCSEL) technology.

**Packages and Modules:**

- (1) Developed next-generation RGB high-efficiency exterior indicator light sources for EVs and autonomous vehicles, improving LED efficacy and lowering thermal resistance.
- (2) Developed next-generation headlamp products offering single/dual-lamp configurations with higher luminous efficacy and greater thermal stability, meeting adaptive driving beam (ADB) requirements.
- (3) Developed high-efficacy, compact LED matrix modules for ADB applications.
- (4) Developed interactive display lamps with both large and fine pixel-pitch designs; leveraging proprietary high-uniformity technology, displays remain clear and uniform under varying brightness via ambient-light sensing, achieving optimal optics and cost.
- (5) Developed next-generation ambient-lighting products featuring improved thermal-dissipation capability and lower driver power consumption, while intelligent control reduces application complexity.
- (6) Developed next-generation high-brightness exterior interactive displays featuring seamless multi-panel splicing and low-glare surface treatments.
- (7) Developed high-efficacy, long-lifetime flip-chip LED light sources for backlight modules.
- (8) Developed thin, narrow-bezel LED light sources for backlight modules.
- (9) Developed multi-zone backlight boards with integrated driver components.
- (10) Developed LED components and iMicro active light-source modules with integrated drivers, supporting PPI levels of 10–50 for smart-display applications.
- (11) Developed iMicro packages and modules for RGB displays, addressing small-pitch and Mini LED display requirements.
- (12) Developed miniaturized process technologies including RDL and micro-package.
- (13) Developed a sensing SiP product line with integrated Optical ICs, using 2.5D packaging to deliver miniaturized optical-sensing solutions.
- (14) Developed an optical temperature-sensing module integrating Sensor, ASIC, and MCU to provide non-contact temperature measurement.
- (15) Developed 6-/8-inch LED wafer-level packaging (WLP) process technology.
- (16) Developed Bioxtar encapsulation materials with bio-based content greater than 30%.

**4.1.5 Long-and Short-Term Business Development Plans**

1. Short Term Plan

- (1) Focus on developing visible- and infrared-light LED epitaxial wafers and chips to enhance product performance and profitability.
- (2) Offer high-intensity, cost-advantaged LED products to deliver high cost-performance and meet customer needs.
- (3) Expand sales and distribution channels in Europe, the Americas, Japan, and Korea to raise exports as a percentage of revenue and increase global market share.
- (4) Respond rapidly to customer requirements and adjust the product portfolio to meet fast-changing market demand.
- (5) Closely align with LCD end customers and the related supply chain to accelerate the adoption of high value-added products such as Mini LED backlight solutions and Micro LED mass-production solutions.
- (6) Shift toward niche lighting markets and develop outdoor, smart, and health-centric

- lighting products.
- (7) Develop scenario/indicator-lighting technologies to increase market share in notebooks, gaming devices, smart appliances, and connected home appliances.
  - (8) For RGB display applications, continue to develop modules across various package sizes and pixel pitches, consistently reducing costs to achieve profitability targets.
  - (9) Expand the sensing business into automotive, industrial sensing, robotics, consumer- and medical-grade biomonitors, facial recognition, and home security.
  - (10) Solidify technology development and the IP portfolio to strengthen industry competitiveness.
  - (11) Improve manufacturing efficiency, advance smart manufacturing, and increase automation to reduce production costs.
  - (12) Strengthen management systems and continuously cultivate critical technical talent.
  - (13) Enhance cybersecurity management in line with group policies, comprehensively upgrading software and hardware defenses.

2. Medium- and Long-Term Plans

- (1) Enhance in-house R&D capabilities and deepen technical collaborations with domestic and international research institutions and customers, while allocating substantial R&D resources to strengthen the Group's long-term global competitiveness.
- (2) Commit to becoming a world-leading LED manufacturer through sustained innovation in new product development and LED efficiency.
- (3) Further strengthen design and engineering capabilities while deepening the Group's global patent portfolio.
- (4) Advance manufacturing technologies to reduce costs and establish higher-efficiency production capacity.
- (5) Optimize capacity and implement comprehensive quality-certification systems, consistently improving product quality and shortening lead times to deliver best-in-class customer service.
- (6) Strengthen international marketing and distribution channels development to deepen strategic cooperation with global customers.
- (7) Increase cross-industry collaboration and platform-ecosystem initiatives to enhance the international competitiveness and value-added of LED products and the broader industry.
- (8) Establish strategic partnerships with upstream and downstream LED suppliers to expand technology advancement and capacity growth.
- (9) Improve LED performance to reduce thermal buildup and deliver greater energy efficiency.
- (10) Leverage the Group's end-to-end manufacturing advantages across epitaxy (EPI), chip, package, SMT, and module, and adopt an in-factory supply-chain model ("factory-in-factory") to reduce production costs and increase profitability.

## 4.2 Market and Production and Sales Overview

### 4.2.1 Market Analysis

#### 1. Primary sales regions

Unit: Thousands of NTD

Region	2025 Sales Amount	% of Sales
Taiwan	2,642,327	11.91
China	12,416,593	55.97
Malaysia	1,847,000	8.33
Japan	1,320,294	5.95
Hong Kong	1,289,026	5.81
South Korea	951,515	4.29
Singapore	818,160	3.69
Other	897,900	4.05
Total	22,182,815	100.00

Note: Consolidated entity

#### 2. Market Share and Future Supply and Demand and Growth Potential of the Market

With growing momentum across automotive, medical, horticultural lighting, security, wearable, and smart-living applications, industry participants are accelerating the move toward next-generation display and lighting technologies. From 2025 to 2029, market expansion will be led by invisible-light LEDs, automotive LEDs, Mini LEDs, and Micro LEDs.

##### (1) Major LED manufacturers in the international market

In the LED chip field, the major production companies include Ennostar Corp., Sanan Optoelectronics, BOE HC SemiTek, Changelight, Aucksun Aluminum, MTC, ams-OSRAM, Nichia, Lumileds, Seoul Semiconductor, and Samsung LED. In the LED packaging field, the major production companies include Nichia, ams-OSRAM, Lumileds, Seoul Semiconductor, Samsung LED, Everlight, LITE-ON, MLS, Jufei Optoelectronics, and Hongli.

Following comprehensive restructuring across the industry, the LED sector has shifted from an early period of rapid expansion to a more consolidated and application-diversified stage. Looking ahead, market share will depend less on shipment scale and increasingly on competitive advantages in high-specification applications and system-integration capabilities.

In the upstream LED chip segment, the industry has entered a distinctly oligopolistic structure, with the top ten manufacturers collectively exceeding a 90% market share. Vendors equipped with comprehensive epitaxy capabilities, large-scale capacity, and high-end product roadmaps hold commanding positions in Mini LED, Micro LED, automotive lighting, and specialty light sources (UV/IR). By contrast, general-purpose LED chips—defined by low technical thresholds and high product homogeneity—continue to maintain sizable market share but face ongoing margin pressure.

In the midstream packaging and LED component market, the industry structure is increasingly bifurcated. On one track, leading international and Japanese manufacturers maintain stable market share in automotive lighting, high-reliability light sources, and sensing applications. On the other track, Chinese and Taiwanese packaging vendors sustain scale advantages in consumer lighting and display modules but continue to face competitive pressure.

##### (2) The prospect of the application market in the future

After the demand adjustments during 2023–2025, the supply side of the LED industry has gradually recalibrated its investment pace. New capacity coming online in 2026 will be concentrated in Mini LED, Micro LED, automotive LEDs, and specialty light sources, rather than in traditional lighting or backlight applications. Most manufacturers are now placing greater focus on improving yields, optimizing production processes, and strengthening cost structures, rather than simply expanding overall capacity.

Nevertheless, in display-related applications, as Mini and Micro LED production lines continue to ramp, localized short-term supply pressure may still occur, particularly for products with standardized sizes and specifications. Overall, the future supply structure of the LED industry is expected to be characterized by relatively ample supply in general-purpose products and a comparatively tight supply environment for high-end devices.

Looking ahead, LED demand growth will no longer be driven by a single application but by a diversified set of end markets:

- A. Automotive and sensing applications:  
Automotive LEDs are seeing accelerated deployment in headlamps, tail lamps, interior ambient lighting, and sensing applications, given the stringent requirements for reliability and consistency in these use cases, thereby favoring suppliers with robust technological foundation.
- B. Advanced displays and direct-view markets:  
Demand continues to grow across large outdoor displays, commercial video walls, cinema LEDs, and high-end all-in-one display systems. The increasing adoption of Mini LED and Micro LED technologies has become the most important driver of market expansion.
- C. Consumer electronics backlighting:  
Owing to fluctuations in end-product shipments, the backlighting segment remains relatively conservative, with sustained growth concentrated primarily in high-end Mini LED backlight applications.

In 2026, the optical communication light source market is expected to demonstrate clear structural growth momentum, driven primarily by the expansion of AI data centers and rising demand for high-speed switching. As optical module specifications migrate from 400G to 800G and the industry begins deploying the 1.6T generation, demand for laser light sources characterized by high speed, low power consumption, and long-term stability is increasing markedly.

CW DFB and EML lasers, which are well suited for medium to long reach transmission and often regarded as dedicated “high speed express links,” remain the primary light sources for inter data center connectivity and silicon photonics architectures. In parallel, to address the substantial short reach transmission requirements within AI server racks, the industry is witnessing a dual track innovation trend led by both VCSEL and Micro LED technologies.

Overall, continued advancements in silicon photonics platforms and optical transceiver technologies are not only alleviating data transmission bottlenecks within AI server infrastructure but are also expected to extend into adjacent applications such as 5G communications and autonomous driving systems. As AI technologies continue to evolve, optical communication between vehicles is anticipated to enable ultra-high speed, ultra-low latency data exchange, further enhancing the efficiency, safety, and reliability of connected vehicle networks.

### 3. Competitive Niche

The Group is committed to strengthening its presence in high-technology, high-value-added applications, including automotive, advanced displays, and intelligent sensing.

#### (1) One-Stop, End-to-End Supply-Chain Services

The Group provides vertically integrated production across LED epitaxial wafers, dies, packages, and modules, fully leveraging the advantages of end-to-end value-chain integration. With the establishment of Ennostar Inc., the Group has further strengthened resource integration and pursued collaboration in intellectual property, aiming to broaden product breadth, deepen technological capabilities, and deliver comprehensive solutions and services to customers.

#### (2) One of the Few Companies Worldwide Offering Full-Spectrum Epitaxial Wafers and Chip Products

The Group’s AlGaInP portfolio provides high-brightness epitaxial wafers and chips covering yellow-green, yellow, orange, and red emission ranges. Its InGaN products offer epitaxial wafers and chips in blue and green wavelengths. In the invisible-light

segment, the Group also supplies UV and infrared products. Together, these offerings enable full-spectrum coverage—from 265 nm to 2400 nm—and support a one-stop procurement service for a wide range of customer requirements.

