

ENNOSTAR INC.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2023 AND 2022

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

INDEPENDENT AUDITORS' REPORT

PWCR23000391

To the Board of Directors and Shareholders of ENNOSTAR Inc.

Opinion

We have audited the accompanying parent company only balance sheets of ENNOSTAR Inc. (the “Company”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other independent auditors, as described in the other matters section of our report, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters in relation to the parent company only financial statements for the year ended December 31, 2023 are outlined as follows:

Investments accounted for using equity method-evaluation of inventories

Description

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

How our audit addressed the matter

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

1. Obtained an understanding of the Company and subsidiaries's operations and the nature of its industry and interviewed with management to understand the probability of future sales for those out-of-date inventories and to evaluate the reasonableness of allowance for valuation loss.

2. Obtained and validated the accuracy of the detailed listings of inventories aged over a specific period of time and specific obsolete inventories. Validated information of historical sales and discounts for those obsolete inventories to assess the reasonableness of policies in providing allowance for inventory valuation loss.

Investments accounted for using equity method-impairment assessment of property, plant and equipment and goodwill

Description

The subsidiary of the Company, Epistar Corporation, and its subsidiaries measure the recoverable amounts of idle property, plant, and equipment at fair value less disposal costs; while operating property, plant, and equipment, as well as goodwill, are assessed at their in-use values. Epistar Corporation and its subsidiaries evaluate impairment of property, plant, and equipment, as well as goodwill, based on the aforementioned recoverable amounts. The assessment of the in-use value of property, plant, and equipment, as well as goodwill, involves estimating future cash flows and determining discount rates. The assumptions used in forecasting future cash flows and their estimated results have a significant impact on the assessment of the in-use value of property, plant, and equipment, as well as goodwill. Therefore, we consider this a key audit matter.

How our audit addressed the matter

We obtained an external expert appraisal report provided by the subsidiary, Epistar Corporation, and its subsidiaries, for the idle property, plant, and equipment. We assessed the valuation method used by the expert and the reasonableness of the fair value. Additionally, for the recoverable amounts of operating property, plant, and equipment, as well as goodwill, the main procedures performed are outlined as follows:

1. Discussing with management to understand the subsidiary, Epistar Corporation, and its subsidiaries' process for estimating future cash flows, and comparing future cash flows with the operational plan approved by the board of directors for consistency.
2. Discussing the operational plan with management to understand its product strategy

and execution status.

3. Assessing the reasonableness of the assumptions used by management to estimate future cash flows, including expected growth rates and gross profit margins. Also, evaluating the reasonableness of discount rate parameters, including the risk-free rate of return used in calculating the cost of equity capital, industry risk coefficients, and long-term market returns.

Other matter – Audit by Other Independent Auditors

We did not audit the 2023 and 2022 financial statements of certain equity investments accounted for under the equity method. Those financial statements were audited by other independent auditors, whose reports thereon were furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements and certain information disclosed in Note 13 relative to these investments, was based solely on the reports of the other independent auditors. These equity investments amounted to NT\$2,630,767 thousand and NT\$2,049,834 thousand, constituting 5.53% and 3.75% of the parent company only total assets as of December 31, 2023 and 2022, and their comprehensive loss (including share of loss of associates and joint ventures accounted for under equity method and share of other comprehensive income/(loss) of associates and joint ventures accounted for under equity method) amounted to NT\$270,050 thousand and NT\$139,085 thousand, constituting 3.84% and 67.06% of the parent company only comprehensive gain for the years then ended.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Li, Tien-Yi

Chou, Chien-Hung

For and on behalf of PricewaterhouseCoopers, Taiwan

February 23, 2024

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

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

ENNOSTAR INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 602,547	1	\$ 690,933	1
1200	Other receivables		196	-	59	-
1210	Other receivables - related parties	7	318,880	1	402,738	1
1410	Prepayments		14,873	-	12,793	-
1470	Other current assets		3	-	4	-
11XX	Current Assets		936,499	2	1,106,527	2
Non-current assets						
1535	Non-current financial assets at amortised cost	6(2) and 8	120,000	-	-	-
1550	Investments accounted for using equity method	6(3)	46,437,729	98	53,490,974	98
1600	Property, plant and equipment	6(4)	10,717	-	10,978	-
1900	Other non-current assets		25,005	-	25,408	-
15XX	Non-current assets		46,593,451	98	53,527,360	98
1XXX	Total assets		\$ 47,529,950	100	\$ 54,633,887	100
Liabilities and Equity						
Current liabilities						
2100	Short-term borrowings	6(5)	\$ -	-	\$ 100,000	-
2200	Other payables		130,036	-	97,222	-
2220	Other payables-related parties	7	4,093	-	3,270	-
2230	Current tax liabilities		18,930	-	27,952	-
2300	Other current liabilities		2,709	-	1,166	-
21XX	Current Liabilities		155,768	-	229,610	-
Non-current liabilities						
2600	Other non-current liabilities		8	-	8	-
2XXX	Total Liabilities		155,776	-	229,618	-
Equity						
Share capital						
3110	Share capital - common stock	6(7)	7,529,405	16	7,547,840	14
Capital surplus						
3200	Capital surplus	6(8)	46,447,060	98	46,421,664	85
Retained earnings						
3310	Legal reserve	6(9)	216,945	-	216,945	1
3320	Special reserve		154,927	-	290,598	1
3350	Unappropriated retained earnings(Accumulated deficit)		(6,814,704)	(14)	147,022	-
Other equity interest						
3400	Other equity interest	6(10)	(24,296)	-	75,010	-
3500	Treasury shares	6(7)	(135,163)	-	(294,810)	(1)
3XXX	Total equity		47,374,174	100	54,404,269	100
3X2X	Total liabilities and equity		\$ 47,529,950	100	\$ 54,633,887	100

The accompanying notes are an integral part of these parent company only financial statements.

ENNOSTAR INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for (loss) earnings per share amounts)

		Year ended December 31			
		2023		2022	
Items	Notes	AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(3)(11) and 7	\$ 336,750	100	\$ 244,729	100
5000 Operating costs		(7,110,131)	(2111)	(179,138)	(73)
5900 Operating margin		(6,773,381)	(2011)	(65,591)	(27)
5950 Net operating margin		(6,773,381)	(2011)	(65,591)	(27)
6900 Operating (loss) profit		(6,773,381)	(2011)	(65,591)	(27)
Non-operating income and expenses					
7100 Interest income		11,094	3	7,261	3
7010 Other income		673	-	1,969	1
7020 Other gains and losses		56	-	195	-
7050 Finance costs		(158)	-	(718)	-
7000 Total non-operating income and expenses		11,665	3	8,707	4
7900 (Loss) profit before income tax		(6,761,716)	(2008)	(74,298)	(31)
7950 Income tax expense	6(14)	(20,962)	(6)	(36,274)	(15)
8200 (Loss) profit for the year		(\$ 6,782,678)	(2014)	(\$ 38,024)	(16)
Other comprehensive (loss) income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		\$ 33,525	10	(\$ 233,252)	(95)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(14)	(42,586)	(13)	(39,989)	(17)
8310 Components of other comprehensive loss that will not be reclassified to profit or loss		(9,061)	(3)	(273,241)	(112)
Components of other comprehensive income that will be reclassified to profit or loss					
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(251,091)	(75)	443,043	181
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(14)	6,262	2	(428)	-
8360 Components of other comprehensive (loss) income that will be reclassified to profit or loss		(244,829)	(73)	442,615	181
8300 Other comprehensive (loss) income		(\$ 253,890)	(76)	(\$ 169,374)	(69)
8500 Total comprehensive (loss) income		(\$ 7,036,568)	(2090)	(\$ 207,398)	(85)
(Loss) earnings per share (NT\$)					
9750 Total basic (loss) earnings per share	6(15)	(\$ 9.02)		(\$ 0.05)	
9850 Total diluted (loss) earnings per share		(\$ 9.02)		(\$ 0.05)	

The accompanying notes are an integral part of these parent company only financial statements.

ENNOSTAR INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained earnings					Other equity interest		Treasury shares	Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Cumulative translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
2022										
Balance at January 1,2022		\$ 6,852,514	\$ 43,830,638	\$ -	\$ -	\$ 2,169,446	(\$ 406,535)	\$ 170,992	(\$ 294,810)	\$ 52,322,245
Profit for the year		-	-	-	-	38,024	-	-	-	38,024
Other comprehensive income(loss) for the year		-	-	-	-	19,477	442,615	(292,718)	-	169,374
Total comprehensive income(loss)		-	-	-	-	57,501	442,615	(292,718)	-	207,398
Appropriation of 2021 earnings	6(9)									
Legal reserve		-	-	216,945	-	(216,945)	-	-	-	-
Special reserve		-	-	-	290,598	(290,598)	-	-	-	-
Cash dividends		-	-	-	-	(1,365,881)	-	-	-	(1,365,881)
Proceeds from issuance of share capital	6(7)	700,000	2,927,400	-	-	-	-	-	-	3,627,400
Expiration of restricted employee stock	6(8)	(4,674)	4,674	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries accounted for using equity method	6(8)	-	(257,645)	-	-	-	-	-	-	(257,645)
Net change in equity of associates and joint ventures	6(8)	-	104,634	-	-	-	-	-	-	104,634
Difference between consideration and carrying amount of subsidiaries acquired and disposed	6(8)	-	(188,037)	-	-	(45,848)	3	-	-	(233,882)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(9)(10)	-	-	-	-	(160,653)	-	160,653	-	-
Balance at December 31,2022		\$ 7,547,840	\$ 46,421,664	\$ 216,945	\$ 290,598	\$ 147,022	\$ 36,083	\$ 38,927	(\$ 294,810)	\$ 54,404,269
2023										
Balance at January 1,2023		\$ 7,547,840	\$ 46,421,664	\$ 216,945	\$ 290,598	\$ 147,022	\$ 36,083	\$ 38,927	(\$ 294,810)	\$ 54,404,269
Loss for the year		-	-	-	-	(6,782,678)	-	-	-	(6,782,678)
Other comprehensive income (loss) for the year		-	-	-	-	6,604	(244,829)	(15,665)	-	(253,890)
Total comprehensive loss		-	-	-	-	(6,776,074)	(244,829)	(15,665)	-	(7,036,568)
Appropriation of 2022 earnings										
Reversal of special reserve		-	-	-	(135,671)	135,671	-	-	-	-
Decrease in treasury shares	6(7)	(18,435)	(141,212)	-	-	-	-	-	159,647	-
Changes in ownership interests in subsidiaries accounted for using equity method	6(8)	-	87,548	-	-	(160,135)	-	-	-	(72,587)
Net change in equity of associates and joint ventures	6(8)	-	59,445	-	-	-	-	-	-	59,445
Difference between consideration and carrying amount of subsidiaries acquired and disposed	6(8)	-	19,564	-	-	-	-	-	-	19,564
Empolyee stock ownership trust cancellation return	6(8)	-	51	-	-	-	-	-	-	51
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(9)(10)	-	-	-	-	(161,188)	-	161,188	-	-
Balance at December 31,2023		\$ 7,529,405	\$ 46,447,060	\$ 216,945	\$ 154,927	(\$ 6,814,704)	(\$ 208,746)	\$ 184,450	(\$ 135,163)	\$ 47,374,174

The accompanying notes are an integral part of these parent company only financial statements.

ENNOSTAR INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
(Loss) profit before tax		(\$ 6,761,716)	\$ 74,298
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(4)(12)	1,395	895
Interest expense		158	718
Interest income		(11,094)	(7,261)
Share of loss (profit) of associates and joint ventures accounted for using equity method	6(3)	6,781,735	(67,110)
Compensation distributed to subsidiaries' employees		-	(1,494)
Changes in operating assets and liabilities			
Changes in operating assets			
Other receivables-related parties		83,858	(343,174)
Prepayments		(2,080)	(10,294)
Other current assets		1	(4)
Changes in operating liabilities			
Other payables		34,137	(198,537)
Other payables-related parties		823	(43,455)
Other current liabilities		1,543	378
Cash inflow (outflow) generated from operations		128,760	(595,040)
Dividend received		731,003	1,881,651
Interest received		10,957	7,202
Interest paid		(158)	(718)
Income tax paid		(29,983)	(8,312)
Net cash flows from operating activities		840,579	1,284,783
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in current financial assets at amortised cost		(120,000)	-
Acquisition of investments accounted for using equity method		(706,962)	(2,814,135)
Acquisition of property, plant and equipment	6(16)	(2,457)	(9,984)
Decrease (increase) in refundable deposits		403	(25,000)
Net cash flows used in investing activities		(829,016)	(2,849,119)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term loans	6(17)	(100,000)	(50,000)
Decrease in guarantee deposits received	6(17)	-	(2)
Proceeds from issuance of share capital		-	3,627,400
Cash dividends paid		-	(1,365,881)
Employee stock ownship trust cancellation return		51	-
Net cash flows (used in) from financing activities		(99,949)	2,211,517
Net (decrease) increase in cash and cash equivalents		(88,386)	647,181
Cash and cash equivalents at beginning of year		690,933	43,752
Cash and cash equivalents at end of year		\$ 602,547	\$ 690,933

The accompanying notes are an integral part of these parent company only financial statements.

