

Stock Code: 3016

Episil-Precision Inc.

2024Annual Report

Notice to readers

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

Annual report inquiry website <http://mops.twse.com.tw> <http://www.epi.episil.com>

Printed on April 15, 2025

I. Spokesperson and Acting Spokesperson Contact Information

Vice President Spokesperson : FAN, GUI-RONG / Spokesman

Tel: (03)5632255 Email:famy.fan@epi.episil.com

Acting Spokesperson : LIN, TING-YUAN / Acting Spokesman

Tel: (03)5632255 Email:tingyuan.lin@epi.episil.com

II. Episil Address and Telephone Number

1. Headquarters : Episil Hold Inc.

Address : No.10 Dusing Road I, Hsinchu Science Park, Hsinchu 30078, Taiwan

Tel : (03)5632255 Website : www.epi.episil.com

2. Branch office : None

3. Factory :

Address : No.10, Dusing Road I, Hsinchu Science Park, Hsinchu, Taiwan R.O.C.

EM1 Address : No. 3, Innovation Road I, Hsinchu Science Park, Hsinchu, Taiwan R.O.C.

EM2 Address : No.12-1, Creative Road IV, Hsinchu Science Park, Hsinchu, Taiwan R.O.C.

EM3 Address : No.10, Dusing Road I, Hsinchu Science Park, Hsinchu, Taiwan R.O.C.

CS4 Address : No.17, Innovation Road I, Hsinchu Science Park, Hsinchu, Taiwan R.O.C.

4. Subsidiary

PRECISION SILICON JAPAN CO., LTD. Tel : (03)5632255

III. Common Share Transfer Agent and Registrar

Company : Yongfeng Jin Securities Co., Ltd. Share Agent Department

Address : 17 Boai Road, Taipei City, 3rd floor

Tel : (02)23816288 Website : www.sinopac.com.tw

IV. Independent Auditors

Accounting Firm : PWC

Auditors : Daniel Lee 、Chih-Cheng Hsie

Address : 27F, No.333, Section 1, Keelung Road, Taipei, Taiwan R.O.C.

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V. Corporate Website : www.epi.episil.com

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One. A Letter to Shareholders

Dear Shareholders,

In 2024, the semiconductor industry faced many challenges. Geopolitical factors affected semiconductor supply chains, leading countries to focus more on local production, increasing tensions. In applications, the automotive market grew slower than expected, the industrial market remained conservative, and the consumer market stayed weak, leading to slow inventory clearance for power semiconductors. In capacity, China's expansion of mature process production impacted the industry, with policies favoring local products. The epitaxy industry faced both supply-demand imbalance and price competition. Under this pressure, Episil-Precision's revenue decreased by about 3% compared to the previous year.

In 2024, AI breakthroughs expanded applications and diversity for humanity. AI servers became essential infrastructure for cloud service providers (CSPs). However, the high energy consumption from massive computing put great pressure on global energy resources. Episil-Precision's expertise in SiC and GaN epitaxy provides high-frequency, high-voltage materials for power systems, significantly reducing energy consumption. As AI applications grow, the demand for SiC and GaN epitaxy will expand. Episil-Precision will be a key supplier for this fast-growing market.

1. Implementation of 2024 business plan

Episil-Precision's consolidated revenue for 2024 was NT\$4,107 million, a decrease of 3% year-over-year. Net income after tax was NT\$265 million, and earnings per share was NT\$0.92.

The consolidated operating performance of 2024 is as follows:

Unit: Thousand (TWD)

Items	2024	2023
Operating revenue	4,107,470	4,236,502
Operating margin	382,005	495,473
Net profit after tax	264,608	164,039
Earnings per share (Dollar(TWD))	0.92	0.57

2. Strategy and business plan

Episil-Precision enhances competitiveness by understanding customer needs and market trends. Despite pressure on the power

semiconductor market impacting 2024 revenue, AI growth creates new opportunities, driving semiconductor demand. WSTS forecasts an 11.2% growth in the global semiconductor market in 2025, with a strong long-term trend.

For silicon epitaxy, the focus is on energy-saving products like power MOSFETs, PMICs, and IGBTs for EVs, renewable energy, and servers.

For compound semiconductors, SiC and GaN epitaxy production is expanding, with 8-inch technology leading and partnerships with global firms for next-gen products. Yole estimates that from 2023 to 2029, the SiC device market will achieve a 24% CAGR, driven by key applications in EVs, solar energy, and industrial power systems. The GaN device market is expected to achieve a 41% CAGR, driven by applications in fast charging, 5G base stations, and data centers. With the rapid growth of AI, the surge in computing demand challenges energy efficiency and grid resilience, driving wider adoption of SiC and GaN epitaxy.

The semiconductor industry continues to globalize, but geopolitical factors are accelerating regionalization. In 2025, the industry will face an increasingly uncertain landscape due to rising tensions. In this context, Episil-Precision serve existing markets and customers while expanding globally and collaborating on emerging applications to seize new opportunities. In the meantime, the management team prioritizes ESG sustainability as a foundation for creating enduring value for shareholders, customers, and employees.

Wish all shareholders good health and successful.

Chairman: JH Shyu

Two. Corporate Governance Report

I、Directors and Management Team Organization of Episil-Precision Inc.

(I) Directors

April 15, 2025

Title	Nationality/ Place of Incorporation	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	R. O. C	Episil Technologies Inc. Representative : JH Shyu	Male Age 61 ~ 70	2022.06	3	2016.02 2016.06	166,200,000 150,000	58.37 0.05	166,961,680 150,000	57.86 0.05	0 0	0 0	0 0	0 0	Master's degree in chemical engineering , National Cheng Kung University	Chairman & CEO of Episil Technologies Inc. Chairman and President of Wellknown Holdings Ltd. Independent director of Ultra Chip, Inc. Epi' s Chief Strategy Officer	None		
Director	R. O. C	Episil Technologies Inc. Representative : David Chen	Male Age 61 ~ 70	2021.08	3	2016.02 2021.08	166,200,000 0	58.37 0	166,961,680 0	57.86 0	0 0	0 0	0 0	0 0	Academic degree in Solid State Physics from University of Texas, USA	Director of Episil Technologies Inc. Director of Energic Technologies Corporation. Chairman of Advanced Ion Beam Technology, Inc.	None		
Director (Note2)	R. O. C	Episil Technologies Inc. Representative : Winnie Liang	Female Age 51 ~ 60	2024.10	3	2016.02 2024.10	166,200,000 0	58.37 0	166,961,680 0	57.86 0	0 0	0 0	0 0	0 0	Master's degree in Administration, Fu Jen Catholic University	Director of Vanguard International Semiconductor Corporation. Executive Director of VIS Shanghai Company Limited.	None		
Director (Note3)	R. O. C	Episil Technologies Inc. Representative : JH Chiang	Male Age 61 ~ 70	2024.10	3	2016.02 2024.10	166,200,000 0	58.37 0	166,961,680 0	57.86 0	0 0	0 0	0 0	0 0	Master's degree in Administration, NYCU	Director of Vanguard International Semiconductor Corporation.	None		
Director	R. O. C	Nan Ya Photonics Incorporation Representative : Eric Lo	Male Age 61 ~ 70	2022.06	3	2010.06 2010.06	9,847,325 0	3.46 0	9,847,325 0	3.41 0	0 0	0 0	0 0	0 0	Bachelor's Degree in Industrial Engineering, Chung Yuan Christian University	Vice President of Nan Ya Photonics Incorporation President of Nanya Optoelectronics (Kunshan) Trading Co., Ltd President of NY Photonics Inc.USA Director of Xuanguan Co., Ltd Director of Eco Trust Japan CO., Ltd	None		
Director	R. O. C	Jiacai Investment Co. Ltd Representative : Wunguei Ye	Male Age 61 ~ 70	2022.06	3	2010.06 2010.06	2,900,255 3,173,632	1.02 1.11	3,100,793 3,199,632	1.07 1.11	0 2,500,855	0 0.87	0 0	0 0	Bachelor's Degree in Controls,Feng Chia University	President of Jia Cai Investment Co. Ltd	None		

Independent Director	R. O. C	William Sheng	Male Age 61 ~ 70	2022.06	3	2016.02	0	0	0	0	0	0	0	0	Doctor's degree in Accounting, Purdue University	Independent director of Upi Semiconductor Corp Independent director of ELITE Semiconductor Microelectronics Technology Inc Professor, Department of Finance and Taxation, National Taichung University of Science and Technology	None
Independent Director	R. O. C	T. P. Chen	Male Age 61 ~ 70	2022.06	3	2015.09	0	0	0	0	0	0	0	0	Doctor's degree in Materials Science and Engineering, Tsinghua University	Senior consultant of Epistar Corporation Director of Lynk Labs, USA	None
Independent Director	R. O. C	Eric Hu	Male Age 51 ~ 60	2022.06	3	2019.06	0	0	0	0	0	0	0	0	Master's degree in Accounting and Management Decision Group, National Taiwan University	Partnership accountant of C.J.S. CPAS & CO. Director of Kye Systems Corp. Director of Godex International Co., Ltd. Director of Sciencetech Corporation Director of Jianrui Venture Capital Co. Ltd. Director of Basecom Telecommunication Co., Ltd. Director of Accom Technologies Co., Ltd. Supervisor of Power Tank Energy Ltd. Independent Director of Promate Electronics Co., Ltd. Independent Director of KKCompany Technologies Inc. Independent Director of Asia Electronic Material Co., Ltd.	None

Note1: The Company's general meeting of shareholders on June 21, 2022 completed the reelection of the eighth term of directors for the term commencing June 21, 2022 and expiring June 20, 2025.

Note2: The legal person director, Episil Technologies Inc, has changed its representative to Ms. Winnie Liang on October 1, 2024 (the original representative was Mr. CT Sune).

Note3: The legal person director, Episil Technologies Inc, has changed its representative to Mr. JH Chiang on October 1, 2024 (the original representative was Ms. Amy Fan).

Note4: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed: There is no situation in which the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship.

1. Major shareholders of the institutional shareholders :

April 15, 2025

Name of Institutional Shareholders	Major Shareholders	
Episil Technologies Inc.	Vanguard International Semiconductor Corporation.	13.05%
	Han Shin Corp.	5.64%
	Han Hsin Investment Corp.	5.41%
	Hermes-Epitek Corporation	4.74%
	Sincere Holding Company	4.25%
	Fubon Life Insurance Co., Ltd.	3.97%
	Min-Ci Huang	1.33%
	Chase Managed Advanced Starlight Advanced Aggregate International Stock Index	1.10%
	Chase manages the Vanguard Group Emerging Markets Fund Investment Account	1.02%
	Lin, Su-Lin	0.68%
Nan Ya Photonics Incorporation	Nan Ya Plastics Corporation	29.0%
	Formosa Petrochemical Corporation	28.8%
	Formosa Taffeta Co., Ltd.	19.2%
	Formosa Development Corporation	9.8%
	FORMOSA ADVANCED TECHNOLOGIES CO., LTD.	9.6%
Jiacai Investment Co. Ltd	Siou-Cing Chen	29.00%
	Wunguei Ye	29.00%
	Fang-Chen Ye	14.00%
	Fang-Yu Ye	14.00%
	Jyun-shao Ye	14.00%