(3) Expanding Into High Value-Added Markets Through Core Technologies

The Group closely tracks shifts in market demand and maintains the flexibility to adjust our product portfolio alongside strong R&D capabilities—one of the Group’s key competitive advantages. In recent years, Ennostar Group has focused on “3+1” high value-added domains, continuously developing technologies and products with strong market competitiveness.

(4) Outstanding Technological Capabilities

Ennostar Group is dedicated to LED research, development, and manufacturing across diverse application fields. As of the end of 2025, the Company and its subsidiaries have accumulated more than 6,900 patent filings worldwide, with over 6,000 patents granted. This strong intellectual-property portfolio provides solid protection for the Group’s technologies and products.

The Group has established a dedicated intellectual-property unit to support its subsidiaries in continuously enhancing their IP management mechanisms. Through systematic oversight aligned with business planning, the Group optimizes its patent portfolio, maintains reasonable maintenance costs, and advances the deployment of new technologies. Meanwhile, it implements necessary risk-mitigation measures to address potential IP risks—preserving operational freedom while strengthening competitive advantages.

4. Favorable and unfavorable factors of development outlook and countermeasures

(1) Favorable Factors

A. Broad Applications with Significant Market Potential

Ennostar Group provides end-to-end optoelectronic solutions spanning epitaxial wafers, dies, packages, and modules. This vertically integrated model not only enhances manufacturing efficiency but also enables tighter control over product quality and cost. The Group’s products are deployed in advanced displays, automotive, and intelligent sensing applications, meeting market demand for high-performance, high-quality LED solutions.

B. A Well-Established LED Ecosystem with Efficient Go-to-Market Channels

Taiwan’s LED industry benefits from a comprehensive industrial structure, mature and stable technologies, and high production efficiency, enabling it to maintain a leading position in global LED output. The Group continues to expand its presence in overseas markets, with customers across all major regions and a strong downstream base that provides meaningful competitive advantages in marketing and customer engagement. Strategic alliances with downstream LED companies are one of the Group’s key strengths. Through professional specialization and collaborative partnerships, the Group is able to respond quickly to market trends and adjust its production direction in a timely manner, thereby enhancing overall competitiveness.

C. Future Applications of Core MOCVD Technology

MOCVD epitaxial systems offer superior control over material purity, as well as epitaxial-layer thickness and uniformity, compared with LPE and VPE technologies. As a result, MOCVD has become the primary method for producing high-brightness LEDs and laser-diode (LD) chips, as well as for manufacturing fiber-optic components and detectors used in optical-fiber communications and emitter devices used in microwave communications. For example, MOCVD technology is widely adopted for the growth of epitaxial wafers used in long-wavelength LDs, vertical-cavity surface-emitting lasers (VCSELs), and solar cells.

The Group’s technical teams possess extensive experience in MOCVD epitaxial growth and have developed proprietary know-how in MOCVD system design and enhancement. This expertise provides the Group with strong competitiveness as it expands into the production of fiber-optic communication and wireless-communication components.

(2) Unfavorable Factors and Countermeasures

As the LED market enters a phase of technology upgrades and industry restructuring, global competition continues to intensify. Competitors in Mainland China are aggressively expanding capacity and leveraging price competition to capture market share, further compressing the profitability of traditional LED products. In response, Ennostar Group is strengthening technological innovation and accelerating market deployment, driving transformation through a “Dual-Strategy Approach” across domain value-add and solution value-add, thereby enhancing its competitiveness and market advantages.

“Dual-Strategy Approach”:

Ennostar Group’s “Dual-Strategy Approach” strategy drives technology upgrades and value-chain integration through two pillars—Field Value-Added and Solution Value-Added—enhancing product competitiveness and market penetration:

A. Field Value-added Approach: Expand into the high-value-added market and Raising Technology Barriers

Ennostar Group continues to drive technological breakthroughs in Mini LED, Micro LED, and intelligent sensing, enhancing the market penetration of high-value-added products and focusing on key application markets such as automotive, advanced displays, and smart sensing.

Mini LED Technological Breakthroughs:

The Group has expanded the deployment of mass-produced Mini LED chips and modules across a wide range of applications, including automotive displays and televisions, while advancing both COB and POB backlight technologies. In addition, the Group is actively promoting ultra-fine-pitch direct-view display technology. It has taken the lead in introducing flip-chip Mini LED 0404 packages and specialized module technologies, and has further developed ultra-compact flip-chip Mini LED 1111 packages with integrated ICs, strengthening its competitiveness in next-generation display technologies.

Micro LED Mass-Production Progress:

The Group has overcome key technical bottlenecks and achieved significant progress in RGB CoW and GaN-on-Silicon technologies. These advancements provide strong technological support for emerging markets such as wearable devices, high-end displays, and transparent displays, reinforcing the Group’s leading position.

Smart Sensor Applications:

In biometric sensing, industrial sensing, and automotive sensing (DMS and LiDAR) applications, the Group continues to enhance its infrared LED, VCSEL, and SWIR technology platforms, supporting a diversified range of market requirements.

B. Solution Value-added Approach: End-to-End Solutions via Value-Chain Integration

Ennostar Group not only advances product and technology innovation but also enhances the completeness of its solution offerings and strengthens overall market competitiveness through comprehensive integration of upstream, midstream, and downstream value-chain resources.

Reinforcing Value-Chain Integration:

Through vertically integrated technological capabilities and industry deployment, the Group reinforces the full-spectrum development of epitaxy, chips, packaging, and modules. This integration supports the delivery of high-performance LED products, ensures greater supply stability, and strengthens sustainable technological advantages.

Developing Cross-Domain Solutions:

By integrating intelligent algorithms, advanced module technologies, and driver ICs, the Group delivers more comprehensive, one-stop solution offerings that enhance customer value creation. In the automotive market, for example, the Group combines smart ambient lighting, advanced display technologies, and sensing solutions to deliver integrated systems that address the evolving

requirements of smart-cockpit and ADAS applications.

Building a Chain-Integrated Competitive Advantage:

By leveraging supply-chain synergies and strengthening strategic collaborations with leading global partners, the Group continues to reinforce a more competitive technology ecosystem. These initiatives support industry upgrading and reinforce long-term growth momentum.

- C. Advancing Market Deployment and Accelerating Transformation and Upgrading  
Ennostar Group will continue to advance its “Dual-Strategy Approach” to strengthen technological innovation, expand into high-value-added markets, and improve value-chain integration, thereby enhancing overall competitiveness and market share. Through the dual drivers of “Field Value-Added” and “Solution Value-Added,” the Group will continue to lead the upgrading of the LED industry, support steady business growth, and create greater value for shareholders.

#### **4.2.2 Important Applications and Production Processes of Main Products**

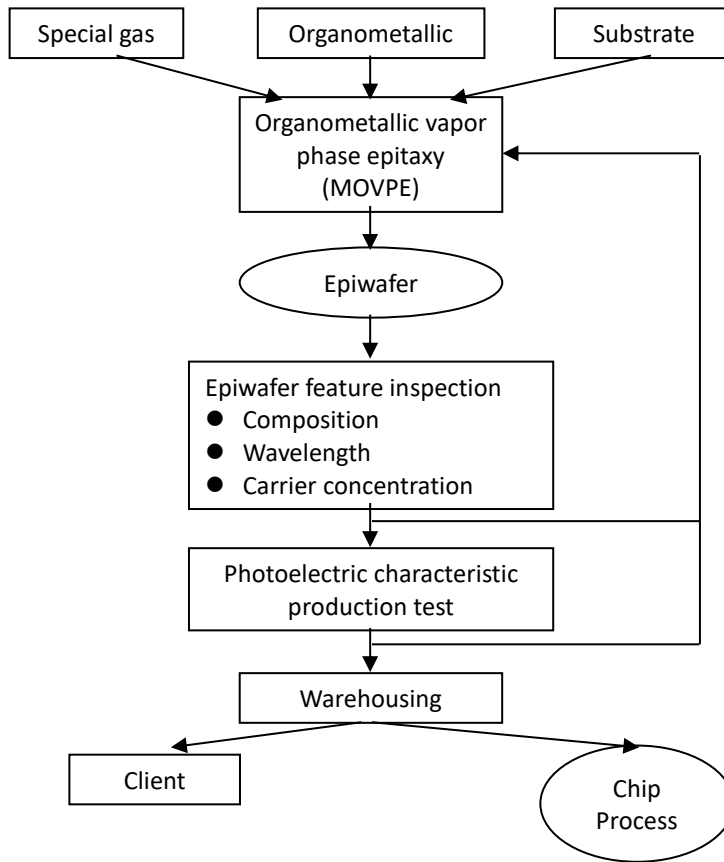
##### **1. Important Applications**

The high-brightness LED products produced by the Group are characterized by small size, low power consumption, low heat generation, and long service life, and are widely used across diverse application fields:

- (1) Indoor displays, large outdoor displays, traffic signals, and traffic information displays.
- (2) Automotive Industry
  - A. Interior: Backlight sources of the dashboards, reading lights, indicator lights, ambient lights, DMS/OMS, and other automotive sensors.
  - B. Exterior: third brake lamps (CHMSL), fog lamps, tail lamps, turn signals, hazard lamps, daytime running lamps (DRL), ADB and ADAS exterior-sensing applications, exterior ambient lighting, and matrix-type exterior displays.
- (3) Consumer Electronics  
All kinds of home appliances, indicator lights and digital channel displays.
- (4) Communication Industry  
Backlights and flashes for mobile phone display panels.
- (5) Information Industry  
Indicator lights for PCs and peripheral devices thereof, backlights for small LCD monitors, and scanning light sources for photocopiers.
- (6) Backlight applications of TVs/displays.
- (7) Outdoor landscape and architectural lighting, street lighting, and industrial and commercial lighting.
- (8) Specialty lighting applications for agricultural lighting, medical lighting and UV.
- (9) Sensor applications in smart security, smart home systems, and smart door locks.
- (10) IR LEDs for facial recognition, iris recognition, and eye tracking of information products.
- (11) LED light sources used in biometrics and industrial sensors (NIR & SWIR) related to wearable devices.
- (12) Develop emitting light sources for visible light and invisible light of optical communication applications.