ENNOSTAR INC.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

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

The Company was mainly engaged in the management of investee business.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only financial statements were authorized for issuance by the Board of Directors on February 23, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by FSC and became effective from 2023 are as follows:

	Effective date Announced by International Accounting Standards Board (IASB)
<u>New Standards, Interpretations and Amendments</u>	
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

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

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

New standards, interpretations and amendments endorsed by FSC effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date Announced by IASB
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024
The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.	

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

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

New Standards, Interpretations and Amendments	Effective date Announced by IASB
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025
The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.	

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

A. Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:

- Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- Financial assets at fair value through other comprehensive income.
- Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in compliance with International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations

as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional currency.

Foreign currency transactions and balances

- A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss as part of the fair value gain or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- D. All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within “other gains and losses”.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realized within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known

amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial asset at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(7) Derecognition of financial assets

The Company derecognizes a financial asset when one of the following conditions is met:

- A. The contractual rights to receive cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows from the financial assets have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial assets.
- C. The Company neither retains nor transfers substantially all risks and rewards of ownership of the financial asset; however, it has not retained control of the financial asset.

(8) Investments accounted for using equity method/ subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Company are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or

liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

- F. Associates are all entities over which the Company has significant influence but no control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using equity method and are initially recognized at cost.
- G. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity that are not recognized in profit or loss or other comprehensive income of the associate and such changes does not affect the Company's ownership percentage of the associate, the Company recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- K. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- L. When the Company disposes its investment in an associate, if it loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- M. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.
- N. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the parent

company only financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.

(9) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Office equipment	2 ~ 20 years
Leasehold improvements	3 ~ 15 years

(10) Impairment of non-financial assets

- A. The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.
- B. The recoverable amounts of goodwill and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.
- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(11) Borrowings

- A. Borrowings comprise of long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

- B. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawn-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(12) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(13) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(14) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year when the stockholders resolve to retain the earnings.

C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

(15) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(16) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's Board of Directors. Cash dividends are recorded as liabilities.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgments in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

(1) Investments accounted for using equity method-evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the subsidiaries of the Company must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the subsidiaries of the Company evaluates the amounts of obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the carrying amount of inventories of the subsidiaries of the Company was \$4,216,492.

(2) Investments accounted for using equity method-evaluation of impairment loss of goodwill

The evaluation of impairment loss of goodwill relies on the subjective judgment of the subsidiaries of the Company, including identifying cash-generating units and allocating assets, liabilities and goodwill to relevant cash-generating units, and determining the recoverable amount of the relevant cash-generating units. For the assessment of goodwill impairment, please refer to the Note 6(11).

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Demand deposits	\$ 299,476	\$ 150,933
Time deposits	303,071	500,000
Bonds sold under repurchase agreement	-	40,000
	<u>\$ 602,547</u>	<u>\$ 690,933</u>

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

(2) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Non-current items:		
Time despoits	\$ 120,000	\$ -

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

	Year end December 31, 2023	Year end December 31, 2022
Interest income	\$ 489	\$ -

B. As of December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was \$120,000 and \$0, respectively.

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

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

(3) Investments accounted for using equity method

	December 31, 2023	December 31, 2022
Subsidiaries:		
Epistar Corporation	\$ 32,871,412	\$ 39,769,781
Lextar Electronics Corporation	11,015,335	11,152,889
Amengine Corporation	14,494	25,747
Harvestar Investment Corp.	706,482	849,744
Calystar Investment Corp.	366,250	409,063
Precistar Investment Corp.	49,086	49,004
Praistar Investment Corp.	27,542	49,004
Manastar Investment Corp.	974	981
Unikorn Semiconductor Corporation	107,389	179,217
	<u>45,158,964</u>	<u>52,485,430</u>
Associates:		
Tyntek Corporation	\$ 622,100	\$ 594,097
GCS Holdings, Inc.	309,374	411,447
LEADSTAR Micro-Crystal Display Corporation (JiangSu) Ltd.	347,291	-
	<u>1,278,765</u>	<u>1,005,544</u>
	<u>\$ 46,437,729</u>	<u>\$ 53,490,974</u>

A. Subsidiaries

Information on subsidiaries is provided in Note 4(3) of the 2023 consolidated financial statements.

B. Associates

The carrying amount of the Company's interests in all individually immaterial associates and the

Company's share of the operating results are summarized below:

As of December 31, 2023 and 2022, the carrying amount of the Company's individually immaterial associates amounted to \$1,278,765 and \$1,005,544, respectively.

	Year ended December 31, 2023	Year ended December 31, 2022
Attribute to the Company:		
Loss for the period from continuing operations	(\$ 82,588)	(\$ 81,684)
Other comprehensive income	7,252	16,565
Total comprehensive loss	(\$ 75,336)	(\$ 65,119)
C. The investment (loss) gain from equity method investees for the years ended December 31, 2023 and 2022 amounted to (\$6,781,735) and \$67,110, respectively.		
D. The other comprehensive gain(loss) from equity method investees for the years ended December 31, 2023 and 2022 amounted to (\$253,890) and \$169,374, respectively.		
E. The fair value of the Company's material associates with quoted market prices is as follows:		
	December 31, 2023	December 31, 2022
Tyntek Corporation	\$ 442,661	\$ 395,063
GCS Holdings, Inc.	288,896	352,092
	<u>\$ 731,557</u>	<u>\$ 747,155</u>

(4) Property, plant and equipment

	Office equipment	Leasehold improvements	Total
At January 1, 2023			
Cost	\$ 882	\$ 11,062	\$ 11,944
Accumulated depreciation and impairment	(123)	(843)	(966)
	<u>\$ 759</u>	<u>\$ 10,219</u>	<u>\$ 10,978</u>
<u>2023</u>			
Opening net book amount at January 1	\$ 759	\$ 10,219	\$ 10,978
Additions	497	637	1,134
Depreciation charge	(217)	(1,178)	(1,395)
Closing net book amount at December 31	<u>\$ 1,039</u>	<u>\$ 9,678</u>	<u>\$ 10,717</u>
At December 31, 2023			
Cost	\$ 1,379	\$ 11,699	\$ 13,078
Accumulated depreciation and impairment	(340)	(2,021)	(2,361)
	<u>\$ 1,039</u>	<u>\$ 9,678</u>	<u>\$ 10,717</u>

	Office equipment	Leasehold improvements	Construction in progress and equipment to be inspected	Total
At January 1, 2022				
Cost	\$ 414	\$ 4,678	\$ 5,136	\$ 10,228
Accumulated depreciation and impairment	(32)	(39)	-	(71)
	<u>\$ 382</u>	<u>\$ 4,639</u>	<u>\$ 5,136</u>	<u>\$ 10,157</u>
<u>2022</u>				
Opening net book amount at January 1	\$ 382	\$ 4,639	\$ 5,136	\$ 10,157
Additions	468	-	1,248	1,716
Transfer	-	6,384	(6,384)	-
Depreciation charge	(91)	(804)	-	(895)
Closing net book amount at December 31	<u>\$ 759</u>	<u>\$ 10,219</u>	<u>\$ -</u>	<u>\$ 10,978</u>
At December 31, 2022				
Cost	\$ 882	\$ 11,062	\$ -	\$ 11,944
Accumulated depreciation and impairment	(123)	(843)	-	(966)
	<u>\$ 759</u>	<u>\$ 10,219</u>	<u>\$ -</u>	<u>\$ 10,978</u>

(5) Short-term borrowings

December 31, 2023: None.

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	<u>\$ 100,000</u>	1.86%	None

(6) Pensions

A. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

B. The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022 were \$12,066 and \$4,001, respectively.

(7) Share capital

A. As of December 31, 2023, the Company’s authorized capital was \$15,000,000, consisting of 1,500,000 thousand shares of ordinary stock (including 50,000 thousand shares reserved for employee stock options), and the paid-in capital was \$7,547,840 with a par value of \$10 (in dollars) per share.

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

	2023	2022
At January 1	751,658	682,125
Issuance of ordinary shares - private placement	-	70,000
Expiration of restricted employee stock	-	(467)
At December 31	<u>751,658</u>	<u>751,658</u>

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

C. Treasury shares

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

(Unit: share in thousands/ dollars in thousands)

Year ended December 31, 2023

At January 1					
Issuance of ordinary shares under					
Reason for reacquisition	business combination	Increase	Decrease	At December 31	Book value
Held by subsidiaries	1,282	-	-	1,282	\$ 135,163
Redemption shares held by objecting shareholders	1,844	-	(1,844)	-	-

Year ended December 31, 2022

At January 1					
Issuance of ordinary shares under					
Reason for reacquisition	business combination	Increase	Decrease	At December 31	Book value
Held by subsidiaries	1,282	-	-	1,282	\$ 135,163
Redemption shares held by objecting shareholders	1,844	-	-	1,844	159,647

Note : Effect of conversion under joint share conversion agreement.

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the rules governing share repurchase by the Company, treasury shares should be reissued to the employees within three years from the reacquisition date and shares not reissued within the three-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

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

	December 31, 2023	December 31, 2022
Lighting Investment Corporation	1,282 thousand shares	1,282 thousand shares
Book value	\$ 135,163	\$ 135,163
Fair value	\$ 59,374	\$ 57,386
Epistar Corporation	-	1,844 thousand shares
Book value	\$ -	\$ 159,647
Fair value	\$ -	\$ 82,497

(8) Capital surplus

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

	2023			
	Share premium	Treasury share transactions	Changes in ownership interests in subsidiaries accounted for using equity method	Change in net equity of associates and joint ventures accounted for using equity method
At January 1	\$ 45,877,291	\$ 114,876	\$ 275,200	\$ 154,297
Decrease in treasury shares	(112,052)	(29,160)	-	-
Change in net equity of associates and joint ventures accounted for using equity method	-	-	-	59,445
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	19,564	-
Changes in ownership interests in subsidiaries accounted for using equity method	-	1,037	86,511	-
Employee stock ownership trust cancellation return	51	-	-	-
At December 31	<u>\$ 45,765,290</u>	<u>\$ 86,753</u>	<u>\$ 381,275</u>	<u>\$ 213,742</u>

	2022			
	Share premium	Treasury share transactions	Changes in ownership interests in subsidiaries accounted for using equity method	Change in net equity of associates and joint ventures accounted for using equity method
At January 1	\$ 42,894,615	\$ 115,823	\$ 770,537	\$ 49,663
Issuance of ordinary shares - private placement	2,927,400	-	-	-
Change in net equity of associates and joint ventures accounted for using equity method	-	-	-	104,634
Difference between consideration and carrying amount of subsidiaries acquired or disposed	7,754	-	(195,791)	-
Changes in ownership interests in subsidiaries accounted for using equity method	42,848	(947)	(299,546)	-
Expiration of restricted employee stock	4,674	-	-	-
At December 31	<u>\$ 45,877,291</u>	<u>\$ 114,876</u>	<u>\$ 275,200</u>	<u>\$ 154,297</u>

(9) Retained earnings

- A. In accordance with the Company's Articles of Incorporation, 10% of current year's earnings, after paying all taxes and dues and covering prior years' losses, shall be appropriated as legal reserve until the total equals the issued share capital. Special reserve shall be appropriated or reversed when needed. The remaining earnings along with the prior years' accumulated unappropriated earnings are considered as distributable earnings, and shall be distributed by the Board of Directors. When issuing new shares, the distribution shall be submitted to the resolution of the Shareholders' Meeting. If it is in cash, it shall be resolved by the Board of Directors. The distribution shall be based on the proportion of shares held by each shareholder.
- B. The Company appropriates earnings based on the factors such as current and future investment environment, capital needs, domestic and overseas competition and capital budget, along with the consideration of shareholders' interest and capital adequacy. The appropriation of cash dividends shall not be lower than 10% of the total dividend appropriated to shareholders.
- C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the special reserve is reversed accordingly and could be included in the distributable earnings.
- E. The appropriations of 2023 loss and dividends had been approved in the Board of Directors on February 23, 2024. It was decided to offset the loss with capital surplus and distribute cash dividends of \$677,646 (0.9 dollar per share).
- F. The appropriations of 2022 earnings had been approved in the shareholders' meeting on May 31, 2023, and decided not to distribute cash dividends.
- G. The appropriations of 2021 earnings approved in the shareholders' meeting on May 31, 2022 are as follows:

	2021	
	Amount	Dividends per share (in dollars)
Legal reserve appropriated	\$ 216,945	
Special reserve appropriated	\$ 290,598	
Cash dividends distributed	\$ 1,365,881	\$ 2

The abovementioned distribution of earnings for the year of 2021 was in agreement with those amounts proposed by the Board of Directors on February 24, 2022.