2. Major shareholders of the Company' s major institutional shareholder :

April 15, 2025

Name of Institutional Shareholders	Major Shareholders	
Vanguard International Semiconductor Corporation.	Taiwan Semiconductor Manufacturing Company Limited	27.55%
Han Shin Corp.	Herm Investment Co. Ltd	31.67%
	Sendrin Investment Corp	20.00%
	Hwang, Ming-Chi	18.33%
	Lu, Fei-Chian	18.33%
	Yeh Tzu Charitable Trust Fund	10.00%
	Sincere Holding Company	1.67%
Han Hsin Investment Corp.	Yeh Tzu Charitable Trust Fund	36.50%
	Han Shin Corp.	35.25%
	HERMES-EPITEK CORPORATION	9.00%
	Honder Holdings Ltd.	8.75%
	Vision Holdings Ltd.	6.25%
	Sincere Holding Company	4.25%
Hermes-Epitek Corporation	Green Cove Enterprises Inc.	69.13%
	Hwang, Ming-Chi	11.55%
	Lu, Fei-Chian	8.49%
	Lin, Su-Lin	4.57%
	Hwang, Mei-Yun	2.50%
	HonSean-JY Company Limited	2.04%
	Vision Holdings Ltd	1.24%
	JadeYale-CY Company Limited	0.48%
Sincere Holding Company	Yeh Tzu Charitable Trust Fund	100.00%
NAN YA PLASTICS CORPORATION	Chang Gung Medical Foundation	11.05%
	FORMOSA PLASTICS CORPORATION	9.88%
	Formosa Chemicals And Fibre Corporation	5.21%
	Chang Gung University	4.00%
	FORMOSA PETROCHEMICAL CORPORATION	2.26%
FORMOSA PETROCHEMICAL CORPORATION	FORMOSA PLASTICS CORPORATION	28.55%
	Formosa Chemicals And Fibre Corporation	24.15%
	NAN YA PLASTICS CORPORATION	23.10%
	Chang Gung Medical Foundation	5.78%
	FORMOSA TAFFETA CO., LTD.	3.83%
FORMOSA TAFFETA CO., LTD.	Formosa Chemicals And Fibre Corporation	37.40%
	Chang Gung Medical Foundation	5.79%
Formosa Development Corporation	FORMOSA PETROCHEMICAL CORPORATION	46.00%
	FORMOSA PLASTICS CORPORATION	18.00%
	NAN YA PLASTICS CORPORATION	18.00%
	Formosa Chemicals And Fibre Corporation	18.00%
FORMOSA ADVANCED TECHNOLOGIES CO., LTD.	NANYA TECHNOLOGY CORPORATION	31.99%
	FORMOSA TAFFETA CO., LTD.	30.68%

3. Professional qualifications and independence analysis of directors :

Criteria Name	Professional Qualification Requirements and Experience	Independence situations (Complies with Note1)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
JH Shyu	He serves as the chairman and director of a number of electronic technology and semiconductor industry companies experience, such as chairman of Episil Technologies Inc. and chairman and President of Wellknown Holdings Ltd. and chairman and President of Taiwan Hi-Tech Corp. and independent director of Ultra Chip, Inc. and independent director of Upi Semiconductor. He has possess the professionalism of diversified industries and the ability of enterprise management.	not applicable	1
David Chen	He serves as the chairman and director of a number of electronic technology and semiconductor industry companies experience, such as director of Episil Technologies Inc. and director of Energic Technologies Corporation. and chairman of Advanced Ion Beam Technology, Inc. He has possess the professionalism of diversified industries and the ability of enterprise management.	not applicable	0
Winnie Liang	She currently works as the Director of Accounting Department of Vanguard International Semiconductor Corporation, and executive director of VIS Shanghai Company Limited. She has professional capabilities in financial accounting.	not applicable	0
JH Chiang	She currently works as the Director of Engineering of Vanguard International Semiconductor Corporation. He has possess the professionalism of diversified industries and the ability of enterprise management.	not applicable	0
Eric Lo	He serves as the chairman and director of a number of electronic technology and semiconductor industry companies experience, such as deputy President of Nan Ya Photonics Incorporation and President of Nanya Optoelectronics (Kunshan) Trading Co., Ltd. and President of NY Photonics Inc. USA and director of Hexi Energy Co., Ltd. and director of Xuanguan Co., Ltd. and Director of Eco Trust Japan CO., Ltd and Associate Vice President of Formosa Plastics Co., Ltd. He has possess the professionalism of diversified industries and the ability of enterprise management.	not applicable	0

Criteria Name	Professional Qualification Requirements and Experience	Independence situations (Complies with Notel)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Wunguei Ye	He serves as a director of the optoelectronic industry and a manager of investment companies experience, such as President of Jia Cai Investment Co. Ltd. and director of Trend Lighting, Inc. He has possess the professionalism of diversified industries and the ability of enterprise management.	not applicable	0
T.P. Chen	He serves as a director and advisor to the optoelectronic industry experience, such as senior consultant of Epistar Corporation and director of Lynk Labs, USA. He has possess the professionalism of diversified industries and the ability of enterprise management.	The three independent directors on the left have met the qualifications stipulated in the "Regulations on the Establishment and Matters to be Observed of Independent Directors of Publicly Offering Companies" promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act in the two years before their election and during their term of office. Requirements, and the independent directors have been given the power to fully participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, so as to independently execute relevant powers.	0
William Sheng	He is currently a professor, department of Finance and Taxation, National Taichung University. He also serves as an independent director of a number of electronic technology industries experience, such as independent director of Upi Semiconductor Corp and independent director of Elite Semiconductor Microelectronics Technology Inc. and independent director of ENNOSTAR Inc. He has possess rofessional ability in financial accounting.		2
Eric Hu	He is currently a fair joint accounting firm partnership accountant. He also serves as the chairman or (independent) director of a number of electronic technology industry and venture capital companies experience, such as director of Kye Systems Corp. and director of Godex International Co., Ltd. and director of Scienteck Corporation and chairman of the board of directors of Algotek, Inc. and chairman of Jianrui Venture Capital Co. Ltd. and director, Kai Xing Technology Co., Ltd. and director of Xinya Dentsu Co., Ltd and independent director of Promate Solutions Corporation. and supervisor of ORIENT PHARMA CO., LTD and Independent Director of Asia Electronic Material Co., Ltd and independent director of KKCompany Technologies Inc. He has possess ability in business management and financial accounting.		2

Notel: All directors of the Company have not been involved in any of the provisions of Article 30 of the Company Law.

4. Diversity of Directors:

(I) Diversity of the Board of Directors:

In accordance with Rule 20 of the Company's Corporate Governance Code, the composition of the Board of Directors shall generally possess the knowledge, skills and qualities necessary for the performance of their duties. In order to achieve the desired objectives of corporate governance, the Board as a whole should possess the following capabilities: (1) Operation judgment (2) Accounting and financial analysis (3) Operation management (4) Crisis management (5) Industrial knowledge (6) International market view (7) Leadership (8) Decision making skills.

In order to implement the diversity policy of the board members and take into account the company's operating style and development needs, the proposed target policy includes (1) one-third of the number of independent directors, (2) sufficient diversity of professional knowledge and skills (at least five directors in each competency, and at least four of the eight competencies of individual board members).

Among the 9 directors of the Company, there are 1 director with employee status and 3 independent directors; Independent directors accounted for 33%. Due to the characteristics of the industry, Epi's main considerations when selecting directors are professional ability and experience, and no specific gender ratio requirements are set. Epi currently has one female director. In the future, during the director nomination process, the company will actively seek out female professionals with industry experience to join the company. It will also establish an internal talent development program to strengthen the career development of senior female management and increase the source of future director candidates. The board members include relevant professional backgrounds in science and engineering, finance and economics, and relevant experience covers the semiconductor field (including directors JH Shyu, David Chen, JH Chiang and T.P. Chen, a total of 4), optoelectronic (including directors Eric Lo, Wunguei Ye and T.P. Chen, a total of 3), and financial experience (including directors Winnie Liang, William Sheng and Eric Hu, a total of 3).

The specific management objectives and achievements of the Company's diversity policy are as follows:

Manage goals	Achievement situation
The number of independent directors is one-third of the seats of directors	Reached
Diverse professional knowledge and skills	Reached

The relevant implementation status is as follows:

Diversified core projects Name	Basic Composition							Possible Ability							
	Nationality	Gender	Also an employee	age		Term of office of independent directors (Year)		Operation judgment	Accounting and financial analysis	Operation management	Crisis management	Industrial knowledge	International market view	Leadership	Decision making skills
				51 ~ 60	61 ~ 70	0 ~ 3	> 9								
JH Shyu	R. O. C	Male	V		V			V	V	V	V	V	V	V	V
David Chen	R. O. C	Male			V			V	V	V	V	V	V	V	V
Winnie Liang	R. O. C	female		V				V	V	V	V	V	V	V	V
JH Chiang	R. O. C	Male			V			V	V	V	V	V	V	V	V
Eric Lo	R. O. C	Male			V			V	V	V	V	V	V	V	V
Wunguei Ye	R. O. C	Male			V			V	V	V	V			V	V
T.P. Chen	R. O. C	Male			V		V	V	V	V	V	V	V	V	V
William Sheng	R. O. C	Male			V		V		V		V			V	V
Eric Hu	R. O. C	Male		V		V		V	V	V	V			V	V

- (II) Board independence: As of the end of 2024, the independent directors have all complied with the regulations of the Securities and Futures Bureau of the Financial Regulatory Commission regarding independent directors, and there are no matters 3 and 4 of Article 26-3 of the Securities and Exchange Act between each director and independent directors, and the board of directors of the Company is independent (please refer to page 7-8 of the Company – Professional qualifications of directors and disclosure of independent director independence information).

(II) Management Team :

April 15, 2025;Unit:share;%

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
President (Note)	R. O. C	JS Wen	Male	2025.03	0	0	0	0	0	0	Master's degree in Department of Engineering Management, University of Technology Sydney, Australia	None	None		
Chief Operating Officer	R. O. C	JH Shyu	Male	2024.01	150,000	0.05	0	0	0	0	Master's degree in chemical engineering, National Cheng Kung University	Chairman & CEO of Episil Technologies Inc. Chairman and President of Wellknown Holdings Ltd. Independent director of Ultra Chip, Inc.	None		
Vice President	R. O. C	Shao-How Lu	Male	2016.01	180,929	0.06	0	0	0	0	Doctor's degree in Department of Power Mechanics, Tsinghua University	None	None		
Vice President	R. O. C	Forest Chang	Male	2022.10	11,000	0	0	0	0	0	Master's degree in Department of Aeronautical and Space Engineering, National Cheng Kung University	None	None		
Associate Vice President	R. O. C	Roger Lu	Male	2024.05	0	0	0	0	0	0	Bachelor's degree in Department of Electronic Engineering, Chung Yuan Christian University	President of Precision Silicon Japan Co., Ltd	None		
Associate Vice President	R. O. C	Robert Huang	Male	2024.05	1,301	0	0	0	0	0	Bachelor's degree in Department of Electrical Engineering, Feng Chia University	None	None		
Head of finance & Accounting	R. O. C	Ann Chen	female	2017.11	19,900	0.01	0	0	0	0	Bachelor's degree in Department of Finance and Taxation, Tamkang University	Ombudsman of Precision Silicon Japan Co., Ltd.	None		

Note : President Mr. JS Wen took office on March 6, 2025 (former President Mr. CT Sune retired on March 5, 2025).

(III) Where the President or person of an equivalent post (the highest level manager) and Chairman of the Board of Directors are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed: There is no situation in which the President or person of an equivalent post (the highest level manager) and Chairman of the Board of Directors are the same person, spouses, or relatives within the first degree of kinship.

II、Remuneration of Directors, Independent Directors, President, and Vice Presidents in the most recent year

1. Y2024 Remuneration of Directors and Independent Directors

Unit: NT\$ thousands

Title	Name (Note3)	Remuneration								Ratio of Total Remuneration (A+B+C+D) & to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) & to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company (Note 1)
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C) (Note1)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G) (Note1)						
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
Cash	Stock															Cash	Stock					
Chairman	Episil Technologies Inc.	0	0	0	0	2,329	2,329	525	525	2,854 1.08%	2,854 1.08%	9,409	9,409	81	81	2,850	0	2,850	0	15,194 5.74%	15,194 5.74%	225
	Representative : JH Shyu																					
	Representative : David Chen																					
	Representative : CT Sune (Note2)																					
	Representative : Winnie Liang (Note2)																					
	Representative : Amy Fan (Note3)																					
	Representative : JH Chiang (Note3)																					
Director	Nan Ya Photonics Incorporation	0	0	0	0	1,164	1,164	1,350	1,350	2,514 0.95%	2,514 0.95%	0	0	0	0	0	0	0	0	2,514 0.95%	2,514 0.95%	0
	Representative : Rong-Huang Lu																					
Director	Jiacai Investment Co. Ltd	0	0	0	0	1,164	1,164	1,350	1,350	2,514 0.95%	2,514 0.95%	0	0	0	0	0	0	0	0	2,514 0.95%	2,514 0.95%	0
	Representative : Wunguei Ye																					
Independent Director	William Sheng	0	0	0	0	1,164	1,164	1,350	1,350	2,514 0.95%	2,514 0.95%	0	0	0	0	0	0	0	0	2,514 0.95%	2,514 0.95%	0
Independent Director	T.P. Chen																					
Independent Director	Eric Hu																					

Note1: The Board of Directors of the Company decided on February 24, 2025 to allocate the remuneration to the directors for the year 2024. The above table is provisional and has not yet been reported to the regular meeting of shareholders.