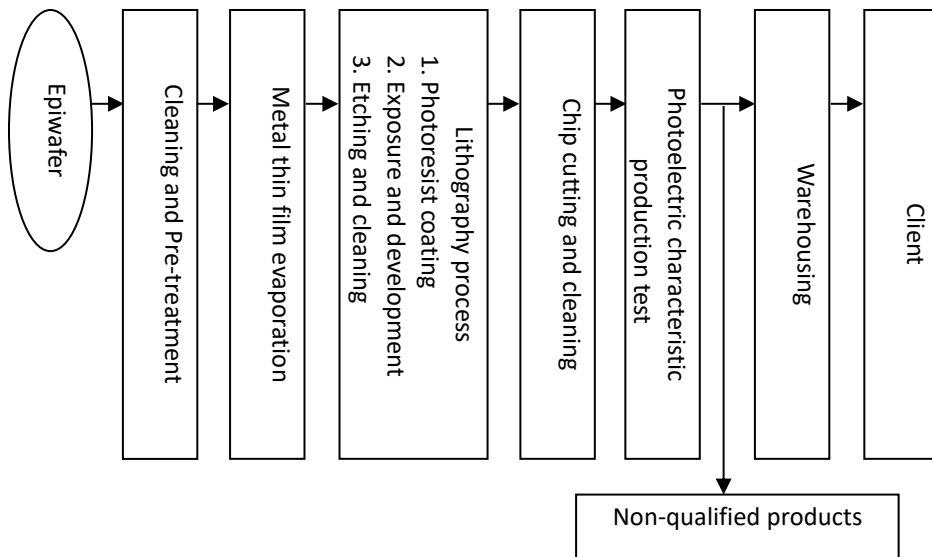
2. Production Process

(1) Epitaxy process



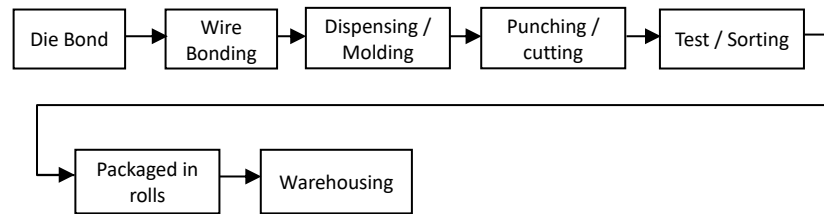
Source: Ennostar Inc. (March 2026)

(2) Chip Process



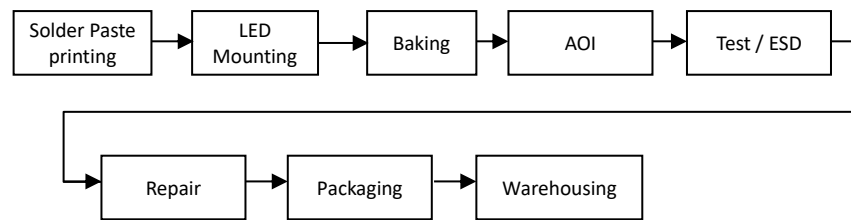
Source: Ennostar Inc. (March 2026)

(3) Packaging Process



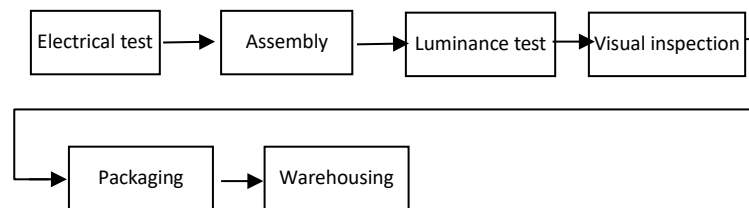
Source: Ennostar Inc. (March 2026)

(4) SMT process



Source: Ennostar Inc. (March 2026)

(5) Assembly process



Source: Ennostar Inc. (March 2026)

#### 4.2.3 Supply Status of Main Raw Materials

The Group specializes in the production of light-emitting diodes (LEDs), with product offerings spanning epitaxy, chips, packages, surface-mount devices, and modules. Major raw materials and components include sapphire and GaAs substrates, specialty gases, metals, LED chips, lead frames, encapsulation materials, flexible and rigid substrates, and ICs. The Group maintains robust partnerships with domestic and international suppliers to ensure supply stability. Key raw materials and critical components are sourced from two or more qualified suppliers to enhance procurement flexibility and mitigate supplier-concentration risk.

#### 4.2.4 Name list for major procurement and sales customers

##### 1. Major sales customers

Unit: Thousands of NTD

2024				2025			
Name	Amount	Percentage in annual net sales amount (%)	Relationship with issuer	Name	Amount	Percentage in annual net sales amount (%)	Relationship with issuer
Customer B	3,262,144	13.38	None	Customer B	3,156,793	14.23	None
Other	21,125,117	86.62		Other	19,026,022	85.77	
Net Sales	24,387,261	100.00		Net Sales	22,182,815	100.00	

Note: Consolidated entity.

##### Description of the reasons for the increase or decrease:

Due to weaker-than-expected end-market demand, revenue declined, there is currently no significant risk of sales concentration.

##### 2. Major procurement suppliers

Unit: Thousands of NTD

2024				2025			
Name	Amount	Percentage in annual net procurement amount (%)	Relationship with issuer	Name	Amount	Percentage in annual net procurement amount (%)	Relationship with issuer
Supplier C	2,477,088	17.91	None	Supplier C	2,384,816	17.13	None
Supplier B	1,451,739	10.50	None	Supplier B	1,460,454	10.49	None
Other	9,900,874	71.59		Other	10,073,675	72.38	
Net Purchases	13,829,701	100.00		Net Purchases	13,918,945	100.00	

Note: Consolidated entity.

##### Description of the reasons for the increase or decrease:

The company continues to maintain close cooperative relationships with suppliers, and there have been no significant changes overall.

### 4.3 Employee Information

Year		2024	2025	February 28, 2026
Number of Employees	Management	1,028	1,077	1,063
	R&D and Technician	2,549	2,178	2,042
	Direct	4,170	4,018	3,863
	Total	7,747	7,273	6,968
Average Age		35.4	36.1	35.7
Average Years of Service		7.5	7.9	7.8
Education (%)	Ph.D.	1%	1%	1%
	Masters	16%	15%	15%
	Bachelor's Degree	44%	38%	38%
	Senior High School & Below Senior High School	39%	46%	46%

Note: Consolidated entity.

### 4.4 Disbursements for Environmental Protection

#### 4.4.1 The loss or penalty caused by environmental pollution during the latest year, estimated current and future possible amount and countermeasures:

- 1、 Any losses or indemnity from pollution of environment: None.
- 2、 Matters of violations of environmental protection regulations from the environmental protection audit results

Factory site	Disposal date and disposal ref. no.	Violation of provisions of laws and regulations	Violation of contents of laws and regulations	The content of the dispositions	Countermeasures
Ennostar Corp. N7 Plant (formerly Epistar N6 Plant)	August 7, 2025; Document No. 1140042054 (EPB—Water)	Article 18 of the Water Pollution Control Act; Article 4 of the Regulations Governing Water Pollution Control Measures and Testing/Reporting Management	On July 9, 2025, and during May 5–7, May 17–18, and May 26–27, 2025 (ROC Year 114), the daily cumulative volume of sewer-discharge water from the wastewater treatment facilities exceeded 204 CMD, which did not conform to the approved Water Pollution Control Measures plan	Administrative fine of NTD 12,500; attend a 2-hour environmental lecture	<ol style="list-style-type: none"> <li>1. Adjust meter-reading mechanism to fixed time windows.</li> <li>2. Re-examine and adjust wastewater discharge process.</li> <li>3. Horizontally deploy wastewater discharge surveys across all plants</li> <li>4. Establish an EHS re-inspection mechanism</li> </ol>

#### **4.4.2 Countermeasures and Possible Expenditure**

Under our sustainability strategy, the Group exercises robust operational governance throughout our operations by conducting risk assessments, implementing improvement actions, and maintaining continuous monitoring to reduce the environmental impacts of production activities. We place particular emphasis on the 3Rs (reduce, reuse, recycle). These efforts help us continually increase resource recycling and reuse rates, lower greenhouse gas (GHG) emissions, fulfill our corporate citizenship responsibilities, and work toward a low emission, low impact production environment.

In addition, in response to newly issued environmental regulations or international conventions, the Group closely monitors regulatory developments and develops appropriate compliance measures. Each year, we allocate budgets for pollution prevention and environmental management and implement corresponding improvements, thereby upholding the principle of continual improvement within our environmental management system.

### **4.5 Labor Relations**

#### **4.5.1 Employee welfare measures, continuing education and training, retirement systems and their implementation, labor–management agreements, and the status of measures for safeguarding employees’ rights and interests.**

Ennostar Group places great emphasis on talent retention and employee relations. In addition to establishing a human rights policy, the Group provides a competitive compensation system, flexible attendance and leave policies, comprehensive insurance coverage, comprehensive health management measures, and an employee-friendly work environment to reduce employee turnover and retain outstanding talent.

1. Workplace diversity and gender equality measures

Ennostar Group is committed to creating a positive environment for human rights protection, avoiding business activities that may lead to human rights violations or negative impacts, respecting diverse cultures, and eliminating unlawful discrimination and sexual harassment. The Group also promotes female leadership and implements friendly workplace measures as follows:

- (1) The Group has clearly disclosed its human rights policy and prohibits discrimination, interference, or unequal treatment on the basis of race, color, appearance, social class, nationality, religion, political affiliation, disability, pregnancy, health condition, gender, sexual orientation, age, marital status, union membership, participation in associations or assemblies, status as a workers’ representative, the filing of employee grievances, or political opinion.
- (2) In 2025, women accounted for 43% of the Group’s workforce and 26% of managerial positions. The Group also implemented maternity protection measures and equal pay for equal work to foster a gender-equal and inclusive workplace.
- (3) The Group has established a comprehensive care and communication system. In 2025, one gender equality-related complaint was filed and was handled and closed through a dedicated process, with appropriate management and follow-up tracking in place.
- (4) The Group supports employees in meeting their family care responsibilities. In 2025, the parental leave application rate was 11% overall, including 2.8% for men and 19.8% for women, while the overall return-to-work rate reached 66.7%, including 45.5% for men and 73.5% for women.

2. Employee welfare measures

The Group is committed to promoting workplace equality and employee care. Compensation determinations are based on job responsibilities, competencies, academic and work experience, and performance results. Any form of disparate treatment based on gender, age, race, marital status, or other non-performance-related factors is strictly prohibited.

The Group regularly benchmarks market practices and conducts professional compensation analyses to establish a competitive remuneration structure that exceeds statutory requirements. A fair and transparent performance evaluation mechanism is implemented

to ensure appropriate reward alignment. In accordance with applicable laws, the Employee Welfare Committee has been established to plan and administer a wide range of welfare programs, promote diversified incentive schemes, and enhance employee benefits—thereby advancing Diversity, Equity, and Inclusion (DEI) and supporting sustainable operations.

The current welfare measures are as follows:

- (1) **Salary Safeguards:** Starting salaries for new employees are determined without regard to gender or age and are set at levels not lower than the minimum standards stipulated under the Labor Standards Act.
- (2) **Incentive System:** Holiday bonuses, performance (incentive) bonuses, patent application incentives, and employee suggestion awards.
- (3) **Employee Stock Ownership Trust (ESOT):** Implemented in 2022, the Group provides a 100% matching contribution to this program. This initiative strengthens the long-term partnership between the Group and its employees, enabling them to share in the Company's operational results while encouraging disciplined savings for a more secure post-retirement life, ultimately creating a win-win outcome.
- (4) **Insurance Coverage:** Participation in labor insurance, National Health Insurance, and employee group insurance plans.
- (5) **Employee Welfare Committee Subsidies:** Wedding gifts, funeral allowances, childbirth subsidies, hospitalization consolation payments, childcare subsidies, birthday gifts, and holiday gifts.
- (6) **Activity Support:** Year-end banquets, club subsidies, travel subsidy, and departmental activity (incentive) budgets. The Company also provides access to newspapers and magazines and organizes diverse sports, recreational, and wellness activities.