(10) Other equity items

	2023		
	Currency translation	Unrealized gain or loss	Total
At January 1	\$ 36,083	\$ 38,927	\$ 75,010
Revaluation - gross	-	25,484	25,484
Revaluation - tax	- (	41,149) (	41,149)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	161,188	161,188
Currency translation			
–Group	(251,091)	- (	251,091)
–Tax on Group	6,262	-	6,262
At December 31	(\$ 208,746)	\$ 184,450	(\$ 24,296)

	2022		
	Currency translation	Unrealized gain or loss	Total
At January 1	(\$ 406,535)	\$ 170,992	(\$ 235,543)
Revaluation - gross	- (	256,584) (	256,584)
Revaluation - tax	- (	36,134) (	36,134)
Difference on carrying amounts of subsidiaries acquired and disposed	3	-	3
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	160,653	160,653
Currency translation			
–Group	443,043	-	443,043
–Tax on Group	(428)	- (	428)
At December 31	\$ 36,083	\$ 38,927	\$ 75,010

(11) Operating revenue

	Year ended December 31, 2023	Year ended December 31, 2022
Share of gain of associates and joint ventures accounted for using equity method	\$ -	\$ 67,110
Other operating revenue	336,750	177,619
	<u>\$ 336,750</u>	<u>\$ 244,729</u>

(12) Expenses by nature

	Year ended December 31, 2023	Year ended December 31, 2022
Employee benefit expenses	\$ 276,800	\$ 147,653
Depreciation charges on property, plant and equipment	\$ 1,395	\$ 895

(13) Employee benefit expenses

	Year ended December 31, 2023	Year ended December 31, 2022
Wages and salaries	\$ 240,020	\$ 131,605
Labor and health insurance expenses	15,566	8,323
Pension costs	12,066	4,001
Other personnel expenses	9,148	3,724
	\$ 276,800	\$ 147,653

- A. According to the Articles of Incorporation of the Company, the Company shall distribute employees' compensation and directors' remuneration based on 0.1%~15% and no higher than 2% of the distributable profit of the current period, respectively. If the Company has accumulated deficit, earnings should be reserved to cover losses.
- B. For the year ended December 31, 2023, the employees' compensation and directors' remuneration was not estimated, because the Company incurred a loss during this period. For the year ended December 31, 2022, the employees' compensation was accrued at \$3,952 and the directors' remuneration was accrued at \$790, respectively.
- C. The Company's Board of Directors, on February 23, 2023, resolved not to distribute directors' remuneration for 2022. The difference of \$790 between the director's remuneration account and the proposed distribution amount has been listed as profit and loss for 2023.
- D. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(14) Income tax

A. Income tax expense

(a) Components of income tax expense :

	Year ended December 31, 2023	Year ended December 31, 2022
Current tax on profits for the period	\$ 25,849	\$ 16,394
Prior year income tax (overestimation) underestimation	(6,513)	5,079
Tax on undistributed surplus earnings	1,626	14,801
Income tax expense	\$ 20,962	\$ 36,274

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

	Year ended December 31, 2023	Year ended December 31, 2022
Change in fair value of financial assets at fair value through other comprehensive income	\$ 40,722	\$ 36,629
Currency translation differences	(1,725)	168
Share of other comprehensive income of associates	(4,110)	(235)
Remeasurement of defined benefit obligations	1,437	3,855
Total	<u>\$ 36,324</u>	<u>\$ 40,417</u>
B. Reconciliation between income tax expense and accounting profit		
	Year ended December 31, 2023	Year ended December 31, 2022
Tax calculated based on profit before tax and statutory tax rate	\$ -	\$ 14,860
Expenses disallowed & tax exempt income by tax regulation	21,859	14,958
Temporary differences not recognised as deferred tax assets	3,990	(13,424)
Prior year income tax (overestimation) underestimation	(6,513)	5,079
Tax on undistributed surplus earnings	1,626	14,801
Income tax expense	<u>\$ 20,962</u>	<u>\$ 36,274</u>
C. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows : None.		
D. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:		
	December 31, 2023	December 31, 2022
Deductible temporary differences	<u>\$ 19,963</u>	<u>\$ 67,116</u>
E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.		

(15) Earnings (loss) per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of outstanding ordinary shares (share in thousands)	Loss per share (in dollars)
<u>Basic loss per share</u>			
Loss for the period	(\$ 6,782,678)	751,658	(\$ 9.02)
	Year ended December 31, 2022		
	Amount after tax	Weighted average number of outstanding ordinary shares (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit for the period	\$ 38,024	715,603	\$ 0.05
<u>Diluted earnings per share</u>			
Profit for the period	\$ 38,024	715,603	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	496	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 38,024	716,099	\$ 0.05

(16) Supplemental cash flow information

Investing activities with partial cash payments

	Year ended December 31, 2023	Year ended December 31, 2022
Purchase of property, plant and equipment	\$ 1,134	\$ 1,716
Add: Opening balance of payable on equipment	1,733	10,001
Less: Ending balance of payable on equipment	(410)	(1,733)
Cash paid during the period	\$ 2,457	\$ 9,984

(17) Changes in liabilities from financing activities

	2023		
	Short-term borrowings	Guarantee deposits received	Liabilities from financing activities- gross
At January 1	\$ 100,000	\$ 8	\$ 100,008
Changes in cash flow from financing activities	(100,000)	-	(100,000)
At December 31	\$ -	\$ 8	\$ 8

	2022		
	Short-term borrowings	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	\$ 150,000	\$ 10	\$ 150,010
Changes in cash flow from financing activities	(50,000)	(2)	(50,002)
At December 31	<u>\$ 100,000</u>	<u>\$ 8</u>	<u>\$ 100,008</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Epistar Corporation	Subsidiary of the Company
Lextar Electronics Corporation	Subsidiary of the Company
Amengine Corporation	Subsidiary of the Company
Unikorn Semiconductor Corporation	Subsidiary of the Company
Yenrich Technology Corporation	Subsidiary of the Company

(2) Significant related party transactions and balances

A. Operating revenue:

	Year ended December 31, 2023	Year ended December 31, 2022
Epistar Corporation	\$ 218,261	\$ 128,117
Lextar Electronics Corporation	107,139	47,515
Other subsidiaries	11,350	1,987
Total	<u>\$ 336,750</u>	<u>\$ 177,619</u>

Service agreements are all signed with related parties, so there is no comparable object.

B. Receivables from related parties:

	December 31, 2023	December 31, 2022
Other receivables:		
Epistar Corporation	\$ 79,153	\$ 37,474
Lextar Electronics Corporation	36,185	13,254
Unikorn Semiconductor Corporation	3,504	1,856
Other subsidiaries	38	154
	<u>\$ 118,880</u>	<u>\$ 52,738</u>

The other receivables from related parties mainly from service. Receivables are not pledged to others and without interest and allowance for uncollectible accounts receivable.

C. Payables from related parties:

	December 31, 2023	December 31, 2022
Other payables:		
Epistar Corporation	\$ 4,035	\$ 3,252
Lextar Electronics Corporation	58	18
	<u>\$ 4,093</u>	<u>\$ 3,270</u>

D. Prepaid expense

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Epistar Corporation	<u>\$ 1,408</u>	<u>\$ 1,495</u>

E. Loans to /from related parties:

(a) Loans to related parties:

(i) Outstanding balance:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Unikorn Semiconductor Corporation	<u>\$ 200,000</u>	<u>\$ 350,000</u>

(ii) Interest income

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Unikorn Semiconductor Corporation	<u>\$ 5,945</u>	<u>\$ 1,705</u>

The loans to associates are repayable monthly carry interest at 1.7%~2.15% per annum for the years ended December 31, 2023 and 2022.

(b) Loans from related parties:

Interest expense

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Lextar Electronics Corporation	<u>\$ -</u>	<u>\$ 124</u>

There were no outstanding balance of loans from related parties as of December 31, 2023 and 2022, respectively. The loans from associates are repayable monthly carry interest at 1.7% per annum for the years ended December 2022.

(3) Key management compensation

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Salaries and other short-term employee benefits	<u>\$ 53,168</u>	<u>\$ 83,390</u>
Termination benefits	<u>3,896</u>	<u>324</u>
Total	<u>\$ 57,064</u>	<u>\$ 83,714</u>

8. PLEGDED ASSETS

	<u>Book value</u>		
<u>Pledged asset</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>Purpose</u>
Time deposits (Shown in "Non-current financial assets at amortised cost")	<u>\$ 120,000</u>	<u>\$ -</u>	Long-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In order to revitalize assets and improve the efficiency of the Company's asset use, after integrating the Company's factory space in Taiwan, the Company plans to replace the Zhunan Keyan Road factory building planning with the existing Epistar Corporation's factory area. Therefore, on January 19, 2024,

the Board of Directors decided to sell it based on the negotiation results between the buyer and the seller. The plant on Keyan Road in Zhunan was sold to Polaris Biopharmaceuticals, Inc.

12. OTHERS

(1) Capital risk management

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

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at amortised cost		
Cash and cash equivalents	\$ 602,547	\$ 690,933
Financial assets at amortised cost	120,000	-
Other receivables (including related parties)	319,076	402,797
Guarantee deposits paid	25,005	25,408
	<u>\$ 1,066,628</u>	<u>\$ 1,119,138</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ -	\$ 100,000
Other payables (including related parties)	134,129	100,492
Guarantee deposits received	8	8
	<u>\$ 134,137</u>	<u>\$ 200,500</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. The company are required to hedge their entire foreign exchange risk exposure with the Company treasury.
- iii. The Company's businesses involve some non-functional currency operations (the functional currency of the Company is NTD. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023			
	Foreign currency amount		Book value	
	<u>(in thousands)</u>	<u>Exchange rate</u>	<u>(in thousands of NTD)</u>	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$ 161	30.7050	\$	4,959
RMB:NTD	19	4.3270		80
<u>Financial liabilities</u>				
<u>Non-monetary items</u>				
USD:NTD	\$ 11	30.7050	\$	335
	December 31, 2022			
	Foreign currency amount		Book value	
	<u>(in thousands)</u>	<u>Exchange rate</u>	<u>(in thousands of NTD)</u>	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$ 38	30.7100	\$	1,181
RMB:NTD	19	4.4080		82
<u>Financial liabilities</u>				
<u>Non-monetary items</u>				
USD:NTD	\$ 15	30.7100	\$	471

iv. Please refer to the following table for the details of unrealized exchange gain (loss) arising from significant foreign exchange variation on the monetary items held by the Company.

Year ended December 31, 2023				
Unrealized exchange gain (loss)				
(Foreign currency: functional currency)	Foreign currency		Book value	
	amount (in thousands)	Exchange rate	(in thousands of NTD)	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$ -	30.7050	\$	107
RMB:NTD	-	4.3270	(	4)
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$ -	30.7050	\$	8
Year ended December 31, 2022				
Unrealized exchange gain (loss)				
(Foreign currency: functional currency)	Foreign currency		Book value	
	amount (in thousands)	Exchange rate	(in thousands of NTD)	
<u>Financial assets</u>				
<u>Monetary items</u>				
RMB:NTD	\$ -	4.4080	(\$	2)
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$ -	30.7100	(\$	4)

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

Year ended December 31, 2023				
Sensitivity analysis				
(Foreign currency: functional currency)	Degree of variation	Effect on profit		Effect on other comprehensive income
		or loss		
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	50	\$ -
RMB:NTD	1%		1	-
<u>Financial liabilities</u>				
<u>Non-monetary items</u>				
USD:NTD	1%	(\$	3)	\$ -

Year ended December 31, 2022					
Sensitivity analysis					
Degree of variation	Effect on profit		Effect on other		
	or loss		comprehensive income		
(Foreign currency: functional currency)					
<u>Financial assets</u>					
<u>Monetary items</u>					
USD:NTD	1%	\$	12	\$	-
RMB:NTD	1%		1		-
<u>Financial liabilities</u>					
<u>Non-monetary items</u>					
USD:NTD	1%	(\$	5)	\$	-

Cash flow and interest rate risk

- i. The Company's interest rate risk arises from bank deposits and borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk.
- ii. Based on the simulations performed on sensitivity analysis for interest rate risk, the maximum impact on post-tax profit of a 0.1% shift would be increased/decreased of \$ 432 and \$846 for the years ended December 31, 2023 and 2022. The simulation is done on a quarterly basis to ensure that the potential maximum loss is within the limit set by the management.

(b) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and external regulatory or legal requirements.
- ii. Surplus cash are invested in interest bearing current accounts, time deposits, money market deposits and marketable securities, with appropriate maturities or sufficient liquidity to provide sufficient headroom and meet the above-mentioned forecasts. As of December 31, 2023 and 2022, the Company held money market position of \$ 602,547 and \$690,933 and those are expected to readily generate cash inflows for managing liquidity risk.
- iii. The Company has the following undrawn borrowing facilities:

	December 31, 2023	December 31, 2022
Floating rate:		
Expiring within one year	\$ 2,450,000	\$ 2,500,000
Expiring beyond one year	3,350,000	4,140,000
	<u>\$ 5,800,000</u>	<u>\$ 6,640,000</u>

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

Non-derivative financial liabilities:

December 31, 2023	Less than 1 year	Between 1 and 5 years	Between 5 and 7 years	Over 7 years
Other payable (including related parties)	\$ 134,129	\$ -	\$ -	\$ -

Non-derivative financial liabilities:

December 31, 2022	Less than 1 year	Between 1 and 5 years	Between 5 and 7 years	Over 7 years
Short-term borrowings	\$ 100,000	\$ -	\$ -	\$ -
Other payable (including related parties)	100,492	-	-	-
Guarantee deposits received	8	-	-	-

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

(3) Fair value information

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

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

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

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

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding NT \$300 million or 20% paid-in capital or more: Please refer to table 4.

E. Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer to table 5.

F. Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: Please refer to table 6.

G. Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 7.

H. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to table 8.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 9.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 10.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 11.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 12.