Note2: The legal person director, Episil Technologies Inc, has changed its representative to Ms. Winnie Liang on October 1, 2024 (the original representative was Mr. CT Sune).

Note3: The legal person director, Episil Technologies Inc, has changed its representative to Mr. JH Chiang on October 1, 2024 (the original representative was Ms. Amy Fan).

Note4: Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: please refer to page 16-17 of the policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance.

Note5: Except as disclosed in the above table, the remuneration received by the directors of the company in the most recent year for providing services (such as serving as a consultant for non-employees of the parent company/all companies listed in the financial report/re-investment enterprises, etc.): None.

Range of Remuneration

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Less than NT\$ 1,000,000	Nan Ya Photonics Incorporation/ Jiacai Investment Co. Ltd/ JH Shyu/ David Chen/ CT Sune/ Winnie Liang / Amy Fan/ JH Chiang /Eric Lo/ Wunguei Ye/ William Sheng/ T.P. Chen/ Eric Hu	Nan Ya Photonics Incorporation/ Jiacai Investment Co. Ltd/ JH Shyu/ David Chen/ CT Sune/ Winnie Liang / Amy Fan/ JH Chiang / Eric Lo/Wunguei Ye/ William Sheng/T.P. Chen/ Eric Hu	Nan Ya Photonics Incorporation/ Jiacai Investment Co. Ltd/ David Chen/ Winnie Liang / Amy Fan/ JH Chiang / Eric Lo/ Wunguei Ye/ William Sheng/ T.P. Chen/ Eric Hu	Nan Ya Photonics Incorporation/ Jiacai Investment Co. Ltd/ David Chen/ Winnie Liang / Amy Fan/ JH Chiang / Eric Lo/ Wunguei Ye/ William Sheng/ T.P. Chen/ Eric Hu
NT\$1,000,000 ~ NT\$1,999,999	Episil Technologies Inc.	Episil Technologies Inc.	Episil Technologies Inc.	Episil Technologies Inc.
NT\$2,000,000 ~ NT\$3,499,999	-	-	-	-
NT\$3,500,000 ~ NT\$4,999,999	-	-	-	-
NT\$5,000,000 ~ NT\$9,999,999	-	-	JH Shyu / CT Sune	JH Shyu / CT Sune
NT\$10,000,000 ~ NT\$14,999,999	-	-	-	-
NT\$15,000,000 ~ NT\$29,999,999	-	-	-	-
NT\$30,000,000 ~ NT\$49,999,999	-	-	-	-
NT\$50,000,000 ~ NT\$99,999,999	-	-	-	-
Greater than or equal to NT\$100,000,000	-	-	-	-
Total	14	14	14	14

2.Y2024 Remuneration of President and Vice Presidents

Unit: NT\$ thousands

2021 Remuneration of President and Vice Presidents								Unit: NT\$ thousands						
Title	Name	Base Compensation (A)		Bonus to Supervisors (B)		Allowances (C)		Employee Compensation (D) (Note1)				Ratio of Total Remuneration (A+B+C) & to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	CT Sune	19,677	19,677	324	324	95	95	4,050	0	4,050	0	24,146 9.13%	24,146 9.13%	90
Chief Operating Officer	JH Shyu													
Vice President	Shao-How Lu													
Vice President	Forest Chang													

Note: The Board of Directors of the Company decided on February 24, 2025 to allocate the remuneration for employees in 2024.
The above table is a provisional estimate.

Range of Remuneration

Range of Remuneration	Name of Executive Officers	
	The company	Companies in the consolidated financial statements (D)
Less than NT\$ 1,000,000	-	-
NT\$1,000,000 ~ NT\$1,999,999	-	-
NT\$2,000,000 ~ NT\$3,499,999	-	-
NT\$3,500,000 ~ NT\$4,999,999	Forest Chang / Shao-How Lu	Forest Chang / Shao-How Lu
NT\$5,000,000 ~ NT\$9,999,999	CT Sune / JH Shyu	CT Sune / JH Shyu
NT\$10,000,000 ~ NT\$14,999,999	-	-
NT\$15,000,000 ~ NT\$29,999,999	-	-
NT\$30,000,000 ~ NT\$49,999,999	-	-
NT\$50,000,000 ~ NT\$99,999,999	-	-
Greater than or equal to NT\$100,000,000	-	-
Total	4	4

3. Names of managers and distribution of compensation to employees in 2024 :

Unit: NT\$ thousands

Title		Name	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total(Note1)	Ratio of Total Amount to Net Income
Executive Officers	President	CT Sune	0	4,751	4,751	1.80%
	Chief Operating Officer	JH Shyu				
	Vice President	Shao-How Lu				
	Vice President	Forest Chang				
	Associate Vice President	Roger Lu				
	Associate Vice President	Robert Huang				
	Head of finance & Accounting	Ann Chen				
	Corporate manager	Angela Wu				

Note : The Board of Directors of the Company decided on February 24, 2025 to allocate the remuneration for employees in 2024.
The above table is a provisional estimate.

(IV) Comparison of Remuneration for Directors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, President and Vice Presidents:

- 1、The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, president and vice presidents of the Company, to the net income.

Unit: NT\$ thousands

Year Identity	Y2023				Y2024(Note2)			
	The company		Companies in the consolidated financial statements		The company		Companies in the consolidated financial statements	
	Total remuneration	Ratio of total remuneration to net income (%)	Total remuneration	Ratio of total remuneration to net income (%)	Total remuneration	Ratio of total remuneration to net income (%)	Total remuneration	Ratio of total remuneration to net income (%)
Director(Note1)	14,141	8.62%	14,141	8.62%	17,708	6.69%	17,708	6.69%
Executive Officers	14,342	8.74%	14,342	8.74%	24,146	9.13%	24,146	9.13%

Note 1: Including directors who are also employees.

Note 2: The Board of Directors of the Company decided on February 24, 2025 to allocate the remuneration for employees in 2024.
The above table is a provisional estimate and has not yet been reported to the regular meeting of shareholders.

- 2、The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance :

- (1) The remuneration of the directors of the Company includes two major items: directors' remuneration and service expense; these are handled pursuant to the Company's Articles of Incorporation and relevant regulations. The president and vice president's remuneration includes of salary, bonus and employee remuneration, which are determined based on the company's Articles of Incorporation and approval authority.
- (2) The procedures for determining remuneration
In accordance with the Articles of Incorporation of the Company, "The Company shall, in accordance with the profits of the current year, allocate not less than 5% of the remuneration of employees and not more than 2% of the remuneration of directors." The determination of directors' remuneration is based on the degree of participation and contribution of the directors to the Company's operations, and taking into account the results of their directors' performance appraisal, pursuant to the Company's Articles of Incorporation . The remuneration received by the president and vice president is determined based on the Articles of Incorporation and the operational performance limit set forth in the annual budget approved by the Board of Directors each year, while taking into account their positions, responsibilities assumed and contributions to the Company, as well as the industry standards It is agreed.

The remunerations are handled pursuant to the procedures of " Manager incentive and performance bonus method ".

The Company established the Remuneration Committee on 2011 year. The Committee is engaged in reviewing the assessment on performance of directors and managerial officers, as well as the policies, standards, and packages by which the remuneration is paid, and reviewing the content and amount of directors and managerial officers' remunerations periodically, to report to the Board of Directors.

(3) The correlation with business performance and future risks

The performance appraisal and remuneration of the directors and managerial officers of the Company refer to their positions, participation in the Company' s operations, personal performance contributions (including financial indicators such as revenue and profit achievement rate, and non-financial indicators such as laws and internal control compliance, or special achievement) and taking into account the usual standards of the peers, while comprehensively considering the amount of remuneration, payment methods, and future risks faced by the Company. It is are highly related to the Company' s operating responsibilities and overall performance.

III、Implementation of Corporate Governance：

(I) Board of Directors

A total of 6 (A) meetings of the Board of Directors were held in 2024. The attendance of director were as follows:

Title	Name	Attendance in Person (B)	By Pro xy	Attendance Rate (%) 【 B / A 】	Remarks
Chairman	Episil Technologies Inc.	Representative : JH Shyu	6	0	100%
Director		Representative : David Chen	5	1	83%
Director (Notel)		Representative : CT Sune	4	0	100%
Director (Notel)		Representative : Winnie Liang	2	0	100%
Director (Note2)		Representative : Amy Fan	4	0	100%
Director (Note2)		Representative : JH Chiang	2	0	100%
Director	Nan Ya Photonics Incorporation	Representative : Eric Lo	6	0	100%
Director	Jiacai Investment Co. Ltd	Representative : Wunguei Ye	6	0	100%
Independent Director	William Sheng	6	0	100%	
Independent Director	T.P. Chen	6	0	100%	
Independent Director	Eric Hu	6	0	100%	

Notel : The legal person director, Episil Technologies Inc, has changed its representative to Ms. Winnie Liang on October , 2024 (the original representative was Mr. CT Sune).

Note2 : The legal person director, Episil Technologies Inc, has changed its representative to Mr. JH Chiang on October 1, 2024 (the original representative was Ms. Amy Fan).

Other mentionable items:

I、If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company' s response should be specified. Please see page 62-63.

(I)Matters referred to in Article 14-3 of the Securities and Exchange Act.

(II)Other issues opposed by independent directors or about which directors have reservations that have been noted in the record or declared in writing: None.

II、In situations where directors recuse themselves due to conflict of interest, the director's name,content of the resolution, reason for recusal, and his or her voting participation should be properly recorded:

Board meeting Term/ Date	Name of benefit avoidance director	Major resolutions	Should benefit to void the reason	Voting situation
9th Term 10th Session 2024. 02. 26	William Sheng, T.P. Chen Eric Hu	1. Independent director remuneration distribution	Director himself	The rest of the directors present approved the case
9th Term 10th Session 2024. 02. 26	JH Shyu, David Chen, CT Sune, Amy Fan, Eric Lo Wunguei Ye	1. General directors' remuneration distribution	Director himself	The rest of the directors present approved the case
9th Term 10th Session 2024. 02. 26	JH Shyu, CT Sune	1. Manager incentive and performance bonus	Director also serves as manager	The rest of the directors present approved the case

9th Term 11th Session 2024. 05. 06	JH Shyu, David Chen, CT Sune, Amy Fan,	1. Acquisition of a business building	The director of the legal person and the counterparty of the transaction in this case are related parties, and the representative recuses interests	The rest of the directors present approved the case
9th Term 11th Session 2024. 05. 06	CT Sune,	1. Proposal on executive compensation	Director also serves as manager	The rest of the directors present approved the case
9th Term 15th Session 2024. 12. 23	JH Shyu, David Chen, Winnie Liang JH Chiang	1. Amend the "Regulations on Related Party Transaction Management"	The company where the director works has a conflict of interest with this proposal	The rest of the directors present approved the case
9th Term 15th Session 2024. 12. 23	William Sheng, T.P. Chen Eric Hu	1. Independent director business execution fees	Director himself	The rest of the directors present approved the case
9th Term 15th Session 2024. 12. 23	JH Shyu, David Chen, Winnie Liang JH Chiang, Eric Lo Wunguei Ye	1. General director business execution fees	Director himself	The rest of the directors present approved the case
9th Term 15th Session 2024. 12. 23	JH Shyu	1. Formulating the "Retirement Management Practices for Managers" 2. Proposal on executive compensation	Director also serves as manager	The rest of the directors present approved the case
9th Term 16th Session 2025. 02. 24	William Sheng, T.P. Chen Eric Hu	1. Independent director remuneration distribution	Director himself	The rest of the directors present approved the case
9th Term 16th Session 2025. 02. 24	JH Shyu, David Chen, Winnie Liang JH Chiang, Eric Lo Wunguei Ye	1. General directors' remuneration distribution	Director himself	The rest of the directors present approved the case

III、For the information of evaluation cycles, periods, scope, method and content of self-evaluation of the Board of Directors:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluate the content	Evaluate the results
Annually	2024/1/1~2024/12/31	Individual board members	Director's self-assessment	(1) Mastery of the company's goals and tasks. (2) Awareness of directors' responsibilities. (3) the degree of involvement in the company's operations.	"Honors and above". In the future, we will continue to implement corporate governance and enhance the functions of the

				(4) Internal relationship management and communication. (5) Professional and continuing education of directors. (6) Internal control.	Board of Directors to promote the objectivity and operational effectiveness of the Board of Directors' evaluation.
Annually	2024/1/1~2024/12/31	The valuation of the board	Director's self-assessment	(1) The degree of participation in the company's operations. (2) Improve the quality of decision-making of the board of directors. (3) Composition and structure of the Board of Directors. (4) Election of directors and continuing education. (5) Internal control.	"Honors and above". In the future, we will continue to implement corporate governance and enhance the functions of the Board of Directors to promote the objectivity and operational effectiveness of the Board of Directors' evaluation.
Annually	2024/1/1~2024/12/31	functional committees (Salary and Remuneration Committee and Audit Committee)	Director's self-assessment	(1) The degree of participation in the operation of the company. (2) Awareness of the responsibilities of functional committees. (3) the quality of decision-making of functional committees. (4) Composition and selection of members of the functional committee. (5) Internal control.	"Honors and above". In the future, we will continue to implement corporate governance and enhance the functions of functional committees to promote the objectivity and operational effectiveness of functional committee evaluations.