The Group continues to advance its efforts in promoting work-life balance. Detailed information on employee benefits is available on the Company's official website and in the ESG Report. The Company will further enhance its compensation and benefits framework to build a fair, inclusive, and competitive workplace environment, thereby reinforcing its long-term commitment to sustainable operations.

### 3. Comprehensive employee health protection

To comprehensively safeguard employees' well-being, the Group integrates three key elements—physical health, psychological well-being, and spiritual well-being—into its employee health care framework. From this foundation, knowledge of physical health, psychological well-being, and self-reflection practices are gradually incorporated into on-site health promotion activities, which are further extended to employees' families. The goal is to build a sound and fulfilling healthy workplace, enabling employees to achieve balanced development in physical, psychological, social, and spiritual dimensions.

- (1) Management of abnormal health examination results.
- (2) Health promotion programs.
- (3) Occupational health risk prevention and management.
- (4) Communicable disease management.
- (5) Care for employees with occupational injuries.
- (6) Maternity protection and a pregnancy-friendly workplace.
- (7) Diverse activities and wellness seminars.

### 4. Employee training

The Group has established Ennostar University to cultivate the knowledge, skills, and mindset of both new employees and existing employees through structured training programs aligned with the Group's strategic direction. In addition to strengthening professional capabilities in areas such as research and development, manufacturing, and quality management, the programs also enhance general competencies and sustainability awareness, with leadership development serving as a core driver of high-performing teams. Ennostar aims to position learning as a key source of competitiveness, providing long-term momentum for innovation and sustainable growth.

Ennostar University comprises six academies, each with a distinct focus. The Sustainability Academy draws on resources from the Group's ESG Committee and its eight working groups, as well as the Sustainability and Legal functions, with programs centered on sustainable prosperity, corporate sustainability, ethical management, low-carbon transition, and trend

insights, encouraging employees to embed sustainability into daily operations. The Leadership Academy focuses on management capabilities across all leadership levels, delivering a structured and tiered leadership development pathway that enables newly promoted managers, junior managers, middle managers, and senior managers to progressively strengthen leadership and management skills under a common management framework. The General Education and Business Academy develops core competencies and reinforces the Group’s cultural values, while offering courses aligned with strategic priorities to enhance employees’ understanding of emerging trends and business insights. The Quality Academy emphasizes quality awareness and translates quality methodologies into practical daily practices. In addition to systematic training on the six core automotive quality tools, the Academy also offers general automotive industry courses to strengthen employees’ foundational knowledge of the automotive sector. The Science Academy and Engineering Academy focus on technical R&D and manufacturing expertise, providing insights into relevant knowledge and trends, and leveraging strong technical fundamentals to drive advances in smart and advanced technologies. Through the comprehensive training framework of Ennostar University, the Group seeks to enhance individual capabilities and overall competitiveness. To further promote knowledge transfer and organizational learning, the Group has also implemented an internal instructor program to develop in-house trainers with both technical expertise and teaching capabilities, enabling the continuous sharing of experience and know-how and fostering a culture of shared learning that further strengthens the Group’s long-term competitiveness.

The implementation status of training programs at the Ennostar Group in 2025 is summarized in the table below.

Category	Item	Data
Resources Invested	Total Training Expenditure	NT\$7,271,915
	Total Training Participations	30,963
	Total Learning Hours	52,961.99 hrs
Average Learning Hours	Overall Average Learning Hours	14.28 hrs
	Average Learning Hours – Management	18.87 hrs
	Average Learning Hours – R&D and Technical Personnel	20.24 hrs
	Average Learning Hours – Direct Labor	6.26 hours
Training Type Breakdown	Online Training	42.60%
	In-person Training (Classroom / External Training)	57.40%
Average Satisfaction	Post-training Average Satisfaction Score	4.74
Internal Instructor System	Number of Internal Instructors	12

To safeguard employees’ intellectual contributions and the Group’s core assets and to prevent information leakage, the Group has established the Information Classification and Protection Policy. The Group has also established the “Personal Data Management Regulations,” which stipulate that all employees may use personal data collected from data subjects only to the extent necessary and solely for the purposes set forth in the consent form and the Privacy Policy; collected personal data may not be used for purposes inconsistent with the original purposes. These policies apply to all operating sites, customers, and suppliers, and are supervised and managed by the Information Security

Committee. The Group also provides training programs, including courses on the Personal Data Protection Act and information security awareness. These programs clearly define procedures for document access, handling, and transmission, fostering organization-wide cybersecurity awareness and strengthening confidential information protection. Additionally, Ennostar places strong emphasis on human rights and business integrity. Training on the Ennostar Group RBA and Integrity Policy is incorporated into onboarding programs for new employees, with annual retraining provided to all employees. Through a forward-looking, rigorous, and people-centric training framework, the Group encourages the integration of professionalism and ethical conduct, enabling employees to translate learning into continuous improvement and laying a solid foundation for sustainable growth and operational excellence.

The completion status of the relevant training programs is summarized in the table below:

Training Program	Number of Employees Completing the Training	Completion Rate
Personal Data Protection Act Education and Training Program	148	100%
Ennostar Group RBA and Integrity Policy Education and Training Program	3,699	100%

#### 5. Retirement Systems

To fulfill the Group's social responsibility and help ensure a stable post-retirement life for employees, the Company and its domestic subsidiaries have established the retirement policy in accordance with the "Labor Standards Act" and the "Labor Pension Act". Monthly contributions are made pursuant to applicable laws and regulations. The main provisions of the old and new pension systems are outlined below:

Pension System	Old Labor Pension System	New Labor Pension System
Legal Basis	Labor Standards Act	Labor Pension Act
Contribution Method	The Company contributes 2% of total monthly wages to the retirement reserve fund, which is deposited in a dedicated account with the Bank of Taiwan under the name of the Supervisory Committee on Labor Retirement Reserve Fund.	The Company contributes 6% of employees' monthly wages to individual pension accounts administered by the Bureau of Labor Insurance.

The Group's subsidiaries in Mainland China make monthly contributions to the statutory pension insurance system in accordance with the requirements prescribed by the government of the People's Republic of China, based on a prescribed percentage of local employees' total wages. Employees' retirement benefits are centrally administered by the government. Apart from making the required monthly contributions, the Group has no further obligation.

#### 6. Labor-Management Agreements

Harmonious labor-management relations have always been an important guiding principle of the Group's human resource management strategy. To establish sound communication and consultation channels and enable employees to work with peace of mind while maintaining high performance, the Group has established a dedicated employee relations function. Through employee relations, the Group integrates internal resources with external professional employee assistance services to help relieve the pressures and issues employees may face in both work and daily life, allowing them to work with greater well-being. By collaborating with external professional institutions, the Group provides

confidential and diversified professional support resources.

Internal communication channels include setting up a dedicated employee suggestion box for colleagues to express their opinions, with confidentiality maintained for those who express them. Employee opinions are included in labor-management meetings for discussion, follow-up improvement evaluation, and tracking. A “7885 (Please Help Me)” hotline, mailbox, and QR code are also available, enabling all employees, job applicants, and suppliers to raise concerns at any time and receive timely responses. When significant operational changes occur that affect labor rights, the Company communicates and coordinates with employees promptly through formal channels in an effort to provide the best possible working environment for all employees.

The Group periodically holds face-to-face communication meetings with employees. Through these meetings, colleagues gain further understanding of the Company’s operational plans, group vision, mission, and strategic blueprint. Colleagues can also provide opinions or suggestions to the company, thereby enhancing two-way communication.

The Group continues to optimize employee experience and strengthen employee cohesion. Since 2022, annual employee engagement surveys have been conducted at the Group’s Taiwan sites to enhance employee cohesion and organizational identification. Since 2023, bilingual Chinese and English versions have been provided for both local and foreign employees in Taiwan. In 2024, the scope of the survey was expanded to include employees in both Taiwan and overseas locations. The employee experience (engagement) survey covers five dimensions: career development, job role, work environment, leadership and management, and employee benefits. The survey is intended to further understand employees’ perspectives and formulate improvement measures based on the analysis results, thereby strengthening the organizational effectiveness of Ennostar Group. In 2025, the overall coverage rate was 29%, with a score of 4.06 out of 5.

#### 7. Measures to protect the work environment and employee safety

To ensure a safe working environment, the Company has implemented the following safety protection measures:

- (1) To safeguard the production environment and employee safety, the Company has appointed dedicated occupational safety and environmental protection personnel, formulated occupational hazard prevention plans, and guided relevant departments in their implementation.
- (2) Safety and health training programs are provided to both new hires and current employees.
- (3) Annual environmental monitoring of operational areas is conducted to ensure workplace environmental quality.
- (4) Annual health examinations are arranged for employees engaged in special operations, and comprehensive health checkups are conducted for all employees every two years.
- (5) Each site is staffed with nurses and equipped with medical rooms in accordance with regulations to provide initial treatment in the event of emergencies and to serve as a waiting area for medical assistance. The Company also employs occupational medicine specialists on-site to provide medical and health consultations, and coordinates referrals to external medical institutions when necessary.
- (6) Abnormal incidents are investigated to determine root causes, and necessary preventive and protective measures are implemented.
- (7) Each department formulates and executes self-inspection management programs in accordance with regulations. In addition, monthly supervisory inspections are conducted by managerial personnel to review on-site environmental and safety conditions.
- (8) Emergency response management procedures have been established, including the

formation of on-site emergency response teams, provision of emergency equipment, and regular emergency drills.

In addition to the above safety measures, the Company also provides the following employee-friendly workplace facilities:

- (1) Recreational facilities (such as treadmills, fitness equipment, table tennis, and aerobics classrooms).
- (2) On-site convenience stores and cafés to provide employees with refreshments and energy at any time.
- (3) Well-equipped medical rooms and lactation rooms.
- (4) Spacious and comfortable dining areas, diverse meal options, and meal subsidies for employees.

#### 8. Procedures for Handling Material Information and Preventing Insider Trading

The handling of material information and the prevention of insider trading have been incorporated into the Company's internal control system, including relevant procedures for evaluating the disclosure of material information, retaining approval records, and handling violations.