(4) Major shareholders information

Major shareholders information: Please refer to table 13.

14. SEGMENT INFORMATION

None.

ENNOSTAR INC.
Loans to others
Year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended	Balance at 31-Dec-23	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
					31-Dec-23								Item	Value			
0	ENNOSTAR Inc.	Unikorn Semiconductor Corporation	Other receivables-related parties	Y	\$ 500,000	\$ 500,000	\$ 200,000	2.15%	Short-term financing	\$ -	Working capital	\$ -	Promissory Note	\$ 500,000	\$ 4,737,417	\$ 14,212,252	Note 1
1	Epicrystal (Changzhou) Ltd.	Jiangsu Canyang Optoelectronics Ltd.	Other receivables-related parties	Y	355,600	346,160	346,160	3.45%~3.55%	Short-term financing	-	Working capital	-	Promissory Note	346,160	1,716,213	1,716,213	Note 2
1	Epicrystal (Changzhou) Ltd.	Episky Corporation (Xiamen) Ltd	Other receivables-related parties	Y	442,200	432,700	86,540	3.45%	Short-term financing	-	Working capital	-	Promissory Note	432,700	1,716,213	1,716,213	Note 2
2	EPISTAR JV HOLDING (BVI) CO., LTD.	Episky Corporation (Xiamen) Ltd	Other receivables-related parties	Y	69,342	-	-	0.00%	Short-term financing	-	Working capital	-	None	-	4,737,417	8,884,860	Note 3
2	EPISTAR JV HOLDING (BVI) CO., LTD.	Epistar Corporation	Other receivables-related parties	Y	551,225	521,985	521,985	5.95%	Short-term financing	-	Working capital	-	Promissory Note	521,985	3,553,944	8,884,860	Note 4
3	Lighting Investment Ltd.	EPISTAR JV HOLDING(BVI) CO., LTD.	Other receivables-related parties	Y	199,875	184,230	184,230	5.95%	Short-term financing		Working capital	-	Promissory Note	184,230	726,518	726,518	Note 3
4	Luxlite (HK) Corporation Limited	EPISTAR JV HOLDING(BVI) CO., LTD.	Other receivables-related parties	Y	145,913	138,173	89,045	5.95%	Short-term financing		Working capital	-	Promissory Note	138,173	293,325	293,325	Note 3
5	United LED Shan Dong Corporation	Episky Corporation (Xiamen) Ltd.	Other receivables-related parties	Y	133,350	129,810	129,810	3.65%	Short-term financing	-	Working capital	-	Promissory Note	129,810	144,935	144,935	Note 5

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended	Balance at 31-Dec-23	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote										
					31-Dec-23								31-Dec-23	31-Dec-23				Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
																							Item	Value			
6	Lextar Electronics Corporation	Yenrich Technology Corporation	Other receivables-related parties	Y	\$ 250,000	\$ 250,000	\$ -	Markup on short-term cost of capital	Short-term financing	\$ -	Working capital	\$ -	None	-	\$ 970,467	\$ 2,911,402	Note 6										
6	Lextar Electronics Corporation	Unikorn Semiconductor Corporation	Other receivables-related parties	Y	500,000	500,000	500,000	2.17%	Short-term financing	-	Working capital	-	Promissory Note	500,000	970,467	2,911,402	Note 6										
6	Lextar Electronics Corporation	Trendylite Corporation	Other receivables-related parties	Y	25,000	25,000	-	Markup on short-term cost of capital	Short-term financing	-	Working capital	-	None	-	970,467	2,911,402	Note 6										
7	Lextar Electronics (Suzhou) Corp	Chuzhou Bwin Technology Corp.	Other receivables-related parties	Y	44,220	43,270	-	3.55%	Short-term financing	-	Working capital	-	None	-	1,525,967	3,814,917	Note 7										
8	Lextar Electronics (Chuzhou) Corp.	Episky Corporation (Xiamen) Ltd.	Other receivables-related parties	Y	865,400	865,400	-	Markup on short-term cost of capital	Short-term financing	-	Working capital	-	None	-	3,691,000	3,691,000	Note 3										

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

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

Note 3: Limit on loans granted by Epistar JV, Lighting,Luxlite (HK) and Lextar Electronics (Chuzhou) Corp. to parent company and a fellow subsidiary that is 100% controlled by the parent company located outside Taiwan, limit on total loans is net asset of the Company and 30% of the net asset based on the latest financial statements of Ennistar Inc.,and to a single party is net asset of the Company and 10% of the net asset based on the latest financial statements of Ennostar Inc..The maximum term of the financing is three years.

Note 4: Limit on loans granted by the subsidiary of Epistar, Epistar JV, limit on total loans is net asset of Epistar JV and 30% of the net asset based on the latest financial statements of Ennostar Inc., and to a single party is 40% of Epistar JV 's net asset and 10% of the net asset based on the latest financial statements of Ennostar Inc..

Note 5: Limit on loans granted by the subsidiary of Epistar, United LED Shan Dong, limit on total loans is 40% of United LED Shan Dong's net asset, and 30% of the net asset based on the latest financial statements of Ennostar Inc. , and to a single party is 40% of the United LED Shan Dong's net asset and 10% of the net asset based on the latest financial statements of Ennostar Inc..

Note 6: In accordance with Lextar Electronics Corporation Procedures for Provision of Loans: the limit on loans granted to a single party is 10% of its net asset, and the ceiling on total loans granted is 30% of its net asset.

Note 7: Limit on loans granted by the subsidiary of Lextar Electronics Corporation, Lextar (Suzhou), limit on total loans is net asset of Lextar (Suzhou) and 30% of the net asset based on the latest financial statements of Ennostar Inc., and to a single party is 40% of its net net asset, and 10% of the net asset based on the latest financial statements of Ennostar Inc..

Table 1-2

ENNOSTAR INC.
Provision of endorsements and guarantees to others
Year ended December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Company name	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements /guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements /guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote		
			Relationship with the endorser/ guarantor (Note 2)														
1	Epistar Corporation	Unikorn Semiconductor Corporation	2	\$	3,297,450	\$	300,000	\$	-	\$	-	\$	6,594,901	N	N	N	
1	Epistar Corporation	ENNOSTAR Inc.	3		3,297,450		3,250,000		3,250,000	-	-		9.86	6,594,901	N	Y	N

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

(1) The Company is '0'.

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

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

(1) Having business relationship.

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

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

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

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

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

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

Note3: In accordance with the Epistar's Procedures for Provision of endorsements and guarantees to others: the ceiling on total endorsements/guarantees is 20% of the Company's net asset, and the limit on endorsements/guarantees to a single party is 10% of its net asset.

ENNOSTAR INC.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2023

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

				As of December 31, 2023				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Harvestar Investment Corp.	Amengine Corporation (Preferred stock)	Controlled by the same entity	Non-current investments in equity instruments at fair value through other comprehensive income	500,000	\$ 2,500	-	\$ 2,500	
Epistar Corporation	E&E Japan Co.Ltd. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	140	2,143	17.07	2,143	
Epistar Corporation	NATEC CORPORATION (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	120,000	1,748	7.50	1,748	
Epistar Corporation	Esleds Co.,Ltd. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	1,000	148	10.00	148	
Epistar Corporation	Lynk Labs,Inc. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	92,523	-	7.39	-	
Epistar Corporation	Advanced Photoelectronic Technology Limited (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	1,339,235	169,946	13.68	169,946	
Epistar Corporation	Dominant Opto Technologies Sdn. Bhd. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	35,000,000	784,786	10.00	784,786	
Epistar Corporation	XENIO CORPORATION (Stock)	None	Non-current financial assets at fair value through profit or loss	7,878	-	0.06	-	

				As of December 31, 2023				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Epistar Corporation	PlayNitride Inc. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	9,137,338	\$ 631,938	8.53	\$ 631,938	
Epistar Corporation	OSTENDO TECHNOLOGIES,INC. (Stock)	None	Non-current financial assets at fair value through profit or loss	67,500	-	0.04	-	
Epistar Corporation	Nan Ya Photonics Incorporation (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	9,173,000	214,373	19.90	214,373	
Epistar Corporation	PHECDA TECHNOLOGY CO., LTD	None	Non-current investments in equity instruments at fair value through other comprehensive income	600,000	-	2.11	-	
Epistar Corporation	ELIT FINE CERAMICS CO., LTD.	None	Non-current financial assets at fair value through profit or loss	2,200,000	-	4.49	-	
Epistar Corporation	Nanocrystal Technology Inc.	None	Non-current financial assets at fair value through profit or loss	6,000,000	-	11.11	-	
Epistar JV Holding (BVI) Co.,Ltd.	Bridgelux Optoelectronics (Xiamen) Co., Ltd.(Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	56,316,532	1,691,177	18.77	1,691,177	
Episky Corporation(Xiamen) Ltd.	China Firstar Optoelectronic Materials Co., Ltd. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	cash RMB7,500,000	-	15.00	-	
Episky Corporation(Xiamen) Ltd.	APT Electronics Co., Ltd.(Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	4,678,240	44,736	0.94	44,736	

Table 3-2

				As of December 31, 2023				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Episky Corporation(Xiamen) Ltd.	China Crystal Technologies Co.,Ltd.(Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	8,064,516	\$ -	4.08	\$ -	
Lighting Investment Corporation	Oree Advanced Illumination Solutions, Inc. (Stock)	None	Non-current financial assets at fair value through profit or loss	79,407	-	5.00	-	
Lighting Investment Corporation	Lustrous Technology Ltd. (Stock)	None	Non-current financial assets at fair value through profit or loss	266,892	-	8.99	-	
Lighting Investment Corporation	TERA XTAL TECHNOLOGY CORPORATION (Stock)	None	Non-current financial assets at fair value through profit or loss	795,000	-	0.42	-	
Lighting Investment Corporation	XENIO SYSTEMS, INC (Stock)	None	Non-current financial assets at fair value through profit or loss	16,462	-	0.13	-	
Lighting Investment Corporation	FormoLight Technologies, Inc. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	2,038,230	10,607	10.00	10,607	
Lighting Investment Corporation	Advanced Photoelectronic Technology Limited (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	562,018	71,319	5.74	71,319	
Lighting Investment Corporation	Edison Opto Corp. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	11,257,964	274,694	7.84	274,694	
Lighting Investment Corporation	Rigidtech Microelectronics Cops. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	1,550,253	9,769	2.17	9,769	

Table 3-3

				As of December 31, 2023				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Lighting Investment Corporation	Ledimond Opto Corporation (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	1,100,000	\$ 7,933	16.92	\$ 7,933	
Lighting Investment Corporation	iReach Corporation (Stock)	Investments accounted for using equity method of Epistar Corporation	Non-current investments in equity instruments at fair value through other comprehensive income	370,000	1,891	-	1,891	
Lighting Investment Corporation	Edison Opto Corp. (Stock)	None	Current financial assets at fair value through profit or loss	6,153,424	150,144	4.28	150,143	
Lighting Investment Corporation	ENNOSTAR Inc. (Stock)	Parent company	Current financial assets at fair value through profit or loss	1,282,377	59,374	0.17	59,374	Note1
Lighting Investment Ltd.	Verticle Inc. (Stock)	None	Non-current financial assets at fair value through profit or loss	582,983	-	3.00	-	
Lighting Investment Ltd.	Achrolux Inc. (Stock)	None	Non-current financial assets at fair value through profit or loss	987,500	-	6.91	-	
Lighting Investment Ltd.	PlayNitride Inc. (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	2,757,082	190,680	2.57	190,680	
Lighting Investment Ltd.	Advanced Photoelectronic Technology Limited (Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	200,000	25,380	2.04	25,380	
HUGA Holding (SAMOA) Ltd.	China Crystal Technologies Co.,Ltd.(Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	17,741,935	-	8.97	-	

Table 3-4

				As of December 31, 2023				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Jiangsu Canyang Optoelectronics Ltd	C-Star (Yangzhou) technology Co., Ltd	None	Non-current investments in equity instruments at fair value through other comprehensive income	cash RMB5,000,000	\$ 21,635	5.00	\$ 21,635	
Wellybond Corporation	Wellysun Inc.(Stock)	None	Non-current investments in equity instruments at fair value through other comprehensive income	2,400,000	41,136	5.22	41,136	
Shenzhen Epikylin Optoelectronics Co.,Ltd	LANKE ELECTRONIC CO.,LTD	None	Non-current investments in equity instruments at fair value through other comprehensive income	cash RMB1,351,030.69	-	1.31	-	

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

Table 3-5

ENNOSTAR INC.