IV、Measures taken to strengthen the functionality of the board: The Board of Directors has established an Audit Committee and a Remuneration Committee to assist the board in carrying out its various duties. :

- (1) The Audit Committee and Remuneration Committee established under the authorization of the Board of Directors of the Company. The two committees are composed of three independent directors who assist the Board in discharging its oversight duties.
- (2) In terms of enhancing information transparency, information such as the shareholding ratio of directors of the Company, financial information, major resolutions, and directors' attendance at the Board of Directors have been published on the Public Information Observatory in accordance with relevant laws and regulations..

Note: The attendance rate of the board of directors in 2024 (total actual attendance rate of all directors/total attendance rate that all directors should attend) is 98%.

(II) Operation of the audit committee and annual focus of work

I、Work Priorities in 2025：

1. Communicate the results of the internal audit business report regularly with the internal audit supervisor according to the annual audit plan.
2. Communicate regularly with the Visa Accountant of the Company on the review or verification results of the quarterly financial statements.
3. Review financial reports.
4. Assess the effectiveness of the internal control system.
5. Appointment of a visa accountant.
6. Assessment of independence and competency of accountants.
7. Examining and revising procedures for acquiring or disposing of assets, engaging in derivatives trading, lending funds to others, endorsing or providing guarantees for others in major financial business activities.
8. Follow the law.

II、Audit Committee：

(1) The Audit Committee of the Company consists of three members (term commencing on June 21, 2022 and expiring on June 20, 2025).

(2) A total of 6 (A) Audit Committee meetings were held in 2024. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	Delegated in Person	Attendance Rate (%) 【 B / A 】	Remarks
Independent director	T.P. Chen	6	0	100%	
Independent director	William Sheng	6	0	100%	
Independent director	Eric Hu	6	0	100%	

Other mentionable items：

I、If any of the following circumstances occur, the date of the meeting, schedule, content of the proposal, content of independent directors' objections, reservations or major recommendations, results of the audit committee's resolutions and the company's handling of the audit committee's opinions:

1. Matters referred to in Article 14-5 of the Securities and Exchange Act.：

Audit Committee Term/ Date	Major resolutions	Comments and follow-up of the Board of Auditors	The Company's Handling of the Audit Committee's Opinions
3rd Term 9th Session 2024. 02. 26	1. 2023 annual business report and financial report. 2. Appointment and remuneration of certified accountants for financial statement review in 2024 and assessment of their competence and independence. 3. The company's 2023 profit distribution proposal.	The independent directors expressed no objections, reservations or major suggestions	All directors present agreed

	4. 2023 annual internal control system effectiveness assessment and internal control system statement.	to the following proposals, and all the proposals were approved by all members of the Audit Committee.	
3rd Term 10th Session 2024. 05. 06	1. The fourth domestic unsecured convertible corporate bond-to-capital increase and new share issuance. 2. Financial Report for the first quarter of 2024. 3. Purchase of business premises.		
3rd Term 11th Session 2024. 05. 30	1. Issued the fifth domestic unsecured convertible corporate bond.		
3rd Term 12th Session 2024. 08. 05	1. Financial Report for the second quarter of 2024.		
3rd Term 13th Session 2024. 10. 31	1. Financial Report for the third quarter of 2024.		
3rd Term 14th Session 2024. 12. 23	1. 2025 annual operating plan and related manpower, equipment and cost budget. 2. Establishment of "Sustainable Information Management Operation Guidelines" and revision of internal control system and internal audit rules. 3. Establish an internal audit plan for the year 2025.		
3rd Term 15th Session 2025. 02. 24	1. 2024 annual business report and financial report. 2. Appointment and remuneration of certified accountants for financial statement review in 2025 and assessment of their competence and independence. 3. The company's 2024 profit distribution proposal. 4. 2024 annual internal control system effectiveness assessment and internal control system statement.		
2. Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors:None			
II、If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:			
Board meeting Term/ Date	Major resolutions	In situations of independent directors recuse themselves due to conflict of interest	
9th Term 10th Session 2024. 02. 26	1. Independent director remuneration distribution	For the motion listed on the left, the three independent directors T.P. Chen, William Sheng and Eric Hu did not participate in the voting because they had interests in themselves and avoided their interests.	
9th Term 15th Session 2024. 12. 23	1. Independent director business execution fees		

9th Term 16th Session 2025. 02. 24	1. Independent director remuneration distribution	
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III、Communication between Independent Directors, head of internal audit, and CPAs：

1. In addition to regularly submitting audit reports and audit deficiencies improvement tracking reports sent to the independent directors by the internal audit department of the company, the internal audit supervisor regularly explains the audit business, audit results and tracking status to the independent directors at least once a quarter. Audit supervisors and independent directors can also contact each other directly at any time as needed, and the communication channels are smooth.
2. The certified accountants of the company report to the independent directors quarterly on the results of the review or inspection of the company's financial statements, internal control inspections, the impact of the revision and release of the IFRSs Bulletin on the company, and other relevant legal requirements, and report whether there are financial report adjustment entries Or whether the amendment of the law affects the way of accounting. Accountants and independent directors can also contact each other directly as needed at any time, and the communication channel is smooth. Independent directors and accountants have achieved full communication.
3. Communication between Independent Directors and head of internal audit:

meeting date	Way	communication focus	Suggestions, corrections and communication results of independent directors
2024. 02. 26	The Audit Committee	Internal audit business execution report for the fourth quarter of 2023	Contact. No other suggestions and corrections.
		2023 Annual Internal Control System Effectiveness Assessment and Internal Control System Statement	After being consulted by the chairman and passed without objection by all the attending members, it will be submitted to the board of directors for approval.
	Independent directors communicate with internal audit supervisor separately	The head of internal audit explained the questions raised by the independent directors	There were no other recommendations or corrections at this meeting.
2024. 05. 06	The Audit Committee	Internal audit business execution report for the first quarter of 2024	Contact. No other suggestions and corrections.
	Independent directors communicate with internal audit supervisor separately	The head of internal audit explained the questions raised by the independent directors	There were no other recommendations or corrections at this meeting.
2024. 08. 05	The Audit Committee	Internal audit business execution report for the second quarter of 2024	Contact. No other suggestions and corrections.

	Independent directors communicate with internal audit supervisor separately	The head of internal audit explained the questions raised by the independent directors	There were no other recommendations or corrections at this meeting.
2024. 10. 31	The Audit Committee	Internal audit business execution report for the third quarter of 2024	Contact. No other suggestions and corrections.
	Independent directors communicate with internal audit supervisor separately	The head of internal audit explained the questions raised by the independent directors	There were no other recommendations or corrections at this meeting.
2024. 12. 23	The Audit Committee	1. Establishment of "Sustainable Information Management Operation Guidelines" and revision of internal control system and internal audit rules 2. Develop an internal audit plan for 2024	After being consulted by the chairman and passed without objection by all the attending members, it will be submitted to the board of directors for approval.
2025. 02. 24	The Audit Committee	Internal audit business execution report for the fourth quarter of 2024	Contact. No other suggestions and corrections.
		2024 Annual Internal Control System Effectiveness Assessment and Internal Control System Statement	After being consulted by the chairman and passed without objection by all the attending members, it will be submitted to the board of directors for approval.
	Independent directors communicate with internal audit supervisor separately	The head of internal audit explained the questions raised by the independent directors	There were no other recommendations or corrections at this meeting.

4. Communication between Independent Directors and CPAs:

meeting date	Way	communication focus	Suggestions, corrections and communication results of independent directors
2024. 02. 26	The Audit Committee	1. 2023 annual financial report review 2. Communication matters with main governance units 3. Description of key check items	There were no other suggestions or corrections at this meeting, and the financial report has been approved by the Audit Committee and submitted to the Board of Directors for approval.

	Independent directors communicate with internal audit supervisor separately	The accountant explained the questions raised by the independent directors	There were no other suggestions or corrections at this meeting.
2024. 05. 06	The Audit Committee	1. Review of financial reports for the first quarter of 2024 2. Communication matters with main governance units	There were no other suggestions or corrections at this meeting, and the financial report has been approved by the Audit Committee and submitted to the Board of Directors for approval.
	Independent directors communicate with internal audit supervisor separately	The accountant explained the questions raised by the independent directors	There were no other suggestions or corrections at this meeting.
2024. 08. 05	The Audit Committee	1. Review of financial reports for the second quarter of 2024 2. Communication matters with main governance units	There were no other suggestions or corrections at this meeting, and the financial report has been approved by the Audit Committee and submitted to the Board of Directors for approval.
	Independent directors communicate with internal audit supervisor separately	The accountant explained the questions raised by the independent directors	There were no other suggestions or corrections at this meeting.
2024. 10. 31	The Audit Committee	1. Review of financial reports for the third quarter of 2024 2. Communication matters with main governance units	There were no other suggestions or corrections at this meeting, and the financial report has been approved by the Audit Committee and submitted to the Board of Directors for approval.
	Independent directors communicate with internal audit supervisor separately	The accountant explained the questions raised by the independent directors	There were no other suggestions or corrections at this meeting.
2025. 02. 24	The Audit Committee	1. 2024 annual financial report review 2. Communication matters with main governance units 3. Description of key check items 4. Description of AQIs	There were no other suggestions or corrections at this meeting, and the financial report has been approved by the Audit Committee and submitted to the Board of Directors for

				approval.	
		Independent directors communicate with internal audit supervisor separately	The accountant explained the questions raised by the independent directors	There were no other suggestions or corrections at this meeting.	

Note: The attendance rate of audit committee in 2024 (total actual attendance rate of all independent directors/total attendance rate required by all independent directors) is 100%.