The unit responsible for handling internal material information is composed of personnel from the Finance Center, Corporate Development Office, Legal & IP Management Office, and Information Center. The Finance Center is responsible for the disclosure of material information on the Market Observation Post System (MOPS), while the Corporate Development Office is responsible for handling external media communications. In addition, all employees, managerial officers, and members of the Board of Directors are notified from time to time and reminded to pay attention to whether any material information is subject to mandatory disclosure under applicable laws and regulations. They are also informed of the relevant requirements to avoid violations and insider trading. The relevant procedures are available on the Company's website for reference and familiarization.

Personnel who become aware of internal material information by virtue of their position, profession, or control relationship are required to faithfully perform their duties, exercise the duty of care of a good administrator, and carry out their responsibilities with a high degree of self-discipline and prudence. They must strictly comply with the relevant regulations of the competent authorities governing the handling, disclosure, and confidentiality of material information, and may also be required to sign confidentiality agreements on a case-by-case basis, where necessary.

**4.5.2 Labor/employer dispute loss in 2025 and as of the publication date of the annual report : None.**

## **4.6 Information Security Management**

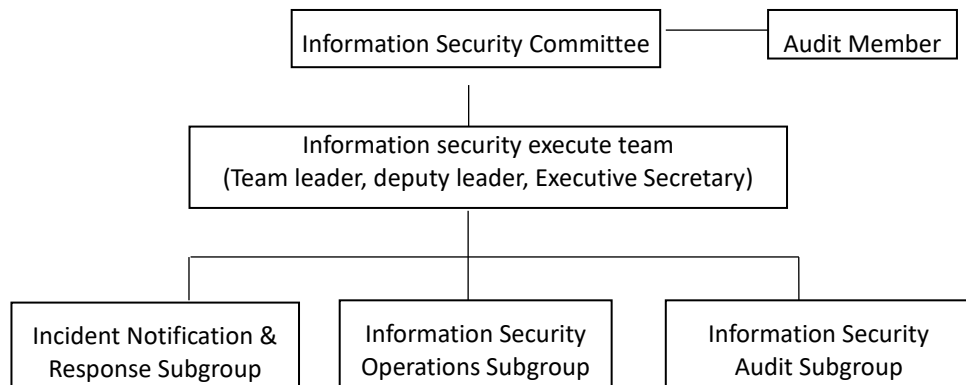
### **4.6.1 Information security risk management framework, information security policies, specific management measures, and resources invested in information security management**

#### **1. Information Security Management Framework**

The Company is committed to the continuous optimization of its information security systems and the strengthening of its protective capabilities. A Chief Information Security Officer (CISO) is

appointed as the highest-ranking executive for information security, reporting directly to the President. The CISO oversees the execution of Information Security operations and the effectiveness of risk management mechanisms throughout the Company. A cross-departmental Information Security Committee has been established, with the CISO serving as the convener to establish unified Information Security policies. The committee meets weekly to plan, formulate, approve, and supervise Information Security policies, indicator achievements, and relevant regulations. Additionally, a dedicated Information Security Management Department is responsible for planning, executing, coordinating, and improving the Information Security Management System (ISMS), establishing management procedures for compliance, and conducting regular risk assessments, internal audits, and management reviews.

**Organizational Structure**



The Company (established in January 2021) has maintained its ISO/IEC 27001:2013 certification for Information Security Management System (ISMS) since 2024, adhering to international standards for information risk management. Our subsidiary, Epistar Corp., obtained ISO 27001 cybersecurity certification in 2010 and completed its periodic audit in December 2024; the certificate remains valid. Our other subsidiary, Lextar Electronics Corp., also completed its ISO 27001 periodic audit in November 2024. Regarding the new version, ISO 27001:2022, our company completed its new version verification in December 2025, valid until November 2028. Detailed information is available on the official website (<https://www.ennostar.com/certifications>).

- Subsidiary Epistar Corp. was renamed Ennostar Corporation. on October 1, 2025, and successfully obtained ISO 27001:2022 integration verification and certification in October of the same year, demonstrating its continued commitment to Information Security management. Please see the company website for relevant certification information.
- Lextar Electronics Corp. merged with Ennostar Corporation in January 2026, further strengthening the Ennostar Corporation capabilities and resource integration in the cybersecurity field.

**2. Information security policy**

To ensure the normal, secure, and stable operation of the company's core information system services and critical information infrastructure, to regulate the highest guidelines of the company's information center information security management system, to provide secure and reliable information services, to ensure the confidentiality, integrity, availability, and compliance with relevant regulations of the information center's information assets, to maintain business continuity, to reduce information operation risks, and to protect the rights and interests of information service users.

**3. Specific management measures**

- (1) Implementation of a defense-in-depth architecture
- (2) Physical security
- (3) Endpoint security
- (4) Privileged Access Management (PAM)
- (5) Protection of confidential data

- (6) Management and protection of trade secrets
- (7) Information security awareness enhancement
- (8) Supplier management
- (9) Third-party risk assessments
- (10) Talent development
- (11) Report and handling of information security incidents
- (12) Information systems resilience

#### **4.Resources allocated to cybersecurity management**

- (1) Establish a dedicated cybersecurity unit with two cybersecurity specialists to conduct cybersecurity audits and monitor abnormal information security activities, and report to the CISO at weekly cybersecurity meetings, with a total of forty-six meetings to be held by 2025.
- (2) Conducts annual "war gaming" drills for hacker intrusion incidents, followed by review meetings to continuously improve processes and ensure staff familiarity with procedures.
- (3) Provide general information security awareness training for employees and set training hour requirements for dedicated information security personnel; conduct six employee phishing simulation exercises and related security training sessions each year; publish a monthly information security e newsletter (12 issues annually); and issue information security awareness advisories on an ad hoc basis, totaling 13 times per year.
- (4) Strengthens early warning capabilities by deploying Managed Detection and Response (MDR) and Endpoint Detection and Response (EDR) for monitoring.
- (5) Utilizes automated third-party security assessment systems to gain insights into corporate network risks.
- (6) Implements email sandbox filtering mechanisms to enhance email security and protect sensitive information.
- (7) Deploys Data Loss Prevention (DLP) mechanisms to automatically identify and classify sensitive data, preventing unauthorized leakage.
- (8) Requires employees to participate in periodic cybersecurity awareness activities and training; internet and email service access is granted only after passing tests with a perfect score.
- (9) Organizes "Cybersecurity Month" prize quizzes to encourage active employee participation and heighten organizational incident response and risk awareness.
- (10) To enhance professional competence and efficiency, Ennostar personnel have obtained certifications including: iPAS (Basic/Intermediate) Certified Engineers from the Ministry of Economic Affairs; ISO/IEC 27001:2022 ISMS Lead Auditor; ISC2 Certified in Cybersecurity (CC); and EC-Council Certified Ethical Hacker (CEH). Staff continue to engage in advanced learning of cybersecurity technologies.

#### **4.6.2 In the most recent year and as of the date of annual report publication, the losses, possible impacts from and countermeasures for major cyber security incidents: None.**

### **4.7 Material Contract**

Subject	Counterparty	Contract Term	Main Content	Key Restrictive Clause
Equity Transfer	L Company	As stipulated in the contract.	Sale and transfer of equity in Bridgelux	As stipulated in the contract.
Technology Collaboration	B Company	As stipulated in the contract.	Obtain an exclusive license.	As stipulated in the contract.

## 5. Review, analysis and risk issues regarding financial standing and financial performance.

### 5.1 Financial conditions

(Consolidated entity) Unit: Thousands of NTD

Year Items	December 31, 2024	December 31, 2025	Difference	Change (%)
Current assets	29,771,488	28,342,886	(1,428,602)	(4.80)
Non-current financial assets at fair value through other comprehensive income	5,272,388	2,108,683	(3,163,705)	(60.01)
Investments accounted for using equity method	2,972,537	2,811,514	(161,023)	(5.42)
Property, plants & equipment	15,595,045	13,279,572	(2,315,473)	(14.85)
Other assets	5,866,337	5,213,083	(653,254)	(11.14)
<b>Total assets</b>	<b>59,477,795</b>	<b>51,755,738</b>	<b>(7,722,057)</b>	<b>(12.98)</b>
Current liabilities	9,681,943	7,737,565	(1,944,378)	(20.08)
Non-current liabilities	2,256,634	1,618,753	(637,881)	(28.27)
<b>Total liabilities</b>	<b>11,938,577</b>	<b>9,356,318</b>	<b>(2,582,259)</b>	<b>(21.63)</b>
Share capital	7,379,405	7,379,405	0	0.00
Capital surplus	38,403,057	36,135,091	(2,267,966)	(5.91)
Retained earnings	(1,422,637)	(2,686,904)	(1,264,267)	88.87
Other equity interest, Treasury shares and Non-controlling interest	3,179,393	1,571,828	(1,607,565)	(50.56)
<b>Total equity</b>	<b>47,539,218</b>	<b>42,399,420</b>	<b>(5,139,798)</b>	<b>(10.81)</b>

#### 5.1.1 Analysis of major reasons for changes of 20% or more and amounts of NT\$100,000 thousand or more

1. Decrease in Non-current financial assets at fair value through other comprehensive income  
Mainly due to disposal of certain equity instruments and recognition of valuation losses.
2. Decrease in current liabilities

Mainly due to repayment of loans and a decrease in short-term notes and bills payable.

3. Decrease in non-current liabilities

Mainly due to decrease in deferred tax liabilities and lease liabilities.

4. Decrease in retained earnings

Mainly due to be a net loss in 2025.

5. Decrease in other equity, treasury shares, and non-controlling interests

Mainly due to disposal of equity investment measured at fair value

through other comprehensive income, the recognition of valuation losses on financial assets measured at fair value through other comprehensive income and a decrease in non-controlling interests.

**5.1.2 Impact resulting from the change: Without a significant impact on the financial conditions.**

**5.1.3 Future countermeasures: Not applicable.**

**5.2 Financial performance**

(Consolidated entity)		Unit: Thousands of NTD		
Year	2024	2025	Difference	Change (%)
Items				
Sales revenue	24,387,261	22,182,815	(2,204,446)	(9.04)
Operating costs	(21,069,583)	(20,918,178)	151,405	(0.72)
Realized and unrealized profit from sales	(13)	0	13	(100.00)
Net Gross profit (loss)	3,317,665	1,264,637	(2,053,028)	(61.88)
Operating expenses	(5,027,674)	(4,810,371)	217,303	(4.32)
Other income and expenses	85,745	62,574	(23,171)	(27.02)
Operating (loss) income	(1,624,264)	(3,483,160)	(1,858,896)	114.45
Non-operating income and expenses	(63,717)	885,223	948,940	(1,489.30)
Loss before income tax	(1,687,981)	(2,597,937)	(909,956)	53.91
Income tax benefit (expense)	(79,346)	(54,298)	25,048	(31.57)
Loss for the period	(1,767,327)	(2,652,235)	(884,908)	50.07
Other comprehensive income (loss)	2,016,417	(772,667)	(2,789,084)	(138.32)
Total comprehensive income (loss)	249,090	(3,424,902)	(3,673,992)	(1,474.97)

### **5.2.1 Analysis of major reasons for changes of 20% or more and amounts of NT\$100,000 thousand or more**

1. Decrease in net gross profit

Mainly due to weaker-than-expected end-market demand in 2025, which led to a decline in revenue and an increase in inventory write-down losses.