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2023		Addition (Note 3)		Disposal (Note 3)				Balance as at December 31, 2023	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
ENNOSTAR Inc.	LEADSTAR Micro-Crystal Display Corporation (JiangSu) Ltd.	Investments accounted for using equity method	Yenrich Technology Corporation	Investments measured by equity method	-	\$ -	cash \$ 306,962 RMB100,900		-	\$ -	\$ -	\$ -	cash \$ 306,962 RMB100,900	
Epistar Corporation	Taishin 1699 Money Market Fund (Beneficiary certificates)	Current financial assets at fair value through profit or loss	-	-	-	-	116,771,473	1,613,000	116,771,473	1,615,668	1,613,000	2,668	-	-
Epistar Corporation	Taishin Ta Chong Money Market Fund (Beneficiary certificates)	Current financial assets at fair value through profit or loss	-	-	-	-	161,089,653	2,332,000	161,089,653	2,334,087	2,332,000	2,087	-	-
Epistar Corporation	Hua Nan Phoenix Money Market Fund (Beneficiary certificates)	Current financial assets at fair value through profit or loss	-	-	-	-	66,963,644	1,110,000	66,963,644	1,112,355	1,110,000	2,355	-	-
Epistar Corporation	Capital Money Market Fund (Beneficiary certificates)	Current financial assets at fair value through profit or loss	-	-	-	-	90,596,815	1,490,000	90,596,815	1,492,580	1,490,000	2,580	-	-

Table 4-1

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2023		Addition (Note 3)		Number of shares	Disposal (Note 3)			Balance as at December 31, 2023	
					Number of shares	Amount	Number of shares	Amount		Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Epistar Corporation	CTBC Hwa-win Money Market Fund (Beneficiary certificates)	Current financial assets at fair value through profit or loss	-	-	-	\$ -	43,650,269	\$ 490,000	43,650,269	\$ 490,530	\$ 490,000	\$ 530	-	\$ -
Yenrich Technology Corporation	LEADSTAR Micro-Crystal Display Corporation (JiangSu) Ltd.	Investments accounted for using equity method	ENNOSTAR Inc.	Parent company	cash RMB100,900	451,407	-	-	cash RMB100,900	306,962	344,407	7,230	-	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for using equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Table 4-2

ENNOSTAR INC.

Aquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate		Transaction date or date	Transaction amount	Status of payment	Counterparty	Relationship with the seller	If the counterparty is a related party, information as to the last transfer of data				Basis or reference used in	Reason for acquisition of real estate and status of the real estate	Other commitments
acquired by	Real estate	of the event	amount	payment	Counterparty	with the seller	Owner	Relationship between the issuer	Date of the transfer	Amount	setting the price	real estate	commitments
Unikorn Semiconductor Corporation	Factory facilities and machinery equipment	2023/06/13 ~6/27	\$ 362,001	According to the agreement of both parties	Epistar Corporation	Both are subsidiaries of ENNOSTAR Inc.	The original counterparties of Epistar were all equipment suppliers, which were not belong to related parties	-	-	\$ -	Experts' appraisal report	For the transfer of equipment transactions between the Group, Unikorn acquired production-related equipment from Epistar to align ownership and management rights.	None

Note 1: The appraisal result should be presented in the ‘Basis or reference used in setting the price’ column if the real estate aquisition of should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

ENNOSTAR INC.

Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Real estate disposed by	Real estate	Transaction date or date of the event	Date of acquisition	Book value	Disposal amount	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price	Other commitments
Epistar Corporation	Factory facilities and machinery equipment	2023/06/13 ~6/27	2001~2022	\$ 303,890	\$ 362,001	According to the agreement of both parties	\$ 58,111	Unikorn Semiconductor Corporation	Both are subsidiaries of ENNOSTAR Inc.	For the transfer of equipment transactions between the group, Unikorn obtained production-related equipment from Epistar to align ownership and management rights.	Based on a comprehensive consideration of the carrying amount of Epistar's assets and experts' appraisal reports.	None

Note 1: The appraisal result should be presented in the 'Basis or reference used in setting the price' column if the real estate disposed of should be appraised pursuant to the regulations.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 3: Date of the event referred to herein is the date of contract signing, date of payment, date of execution of a trading order, date of title transfer, date of board resolution, or other date that can confirm the counterparty and the monetary amount of the transaction, whichever is earlier.

ENNOSTAR INC.

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

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Transaction		Credit term	Differences in transaction terms		Notes/accounts receivable (payable)		Footnote
				Amount	Percentage of total purchases (sales)		Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Episky Corporation (Xiamen) Ltd.	Lextar Electronics (Chuzhou) Corp.	Note 1	Sales	(\$ 257,393)	(7)	90 days after monthend closing	Normal	Normal	\$ 72,556	3	
Episky Corporation (Xiamen) Ltd.	LEADSTAR Micro-Crystal Display Corporation (JiangSu) Ltd.	Note 1	Sales	(174,839)	(5)	60 days after monthend closing	Normal	Normal	35,116	1	
Episky Corporation (Xiamen) Ltd.	Shenzhen Epikylin Optoelectronics Co.,Ltd	Note 1	Sales	(1,246,231)	(35)	100 days after monthend closing	Normal	Normal	409,297	16	
Episky Corporation (Xiamen) Ltd.	Epistar Corporation	Note 1	Sales	(324,744)	(9)	60 days after monthend closing	Normal	Normal	64,650	2	
Epistar Corporation	LEDAS Co., Ltd	Note 1	Sales	(248,663)	(3)	90 days after monthend closing and 20 days after next monthly billings	Normal	Normal	89,620	2	
Epistar Corporation	Lextar Electronics Corporation	Note 1	Sales	(108,738)	(1)	90 days after monthend closing	Normal	Normal	38,957	1	
Epistar Corporation	Unikorn Semiconductor Corporation	Note 1	Sales	(105,990)	(1)	120 days after monthend closing	Normal	Normal	24,699	1	
Epistar Corporation	Shenzhen Epikylin Optoelectronics Co.,Ltd	Note 1	Sales	(495,509)	(6)	180 days after next month-end closing	Normal	Normal	280,403	6	
Epistar Corporation	Episky Corporation (Xiamen) Ltd.	Note 1	Sales	(1,130,760)	(14)	150 days after next month-end closing	Normal	Normal	396,468	9	
Epicrystal (Changzhou) Co., Ltd.	Jiangsu Canyang Optoelectronics Ltd.	Note 1	Sales	(378,115)	(26)	90 days after monthend closing	Normal	Normal	166,683	9	
Epicrystal (Changzhou) Co., Ltd.	Epistar Corporation	Note 1	Sales	(681,953)	(47)	180 days after next month-end closing	Normal	Normal	315,726	18	

						Differences in transaction		Notes/accounts receivable			
Transaction						terms		(payable)			
		Relationship with the	Purchases		Percentage of				Percentage of		
Purchaser/seller	Counterparty	counterparty	(sales)	Amount	total purchases	Credit term	Unit price	Credit term	Balance	total notes/accounts receivable (payable)	Footnote
Epicrystal (Changzhou) Co., Ltd.	Episky Corporation (Xiamen) Ltd.	Note 1	Sales	(1,077,583)	(74)	180 days after next month-end closing	Normal	Normal	1,238,105	69	
Jiangsu Canyang Optoelectronics Ltd.	Epistar Corporation	Note 1	Sales	(163,612)	(14)	90 days after monthend closing	Normal	Normal	24,923	2	
Jiangsu Canyang Optoelectronics Ltd.	Episky Corporation (Xiamen) Ltd.	Note 1	Sales	(1,146,378)	(99)	120 days after monthend closing	Normal	Normal	827,772	65	
Jiangsu Canyang Optoelectronics Ltd.	Epicrystal (Changzhou) Co., Ltd.	Note 1	Sales	(374,473)	(32)	90 days after monthend closing	Normal	Normal	271,993	21	
Episky Corporation (Xiamen) Ltd.	Jiangsu Canyang Optoelectronics Ltd.	Note 1	Purchases	1,146,378	27	120 days after monthend closing	Normal	Normal	(827,772)	(36)	
Episky Corporation (Xiamen) Ltd.	Epistar Corporation	Note 1	Purchases	1,130,760	26	150 days after next month-end closing	Normal	Normal	(396,468)	(17)	
Episky Corporation (Xiamen) Ltd.	Epicrystal (Changzhou) Co., Ltd.	Note 1	Purchases	1,077,583	25	180 days after next month-end closing	Normal	Normal	(1,238,105)	(54)	
Epistar Corporation	Jiangsu Canyang Optoelectronics Ltd.	Note 1	Purchases	163,612	3	90 days after monthend closing	Normal	Normal	(24,923)	(2)	
Epistar Corporation	Episky Corporation (Xiamen) Ltd.	Note 1	Purchases	324,744	6	60 days after monthend closing	Normal	Normal	(64,650)	(5)	
Epistar Corporation	Epicrystal (Changzhou) Co., Ltd.	Note 1	Purchases	681,953	12	180 days after next month-end closing	Normal	Normal	(315,726)	(23)	
Epicrystal (Changzhou) Co., Ltd.	Jiangsu Canyang Optoelectronics Ltd.	Note 1	Purchases	374,473	31	90 days after monthend closing	Normal	Normal	(271,993)	(81)	
Jiangsu Canyang Optoelectronics Ltd.	Epicrystal (Changzhou) Co., Ltd.	Note 1	Purchases	378,115	30	90 days after monthend closing	Normal	Normal	(166,683)	(55)	
Shenzhen Epikylin Optoelectronics Co.,Ltd	Epistar Corporation	Note 1	Purchases	495,509	28	180 days after next month-end closing	Normal	Normal	(280,403)	(41)	
Shenzhen Epikylin Optoelectronics Co.,Ltd	Episky Corporation (Xiamen) Ltd.	Note 1	Purchases	1,246,231	72	100 days after monthend closing	Normal	Normal	(409,297)	(59)	
Lextar Electronics Corporation	Lextar Electronics (Chuzhou) Corp.	Note 1	Purchases	2,346,035	72	120 days after monthend closing	Normal	Normal	(774,205)	(60)	
Lextar Electronics Corporation	Epistar Corporation	Note 1	Purchases	108,738	3	OA 120 days	Normal	Normal	(38,957)	(3)	

Table 7-2

Transaction						Differences in transaction terms		Notes/accounts receivable (payable)			Footnote
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Lextar Electronics Corporation	Tyntek Corporation	Note 1	Purchases	\$ 140,168	4	OA 120 days	Normal	Normal	(\$ 38,745) (	3)	
Lextar Electronics (Suzhou) Corp.	Lextar Electronics (Chuzhou) Corp.	Note 1	Purchases	390,228	94	90 days after monthend closing	Normal	Normal	(11,451) (	6)	
Lextar Electronics (Chuzhou) Corp.	Episky Corporation (Xiamen) Ltd.	Note 1	Purchases	257,393	8	OA 90 days	Normal	Normal	(72,556) (	6)	
Shanghai Welight Electronic Co., LTD.	ProLight Opto Technology Corporation	Note 1	Purchases	115,820	71	120 days after monthend closing	Normal	Normal	(63,633) (	154)	
Lextar Electronics Corporation	AUO (Suzhou) Corp Ltd.	Other related parties	Sales	(174,558) (	4)	120 days after monthend closing	Normal	Normal	79,380	7	
Lextar Electronics Corporation	Fortech Electronics (Suzhou) Co., Ltd.	Other related parties	Sales	(374,282) (	8)	120 days after monthend closing	Normal	Normal	114,138	9	
Lextar Electronics (Chuzhou) Corp.	Lextar Electronics Corporation	Note 1	Sales	(2,346,035) (	50)	120 days after monthend closing	Normal	Normal	774,205	53	
Lextar Electronics (Chuzhou) Corp.	Lextar Electronics (Suzhou) Corp.	Note 1	Sales	(390,228) (	8)	90 days after monthend closing	Normal	Normal	11,451	1	
Yenrich Technology Corporation	Lextar Electronics Corporation	Note 1	Sales	(160,680) (	65)	120 days after monthend closing	Normal	Normal	8,972	22	
ProLight Opto Technology Corporation	Shanghai Welight Electronic Co., LTD.	Note 1	Sales	(115,820) (	23)	120 days after monthend closing	Normal	Normal	63,633	48	

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

Table 7-3

ENNOSTAR INC.
Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
December 31, 2023

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023		Total	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful debts
			Accounts receivable	Other receivable			Amount	Action taken		
ENNOSTAR Inc.	Unikorn Semiconductor Corporation	Note 2	\$ -	\$ 203,504	\$ 203,504	\$ -	\$ -	-	\$ 207	\$ -
Epistar JV Holding (BVI)Co.,Ltd.	Epistar Corporation	Note 2	-	539,078	539,078	-	-	-	-	-
Episky Corporation (Xiamen) Ltd.	Shenzhen Epikylin Optoelectronics Co.,Ltd	Note 2	409,297	-	409,297	2.76	-	-	97,551	-
Episky Corporation (Xiamen) Ltd.	Epistar Corporation	Note 2	64,650	53,017	117,667	(4.39)	-	-	29,575	-
Epistar Corporation	Shenzhen Epikylin Optoelectronics Co.,Ltd	Note 2	280,403	2,553	282,956	1.71	-	-	38,068	-
Epistar Corporation	Episky Corporation (Xiamen) Ltd.	Note 2	396,468	23,533	420,001	3.84	1,742	-	121,436	-
United LED Corporation (Hong Kong) Limited	Episky Corporation (Xiamen) Ltd.	Note 2	-	130,218	130,218	-	-	-	130,218	-
Epicrystal Corporation (Changzhou) Ltd.	Jiangsu Canyang Optoelectronics Ltd.	Note 2	166,683	347,333	514,016	0.92	-	-	-	-
Epicrystal Corporation (Changzhou) Ltd.	Epistar Corporation	Note 2	315,726	580	316,306	1.30	-	-	-	-
Epicrystal Corporation (Changzhou) Ltd.	Episky Corporation (Xiamen) Ltd.	Note 2	1,238,105	86,590	1,324,695	1.28	220,528	-	70,986	-
Jiangsu Canyang Optoelectronics Ltd.	Episky Corporation (Xiamen) Ltd.	Note 2	827,772	-	827,772	2.26	269,206	-	173,312	-
Jiangsu Canyang Optoelectronics Ltd.	Epicrystal Corporation (Changzhou) Ltd.	Note 2	271,993	349	272,342	2.75	-	-	37,688	-
Lighting Investment Ltd.	Epistar JV Holding (BVI)Co.,Ltd.	Note 2	-	190,266	190,266	-	-	-	-	-
Lextar Electronics Corporation	Fortech Electronics (Suzhou) Co., Ltd.	Other related parties	114,138	-	114,138	5.13	-	-	114,138	-
Lextar Electronics Corporation	Unikorn Semiconductor Corporation	Note 2	-	500,000	500,000	-	-	-	-	-

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023			Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful debts
			Accounts receivable	Other receivable	Total		Amount	Action taken		
Lextar Electronics (Chuzhou) Corp.	Lextar Electronics Corporation	Note 2	\$ 774,205	\$ 2,178	\$ 776,383	5.05	-	-	\$ 224,610	\$ -

Note 1: The amount recovered by Epistar Corporatio from Episky Corporation (Xiamen) Ltd. was only \$1,633 for overdue amounts.