(III)Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” :

Evaluation project	Operation			Differences between the code of practice for corporate governance of listed and OTC companies and the reasons
	yes	no	Summary	
I. Has the Company established and disclosed its corporate governance principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" ?	✓		The company has formulated the "code of corporate governance", which regulates the protection of shareholders' rights and interests, the strengthening of the functions of the board of directors, the respect for interested parties, and the promotion of information transparency. For the company's "code of corporate governance", please visit the company's website (www.epi.episil.com) Query.	No difference
II. Equity structure and shareholder rights (I)Has the Company set internal operating procedures to deal with shareholder proposals, doubts, disputes and litigation matters, and does it implement these in accordance with its procedures?	✓		(I)The company convenes the shareholders' meeting in accordance with the company law and relevant laws and regulations, and formulates complete rules of procedure for shareholders' meeting. The company has a spokesman system and investor relations personnel to deal with shareholders' suggestions, doubts and disputes, and disclose the contact information on the company's website. Shareholders can respond to their opinions and handle them properly.	No difference
(II)Does the Company maintain a list of major Company shareholders and the ultimate owners of these shareholders?	✓		(II)In accordance with the provisions of the securities and exchange law, the company shall report to the public information observatory on a monthly basis the changes of equity held by insiders (directors, managers and shareholders holding more than 5% of the total shares), so as to obtain the list of the major shareholders who actually control the company and the ultimate controllers of the major shareholders, so as to ensure the stability of operation	No difference
(III)Has the Company built and executed a risk management mechanisms and “firewall” between the Company and its affiliates?	✓		(III)The company has established "Related Party Transaction Management Operational Measures" to regulate the purchase and sale of goods, capital loans and endorsement guarantees and other financial business operations with related companies. It also has internal controls and supervision of subsidiaries to control and manage risk..	No difference
	✓			

Evaluation project	Operation			Differences between the code of practice for corporate governance of listed and OTC companies and the reasons
	yes	no	Summary	
(IV) Has the Company set internal standards to prohibit the use of undisclosed insider information to trade securities on the market?			(IV)The company has established internal regulations such as "internal major information processing and prevention of insider trading management procedures", which prohibit the company's insiders from trading securities by using the unpublished information on the market.	No difference
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Does the board formulate and implement a diversity policy and specific management objectives regarding membership?</p>	✓		(I) The composition of the board of directors of the company is based on the "code of corporate governance" and "method for election of directors", and the diversity of board members is considered from many aspects. The company has nine directors, including three independent directors; one of them is a female director; the professional background of the board of directors covers management, science and engineering, financial analysis, etc., and it is a technology industry operator. It has the semiconductor industry knowledge, operation judgment ability, international market concept, leadership ability and decision-making ability that the company needs, so it can provide professional support from different angles Industry opinion can improve the company's operating performance and management efficiency. Please refer to page 9-10 for the board diversity policy.	No difference
(II) Has the Company establish other functional committees besides the Compensation Committee and Audit Committee of its own accord?	✓		(II)In addition to the Remuneration Committee and audit committee established in accordance with the law, the company has set up a special committee on merger and acquisition voluntarily, and other functional committees will be set up according to the needs in the future.	No difference
(III)Has the Company established performance evaluation guidelines and evaluation methodology for the Board of Directors, done the performance	✓		(III)The Company has formulated the performance evaluation method and evaluation method of the board of directors. Functional committees such as the Board of Directors, Board of Directors, Remuneration Committee, and	No difference

Evaluation project	Operation			Differences between the code of practice for corporate governance of listed and OTC companies and the reasons
	yes	no	Summary	
<p>evaluation on a regular basis each year, reported the evaluation result to the Board of Director and used the result as a reference on the consideration of individual directors' remuneration and nomination for re-election?</p> <p>(IV) Does the Company assess the independence of external auditors on a regular basis?</p>	✓		<p>Audit Committee are evaluated on a regular basis every year. The results of the 2024 annual evaluation will be submitted to the 16th meeting of the 9th session of the Board of Directors on February 24, 2025 as a basis for review and improvement, and the overall performance evaluation results of the Board of Directors will be used as a reference for the selection or nomination of directors (including independent directors), and the performance evaluation results of individual directors will be considered as a reference basis for determining their individual remuneration and nomination for renewal in the future.</p> <p>(IV)</p> <ol style="list-style-type: none"> 1. The company regularly evaluates the competency and independence of Certified Public Accountants every year, together with the declaration letter issued by the certified public accountants that the independence has not been violated, and submits it to the board of directors for evaluation. 2. The company regularly evaluates the independence of certified accountants, including: <ol style="list-style-type: none"> (1) Whether accountants and their spouses and dependants have direct or significant indirect financial interests with the company. (2) Whether the accountant and his spouse and dependants have a business relationship with the directors and managers of the company that affects their independence. (3) During the audit period, whether the audit accountant and his spouse and dependants are directors or managers of the company or have direct and significant influence on the audit work. (4) Whether the auditor and the directors and managers of the company have spouse, direct blood relatives, direct 	No difference

Evaluation project	Operation			Differences between the code of practice for corporate governance of listed and OTC companies and the reasons
	yes	no	Summary	
			<p>in laws or second-class internal collateral blood relatives.</p> <p>3. The company refers to the audit quality indicators to evaluate the qualifications of certified accountants. The important contents include:</p> <p>(1)Whether accountants and inspectors above management level have sufficient audit experience to perform the audit work.</p> <p>(2)Whether accountants and inspectors above management level receive sufficient education and training every year to continuously acquire professional knowledge and skills.</p> <p>(3)The accountant's workload, including the number of public offering companies that act as the main signatory or the proportion of the accountant's available working hours.</p> <p>(4)The number of cases of lack of inspection by the Financial Supervisory Commission and the Accounting Oversight Board of American Public Offering Companies, and the number of cases in which accountants have been disciplined and sanctioned.</p> <p>4. According to the assessment results of the 16th meeting of the 9th session of the board of directors on February 24, 2025 reported by the company: the certified accountants of the company are independent and qualified.</p>	
IV. Does the TWSE/TPEX listed company dedicate competent managers or sufficient number of managers to be in charge of corporate governance, and designate supervisors thereof to oversee the corporate governance affairs (including but not limited to providing information required for director/supervisor's operations, assisting	✓		<p>In order to implement the corporate governance and promote the board of directors to play its due functions to safeguard the rights and interests of investors, the company has allocated suitable and appropriate number of corporate managers. The resolution of the board of directors passed on March 8, 2021, appointing Angela Wu, the financial director, as the corporate governance director, to be responsible for the corporate governance related affairs. Manager Angela Wu has the experience of financial director in public companies More than three years, the main business implementation is as follows and please</p>	No difference

Evaluation project	Operation			Differences between the code of practice for corporate governance of listed and OTC companies and the reasons
	yes	no	Summary	
the Board and supervisors in legal compliance, convening board/shareholder meetings in accordance with the law, applying for/changing company registry, and producing meeting minutes of board/shareholder meetings)?			refer to page 59 of 2024 continuing education situation. 1.Handle matters related to meetings of the board of directors and shareholders' meeting in accordance with the law. 2.Prepare minutes of the board of directors and shareholders' meetings. 3.Assist directors in their appointment and continuing education. 4.Provide directors with the information needed to perform their business. 5.Assist directors to comply with laws. 6.Report to the Board of Directors on the results of its review of whether the qualifications of independent directors at the time of nomination, election and during their term of office comply with relevant laws and regulations. 7.Handle matters related to the change of directors. 8.Other matters stipulated in the company's articles of association or contract, etc.	
V. Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?	✓		The company has a dedicated investor relations unit to provide relevant information and communication channels including shareholders, customers, suppliers and investors. The company's website also sets up a special area for interested parties to contact with the responsible personnel to respond to the concerns of stakeholders. Please refer to page 35~37 for important corporate social responsibility issues of concern to stakeholders and information on communication channels.	No difference
VI.Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The company entrusts SinoPac Securities Corporation stock affairs agency to handle the affairs of the shareholders' meeting.	No difference
VII. Information Disclosure (I) Has the Company established a corporate website to disclose information regarding its financial, business and corporate governance status?	✓		(I)The company has set up a website (www.epi.episil.com) Disclose information related to financial business and corporate governance at any time.	No difference

Evaluation project	Operation			Differences between the code of practice for corporate governance of listed and OTC companies and the reasons
	yes	no	Summary	
(II) Does the Company adopt other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	✓		(II) The company regularly updates the online reporting system for public information, designates a special person to collect and disclose the company's information, and establishes a spokesman system to ensure that information that may affect the decisions of shareholders and interested parties can be timely and appropriately disclosed. In addition, the company regularly holds corporate briefing meetings every year, and places relevant information in the public information Observatory to provide investors with operational and financial information of the company.	No difference
(III) Does the Company publicly announce and file the annual financial reports within two months after the accounting year-end, and publicly announce and file the first, second and third quarterly financial reports and the monthly operating status report before the stipulated deadlines?	✓		(III) The company has reported its financial report and monthly operating report in accordance with the specified date of "business matters for issuers of listed securities on the Taiwan Stock Exchange". The annual financial report shall be announced and reported within two months after the end of the fiscal year, and the operation shall be announced earlier than the prescribed deadline.	No difference
VIII. Does the Company have other important information for better understanding the Company's corporate governance system (including but not limited to interests and rights of employees, care for employees, relation with investors, relation with suppliers, relation with interested parties, continuing education of directors and supervisors, execution of risk management policies and risk measuring	✓		<p>1. Employees' rights and interests: the company has working rules to ensure the protection of employees' rights and interests, and protects employees' rights and interests in accordance with the provisions of the labor basic law. In addition, the company has "measures for the implementation of labor management meetings" to serve as a channel for communication between employers and employees.</p> <p>2. Employee care: the company obtained OHSAS18001 occupational safety and health management system certification. The international organization for Standardization (ISO) announced in March 2018 that the new version of occupational health and safety management system (ISO 45001:2018) would replace OHSAS18001. The company obtained iso45001:2018 certification in October 2019. The labor</p>	No difference

Evaluation project	Operation			Differences between the code of practice for corporate governance of listed and OTC companies and the reasons
	yes	no	Summary	
standards, execution of customer policies, liability insurance for the Company's directors and supervisors)?			<p>safety department is responsible for supervising and guiding all departments to carry out independent inspection and improvement, and regularly carry out various work safety inspection, so as to improve the safety and health of operators, and firefighting training, AED+CPR first aid training, factory emergency response training, and other industrial safety-related education and training are held regularly every year, so as to cultivate employees' ability of emergency response and self safety management, so as to provide safe and appropriate working environment and necessary emergency rescue.</p> <p>3. Investor relations, supplier relations, rights of interested parties: the company discloses information through the public information Observatory and the company's website, so that investors can fully understand the company's operating conditions, and communicate with investors through the shareholders' meeting and the spokesman mechanism. In addition, a special area for interested parties is set up on the company's website to respond to important issues of concern to interested parties.</p> <p>4. The situation of directors' Further Education: Directors of the company may attend the courses of professional knowledge such as finance and business as required. Please refer to the situation of directors' further education on page 60~61.</p> <p>5. Implementation of risk management policies and risk measurement standards: major operational policies, investment proposals, acquisition or disposal of assets, etc. are evaluated and analyzed by relevant departments, and then submitted to the board of directors for resolution. According to the risk assessment results, the Audit Office formulates the annual audit plan and implements it to implement the risk control and supervision mechanism.</p>	

Evaluation project	Operation			Differences between the code of practice for corporate governance of listed and OTC companies and the reasons
	yes	no	Summary	
			<p>6. Implementation of customer policy: the company has quality engineering department and business support department to provide transparent and effective after-sales service and customer complaint handling for products and services.</p> <p>7. The company purchases liability insurance for directors: the company purchases liability insurance for directors. The insured amount in 2025 is US \$5 million, which has been submitted to the 16th meeting of the 9th session board of directors and reported to the public information Observatory in accordance with regulations.</p>	
<p>IX. Please explain improvements that have been made as well as priorities and measures to improve the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Corporate Governance Center: The company has completed self-assessment and review, and will continue to strengthen the level of corporate governance.</p>				

Important corporate social responsibility issues of concern to stakeholders and communication channels

Stakeholder	Issues of concern	Communication Form and Frequency	The actual implementation status and contact window of each agreed pipeline in 2024
Client	<ul style="list-style-type: none"> Customer relationship management Corporate Governance Code of conduct Regulatory Compliance Grievance mechanism Innovation and development 	<ol style="list-style-type: none"> Sustainability report (annual). Review meetings with customers: including technology, products, after-sales service, prohibited substances, conflict minerals, environment, etc. (irregular, QBR/HBR/ABR). Customer satisfaction survey (annual). Corporate website (irregularly). Customer-hosted supplier meetings (irregular). 	<ol style="list-style-type: none"> Provide the 2024 sustainability report on the company's official website. Complete the annual customer satisfaction survey. Disclose the latest product technology on the corporate website. Participate in customer information security, ESG and other promotional meetings. Cooperate with customer product, environment, responsibility and other requirements and checks, and cooperate with prevention and continuous improvement. <p>contact window Tel:03-5632255 extension 2816 Miss Yu E-mail epi.sales@epi.episil.com</p>
Supplier	<ul style="list-style-type: none"> Supply chain management Supplier rating Professional ethics Conflict-free minerals Supplier ESG policy and management 	<ol style="list-style-type: none"> Supplier audit (irregular). Rating of suppliers and outsourcers (annual). Supplier code of conduct requirements (annual). Requirements for declaration of non-conflict minerals (irregularly). Stakeholder conflict questionnaire survey and analysis 	<ol style="list-style-type: none"> A total of 11 key suppliers were audited throughout the year. The evaluation of key suppliers is completed in December every year. There are 43 key suppliers that comply with the ethical standards. Key suppliers sign back a declaration of non-use of conflict minerals (100%). Key Supplier Sustainability Management Self-Assessment Questionnaire (once every three years). <p>contact window Tel:03-5632255 extension 2300 Director Hung E-mail: procurement@epi.episil.com</p>
Staff	<ul style="list-style-type: none"> Human rights protection Talent Attraction and Retention Talent cultivation and development Salary and benefits 	<ol style="list-style-type: none"> Labor-management meeting (quarterly). Employee welfare committee meeting (quarterly). Education and training (irregular). Departmental communication and work meetings (irregular). 	<ol style="list-style-type: none"> A total of 4 labor-management meetings are held every quarter. A total of 4 regular meetings of the Employee Welfare Committee are held every quarter. Conduct training for new recruits to help them understand the company. Provide internal and external training resources, and the average training hours for each employee is about 27.61 hours, effectively achieving talent cultivation and development.