2. Increase in net non-operating income.

Mainly due to higher gains on disposals of investments in 2025 and the absence of asset impairment losses in the period.

3. Decrease in other comprehensive income

Mainly due to increased unrealized losses on non-current financial assets measured at fair value through other comprehensive income in 2025 and a decrease in cumulative translation differences of foreign operations.

### **5.2.2 Expected sales and their basis, possible impacts on the future finance and business of the Company, and countermeasures.**

Ennostar Group's business spans the full value chain from upstream epitaxy and chips to packaging and modules, serving a wide range of applications, including automotive, smart sensing, and advanced displays. Due to the diversity of our products, the basis for measurement and pricing varies by category. Wafers may be measured by area or structure, chips by unit count or performance metrics, and modules by the number of sets. In addition, each application has different requirements for functionality, specifications, and quality. As a result, ASP and gross margin profiles can vary significantly across products.

Moreover, changes in product mix, performance upgrades across product generations, fluctuations in exchange rates and raw material costs, as well as seasonality and product transitions, can all materially affect the contribution of shipment volume to revenue and gross profit. Accordingly, shipment volume alone does not fully reflect the Company's operating performance and should not be viewed as the sole indicator of business conditions.

In this dynamic operating environment, the Company remains committed to prudent management and forward-looking positioning. We have continued to strengthen internal operations, optimize capacity allocation, maintain strict cost discipline, and carefully manage capital expenditures. We have also disposed of underperforming investments and idle assets to preserve financial flexibility, maintain a sound financial structure, and support a healthy cash position.

Looking ahead, the Company will continue to advance its strategy under three guiding principles: Focus, Simplify, and Value-add. By focusing on its 3+1 core business pillars, simplifying the product portfolio, and concentrating resources on key customers and differentiated technologies, the Company aims to drive sustainable growth, improve operating efficiency, and strengthen its profitability structure through application-driven and solution-based value creation.

## 5.3 Cash Flow

### 5.3.1 Analysis on changes in cash flow

(Consolidated entity)		Unit: Thousands of NTD			
items \ year	2024	2025	Increase (Decrease)	Change (%)	
Net cash flow from operating activities	3,221,267	2,128,999	(1,092,268)	(33.91)	
Net cash flow from investing activities	433,674	(376,442)	(810,116)	(186.80)	
Net cash flow from financing activities	(4,840,333)	(3,099,734)	1,740,599	(35.96)	

#### Analysis of changes in cash flow in 2025

##### 1. Operating activities

In 2025, the global economy faced multiple challenges, including geopolitical risks and the impact of reciprocal tariff policies, which led to more cautious consumer behavior and constrained the momentum of market recovery. As a result, revenue declined compared to the prior year, and net cash inflows from operating activities decreased by NT\$1.09 billion.

##### 2. Investing activities

The company adjusted the investment deployment. In addition to increasing net cash inflows through disposal of financial assets measured at FVOCI, the company also acquired financial assets measured at amortized cost and long-term equity investments and reduced equipment disposals, resulting in an increase of NT\$0.81 billion in net cash outflows from investing activities in 2025.

##### 3. Financing activities

In 2025, fewer repayments of bank borrowings and the treasury share repurchases conducted in the prior year resulted in a decrease in net cash outflows from financing activities of NT\$1.74 billion.

#### Plan to improve cash deficit

Although cash and cash equivalents decreased by NT\$1.29 billion in 2025 compared to

2024, net cash inflows from operating activities were NT\$2.13 billion, and year-end net cash was approximately NT\$12.81 billion.; there is no cash deficit.

### 5.3.2 Cash liquidity analysis for the upcoming year

The Company prioritizes maintaining stable cash liquidity and will carefully plan and manage investments and operational cash expenditures based on the cash balance, cash flows from operating and investing activities, and prevailing financial market conditions

## 5.4 Impact of Major Capital Expenditures in the Most Recent Year on Financial and Business Operations

### 5.4.1 Utilization and funding sources for major capital expenditures of the company and its subsidiaries in 2025

Unit: Thousands of NTD

Project Item	Source of Funds	Total Funds Required
Purchase of machinery and equipment	Self-owned funds, borrowings, and partial private placement funds	1,270,062

### 5.4.2 Impact upon financial and business aspects

The Group makes timely capital expenditures in accordance with its strategic deployment needs in order to respond to market and customer demand, while continuously optimizing its product portfolio and technical specifications. For equipment acquisition plans, the Group prudently evaluates funding requirements and properly plans the utilization of working capital. As of the end of the reporting period, such capital expenditures had not resulted in any risk of insufficient funding, nor had they caused any material adverse effect on the financial position or operating results of the Company and its subsidiaries.

## 5.5 The outward investment policy, the key causes behind profit or loss in the most recent year, the plans for countermeasures and investment plans in the upcoming year.

The Group recognized an investment loss of NT\$190 million under the equity method in its 2025 consolidated financial statements. The loss primarily resulted from the Group's reinvestment in Changzhou Chemsemi Co., Ltd., a non-core affiliate that continued to face operating headwinds amid slowing growth in the mobile RF industry and intensifying competitive pressure:

In response to these industry challenges, Ennostar Group has undertaken adjustments to its reinvestment strategy to strengthen core competitiveness and enhance corporate resilience. Key initiatives include:

1. **Pre-Investment Due Diligence:** At the pre-investment stage, the Group conducts more rigorous evaluations of potential targets, including assessments of market outlook, technological potential, and expected synergies with the Group.
2. **Strengthening Post-Investment Management and Optimizing Resource Allocation:** The Group will pursue orderly exits from investments with limited strategic benefits while actively managing reinvestment holdings that deliver strategic synergies.

Looking ahead, Ennostar Group will continue to advance its "Dual-Strategy Approach," focusing on emerging markets with high growth potential, proactively identifying appropriate investment targets, and engaging at the optimal timing to support steady reinvestment growth. Through strengthened post-investment management and disciplined investment deployment, the Group will continue to enhance reinvestment performance, build an integrated ecosystem, and generate long-term, sustainable, non-consolidated growth momentum.

## 5.6 Risk-related issues

### 5.6.1 Risk Management Policy and Framework of Ennostar Group

1. Governance Commitment and Policies

The Board of Directors and senior management of Ennostar Inc., (the "Company") have long been committed to strengthening corporate governance and advancing risk management. In

view of the increasingly complex business environment, and to achieve sound operations and sustainable development, in February 2022 the Company established its Risk Management Policy and Procedures with reference to international standards (the COSO Enterprise Risk Management Framework and ISO 31000 Risk Management — Principles and Guidelines) and the Taiwan Stock Exchange (TWSE) Risk Management Best-Practice Principles for Taiwan Stock Exchange and Taipei Exchange Listed Companies, thereby implementing enterprise risk management (ERM) across the organization. At the same time, the Company formulated the Risk Management Operating Procedures, which clearly define workflows for all personnel to follow in order to maintain sustainable operations.

2. Annual Regular and Ad Hoc Risk Identification and Methodology

The Company conducts a comprehensive risk identification at least once a year. Leveraging existing operating experience and macroeconomic trends, it uses a risk management knowledge base structured around five major dimensions—including corporate governance, strategy and planning, operations and infrastructure, and compliance and reporting—to review and assess potential internal and external risks, and to update and refine the Company’s group-wide risk management knowledge base.

The responsible departments within the risk management organization shall carry out the following process in accordance with the Risk Management Operating Procedures:

Risk identification > Risk analysis > Risk assessment > Risk response > Risk monitoring and review > Risk reporting and disclosure

3. Risk Appetite Setting and Principles for Resource Allocation

The Company sets its risk appetite—approved by the Risk Management Committee—based on its strategic objectives and the total level and types of risk it can bear. For risks that exceed the risk appetite, the Company prioritizes allocating sufficient resources to remediate and control them, requires adherence to relevant control policies and procedures in daily operations, and actively monitors and controls such risks.

4. Oversight and Reporting Mechanisms (Three-Tier Structure)

To establish oversight and control mechanisms, ensure the effective operation of procedures, continuously enhance the effectiveness of risk management, and strengthen the overall quality of business decision-making, the Company incorporates risk response plans into management reports and adopts a three-tier oversight structure:

Monthly: Staff from each unit within the Risk Management Working Group report on the implementation progress of their plans.

Quarterly: The Risk Management Office reports to the Risk Management Committee on the implementation of risk management and reviews the results of the annual risk assessment and the corresponding response plans.

Quarterly: The Risk Management Office consolidates the work progress and outcomes of the Risk Management Committee and reports to the Corporate Sustainability and Risk Management Committee.

Semiannually: The Corporate Sustainability and Risk Management Committee reports to the Board of Directors on the status of implementation.

5. Regular Training to Enhance Risk Management Awareness and Culture

The Company organizes Enterprise Risk Management (ERM) seminars that bring together independent directors, senior executives of the Risk Management Working Group, and risk management personnel from each unit to discuss and identify major annual risk trends. At least once a year, the Company conducts a group-wide drill for reporting major contingency events, using the established major contingency event reporting procedures to enable senior executives to quickly obtain the information required for decision-making. The Risk Management Working Group also uses its monthly meetings to track actual major contingency events and implement corrective actions, thereby capturing lessons learned.

By combining thematic seminars, case studies of major contingency events, and scenario-based risk reporting drills, the Company gains deeper insights into internal and external macroeconomic conditions and emerging risk trends during the year. This approach enhances the risk sensitivity and judgment of the governance and management levels, embeds a risk mindset and control requirements into decision-making processes and daily operations, and continually strengthens the organization's risk management culture.

#### 6. Expected Benefits and Objectives

- (1) Through effective identification, analysis, assessment, response, monitoring, and review under the risk management process, keep risks within the Group's risk appetite (i.e., its tolerable impact range) and embed risk management into daily operations and management.
- (2) Conduct at least one group-wide drill each year for reporting major contingency events. Using the major contingency event reporting procedures, enable senior executives to quickly obtain the information required for decision-making, and, in the monthly meetings of the Risk Management Working Group, track actual major contingency events and implement corrective improvements, capturing lessons learned.

We aim, through the disciplined implementation of risk management, to provide reliable information, allocate resources effectively, enhance management effectiveness, build organizational resilience, achieve corporate objectives, and enhance shareholder value.

### 5.6.2 Ennostar Group Risk Management Organization and Operations in 2025

#### 1. Risk Management Organization

The Board of Directors of Ennostar Inc. (the "Company") is the highest governing body overseeing risk management. On November 3, 2022, the Board approved the establishment of a Risk Management Committee under the Corporate Sustainability and Risk Management Committee, with three implementation teams beneath it—Ennostar Inc., Epistar Corporation, and Lextar Electronics Corporation. To further embed the spirit of "One Ennostar," in February 2025 the Board approved the merger of Epistar Corporation and Lextar Electronics Corporation to form Ennostar Corporation. In line with the Group's organizational plan, in May 2025, in accordance with the Group's organizational plan, the Committee approved the consolidation of the three risk management teams into the Ennostar Corporation team and expanded the scope of risk management to the Group's facilities in Mainland China, adopting a consistent methodology and standardized operating procedures to establish a cross-regional risk management system.