The amount recovered by Jiangsu Canyang Optoelectronics Ltd. from Episky Corporation (Xiamen) Ltd. was \$173,312 for overdue amounts. All the unoverdue amounts are being actively collected.

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

ENNOSTAR INC.
Significant inter-company transactions during the reporting periods
Year ended December 31, 2023

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	ENNOSTAR Inc.	Unikorn Semiconductor Corporation	1	Other receivable	\$ 203,304	Based on contract terms	0.32
0	ENNOSTAR Inc.	Lextar Electronics Corporation	1	Other operating revenue	107,139	Based on contract terms	0.48
0	ENNOSTAR Inc.	Epistar Corporation	1	Other operating revenue	218,261	Based on contract terms	0.98
1	Epistar Corporation	Lextar Electronics Corporation	1	Sales	108,738	Conducted in the ordinary course of business with terms similar to those with third parties	0.49
1	Epistar Corporation	Unikorn Semiconductor Corporation	1	Sales	105,990	Conducted in the ordinary course of business with terms similar to those with third parties	0.48
1	Epistar Corporation	Shenzhen Epikylin Optoelectronics Co.,Ltd	1	Sales	495,509	Conducted in the ordinary course of business with terms similar to those with third parties	2.22
1	Epistar Corporation	Episky Corporation (Xiamen) Ltd.	1	Sales	1,130,760	Conducted in the ordinary course of business with terms similar to those with third parties	5.07
1	Epistar Corporation	Shenzhen Epikylin Optoelectronics Co.,Ltd	1	Accounts receivable	280,403	Conducted in the ordinary course of business with terms similar to those with third parties	0.44

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
1	Epistar Corporation	Episky Corporation (Xiamen) Ltd.	1	Accounts receivable	\$ 396,468	Conducted in the ordinary course of business with terms similar to those with third parties	0.62
2	Episky Corporation (Xiamen) Ltd.	Lextar Electronics (Chuzhou) Corp.	3	Sales	257,393	Conducted in the ordinary course of business with terms similar to those with third parties	1.15
2	Episky Corporation (Xiamen) Ltd.	LEADSTAR Micro-Crystal Display Corporation (JiangSu) Ltd.	3	Sales	174,839	Conducted in the ordinary course of business with terms similar to those with third parties	0.78
2	Episky Corporation (Xiamen) Ltd.	Shenzhen Epikylin Optoelectronics Co.,Ltd	3	Sales	1,246,231	Conducted in the ordinary course of business with terms similar to those with third parties	5.59
2	Episky Corporation (Xiamen) Ltd.	Epistar Corporation	2	Sales	324,744	Conducted in the ordinary course of business with terms similar to those with third parties	1.46
2	Episky Corporation (Xiamen) Ltd.	Shenzhen Epikylin Optoelectronics Co.,Ltd	3	Accounts receivable	409,297	Conducted in the ordinary course of business with terms similar to those with third parties	0.64
3	Epicrystal Corporation (Changzhou) Ltd.	Jiangsu Canyang Optoelectronics Ltd.	3	Sales	378,115	Conducted in the ordinary course of business with terms similar to those with third parties	1.70
3	Epicrystal Corporation (Changzhou) Ltd.	Epistar Corporation	2	Sales	681,953	Conducted in the ordinary course of business with terms similar to those with third parties	3.06
3	Epicrystal Corporation (Changzhou) Ltd.	Episky Corporation (Xiamen) Ltd.	3	Sales	1,077,583	Conducted in the ordinary course of business with terms similar to those with third parties	4.83
3	Epicrystal Corporation (Changzhou) Ltd.	Episky Corporation (Xiamen) Ltd.	3	Notes receivable	341,186	Conducted in the ordinary course of business with terms similar to those with third parties	0.53

Table 9-2

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
3	Epicrystal Corporation (Changzhou) Ltd.	Jiangsu Canyang Optoelectronics Ltd.	3	Accounts receivable	\$ 166,683	Conducted in the ordinary course of business with terms similar to those with third parties	0.26
3	Epicrystal Corporation (Changzhou) Ltd.	Epistar Corporation	2	Accounts receivable	315,726	Conducted in the ordinary course of business with terms similar to those with third parties	0.49
3	Epicrystal Corporation (Changzhou) Ltd.	Episky Corporation (Xiamen) Ltd.	3	Accounts receivable	896,919	Conducted in the ordinary course of business with terms similar to those with third parties	1.40
3	Epicrystal Corporation (Changzhou) Ltd.	Jiangsu Canyang Optoelectronics Ltd.	3	Other receivable	347,333	Conducted in the ordinary course of business with terms similar to those with third parties	0.54
4	Jiangsu Canyang Optoelectronics Ltd.	Epistar Corporation	2	Sales	163,612	Conducted in the ordinary course of business with terms similar to those with third parties	0.73
4	Jiangsu Canyang Optoelectronics Ltd.	Episky Corporation (Xiamen) Ltd.	3	Sales	1,146,378	Conducted in the ordinary course of business with terms similar to those with third parties	5.14
4	Jiangsu Canyang Optoelectronics Ltd.	Epicrystal Corporation (Changzhou) Ltd.	3	Sales	374,473	Conducted in the ordinary course of business with terms similar to those with third parties	1.68
4	Jiangsu Canyang Optoelectronics Ltd.	Epicrystal Corporation (Changzhou) Ltd.	3	Notes receivable	142,197	Conducted in the ordinary course of business with terms similar to those with third parties	0.22
4	Jiangsu Canyang Optoelectronics Ltd.	Episky Corporation (Xiamen) Ltd.	3	Accounts receivable	827,772	Conducted in the ordinary course of business with terms similar to those with third parties	1.29
4	Jiangsu Canyang Optoelectronics Ltd.	Epicrystal Corporation (Changzhou) Ltd.	3	Accounts receivable	129,796	Conducted in the ordinary course of business with terms similar to those with third parties	0.20

Table 9-3

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
5	United LED Corporation (Hong Kong) Limited	Episky Corporation (Xiamen) Ltd.	3	Other receivable	\$ 130,218	Based on contract terms	0.20
6	Epistar JV Holding (BVI)Co.,Ltd.	Epistar Corporation	2	Other receivable	539,078	Based on contract terms	0.84
7	Lighting Investment Ltd.	Epistar JV Holding (BVI)Co.,Ltd.	3	Other receivable	190,266	Based on contract terms	0.30
8	Lextar Electronics Corporation	Epistar Corporation	3	Cost of goods sold	108,738	Conducted in the ordinary course of business with terms similar to those with third parties	0.49
8	Lextar Electronics (Chuzhou) Corp.	Episky Corporation (Xiamen) Ltd.	3	Cost of goods sold	257,393	Conducted in the ordinary course of business with terms similar to those with third parties	1.15
9	Lextar Electronics Corporation	Unikom Semiconductor Corporation	3	Other receivable	500,000	Based on contract terms	0.78
9	Lextar Electronics (Chuzhou) Corp.	Lextar Electronics Corporation	3	Sales	2,346,035	Conducted in the ordinary course of business with terms similar to those with third parties	10.52
9	Lextar Electronics (Chuzhou) Corp.	Lextar Electronics Corporation	3	Accounts receivable	774,205	Conducted in the ordinary course of business with terms similar to those with third parties	1.21
9	Lextar Electronics (Chuzhou) Corp.	Lextar Electronics (Suzhou) Corp.	3	Sales	390,228	Conducted in the ordinary course of business with terms similar to those with third parties	1.75
10	Yenrich Technology Corporation	Lextar Electronics Corporation	3	Sales	160,680	Conducted in the ordinary course of business with terms similar to those with third parties	0.72

Table 9-4

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
11	ProLight Opto Technology Corporation	Shanghai Welight Electronic Co., LTD.	3	Sales	\$ 115,820	Conducted in the ordinary course of business with terms similar to those with third parties	0.52

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

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

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

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

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

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

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

ENNOSTAR INC.
Information on investees
Year ended December 31, 2023

Table 10

Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2023						
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Investment income (loss) recognised by the Company for the year ended December 31, 2023		Footnote	
									Net profit (loss) of the investee for the year ended December 31, 2023			
ENNOSTAR Inc.	Epistar Corporation	Taiwan	Manufacturing and sales of LED wafers and chips	\$ 38,607,380	\$ 38,607,380	1,116,479,188	100.00	\$ 32,871,412	(\$ 6,060,593)	(\$ 6,106,299)		
ENNOSTAR Inc.	Lextar Electronics Corporation	Taiwan	Manufacturing and sales of LED wafers, chips, packages and modules	11,724,646	11,724,646	514,916,380	100.00	11,015,335	(527)	(53,255)		
ENNOSTAR Inc.	Harvestar Investment Corp.	Taiwan	Professional investment	1,150,000	1,150,000	115,000,000	100.00	706,482	(220,874)	(220,874)		
ENNOSTAR Inc.	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor,photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	584,583	584,583	23,799,000	7.92	622,100	(131,953)	(10,458)	Note1	
ENNOSTAR Inc.	Amengine Corporation	Taiwan	Developing and sales of medical optical sensor modules	40,212	40,212	6,922,000	75.96	14,494	(13,671)	(10,385)		
ENNOSTAR Inc.	GCS Holding Inc.	Cayman Islands	OEM manufacturing of GaAs / InP / GaN / SiC wafers for RF and optoelectronics	431,990	431,990	9,028,000	8.11	309,374	(792,236)	(75,156)	Note1	

				Initial investment amount		Shares held as at December 31, 2023						
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote	
ENNOSTAR Inc.	Calystar Investment Corp.	Taiwan	Professional investment	\$ 440,000	\$ 440,000	44,000,000	100.00	\$ 366,250	(\$ 57,229)	(\$ 57,229)		
ENNOSTAR Inc.	Unikorn Semiconductor Corporation	Taiwan	Original equipment manufacturer of III-V semiconductor	783,132	593,132	65,700,000	19.53	107,389	(891,055)	(164,192)		
ENNOSTAR Inc.	Precistar Investment Corp.	Taiwan	Professional investment	480,000	270,000	48,000,000	100.00	49,086	(49,998)	(49,998)		
ENNOSTAR Inc.	Praistar Investment Corp	Taiwan	Professional investment	270,000	270,000	27,000,000	100.00	27,542	(36,909)	(36,909)		
ENNOSTAR Inc.	Manastar Investment Corp	Taiwan	Professional investment	1,000	1,000	100,000	100.00	974	(7)	(7)		
Harvestar Investment Corp.	GCS Holding Inc.	Cayman Islands	OEM manufacturing of GaAs / InP / GaN / SiC wafers for RF and optoelectronics	433,099	433,099	9,013,000	8.10	357,463	(792,236)	(75,027)	Note1	
Harvestar Investment Corp.	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor,photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	263,864	209,551	13,089,000	4.35	257,152	(131,953)	(5,443)	Note1	
Harvestar Investment Corp.	Unikorn Semiconductor Corporation	Taiwan	Original equipment manufacturer of III-V semiconductor	444,785	444,785	52,000,000	15.45	79,037	(891,055)	(140,510)		
Precistar Investment Corp.	Unikorn Semiconductor Corporation	Taiwan	Original equipment manufacturer of III-V semiconductor	476,300	268,000	23,815,020	7.08	45,443	(891,055)	(49,958)		