Stakeholder	Issues of concern	Communication Form and Frequency	The actual implementation status and contact window of each agreed pipeline in 2024
	<ul style="list-style-type: none"> Workplace safety and health Employee Care and Care 	5. Internal information announcement (irregular). 6. Employee complaint hotline (timely). 7. Meetings of the Occupational Safety and Health Committee (quarterly).	4. Conduct corporate information security/business secret training courses to improve employees' legal literacy. 5. Hold a supervisor meeting every week to assist the supervisors of each unit to understand the company's operating conditions and improve communication efficiency. 6. Organize annual budget briefings and strategic consensus camps for middle/senior executives, and assist supervisors in understanding the company's future operating strategies and product development directions. 7. Release company information announcements from time to time, so that all colleagues can understand company-related information in real time. 8. The Complaints Committee received and handled 1 sexual harassment complaint. 9. A total of 4 Occupational Safety and Health Committee meetings are held every quarter. contact window Tel:03-5632255 extension 2226 Ms. Chen E-mail:2226@epi.episil.com
Investors	<ul style="list-style-type: none"> Integrity management Organization strategy vision Risk Management Follow the law Information transparency for shareholder rights protection Economic performance 	1. Shareholders' meeting (annual). 2. Legal person briefing (annual). 3. Release operating income (monthly). 4. Public information observation station (updated in real time). 5. Company website (updated immediately).	1. One annual general meeting of shareholders. 2. Hold a briefing session for legal persons. 3 Regularly disclose the company's financial and business information on the public information observation station and the company's website. 4 There are spokespersons and acting spokespersons to respond to issues of concern to investors in real time. contact window Spokesperson: Amy Fan , Deputy President Acting Spokesperson: Director Tingyuan Lin Tel:03-5632255 E-mail:epi@epi.episil.com
Government Units and Competent Authorities	<ul style="list-style-type: none"> Integrity management Risk Management Follow the law 	1. Respond to government agencies' requests in official documents (immediately).	1. In accordance with the requirements of government regulations, provide relevant reports or replies on a regular basis. 2. Complete the 2024 corporate governance evaluation.

Stakeholder	Issues of concern	Communication Form and Frequency	The actual implementation status and contact window of each agreed pipeline in 2024
		2. Update the information on the company website and public information observation station (monthly, quarterly, and yearly). 3. Questionnaires and interviews (irregular). 4. Accept the evaluation of government agencies (annual). 5. Participate in relevant activities of government agencies (irregularly).	3. Directors attended the promotional seminars held by the securities regulatory authorities for a total of 6 hours. contact window Address: No. 10, Duxing 1st Road, Hsinchu Science Park Tel: 03-5632255
Nonprofits and Communities	<ul style="list-style-type: none"> • Social care • Community Involvement • Charitable activities 	1. Talent recruitment platform and activities (daily). 2. The company's external website (daily). 3. Public welfare donations (irregular).	1. The recruitment platform provides employment opportunities and participates in 2 local recruitment events. 2. Purchase public welfare products; donate materials to public welfare groups. 3. Completed charity donations to 10 organizations. contact window Tel: 03-5632255 extension 2226 Ms. Chen E-mail: 2226@epi.episil.com
School	<ul style="list-style-type: none"> • Integrity management • Compliance with laws and regulations • Talent attraction and retention • Talent cultivation and development 	1. Industry-university cooperation negotiation (annual). 2. Participation in conferences related to industry-university cooperation (annual). 3. Participate in campus recruitment activities (annual).	1. Complete 9 industry-university cooperation. 2. Participate in promotion meetings related to industry-university cooperation, where the latest national policies and international trends are discussed. 3. Participate in a total of 6 school talent recruitment activities, provide employment opportunities, and hold campus seminars on company and industry trends to increase employment willingness. contact window Tel: 03-5632255 extension 2226 Ms. Chen E-mail: 2226@epi.episil.com

(IV) Composition, Responsibilities and Operations of the Remuneration Committee:

I、Professional Qualifications and Independence Analysis of Remuneration Committee Members：

Title	Criteria Name	seniority	Professional Qualification Requirements and Experience	Independence situations	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent Director (Convener)	William Sheng	9 years	Please refer to "Disclosure of Directors' Professional Qualifications and Independent Directors' Independence Information" on page 8		1
Independent director	T.P. Chen	9 years			0
Independent director	Eric Hu	6 years			1

II、Attendance of Members at Remuneration Committee Meetings and the key work in 2025：

(1) The key work in 2025：

- 1.Establish and review the annual and long-term performance targets and salary and remuneration policies, systems, standards and structures of the company' s directors and managers.
- 2.Evaluate the achievement of performance targets of the company' s directors and managers, and determine the content and amount of their individual remuneration based on the evaluation results obtained in accordance with the performance evaluation standards.

(2)Attendance of Members at Remuneration Committee Meetings：

- 1.There are 3 members in the Remuneration Committee.
- 2.A total of 3 (A) Remuneration Committee meetings were held in 2024.
The attendance record of the Remuneration Committee members was as follows：

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Convener	William Sheng	3	0	100%	
Committee Member	T.P. Chen	3	0	100%	
Committee Member	Eric Hu	3	0	100%	

Other mentionable items：

I、If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company' s response to the remuneration committee' s opinion (eg., the remuneration passed by the Board of

Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.

II、Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

Remuneration Committee Meeting	Major resolutions	All compensation committee comments and follow-up processing
2024.02.26 5th Term 4nd Session	1.The 2023 annual employee compensation and director compensation distribution plan. 2.2024 Employee Compensation and Director Compensation Appraisal Proposal. 3.Amend the company' s "Manager Incentive and Performance Bonus Measures" . 4.Manager incentives and performance bonuses.	The left proposals were approved by all members of the Remuneration Committee and all directors without any objection or reservation from the independent directors.
2024.05.06 5th Term 5nd Session	1.Manager Appointment and Remuneration Proposal.	
2024.12.23 5th Term 6nd Session	1.2025 Director's Business Execution Fee. 2.Approve the "Manager Retirement Management Measures". 3.The salary proposal for managers in 2025.	
2025.02.24 5th Term 7nd Session	1.The 2024 annual employee compensation and director compensation distribution plan. 2.2025 Employee Compensation and Director Compensation Appraisal Proposal. 3.Revise the Company's "Manager Retirement Management Regulations". 4.The manager intends to file for retirement. 5.Manager appointment and remuneration proposals.	

(V) Promoting Sustainable Development Implementation:

Evaluation project	Operation			Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
	yes	no	Summary	
I. Has the company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and supervised by the board of directors?	✓		<p>Following the vision and mission of the company's ESG policy, the "ESG Steering Committee" is established in 2022 to serve as the highest-level sustainable development decision-making center within the company. The chairman serves as the chairman and reviews the company together with many senior executives in different fields. The core operating capabilities of the company have established a medium- and long-term sustainable development plan.</p> <p>The "ESG Implementation Committee" serves as a cross-departmental communication platform integrating top and bottom and horizontally connecting. Through meetings and task groups set up according to issues, identify sustainable issues related to company operations and stakeholders, formulate corresponding strategies and work guidelines, compile budgets related to sustainable development of each organization, plan and implement annual plans, At the same time, track the implementation results to ensure that the sustainable development strategy is fully implemented in the company's daily operations. The ESG steering committee regularly reports to the board of directors on the progress of sustainable development.</p> <p>Members of the "ESG Steering Committee" report to the Board of Directors on sustainable development implementation results and future work plans every quarter. A total of 4 reports were submitted to the Board of Directors in 2024.</p> <p>Epi' s board of directors regularly listens to the management team' s operating reports and ESG reports every quarter. The board of directors assesses the likelihood of success of the company's proposed strategies, reviews the progress of the strategies, and urges the management team to make adjustments when necessary.</p>	No difference

Evaluation project	Operation			Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
	yes	no	Summary	
II. Has the Company performed risk assessment pertaining to the environment, community and corporate governance issues related to the operation of the Company in accordance with materiality principle?	✓		<p>The company has established "Corporate Social Responsibility Code", "Corporate Governance Code", "Integrity Management Code", "Episil-Precision Inc. Human Rights Policy", "Labor and Ethics Management Code", "Code of Ethics for Employees" and other relevant regulations, actively planning corporate social responsibility strategies and directions, and promoting sustainable operations. Governance, and strictly abide by laws and regulations, to provide colleagues with a good working environment and reasonable remuneration and benefits; at the same time shoulder the important mission of a sustainable environment, the company colleagues start from themselves, implement environmental protection and energy conservation, and call on colleagues to participate in social welfare activities.</p> <p>The company has formulated the "Business Continuity Management (BCM) Operational Standards" and internal risk management policies, carries out risk assessment operations, and takes preventive measures in advance to reduce losses caused by risks, and to deal with any issues that may affect the company's achievement of its goals. Potential risks are identified, assessed, processed and monitored, and are regularly tracked and incorporated into the daily operations of each unit.</p>	No difference
III. Environmental Issues (I) Has the Company developed an proper environmental management system, given its distinctive characteristics?	✓		<p>(I) We, EPI, based on the concept of sustainable operation, staying abreast of global climate change trends, strive to protect the earth and environment, advocate green manufacturing, energy saving and carbon reduction, minimize the environmental impact of our products and activities, and create a safe, healthy and comfortable working environment.</p> <p>Through the participation and consultation of all workers, with continuous improvement and periodically review, to achieve the goal of comply with applicable legal requirement, protect environment, sustainable growth</p>	No difference

Evaluation project	Operation			Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
	yes	no	Summary	
			<p>of enterprises. We determine to strictly comply with applicable legal requirements and other requirements relevant to Environment prevention. Pay attention to Environment issues, evaluate the risks and opportunities, and take effective management measures and controls to the risk. Set up a framework for setting and reviewing Environment and objectives to enhance the Environment and performance.</p> <p>All factories of the company obtained the ISO14001 environmental management system certification in December 2001, and regularly obtain third-party verification and pass the review every year, which is continuously valid; at the same time, starting from 2021, the greenhouse gas inventory will be carried out every year in accordance with the ISO14064-1/GHG protocol and passed verification by the third party</p>	
(II) Is the Company committed to achieving Energy efficiency and efficient use of resources, and using renewable materials that produce less impact on the environment?	✓		(II) Based on the environmental spirit of "cherishing natural resources", the company combines the core business of environmental protection with customers' trust, and jointly creates the concept of "sustainable operation" and social feedback, so as to continuously promote waste reduction and reuse..	No difference
(III) Has the Company made an assessment on the potential risks and opportunities posed by climate changes to the present and future of the Company and undertaken countermeasures pertaining to climate changes?	✓		(III) The company has assessed the potential risks and opportunities of climate change for enterprises now and in the future, incorporated them into risk management, and actively promoted energy and carbon reduction related operations.	No difference
(IV) Has the Company measured its greenhouse gas emission, water use and total weight of waste, and established policies pertaining to energy	✓		(IV) The Company measured its greenhouse gas emission, water use and total weight of waste, and established policies pertaining to energy conservation, reduction in water use, or management of waste disposal on page 49 & 55.	No difference