The Risk Management Committee is composed of the Company's Chairperson, the President of Ennostar Corporation, and senior executives, and meets quarterly. It regularly reports on its operations to the Corporate Sustainability and Risk Management Committee and, on a semiannual basis, compiles and reports execution results to the Board of Directors. The operations of the Risk Management Committee are carried out by the Risk Management Office and the operating units of the Ennostar Corporation team, which are responsible for promoting and maintaining the risk management mechanisms and executing risk management procedures, focusing on the following areas:

- (1) Cover the Group's overall operational scope, comprehensively implement Enterprise Risk Management (ERM) to strengthen the foundational risk management framework, and enhance the implementation maturity, comprehensiveness, and effectiveness of the risk management mechanisms.
- (2) Through 【Top-down】 and 【Bottom-up】 risk identification processes, the Group identifies key focus risks and develops corresponding action plans to enhance its organizational resilience in the face of business risks.
- (3) Enhance risk management awareness among all employees and lay the foundation for the Group's risk management culture.



**Organizational Structure of Ennostar Inc.'s Risk Management Working Group, January–June 2025**

**Organizational Structure of Ennostar Inc.'s Risk Management working Group Starting July 2025**



**(Including Mainland China Facilities)**

2. Risk Scope and Risk Management Procedures

To address emerging risks, the Company updates its risk management knowledge base on both a regular and ad hoc basis each year. The knowledge base is organized into major categories (Level 1), subcategories (Level 2), items (Level 3), scenarios (Level 4), impacts, responses, and other elements. Among these, the Level 1 risk categories are grouped into five dimensions: governance, reporting, strategy and planning, compliance, and operations and infrastructure. The risk scope includes, but is not limited to, operational, market, environmental, strategic, financial, governance, compliance, and reporting risks.

The risk management procedures comprise five key elements—risk identification, risk analysis, risk assessment, risk response, and monitoring and review mechanisms—and specify the practical procedures and methods for implementing each element. Based on the Group’s strategic objectives and the Risk Management Policy and Procedures approved by the Board of Directors, and with reference to the Group’s risk knowledge base, risk management personnel in each unit conduct at least one comprehensive, enterprise-level risk identification annually, aligned with their unit’s short-, medium-, and long-term goals and responsibilities. Using a quantitative methodology that measures the likelihood of risk events, the degree of impact on operations, and the level of existing management controls, they effectively quantify and identify

material risks.

In addition to the routine annual assessment and review of business risks, the Company has also established a major contingency event reporting mechanism to enable rapid and accurate response and reduce the impact of risk events. It defines the categories of risk events and impact reporting thresholds for internal and external emergencies (operational or reputational), cybersecurity incidents, and natural or man-made disasters and other abnormal events. A senior decision-making group and a reporting and monitoring group composed of business group heads have been set up to provide timely reporting and monitoring of major contingency events domestically and overseas, evaluate response plans for such events, and obtain approval of response measures from the senior decision-making group. Reporting, response, and monitoring Standard Operating Procedures (SOPs) have been established, with each department carrying out subsequent actions according to its responsibilities. Major events are subject to ongoing monitoring and reporting to manage and reduce the impact risk of ad hoc major contingency events on the Group. In addition, in accordance with the Risk Management Operating Procedures, if a major contingency risk event occurs, an ad hoc risk assessment procedure is initiated immediately to evaluate and determine whether the event should be incorporated into the risk knowledge base, with the aim of preventing risks before they materialize.

### 3. Risk Management Implementation Overview

The Company's 2025 risk management execution is carried out jointly by 18 units across the Company and its key subsidiary, Ennostar Corporation. By expanding the scope of risk management and continuously promoting and deepening the risk management mechanisms—and in accordance with a comprehensive risk management framework—the Company conducts its annual risk identification, analysis, assessment, and response activities.

For 2025, the Company's acceptable residual risk level, as approved by the Risk Management Committee, is a residual risk score of 7 or below. Accordingly, any risk item with a score of 8 or above must have an action plan in place, with corresponding management or response mechanisms established to reduce the risk to an acceptable level, and its effectiveness must be reviewed and tracked on a regular basis. From June to October 2025, the operating units completed 18 Risk Analysis and Assessment Forms. The consolidated results yielded a total of 197 annual risk scenarios, of which 28 scenarios had a residual risk level of 8 or above (high risk), 92 scenarios had a residual risk level of 5–7 (medium risk), and 77 scenarios had a residual risk level of 2–4 (low risk). For risks with a residual risk level of 8 or above, risk management personnel in the operating units developed corresponding risk response action plans. After review by risk management members, focus was placed on the 28 high-risk items, resulting in 28 Risk Response Strategy and Action Plan Forms.

Furthermore, following the Risk Management Committee's senior-level calibration meeting—which reviewed the operating units' risk identification results and assessed internal and external risks—the Group selected and focused on five priority risk areas for the year: innovation, technology enhancement, Industry competition, product liability, and key talent shortage. The identified high-risk items will be tracked through action plans in routine risk management meetings, and the implementation status will be reported quarterly to the Risk Management Committee and the Board of Directors.

In addition to routine annual risk assessment and response, in 2025 Ennostar Group hosted a training seminar on the global economic and financial market outlook to strengthen employees' risk awareness. The Company also conduct, once in each half of the year, drills on the major contingency event reporting procedures and risk event exercises to ensure that potential risks to daily operations are monitored, prevented, and addressed (responded to). Starting from the front lines, the Group aims to enhance its capability to respond to risk impacts and to further cultivate a robust corporate governance and risk management culture.

### **5.6.3 The impact upon the Company's profit and/or loss by the changes in interest rate, exchange rate and inflation and the future countermeasures.**

1. Interest rate

(1) Impact upon the Company's profit and/or loss

Based on the net deposit position of the Company and its subsidiaries, a sensitivity analysis of interest rate exposure for non-derivative instruments was performed as of December 31, 2025. Under the assumption that market interest rates change by 0.1%, with all other variables held constant, consolidated net profit after tax for 2025 would increase or decrease by NT\$12,812 thousand. Therefore, changes in interest rates are not expected to have a material impact on the consolidated net profit of the Company and its subsidiaries. Such analysis is performed on a quarterly basis to ensure that the maximum potential loss remains within the limits prescribed by management.

(2) Future countermeasures

- A. To maintain a sound financial structure, the Company will, in light of its operating conditions and funding requirements, adjust the scale of bank financing as appropriate in order to preserve financial soundness and flexibility.
- B. The Company and its subsidiaries will continue to evaluate interest rates on bank deposits and borrowings and maintain good relationships with banks in order to obtain more favorable terms. In addition, the Company and its subsidiaries will adjust the allocation and utilization of funds, as appropriate, in response to changes in interest rates so as to reduce the impact of interest rate fluctuations on profit or loss.

2. exchange rate

(1) impact upon the Company's profit and/or loss

Expressed in Thousand New Taiwan Dollars; %

Year	2025
Net revenues (1)	22,182,815
Operating profit (loss) (2)	(3,483,160)
Foreign exchange gain (loss), net (3)	(121,153)
(3)/(1)	-0.54%
(3)/(2)	3.47%

(2) Future countermeasures

As export markets account for a significant proportion of the revenue of the Company and its subsidiaries, fluctuations in the U.S. dollar exchange rate have a material impact on the profit or loss of the Company and its subsidiaries. In addition to closely monitoring developments in the international foreign exchange markets, the Company has implemented the following measures to effectively manage foreign exchange risk and mitigate the impact of exchange rate fluctuations on profit or loss:

- A. The finance department maintains close contact with the financial institutions with which the Company transacts, and continuously collects and analyzes information on exchange rate movements in order to monitor international exchange rate trends as a reference for forward foreign exchange transactions and settlement decisions.
- B. The finance department regularly prepares internal assessment reports on hedging needs arising from net foreign currency assets or liabilities and submits such reports to management as a basis for determining appropriate hedging strategies and measures.
- C. Before providing quotations to customers, the business units comprehensively assess expected exchange rate trends and other relevant factors in order to

establish reasonable and competitive pricing.

- D. Foreign currency assets arising from sales receivables and foreign currency liabilities arising from purchase payables are first matched in the same currency whenever possible, and foreign currency assets generated from transactions are used to offset foreign currency liabilities in order to achieve a natural hedge. Where net foreign currency exposure or future foreign currency funding needs remain after such offsetting, the Company adjusts its foreign currency positions through the purchase or sale of forward foreign exchange contracts so as to maintain a balance between foreign currency assets and liabilities.

3. Inflation

The principal sourcing locations of the Company and its subsidiaries are Taiwan and Mainland China, and the major export markets are Europe and the United States, Mainland China, and other Asian regions. As of the most recent fiscal year, inflation has not had any material effect on the profit or loss of the Group.

**5.6.4 The facts in engaging high risk, high leverage investment, loan funds to others, policies in endorsement/guarantee and transaction in derivative financial instruments, major causes leading to profit or loss and future countermeasures to deal with the same.**

Items of risks	Performance in implementation	Policies and future countermeasures
high risk, high leverage investment	In the most recent year and up to the publication date of the annual report, the Company and its subsidiaries have not engaged in high-risk or high-leverage investments.	Both the Company and its subsidiaries have focused on the principal business lines and have not engaged in high-risk, high-leverage investment.
Loaning of funds to others	<ol style="list-style-type: none"> <li>As of the publication date of the annual report, the Company and its subsidiaries have not engaged in the loaning of funds to any other non-consolidated entity.</li> <li>The Company and its subsidiaries have engaged in the loaning of funds in response to the capital requirements of each subsidiary.</li> </ol>	The Company and its subsidiaries have lent their funds to others exactly in accordance with the "Procedures for Loaning of Funds to Other Parties" of the respective companies and have duly launched announcements and declaration to the public according to law.
Endorsement/guarantee	<ol style="list-style-type: none"> <li>In the most recent year and up to the publication date of the annual report, the Company and its subsidiaries have not provided endorsements or guarantees to external parties.</li> <li>The endorsements and guarantees provided by subsidiaries are mainly for the purpose of financing.</li> </ol>	The Company and its subsidiaries have duly carried out endorsement/guarantee exactly in accordance with their own "Procedures for Endorsements and Guarantees" and have further carried out announcements and declaration to the public according to law.