Table 10-2

				Initial investment amount		Shares held as at December 31, 2023						
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Investment income (loss) recognised by the Company for the year ended December 31, 2023		Footnote	
									Net profit (loss) of the investee for the year ended December 31, 2023			
Calystar Investment Corp.	GCS Holding Inc.	Cayman Islands	OEM manufacturing of GaAs / InP / GaN / SiC	\$ 265,135	\$ 265,135	6,500,000	5.84	\$ 196,468	(\$ 792,236)	(\$ 54,125)	Note1	
Calystar Investment Corp.	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor,photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	151,238	97,787	8,094,000	2.69	143,778	(131,953)	(3,294)	Note1	
Praistar Investment Corp	Unikorn Semiconductor Corporation	Taiwan	Original equipment manufacturer of III-V semiconductor	268,000	268,000	13,400,000	3.98	25,546	(891,055)	(36,923)		
Unikorn Semiconductor Corporation	GCS Holding Inc.	Cayman Islands	OEM manufacturing of GaAs / InP / GaN / SiC wafers for RF and optoelectronics	1,051	1,051	20,000	0.02	975	(792,236)	(4)	Note1	
Epistar Corporation	iReach Corporation	Taiwan	Manufacturing, sales, packaging and module design of semiconductor light emitting devices	70,000	70,000	7,000,000	34.30	53,262	(22,013)	(8,330)		
Epistar Corporation	Epistar JV Holding (BVI) Co.,Ltd.	British Virgin Islands	Professional investment	14,960,129	14,960,129	48,278	100.00	8,848,099	(486,603)	(518,609)		
Epistar Corporation	Full Star Enterprises Limited	Hong Kong	Professional investment	-	166,785	-	0.00	-	-	-		
Epistar Corporation	Lighting Investment Corporation	Taiwan	Professional investment	1,561,814	1,561,814	191,478,518	100.00	1,570,771	8,947	10,251		
Epistar Corporation	Unikorn Semiconductor Corporation	Taiwan	Original equipment manufacturer of III-V semiconductor	826,083	826,083	40,000,000	11.89	75,597	(891,055)	(108,571)		

Table 10-3

				Initial investment amount		Shares held as at December 31, 2023					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
Epistar Corporation	SH Co., Ltd.	Taiwan	Sales of LED chips	\$ 31,792	\$ 31,792	3,179,176	49.00	\$ 2,363	(\$ 76)	(\$ 37)	
Epistar Corporation	TE Opto Corporation	Taiwan	Sales of LED chips	9,200	9,200	920,000	40.00	43,980	3,619	1,448	
Epistar Corporation	GaN Force Corporation	Taiwan	Design, manufacturing and sales of semiconductor materoals and modules	77,700	77,700	1,118,600	64.32	678	697	448	
Epistar Corporation	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor,photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	1,243	1,243	50,000	0.02	1,175	(131,953)	(27)	Note1
Epistar Corporation	Can Yang Investments Limited	Hong Kong	Professional investment	66,745	66,745	2,679,063	3.53	56,679	(6,414)	(226)	
Epistar JV Holding (BVI) Co.,Ltd.	HUGA Holding (SAMOA) Limited	Samoa	Professional investment	334,967	334,967	12,551,035	100.00	3,318	82	82	
Epistar JV Holding (BVI) Co.,Ltd.	LiteStar JV Holding (BVI) CO., Ltd.	British Virgin Islands	Professional investment	3,408,835	3,408,835	10,882	82.41	3,302,292	(238,730)	(196,737)	
Epistar JV Holding (BVI) Co.,Ltd.	United LED Corporation (Hong Kong) Limited	Hong Kong	Professional investment	2,029,760	2,029,760	67,000,165	74.86	258,619	(6,635)	(4,967)	
Epistar JV Holding (BVI) Co.,Ltd.	Episky (Hong Kong) Limited	Hong Kong	Professional investment	2,124,096	2,124,096	cash USD68,000,000	100.00	1,954,893	(288,026)	(288,026)	
Epistar JV Holding (BVI) Co.,Ltd.	Can Yang Investments Limited	Hong Kong	Professional investment	4,385,900	4,370,156	66,438,929	87.41	1,405,455	(6,414)	(5,382)	
Lighting Investment Ltd.	LEDAZ CO., Ltd.	Korea	Engineering service of LED	48,166	48,166	88,460	28.13	-	49,914	(24,455)	

Table 10-4

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023					Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	
Lighting Investment Ltd.	Interlight Optotech (HK) Co.,Limited	Hong Kong	Sales of LED packages	\$ 12,806	\$ 12,806	429,000	30.00	\$ 7,475	(\$ 11,724)	(\$ 3,517)	
Lighting Investment Ltd.	Epistar (Hong Kong) Limited	Hong Kong	Professional investment	2,556	2,556	82,850	100.00	16	262	262	
Lighting Investment Ltd.	Luxlite (HK) Corporation Limited	Hong Kong	Professional investment	133,979	133,979	3,800,000	100.00	293,337	13,448	13,448	
LiteStar JV Holding (BVI) Co.,Ltd.	Epicrystal (Hong Kong) Co. Ltd.	Hong Kong	Professional investment	4,403,034	4,403,034	146,600,000	100.00	4,006,499	(238,569)	(238,569)	
Lighting Investment Corporation	LEDAZ CO., Ltd.	Korea	Engineering service of LED	23,993	23,993	44,065	14.01	-	49,914	(16,376)	
Lighting Investment Corporation	Lighting Investment Ltd.	British Virgin Islands	Professional investment	152,701	152,701	45,643	100	726,518	(9,031)	(9,031)	
Lighting Investment Corporation	Yenrich Opto (Hong Kong) Limited	Hong Kong	Sales of LED lighting products	-	133,403	-	-	-	-	-	
Lighting Investment Corporation	Can Yang Investments Limited	Hong Kong	Professional investment	72,436	72,436	5,218,605	6.87	110,462	(6,414)	(441)	
Lighting Investment Corporation	GaNrich Semiconductor Corporation	Taiwan	Design and technology service of LED lighting product	-	67,101	-	-	-	(21,358)	(19,001)	
Lighting Investment Corporation	LEDOLUX Sp.Zo.O.	Poland	Assembling and sales of LED bulbs	133,455	133,455	156,994	60.00	11,933	(1,164)	(698)	
Lighting Investment Corporation	Joint Power Exponent, Ltd.	Taiwan	Power IC design and module sales	11,599	11,599	1,757,000	11.26	2,805	(23,969)	(2,783)	Note1

Table 10-5

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023					Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value					
Lighting Investment Corporation	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor, photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	\$ 1,276	\$ 1,276	50,000	0.02	\$ 767	(\$ 131,953)	(\$ 27)			Note1
Lighting Investment Corporation	GaN Force Corporation	Taiwan	Design, manufacturing and sales of semiconductor materials and modules	641	641	620,400	35.68	952	697	249			
Lighting Investment Corporation	Domi-Star Optoelectronics Corporation	Taiwan	Design and sales of LED lighting product	490	490	49,000	49.00	311	(64)	(32)			
Episky Corporation (Xiamen) Ltd	Epicrystal (Changzhou) Co., Ltd.	China	Manufacturing and sales of LED wafers and chips	147,472	147,472	cash USD5,200,000	3.31	145,486	(255,482)	(8,456)			
Epicrystal (Changzhou) Co., Ltd.	Changzhou Chemsemi Co., Ltd.	China	OEM manufacturing of compound semiconductor RFID wafers and optoelectronic wafers	469,590	469,590	cash RMB110,000,000	10.44	583,853	(1,762,498)	(188,915)			
Episky Corporation (Xiamen) Ltd	LEADSTAR Micro-Crystal Display Corporation (JiangSu) Ltd.	China	Developing, manufacturing and sales of LED packages, modules and related applications	164,862	122,036	cash RMB38,800,000	9.70	133,547	(56,109)	(5,492)			
Episky Corporation (Xiamen) Ltd	Shenzhen Epikylin Optoelectronics Co.,Ltd	China	Sales of LED chips	43,770	43,770	cash RMB10,000,000	100.00	219,874	30,429	30,429			
Lextar Electronics Corporation	Lextar (Singapore) Pte. Ltd.	Sinapore	Professional investment	2,709,310	2,709,310	90,270,000	100.00	2,613,816	155,548	155,548			
Lextar Electronics Corporation	Wellybond Optronics (H.K) Limited	Hong Kong	Professional investment	17,888	17,888	63,000,000	100.00	11,864	18	18			

Table 10-6

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023					Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	
Lextar Electronics Corporation	Wellypower Optronics Corporation	British Virgin Islands	Professional investment	\$ 44,898	\$ 44,898	5,153,061	100.00	\$ 172,521	\$ 10,235	\$ 10,235	
Lextar Electronics Corporation	Apower Optronics Corporation	British Virgin Islands	Professional investment	381,638	381,638	31,600,000	100.00	1,240,082	74,869	74,869	
Lextar Electronics Corporation	Liang Li Venture Corp.	Taiwan	Professional investment	175,374	175,374	18,000,000	100.00	114,547	(11,701)	(11,701)	
Lextar Electronics Corporation	Wellybond Corporation	Taiwan	Professional investment	746,484	746,484	75,000,000	100.00	467,228	(96,024)	(96,024)	
Lextar Electronics Corporation	Trendylite Corporation	Taiwan	Sales of products	20,874	18,100	3,150,000	100.00	44,459	4,802	4,473	
Lextar Electronics Corporation	Hexawave, Inc.	Taiwan	Manufacturing and sales of compound semiconductor materials and modules	147,506	147,506	12,716,000	31.52	46,034	(99,587)	(33,052)	
Lextar Electronics Corporation	Yenrich Technology Corporation	Taiwan	Manufacturing and sales of LED packages	580,487	980,487	26,000,000	100.00	177,373	(162,276)	(162,276)	
Lextar Electronics Corporation	ProLight Opto Technology Corporation	Taiwan	Manufacturing and sales of LED packages	99,081	97,031	6,700,000	9.84	76,486	(125,783)	(12,129)	
Lextar Electronics Corporation	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor,photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	1,304	1,304	50,000	0.02	989	(131,953)	(139)	Note1

Table 10-7

				Initial investment amount		Shares held as at December 31, 2023					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
Lextar (Singapore) Pte. Ltd.	Lextar Electronics Korea Ltd.	Korea	Sale of LED and aftersales service	\$ 3,025	\$ 3,025	22,000	100.00	\$ 4,951	\$ 447	\$ 447	
Lextar (Singapore) Pte. Ltd.	Aurora International Lighting Corporation Limited	Hong Kong	Sales of lighting	204,136	204,136	2,000,000	20.00	-	23,848	-	
Wellybond Corporation	VOGITO INNOVATION CO., LTD.	Taiwan	Design of lighting	1,000	1,000	100,000	50.00	3,153	1,433	717	
Wellybond Corporation	Hexawave, Inc.	Taiwan	Manufacturing and sales of compound semiconductor materials and modules	147,494	147,494	12,715,000	31.52	46,030	(99,587)	(33,050)	
Wellybond Corporation	WellyHertz Electronics Corp.	Taiwan	Manufacturing and sales of switching power supply	51,400	30,000	30,700,000	87.46	22,889	(15,283)	(12,910)	
Wellybond Corporation	Joint Power Exponent, Ltd.	Taiwan	Power IC design and module sales	68,250	68,250	4,550,000	29.17	33,736	(23,969)	(14,772)	Note1
Wellybond Corporation	ProLight Opto Technology Corporation	Taiwan	Manufacturing and sales of LED packages	313,670	303,264	21,417,000	31.47	244,491	(125,783)	(38,283)	
Wellybond Corporation	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor,photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	1,288	1,288	50,000	0.02	976	(131,953)	(141)	Note1
Liang Li Venture Corp.	ProLight Opto Technology Corporation	Taiwan	Manufacturing and sales of LED packages	96,604	91,763	6,700,000	9.84	76,486	(125,783)	(11,787)	

Table 10-8

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023					Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	
Liang Li Venture Corp.	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor,photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	\$ 1,293	\$ 1,293	50,000	0.02	\$ 982	(\$ 131,953)	(\$ 137)	註1
Hexawave, Inc.	WellyWave Semiconductors Inc.	Taiwan	Manufacturing and sales of compound semiconductor materials and modules	49,000	49,000	4,363,065	29.27	41,771	(52,839)	(23,621)	
Yenrich Technology Corporation	ProLight Opto Technology Corporation	Taiwan	Manufacturing and sales of LED packages	-	27,366	-	0.00	-	(125,783)	(2,027)	
Yenrich Technology Corporation	Tyntek Corporation	Taiwan	Research and development, manufacture, sales of gallium arsenide, infrared, light-emitting diode, laser diode, phototransistor,photodiode, single crystal, epitaxy and chip, and concurrent research and development, manufacture and sales of electro-optical system of export-import trade	-	1,324	-	0.00	-	(131,953)	(96)	Note1
ProLight Opto Technology Corporation	Prolight Opto Holding Corporation	Seychelles	Professional investment	4,402	4,402	150,000	100.00	(2,296)	(2,617)	(2,617)	

Table 10-9

				Initial investment amount		Shares held as at December 31, 2023						
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote	
Prolight Opto Holding Corporation	ProLight Opto Technology Corporation	Seychelles	Professional investment	\$ 4,403	\$ 4,403	150,000	100.00	(\$ 2,296)	(\$ 2,617)	(\$ 2,617)		
Lextar Electronics (Suzhou) Corp.	Lextar Electronics (Chuzhou) Corp.	China	Manufacturing and sales of LED wafers, chips, packages, lights, and modules	3,094,825	3,094,825	cash RMB700,000,000	100.00	3,691,002	272,807	272,807		
Lextar Electronics (Suzhou) Corp.	Chuzhou Bwin Technology Corp.	China	Developing, manufacturing, sales of metal and plastic technical products.	130,726	130,726	cash RMB29,000,000	29.00	63,524	(104,578)	(49,694)		
Lextar Electronics (Chuzhou) Corp.	Chuzhou Bwin Technology Corp.	China	Developing, manufacturing, sales of metal and plastic technical products.	244,748	-	cash RMB66,400,000	66.40	194,200	(104,578)	(43,285)		

Note1: The group holds two seats on the Board of Directors, which indicates that the Group has significant influence over the investee. Accordingly, the Group listed the investee as an associate.