Evaluation project	Operation			Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
	yes	no	Summary	
conservation, reduction in water use, or management of waste disposal?				
IV. Social Issues (I) Does the Company establish policies and procedures in compliance with regulations and internationally recognized human rights principles?	✓		(I) The company refers to the "United Nations Universal Declaration of Human Rights" and "United Nations International Labor Organization", "Labor and Ethics Management Code" and other international human rights conventions, and has formulated the "Episil-Precision Inc. Human Rights Policy". Recognize and follow the principles proclaimed in international human rights conventions, and take consistent actions of the Responsible Business Alliance to provide employees with a fair and safe working environment, treat and respect all stakeholders with dignity, and eliminate any violations and violations of human rights. And abide by the labor laws of the local government, and fulfill the responsibility of management, publicity and risk reduction. (1) The company implements a childcare leave without pay system, and also provides family care leave and physiological leave for colleagues. With reference to the international human rights conventions and the belief in respect for the equal rights and interests of men and women, the company establishes a special chapter on gender equality in work and sexual harassment prevention measures in the work rules. (2) Protect the rights and interests of employees In order to ensure the fairness of employees, the company will uphold the relevant provisions of the Labor Standards Law and Employment Service Law, protect human rights and prohibit employment discrimination, and provide a friendly working environment. (3) Human rights advocacy and training	No difference

Evaluation project	Operation			Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
	yes	no	Summary	
(II) Has the Company established and implemented reasonable employee benefit measures (including salary, leave and other benefits), reasonably tying operating results to employee salary?	✓		<p>In 2024, the "Friendly Workplace" related training was carried out for colleagues. The number of people who completed the training was 718, accounting for 100% of the total number of employees, and the total number of training hours was 718 hours. Conducting the "Responsible Business Alliance Code of Conduct (RBA) Promotion" course, the number of people who completed the training was 718, accounting for 100% of the total number of employees, and the total number of training hours was 718 hours. In the future, we will continue to pay attention to issues of human rights protection, promote relevant education and training as well as human rights risk assessment and control to increase awareness of human rights protection and reduce the possibility of related risks.</p> <p>(II) The company has provided a number of welfare policies for employees. In addition to labor insurance, health insurance, pension allocation and parental leave stipulated by laws and regulations, it also handles annual health checkups for employees, distribution of gift money and gift certificates for three festivals, wedding and funeral celebrations and condolences, and employee group insurance. In addition, according to the company's articles of association, the company should allocate no less than 5% of the employee's remuneration according to the annual profit situation, and distribute it to all colleagues after the annual performance appraisal, so as to encourage all colleagues to work together. The company's goal is to work hard. In addition, the company has formulated the "Salary Management Measures" as the basis for employee salary assessment, and actively grasps the market salary level</p>	No difference

Evaluation project	Operation			Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
	yes	no	Summary	
(III) Does the Company provide healthy work environment? Are employees trained regularly on safety and health issues?	✓		<p>to regularly review the company's salary policy, and has a corresponding salary adjustment mechanism to provide employees with good salary conditions. The company also has a performance bonus, which is awarded according to the annual operating performance (operating results), financial status, operating status and personal work performance, in order to achieve the purpose of rewarding employees.</p> <p>(III) We, EPI, strive to enhance safety and health, prevent injury and ill health, and eliminate hazard and reduce OH&S risks, and create a safe, healthy and comfortable working environment. Through the participation and consultation of all workers, with continuous improvement and periodically review, to achieve the goal of comply with applicable legal requirement, maintain a healthy safety atmosphere, and sustainable growth of enterprises. In order to protect workers from harmful substances in the workplace and provide workers with a healthy and comfortable working environment, Episil-Precision monitors the workplace twice a year to gradually understand the actual status of workers' exposure. We determine to strictly comply with applicable legal requirements and other requirements relevant to OH&S hazard prevention. Pay attention to OH&S issues, evaluate the risks and opportunities, and take effective management measures and controls to the risk. Set up a framework for setting and reviewing OH&S objectives to enhance the OH&S performance. Establish a complete communication structure to actively communicate to all persons working under EPI, and be available to interested parties. Promote independent safety inspections by unit supervisors, as well as regular inspections by safety engineers and irregular project inspections to achieve</p>	No difference

Evaluation project	Operation			Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
	yes	no	Summary	
(IV) Has the Company implemented an effective training program that helps employees develop skills over their career?	✓		<p>the goal of continuous improvement. Regarding employee education and training, both new and in-service employees are required to carry out safety training in accordance with the law. OHSAS 18001 safety and health management system certification in January 2010. The international organization for Standardization (ISO) announced in March 107 that the new version of occupational health and safety management system (ISO 45001:2018) would replace OHSAS18001. The company obtained iso45001:2018 certification in October 2019. The expiry date is 2025/11/24, and it will be reviewed every year to keep it valid. The three-year renewal review is expected to take place in September 2025. The company had no fire incidents and no casualties in 2024. Excluding occupational accidents related to commuting to and from get off work, there are no cases of occupational accidents and disability among employees. It shows that the company's employees have good safety and health performance.</p> <p>(IV) The company has established a complete functional map and career development plan for employees, including newcomer training, management function training, professional training, core competence training, etc., through internal and external training, and C-Learning, E-Learning, OJT and other multiple learning methods, effective Improve work ability, and provide colleagues with on-the-job degree training assistance, language training assistance, etc., to motivate and assist colleagues in continuous self-development. The company has been awarded the Bronze Medal Award of Taiwan Training Quality System, which strengthens the professional skills of employees and provides the company with competitiveness and long-term development. 2024 annual training results:</p>	No difference

Evaluation project	Operation			Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
	yes	no	Summary	
(V)Pertaining to the health and safety of customer when using the Company' s products and services, consumer privacy, marketing and labeling, does the Company comply with the relevant regulations and international standards, and establish relevant policies on consumer and customer protection and complaint procedure?	✓		(1)The completion rate of the annual training plan is 98.6%. (2)The total number of hours of annual course bidding is about 1,789 hours, the total number of training hours is 19821.90 hours, and the average number of training hours per employee per year is about 27.61 hours. (V) The marketing and labeling of our products and services comply with and comply with relevant laws and regulations and international standards.	No difference
(VI)Has the Company established policy on supplier management, demanding suppliers to observe code of conduct pertinent to environmental protection, labor safety and health or labor rights, and monitoring their implementation?	✓		(VI) The company has a supplier evaluation system. Before dealing with suppliers, we will conduct a qualification review to confirm that there is no record of impacting the environment and society in the past. Suppliers are also required to abide by the relevant business ethics system formulated by the company.	No difference
V. Does the Company refer to universal standard or guideline for report preparation when preparing for Sustainability Report and other non-financial disclosure reports? Does the Company obtain the confirmation or affirmation opinion from third party for the aforementioned reports?	✓		Epi refers to internationally accepted reporting standards or guidelines to prepare a sustainability report to disclose the company's non-financial information, and reports it on the public information observatory and the company's website. The greenhouse gas inventory information disclosed in the previous report has obtained the confidence or assurance opinion of a third-party verification unit.	No difference

Evaluation project	Operation			Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
	yes	no	Summary	
VI. If the Company has established integrity management principles in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" please describe the current practices and any deviations from the Best Practice Principles: The company attaches great importance to the promotion of sustainable development. In the future, it will regularly review the implementation situation in accordance with the code and improve accordingly. There is no difference in the implementation so far.				
VII. Other important information to facilitate better understanding of corporate conduct and ethics compliance practices of the Company: All factories of the company have obtained the international standard certification of environmental management system (ISO 14001: 2015) and occupational safety and health management system (ISO 45001:2018). "Chemical Substances Operation Management Regulations" and "Environmental Banned Substances Management Procedures" strictly control all products and materials as standards for the management of banned/restricted chemical substances for suppliers to comply with international conventions, environmental protection laws and customer specifications; and through the implementation of the ISO14001 environmental management system, the optimization of energy saving is carried out, the water and electricity energy consumption is managed from the source, the impact on the environment is reduced and the cost is saved. The company conducts conflict ore source investigations on suppliers semi-annually and irregularly, and requires suppliers not to purchase or use mines from conflict areas controlled by non-governmental military groups or illegal military factions in the Democratic Republic of the Congo, including the metals such as Au, Ta, W and Sn are also publicly promoted through the company's website, declaring the policy of not using conflict minerals; supplier management is in accordance with IATF 16949:2016 and the requirements of RoHS and related laws and regulations to confirm whether its quality system complies with ISO9001.				

The company' s water consumption and total waste weight in the past two years

Year	Data Coverage	water consumption (m3/Yr)	Total weight of waste (tons)			Waste reuse rate
			hazardous waste	non-hazardous waste	total	
2024	All factories	668,560	4.41	153.01	157.42	54.6%
2023	All factories	654,332	4.93	156.30	161.23	50.4%

Y2024 company policies to reduce greenhouse gas, water use or other waste management

Develop policies for greenhouse gas reduction, water use reduction or other waste management	Promotional measures to achieve the goal	Achievement
Electricity saving rate target $\geq 1\%$	<ol style="list-style-type: none"> 1. Replace old and inefficient units 2. Equipment parts update 3. Adjust energy-saving measures 4. Replacement of lamps 	Electricity saving rate = 2.0%. Equivalent to saving 1.857 million kWh of electricity
Water consumption per unit wafer < 15.5 ton/m ²	<ol style="list-style-type: none"> 1. Increase the ratio of process wastewater used by Local scrubber. 2. Install water-saving devices on faucets in the factory area 3. Assess the cooling tower to increase conductivity and reduce drainage. 	Water consumption per unit wafer is about 9.6 ton/m ²
Waste recycling rate $\geq 50\%$	<ol style="list-style-type: none"> 1. Recycle and reuse empty boxes of finished products 2. Process test wafer recycling and reusing. 3. Manage from the source through education, training, supervision and publicity, and actively implement waste reduction and classification management. 	A total of 1,501 waste paper boxes were recycled and reused, and 5,244 process test wafer were recycled and reused. The waste recycling and reuse rate was 54.6%.

(VI) Climate-related information of listed companies:

1 Implementation of climate-related information

Item	Execution situation					
1. Describe the board and management's oversight and governance of climate-related risks and opportunities.	Climate change is one of the most concerning environmental issues around the world today. Epi discloses climate-related information in accordance with relevant regulations. The highest supervision unit of Epi's risk management is the board of directors, which regularly reviews and supervises risks and opportunities related to climate change to ensure the effective implementation of the risk management system. In 2022, Epi established the "ESG Steering Committee", which is the highest organization for climate change management. The chairman serves as the chairman and leads the management team to jointly review climate change strategies and goals, propose countermeasures, and regularly report implementation plans and results to the board of directors. Based on the company's climate change strategy and goals, the management team is responsible for preparing the relevant budgets required for relevant strategies, planning and executing annual plans, and regularly tracking and reporting implementation results.					
2. Describe how the identified climate risks and opportunities affect the company's business, strategy and finance (short-term, medium-term, long-term).	Epi conducted cross-department discussions and identified short-term, medium-term, and long-term climate risks and opportunities. A total of 6 key risks and opportunities were identified, and scenarios were conducted to address the potential operational and financial impacts that these 6 key risks and opportunities would bring to the company. Analyze and set goals and strategies.					
	Type		climate risk	Situation description	potential financial impact	Opportunities and response strategies
	Transformation	Policies and Regulations	Energy policy adjustments	In response to the rise in international energy prices and the trend of carbon reduction, the electricity price will be increased	Increased operating costs	◆Improve energy efficiency: Organize an energy-saving management project team to implement energy-saving optimization of equipment and replace equipment with low energy efficiency
	Transformation	Technology	Uncertainty in the development of new energy-saving and carbon-reducing technologies	Various equipment and corresponding green energy technologies lead to increased costs	Assessment costs increase	◆Develop new energy-saving and carbon-reducing technologies: Evaluate new energy-saving and carbon-reduction technologies and promote energy-saving and carbon-reduction plans
	Transformation	Market	Demand for energy-saving products	Increased preference and attention for energy-saving products	Increased investment in factory expansion	◆Improve sales of energy-saving products: Leveraging compound semiconductor epitaxial technology to respond to demand for energy-saving and carbon-reducing products