Items of risks	Performance in implementation	Policies and future countermeasures
Derivative transactions	The Company and its subsidiaries engage in forward exchange transactions mainly to hedge the risk of exchange rate fluctuations on assets or liabilities denominated in foreign currencies.	Both the Company and its subsidiaries duly carry out such transactions based on their own respective “Acquisition or Disposal Procedures of Assets” and “Engage in Derivatives Transaction Handlers” with evaluation on a regular basis and further launch announcements and declaration to the public according to laws and ordinances concerned.

Note: For more information on funds loaned to others, please refer to the appendix of financial statements of the respective terms.

#### **5.6.5 The future research & development plans and the research & development costs anticipated to be invested.**

The Group’s R&D activities are primarily conducted in Taiwan. In addition to advancing core R&D programs, the Group continues to consolidate internal resources to enhance overall R&D efficiency. R&D spending for 2026 is projected to maintain a stable growth trajectory. Further information is provided on page 129 of this Annual Report.

#### **5.6.6 The potential impact resulting from changes in major policies and laws at home and abroad upon the Company's business and financial performance and the countermeasures in response.**

The Company has consistently exercised rigorous compliance with applicable domestic and international policies, laws, and regulations, including those relating to international export controls, economic sanctions, fair competition order, and environmental protection. The Company has established compliance and risk management mechanisms to continuously monitor policy and regulatory changes that may affect its operations. In the event of material changes, the Company conducts timely assessments of the potential impact and makes appropriate adjustments to its internal systems, operating procedures, and business strategies. Execution is further strengthened through education and training and internal control audits to ensure operational discipline and compliance quality.

As of the date of publication of this annual report, the Company has prudently assessed that the aforementioned policy and regulatory changes have not had any material impact on its financial condition or business operations. The Company will continue to pay close attention to relevant developments and adopt appropriate response measures as necessary in order to maintain sound operations and protect shareholders’ interests

#### **5.6.7 The impact resulting from changes in technologies (including risks in information (cyber) security) and changes in industries upon the Company in finance and business operation and the countermeasures.**

Hacking incidents have increased. In 2024, many TWSE and TPEX listed companies in Taiwan announced that they were hacked in their material information release. Information security has been listed as one of the important risk management issues by the Group. The Company and its

key subsidiaries (Epistar, Lextar Electronics) have already completed the ISO 27001 information security certification. Meanwhile, in order to master the information security intelligence, the Group participates in TWCERT/CC and become a member of Taiwan Chief Information Security Officer Alliance; the subsidiaries also work with the SP-ISAC of the industries they belong to, to participate in the joint defense program, for grasping information security information, responding to risk threats early, and effectively improving the Group's information security defense capabilities. Facing the major international system vulnerabilities or information security incidents, the timely contingent fixes are conducted through weekly meetings, and the methods of intrusion cases are studied, to mend the existing deficiencies. The detection mechanism is enhanced as well to detect abnormal behavior immediately to mitigate the risk.

The Company's cybersecurity risk management framework, cybersecurity policy, specific management programs, and resources invested in cybersecurity management have been disclosed on the Company's website for reference.

### **5.6.8 The impact resulting from a change in corporate image upon the management over the corporate crisis and the countermeasures thereof.**

The Company regards ethical management as an important core value and constructs the corporate culture and systems accordingly. The "Risk Management Policy and Procedures" are established to protect the rights and interests of stakeholders, strengthen communication channels, understand their needs and expectations for the reference of sustainable development planning, and enhance the sustainable performance in the Company's operations. Meanwhile, the Company proactively invests capital in product research and development and innovation management, including high value-added applications, such as automotive, advanced display, smart sensors, and new fields, to exert the integration synergy via the Group. The positioning and maintenance of patents are helpful in strengthening industrial competitiveness. In the future, we will continue to insist on the philosophy of sustainable management to lead the group to grow together. During the most recent year up to the date of publication of the annual report, the Company had nothing to affect the corporate image.

### **5.6.9 The anticipated benefits, potential risks and countermeasures toward the merger/acquisition (M&A).**

#### **1. Strategic M&A target**

The Group maintains flexibility to pursue strategic M&A opportunities to expand its business footprint and further strengthen its core competitiveness. Priority will be given to the M&A targets that are aligned with the "3+1" strategy and capable of generating synergies to support the future development of the Group's business units, thereby enabling resource optimization, value creation, and ecosystem development.

#### **2. Potential risks associated with M&As**

During the M&A process, the Group may encounter the following challenges:

Integration risk: Includes difficulties in the integration of corporate culture and business models.

Valuation risk: Investment decisions may be affected due to inaccurate assessments of the valuation of target companies.

#### **3. Risk Management and Assessment Mechanisms**

To mitigate risks, the Group will implement the following measures:

A rigorous pre-investment assessment mechanism has been established, including:

- (1) Financial overview: Comprehensively review the financial health of the target companies.

- (2) Company backgrounds: An evaluation of the target's business model, competitive strength, and industry position.
- (3) M&A synergies: Evaluate the potential synergies after the integration to ensure compliance with the Company's strategic targets.
- (4) Future Expectations: Establish clear and stage milestones.
- (5) Indicator analysis: Include the in-depth analysis of financial indicators and strategic synergy indicators.

#### 4. Implementation of M&As and Integration Plan

The Group will conduct an in-depth analysis of potential M&A targets and formulate a detailed integration plan to cover the specific steps of resource integration and achieve the short-term and long-term strategies of synergies.

#### 5. Future outlook

The Group will adopt a prudent and disciplined approach in evaluating and selecting M&A opportunities that best align with its strategic needs, maintaining an appropriate balance between risk and return to support the sustainable development of its business.

### **5.6.10 The benefit anticipated from the effort of plant expansion, the potential risks and the countermeasures.**

Following the integration of the Group's Taiwan manufacturing sites, the Group plans to utilize existing sites in place of constructing new plants and is evaluating the appropriate revitalization of assets to enhance asset utilization efficiency. As of the date of publication of this annual report, the Group has no plans for plant expansion.

### **5.6.11 Risks of Concentration in Purchases or Sales and the countermeasures thereof.**

#### 1、 Procurement

The Group is engaged in the professional manufacture of LED epitaxial wafers, dies, packages, and modules. To ensure product quality, the raw material procurement strategy comprehensively considers supplier quality, price, delivery, and cooperation. The group actively seeks quality suppliers. Except for certain key raw materials that are sourced from a single supplier, which is a long-standing and important strategic partner of the Group, all other major raw materials are sourced from two or more suppliers. The Group maintains good cooperative relationships with all suppliers. The purchase amount from each supplier did not exceed 20% of the Group's total purchases, and accordingly, there is no material risk of procurement concentration.

#### 2、 Sales

The Group focuses on the research, development, and manufacturing of LED technologies. Its product portfolio spans the entire value chain from epitaxial wafers and dies to packages and modules, enabling the Group to provide customers with one-stop solutions. The Group's products are applied across three major fields: automotive applications, advanced display technologies, and smart sensing.

In addition to strengthening relationships with existing customers, the Group leverages core technologies to develop current LED products and actively explores high-potential, high value-added areas, moving toward higher value applications. The Group extends into adjacent fields and engages in patents, technical collaboration, or strategic cooperation with customers related to group product applications, accelerating virtual vertical integration in the industry, expanding sales channels, and jointly developing products and markets. No single customer accounted for more than 20% of the Group's total sales, and accordingly, the Group does not consider there to be any material risk of sales concentration.

**5.6.12 The impact and risk to be incurred significant transfer or exchange by the directors and supervisors or key shareholders holding in excess of 10% in shareholding ratios upon the Company and the countermeasures.**

In the most recent year and up to the date of publication of the annual report, except for those that have been announced and reported in accordance with the law, the Company has no knowledge of any risk of mass transfer or replacement of equity by any directors or major shareholders holding more than 10% of the shares.

**5.6.13 The impact and risk upon the Company resulting from a change in the managerial officer's power and the countermeasures.**

None.

**5.6.14 Litigation or non-litigation issues**

As of the date of printing of the annual report for the most recent fiscal year, the Ennostar group had no material litigation or non-litigation matters.

The Director, AUO Corporation Co., Ltd. (hereinafter referred to as AUO):

(Source: AUO Consolidated Financial Statements for Fiscal 2025)

In May 2014, LG Electronics Nanjing Display Co., Ltd. and seven of its affiliates (collectively, the "Plaintiffs") filed a lawsuit in Seoul Central District Court against certain LCD manufacturers including AUO, alleging overcharge and claiming damages. In November 2023, the court of first instance in Korea has found AUO liable to the Plaintiffs for a total amount of KRW 29,099 million plus interest. This antitrust civil case has been ongoing for many years since the Plaintiffs filed their lawsuit in 2014 which resulted from the LCD antitrust meetings that ended in 2006. AUO filed an appeal in December 2023 and made a security deposit of the aforementioned KRW 29,099 million plus interest at the Korean court in January 2024. The Plaintiffs also filed an appeal in March 2024. In January 2026, the appellate court ruled to reduce the principal amount that AUO was obligated to pay under the trial court's judgment from KRW 29,099 million to KRW 24,944 million. As both parties have waived their right to appeal, the judgment is now final and binding.

In October 2023, Phenix Longhorn LLC ("Phenix") filed a lawsuit in the United States District Court for the Eastern District of Texas against two companies including AUO, claiming infringement of certain of Phenix's patents in the United States relating to the manufacturing of LCD panels. In the complaint, Phenix seeks, among other things, unspecified monetary damages and injunctive relief. In January 2026, a jury in the Marshall Division of the U.S. District Court for the Eastern District of Texas found that AUO did not infringe any of the patents asserted by Phenix, a Texas-based company, and held one of the asserted patents invalid.

Since 2010, there have been environmental proceedings relating to the development project of the Central Taiwan Science Park in Houli, Taichung, which AUO's second 8.5 generation fab is located at (the "Project"). The Environmental Protection Administration ("EPA") of the Executive Yuan of Taiwan issued the environmental assessment and development approval on November 6, 2018. On October 24, 2019, the Appeal Review Committee of the Executive Yuan rejected the administrative appeal filed by five local residents. On December 24, 2019, the residents filed an administrative action for invalidating the environmental assessment again and the Appeal Review Committee of the Executive Yuan ruled in the residents' favor on July 21, 2022 and invalidated the environmental assessment approval. The EPA filed an appeal in the Supreme Administrative Court on August 17, 2022. AUO will continue to monitor the development of this event.

**5.6.15 Other significant risks and countermeasures :** None

**5.7 Other important notes:** None

## 6. Special Disclosure

### 6.1 Information on affiliates

The Company has reported the information to the MOPS (<https://mops.twse.com.tw/mops/#/web/home>); please refer to the information under MOPS > Basic information > E-books > the "Section of Statements of Affiliates."

### 6.2 Private Placement Securities in the Most Recent Years and up to the date of publication of the annual report:

The Company has reported the information to the MOPS (<https://mops.twse.com.tw/mops/#/web/home>); please refer to the information under MOPS > Investment Section > the "Private Placement Section."

### 6.3 Other supplementary notes: None

### 6.4 If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one: None