ENNOSTAR INC.
Information on investments in Mainland China
Year ended December 31, 2023

Table 11

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023			Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the three months ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended December 31, 2023	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023		Footnote
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Remitted to Mainland China	Remitted back to Taiwan								
LEADSTAR Micro-Crystal Display Corporation (JiangSu) Ltd.	Developing, manufacturing and sales of LED packages, modules and related applications	\$ 1,766,000	1	\$ 525,815	\$ 147,045	\$ 89,432	\$ 583,428	(\$ 56,109)	33.63	(\$ 21,300)	\$ 495,255	\$ -	-	2(3) 、7
Episky Corporation (Xiamen) Ltd.	Manufacturing and sales of LED chips	2,124,096	2	2,124,096	-	-	2,124,096	(288,026)	100.00	(288,026)	1,954,886	-	-	2(3)
United LED Shan Dong Corporation	Manufacturing and sales of LED wafers and chips	2,404,500	2	1,824,844	-	-	1,824,844	(6,803)	74.86	(5,093)	271,248	-	-	2(3)
Epicrystal Corporation (Changzhou) Ltd.	Manufacturing and sales of LED wafers and chips	4,494,125	2	3,423,550	-	-	3,423,550	(255,482)	76.95	(196,605)	3,301,755	-	-	2(1)
Luxlite (Shenzhen) Corporation Limited	Sales of LED chips	96,430	2	48,687	-	-	48,687	-	0.00	-	-	57,480	-	2(1)
Bridgelux Optoelectronic (Xiamen) Co.,Ltd.	Manufacturing and sales of LED wafers, chips, packages and modules	7,785,966	2	1,461,593	-	-	1,461,593	-	18.77	-	1,691,177	-	-	2(3)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the three months ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended December 31, 2023	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
APT Electronics Co., Ltd.	Developing, manufacturing and sale of LED extension and chip, module and light instrument	\$ 1,854,198	3	\$ 296,108	\$ -	\$ -	\$ 296,108	\$ -	11.69	\$ -	\$ -	\$ -	2(3)
China Crystal Technologies Co.,Ltd.	Developing, manufacturing and sale of gallium arsenide unit crystal and chips	891,131	2	96,084	-	-	96,084	-	8.97	-	-	-	2(3)
Ufeco Technology Inc.	Developing, manufacturing and sale of LED application products	75,048	2	7,818	-	-	7,818	-	-	-	-	-	2(3)
Huarui (Huizhou) Co., Ltd.	Research and development, manufacturing and sale of LED packaging; research and development, manufacturing and sale of backlight module, lighting modules and accessories	479,839	2	215,687	-	-	215,687	-	-	-	-	-	2(3)
Ningbo Formosa Epitaxy Incorporation	Sales of LED chips	6,754	2	56,843	-	-	56,843	-	-	-	-	-	2(3)
Jiangsu Canyang Optoelectronics Ltd.	Manufacturing and sales of LED wafers and chips	5,902,624	2	2,576,953	15,744	-	2,592,697	67,667	97.81	66,185	1,697,687	-	2(3)

Table 11-2

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the three months ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three months ended December 31, 2023	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Lextar Electronics (Suzhou) Corp.	Manufacturing and sales of LED wafers, chips, packages and modules	\$ 3,722,205	2	\$ 3,585,860	\$ -	\$ -	\$ 3,585,860	\$ 231,556	100.00	\$ 231,556	\$ 3,827,342	\$ -	2(2)
Lextar Electronics (Xiamen) Co.,Ltd.	Manufacturing and sales of LED packages and modules	32,759	2	32,759	-	32,759	-	155	-	155	-	-	2(3)、6
Shanghai Welight Electronic Co., LTD.	Wholesale and export and import of LED and related electronic products	4,695	2	4,695	-	-	4,695	(2,617)	51.15	(2,617)	(2,242)	-	2(2)

Table 11-3

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
ENNOSTAR Inc.	\$ 436,383	\$ 306,962	\$ 47,374,174
Epistar Corporation	\$ 12,694,097	\$ 13,827,776	\$ 17,462,412
Lextar Electronics Corporation	\$ 3,737,600	\$ 4,198,743	\$ 9,704,674

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

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

Note 2: Investment income or loss in this period:

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

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

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

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

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

Note 6:Lextar Electronics (Xiamen) Co., Ltd. had applied for deregistration in January 2023 and remitted the residual property amounting to USD 297,928.34 to LEXTAR (SINGAPORE) PTE. LTD. in Singapore, an investee in the third area.

Note 7: In September 2023, Yenrich Technology Corporation transferred all the equity interests in LEADSTAR Micro-Crystal Display Corporation (Jiangsu) Ltd. to ENNOSTAR Inc. Pursuant to the Jing-Shen-II-Zi Letter No.11200120910 on September 11, 2023, the original approval of the investment of Yenrich Technology Corporation was cancelled as the transfer of LEADSTAR Micro-Crystal Display Corporation (Jiangsu) Ltd. was implemented and approved by the Investment Commission. ENNOSTAR Inc. acquired the equity interests in EADSTAR Micro-Crystal Display Corporation (Jiangsu) Ltd. in the amount of NT\$ 306,962 thousand, which was the investment amount of Yenrich Technology Corporation as originally approved by the Investment Commission.

ENNOSTAR INC.

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

Year ended December 31, 2023

Table 12

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		(payable)		endorsements/guarantees or		Financing				
	Amount	%	Amount	%	Balance at December 31, 2023	%	Balance at December 31, 2023	Purpose	Maximum balance during the year ended December 31, 2023	Balance at December 31, 2023	Interest rate	Interest during the year ended December 31, 2023	Others
Shenzhen Epikylin Optoelectronics Co.,Ltd	\$ 328,416	3.02	\$ -	-	\$ 230,861	0.45	\$ -	-	\$ -	\$ -	-	\$ -	-
Episky Corporation (Xiamen) Ltd.	925,959	8.52	30,455	1.91	545,910	1.06	-	-	69,342	-	-	-	-
Jiangsu Canyang Optoelectronics Ltd.	(139,305)	(1.28)	-	-	(35,999)	(0.07)	-	-	-	-	-	-	-
Episky Corporation (Xiamen) Ltd.	(228,295)	(2.10)	-	-	(57,876)	(0.11)	-	-	-	-	-	-	-
Epicrystal (Changzhou) Co., Ltd.	(538,180)	(4.95)	-	-	(320,621)	(0.62)	-	-	-	-	-	-	-
Lextar Electronics (Chuzhou) Corp.	(1,807,205)	(30.48)	-	-	(968,433)	(7.14)	-	-	-	-	-	-	-

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

ENNOSTAR INC.
Major Shareholders Information
December 31, 2023

Table 13

Major Shareholders	Shareholding	
	Number of Shares Held	Shareholding Ratio
AUO Corporation	93,568,898	12.42

ENNOSTAR INC.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023

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

Statement1

Item	Description	Amount
Cash		
Bank deposits		
Demand deposits — NTD		\$ 297,508
— USD	USD 61 thousand at exchange rate of 30.7050	1,888
— CNY	CNY 19 thousand at exchange rate of 4.3270	80
Time deposits — NTD		300,000
— USD	USD 100 thousand at exchange rate of 30.7050	3,071
		<u>\$ 602,547</u>

ENNOSTAR INC.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement2

Name	Beginning Balance		Additions (Reduction)		Ending Balance		Market Value or Net Assets Value				
	Shares	Amount	Shares	Amount (Note1)	Gain (loss) on investments	Shares	Percentage of Ownership	Amount	Unit Price (in NTD)	Total Amount	Collateral
Epistar Corporation	1,116,479,188	\$ 39,769,781	-	(\$ 792,070)	(\$ 6,106,299)	1,116,479,188	100%	\$ 32,871,412	\$ 29.53	\$ 32,974,505	None
Lextar Electronics Corporation	514,916,380	11,152,889	-	(84,299)	(53,255)	514,916,380	100%	11,015,335	18.85	9,704,674	None
Amengine Corporation	6,922,000	25,747	-	(868)	(10,385)	6,922,000	75.96%	14,494	2.38	18,292	None
Harvestar Investment Corp.	115,000,000	849,744	-	77,612	(220,874)	115,000,000	100%	706,482	6.14	706,482	None
Calystar Investment Corp.	44,000,000	409,063	-	14,416	(57,229)	44,000,000	100%	366,250	8.32	366,250	None
Precistar Investment Corp.	27,000,000	49,004	21,000,000	50,080	(49,998)	48,000,000	100%	49,086	1.02	49,086	None
Praistar Investment Corp.	27,000,000	49,004	-	15,447	(36,909)	27,000,000	100%	27,542	1.02	27,542	None
Manastar Investment Corp.	100,000	981	-	-	(7)	100,000	100%	974	9.74	974	None
Unikorn Semiconductor Corpora	56,200,000	179,217	9,500,000	92,364	(164,192)	65,700,000	19.53%	107,389	1.91	125,354	None
Tyntek Corporation	23,799,000	594,097	-	38,461	(10,458)	23,799,000	7.92%	622,100	18.60	442,661	None
GCS Holdings, Inc.	9,028,000	411,447	-	(26,917)	(75,156)	9,028,000	8.11%	309,374	32.00	288,896	None
Crystal Display Corporation (JiangSu) Ltd.	-	-	-	344,264	3,027	-	25.23%	347,291	3.44	347,417	None
		<u>\$ 53,490,974</u>		<u>(\$ 271,510)</u>	<u>(\$ 6,781,735)</u>			<u>\$ 46,437,729</u>			

Note1: Including investments of additions, Cumulative translation differences of foreign operations, Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income, cash dividend paid and except Subsidiary holds shares of parent company.

ENNOSTAR INC.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2023
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement3

Item	Beginning Balance	Addition	Decrease	Transfer	Ending Balance
Office equipment	\$ 882	\$ 497	\$ -	\$ -	\$ 1,379
Leasehold improvements	11,062	637	-	-	11,699
	<u>\$ 11,944</u>	<u>\$ 1,134</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,078</u>

ENNOSTAR INC.
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement4

Item	Beginning Balance	Addition	Decrease	Ending Balance
Accumulated depreciation:				
Office equipment	\$ 123	\$ 217	\$ -	\$ 340
Leasehold improvements	843	1,178	-	2,021
	<u>\$ 966</u>	<u>\$ 1,395</u>	<u>\$ -</u>	<u>\$ 2,361</u>

ENNOSTAR INC.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement6

Function Nature	Year ended December 31, 2023			Year ended December 31, 2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	228,942	-	228,942	118,995	-	118,995
Labour and health insurance fees	15,566	-	15,566	8,323	-	8,323
Pension costs	12,066	-	12,066	4,001	-	4,001
Directors' remuneration	11,078	-	11,078	12,610	-	12,610
Other personnel expenses	9,148	-	9,148	3,724	-	3,724
Depreciation Expense	1,395	-	1,395	895	-	895
Depletion Expense	-	-	-	-	-	-
Amortisation Expense	-	-	-	-	-	-

Note:

- As at December 31, 2023 and 2022, the Company had 240 and 80 employees, including 6 and 6 non-employee directors.
- A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information :
 - Average employee benefit expense in current year \$1,136. ((Total employee benefit expense of current year-Total directors' compensation of current year) / (Number of employees of current year-Number of non-employee directors of current year))
Average employee benefit expense in previous year \$1,825. ((Total employee benefit expense of previous year-Total directors' compensation of previous year) / (Number of employees of previous year-Number of non-employee directors of previous year))
 - Average employees salaries in current year \$978. (Total wages and salaries of current year/ (Number of employees of current year-Number employee of non- directors of current year))
Average employees salaries in previous year \$1,608. (Total wages and salaries of previous year/ (Number of employees of previous year-Number employee of non- directors of previous year))

ENNOSTAR INC.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY
FUNCTION (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement6

- (3) Adjustments of average employees salaries -39%. ((Average wages and salaries of current year-Average wages and salaries of prior year)/Average wages and salaries of prior year)
- (4) The supervisors' remuneration for the years ended December 31, 2023 and 2022 were \$0 and \$0.

Description:

- 1. The number of employees described in Note to this form should be calculated by using average number of employees and the basis of calculation was the same as the employee benefits expenses and employees' salaries.
- 2. According to IAS19, employees may provide services in a full-time, part-time, permanent, irregular or temporary manner, including directors and other management personnel. Therefore, "employees" in this form include directors, managers, general employees and contract hires, etc., but not including supervisors, dispatched manpower, labor contracting or business outsourcing personnel.
- 3. "Directors' remuneration" refers to the remuneration received by all directors, retirement pension, director's remuneration and business execution expenses, etc., but does not include employee directors' salary, labor and health insurance.
- 4. "Supervisors' remuneration" refers to the remuneration received by all supervisors, supervisors' remuneration and business execution expenses, etc.