	Transformation	Goodwill	Impact on company image	Failure to meet the expectations of stakeholders affects reputation	lost sales	◆ Improve corporate reputation: Obtained ISO14001, carbon inventory verification, and transparently disclosed carbon information
	Entity	Soon	Sudden climate disasters disrupt supply chains	Sudden climate disasters disrupt supply chains	Delays in product shipments and increased operating expenses	◆ Improve supply stability: Establish backup suppliers, multi-source transportation routes, and increase local supplier warehousing capacity
	Entity	Long term	Extreme climate intensification_water shortage	Water shortage affects production	Operation interruption, increased operating costs	◆ Increase water resource utilization and response: Establish a water regime monitoring mechanism and a water shortage response mechanism, and sign contracts with water trucks to supply water.
	<p>3. Describe the financial impact of extreme climate events and transition actions.</p> <p>Global warming has caused climate anomalies, and the frequency of extreme weather such as heavy rains or droughts has increased, resulting in longer raw material preparation periods, increased transportation costs, and increased factory production costs, increasing the company's operating costs. Net-zero carbon emissions have become a global trend. The European Union's Carbon Border Adjustment Mechanism (CBAM) will be trialled in October 2023. The U.S. Clean Competition Act (CCA) is also planned to be launched in 2024. Taiwan's Ministry of Environment announced on October 7, 2024 that the carbon fee will be NT\$300 per ton, with a minimum charge of 25,000 tons. A trial application will be made in 2025 without paying the fee, and the fee will be officially charged in May 2026.</p> <p>Epi proposes specific management countermeasures for climate change risks as follows:</p> <p>(1) Actively promote various energy conservation and carbon reduction programs to strengthen the company's ability to cope with extreme climate, including:</p> <ol style="list-style-type: none"> Completed 17 energy-saving actions, with an annual electricity saving rate of 2.0%, equivalent to saving 1.85 million kilowatt hours of electricity. Establish an energy-saving project management team to continuously carry out energy-saving optimization measures for equipment and facilities. Establish a greenhouse gas inventory management review committee, establish greenhouse gas inventory procedures, introduce management systems such as ISO14001 and ISO/CNS14064-1, conduct greenhouse gas inventory verification personnel training, conduct greenhouse gas inventory every year, and pass inspections by third-party agencies. <p>(2) R&D and production of low energy consumption products to provide customers with lower carbon products: Actively develop and mass-produce new energy-saving products (compound semiconductors GaN and SiC) to provide customers with more advanced product choices with energy-saving and carbon-reducing advantages.</p>					

<p>4. Describe how climate risk identification , assessment and management processes are integrated into the overall risk management system.</p>	<p>Based on the TCFD framework, the ESG Steering Committee identifies and evaluates climate-related risks, and continues to track the climate risks and opportunities faced by Jiajing's peers every year. After identifying key issues, it sets relevant indicators and goals, tracks the achievement of goals, and adjusts management measures and responses.</p>
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.</p>	<p>As of the publication date of the annual report, the Company has not used scenario analysis to assess its resilience to climate change risks, so it is not applicable.</p>
<p>6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and goals used to identify and</p>	<p>As of the publication date of the annual report, the Company has not completed its transformation plan to manage climate-related risks. The relevant content will be disclosed upon completion.</p>

manage physical risks and transformation risks.	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	As of the publication date of the annual report, the Company has not used internal carbon pricing as a planning tool, so it is not applicable.
8. If climate-related goals are set, information such as the activities covered, greenhouse gas emission scope, planning schedule, annual achievement progress, etc. should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, information such as Explain the	As of the publication date of the annual report, the Company has not set climate-related targets, so it is not applicable.

<p>source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) being redeemed.</p>	
<p>9. Greenhouse gas inventory and confirmation, reduction goals, strategies and specific action plans (fill in 1-1 and 1-2 separately).</p>	<p>Greenhouse gas inventory and confirmation status as well as reduction targets, strategies and specific action plans are as follows 1-1.</p> <p>As of the publication date of the annual report, it is not necessary to disclose the reduction targets, strategies and specific action plans, and will be disclosed in accordance with legal requirements in the future.</p>

1-1 Company greenhouse gas inventory and confirmation status in the last two years

<p>Basic information of the company</p> <p><input type="checkbox"/> Companies with capital of more than NT\$10 billion, steel industry, cement industry</p> <p><input type="checkbox"/> Companies with capital of more than NT\$5 billion but less than NT\$10 billion</p> <p><input checked="" type="checkbox"/> Companies with capital of less than NT\$5 billion</p>	<p>According to the provisions of the sustainable development road map of listed companies, at least</p> <p><input checked="" type="checkbox"/> Individual inspection of the parent company</p> <p><input type="checkbox"/> Inspection of the consolidated financial report of subsidiaries</p> <p><input type="checkbox"/> Parent company' s individual confidence</p> <p><input type="checkbox"/> Consolidated financial report subsidiary' s confidence</p>
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Greenhouse gas inventory and confirmation status for Y2023 :

Data coverage Total emissions		Total emissions (metric tons CO2e)	Intensity (metric tons CO2e/million yuan)	Believe in the organization	Description of the belief situation (including the scope of the belief, the assurance agency, the assurance criteria and the assurance agency)
Scope1	parent company	602.9347	0.1	BSI	The company's total greenhouse gas emissions from Scope 1, Scope 2 and Scope 3 are 51,915.9841 metric tons CO2e, of which Scope 1 accounts for 1.16% of the total emissions, Scope 2 accounts for 81.90%, and Scope 3 accounts for 16.94%. The third party organization (BSI) has adopted ISAE3410/ISO 14064-3:2019 standards to assure that the assurance opinions for Scope 1 and Scope 2 are reasonable assurance, and the assurance opinions for Scope 3 are confirmation and agreement procedures.
Scope2	parent company	42517.0993	10.0		
Scope3	parent company	8795.9501	2.1		

Greenhouse gas inventory and confirmation status for Y2024 :

Data coverage Total emissions		Total emissions (metric tons CO2e)	Intensity (metric tons CO2e/million yuan)	Believe in the organization	Description of the belief situation (including the scope of the belief, the assurance agency, the assurance criteria and the assurance agency)
Scope1	parent company	665.6	0.2	LRQA	The parent company's total greenhouse gas emissions from Scope 1, Scope 2 and Scope 3 are 52,073.2 metric tons CO2e, of which Scope 1 accounts for 1.28% of the total emissions, Scope 2 accounts for 81.08%, and Scope 3 accounts for 17.65%. The subsidiary's total greenhouse gas emissions from Scope 1, Scope 2 and Scope 3 are 4.4 metric tons CO2e, of which Scope 1 accounts for 0% of the total emissions, Scope 2 accounts for 80.06%, and Scope 3 accounts for 19.94%. It is expected that the third-party certification will be completed in April 2025, and LRQA will certify it according to the ISAE3410 /ISO 14064-3:2019 standards. This information will be disclosed in the sustainability report.
Scope2	parent company	42219.0	10.3		
Scope3	parent company	9188.7	2.2		
Scope1	subsidiary	0	0		
Scope2	subsidiary	3.5	0.016		
Scope3	subsidiary	0.9	0.004		

Note: EPI' s CS4 obtained the factory registration certificate on November 26, 2024, so the above inventory and confirmation figures do not include CS4.

(VII) Status of Implementation of Integrity Operation:

Evaluation project	Operation			Differences and reasons between the code of good faith operation of listed and OTC companies
	yes	no	Summary	
I. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures				
(I) Does the Company establish corporate conduct and ethics policy that is approved by the Board of Directors and document such policy and procedure, as well as the commitment of the Board and Management team in the implementation of the policy thereof, in the bylaws and publicly available documents?	✓		(I) In order to implement the policy of good faith operation and actively prevent dishonest behaviors, the company has formulated the code of good faith operation and the code of ethics for employees to specifically regulate the matters that the board of directors, management and all employees should pay attention to when carrying out business.	No difference
(II) Has the Company established an risk assessment mechanism for unethical conduct, analyzed and evaluated activities that contain a higher risk of unethical conduct in the operating aspect on a regular basis, and established measures for the prevention of unethical conduct, which at least covering the business activities prescribed in paragraph 2, article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	✓		(II) The code of good faith practices of the company has formulated preventive measures for the business activities with high risk of dishonest behavior in the code of good faith practices of listed and OTC companies or other business scope, established effective accounting system and internal control system, and reviewed them from time to time, so as to ensure the continuous and effective implementation of the system.	No difference
(III) Does the company establish relevant policies which are duly enforced to prevent unethical conduct, provide and implement operating procedures, behavioral guidelines, penalty for violation and appeal system in such policies, as well as evaluating and amending the aforementioned policies on a regular basis?	✓		(III) The company has formulated "code of conduct for good faith" and "code of ethics for employees", which specify the operation procedures, conduct guidelines, punishment and complaint system for violations, and implemented them, and regularly reviewed and amended them.	No difference
II. Enforcement of ethical management				
(I) Does Company evaluate the ethical records of the businesses with which it has dealings and include clear ethical corporate behavior	✓		(I) According to the company's code of conduct on good faith, before conducting business transactions, the legitimacy and reputation of the objects of business transactions should	No difference

Evaluation project	Operation			Differences and reasons between the code of good faith operation of listed and OTC companies
	yes	no	Summary	
provisions in contracts with such counterparties?			be considered to avoid dealing with those who have dishonest behaviors. In addition, the terms of dishonest behaviors should be specified in the relevant business contracts. If the opposite party is involved in dishonest behaviors, the contract may be terminated or terminated at any time.	No difference
(II) Does the Company task a unit that reports directly to the Board of Directors and with promoting ethical standards, making periodical updates (at least once a year) to the Board on ethical management policy, as well as the supervision of measures for prevention of unethical conduct?	✓		<p>(II) Epi's integrity management coordination unit is the Chairman's Office, which leads the management team to promote and supervise the company's integrity management policies and prevent dishonest behavior, and regularly reports to the board of directors on the implementation status of the year. The most recently on February 24, 2024. The company's 2024 integrity management implementation status:</p> <div style="border: 1px solid black; padding: 5px;"> <p>(1) Universal education and training :</p> <p>Annual training completion rate for all employees(718 employees) is 100%</p> <ul style="list-style-type: none"> ● Securities and Exchange Law Insider Trading Course ● Promotion of business integrity code ● Promotion of employee ethics standards ● Information security code promotion </div> <div style="border: 1px solid black; padding: 5px;"> <p>(2) Prevention of Insider Trading :</p> <p>All the insiders of the Company strictly abide by the company's regulations and there is no record of trading its stocks during the closed period of thirty days before the announcement of the annual financial report or fifteen days before the announcement of each quarterly financial report.</p> </div>	

Evaluation project	Operation			Differences and reasons between the code of good faith operation of listed and OTC companies
	yes	no	Summary	
(III) Does the company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	✓		(III) The company has formulated the "Code of Integrity Management" and "Employee Code of Ethics" to prevent conflicts of interest, and set up investment zones, corporate governance zones, corporate sustainable development zones, and stakeholder zones on the company's website to benefit shareholders and Stakeholders etc.	No difference
(IV) To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, and had internal auditors made audit plans according to the results of the risk assessment of unethical conduct, so as to inspect the compliance of the preventive measures, or commissioned external CPA to conduct the audit?	✓		(IV) The company has established an effective accounting system and internal control system, and the operation is normal. The internal auditors regularly carry out audit according to the audit plan and make audit reports, and the audit reports are sent to the chairman and independent directors for inspection, so as to implement honest operation and avoid fraud.	No difference
(V) Does the Company provide internal and external ethical conduct training programs on a regular basis?	✓		(V) Through departmental meetings, the company promotes and enables employees to understand the company's principles and norms of good faith management.	No difference
III. Implementation of the Whistleblowing System				
(I) Has the Company established specific whistle-blowing and reward procedures, accessible reporting channels, and designated personnel to handle the reported misconducts?	✓		(I) The company has established "code of conduct for good faith" and "code of ethics for employees". According to different issues, the company sets up special handling personnel and provides relevant reporting channels. Any violation of the company's code of ethics will be severely punished in accordance with the company's reward and punishment measures. In this year, there was no punishment for breach of integrity management regulations.	No difference
(II) Has the Company established standard operating procedures for investigating misconducts, follow-up measures taken after investigation and	✓		(II) The company has a suggestion mailbox and a full-time personnel unit responsible for handling employee complaints. Reporters can report through letters, emails, telephone lines, etc., and handle them in a	No difference

Evaluation project	Operation			Differences and reasons between the code of good faith operation of listed and OTC companies
	yes	no	Summary	
confidentiality protection mechanism? (III)Has the Company provided proper whistleblower protection?	✓		confidential manner. The company' s website has also set up a stakeholder contact platform to serve as a communication channel for handling stakeholder suggestions, doubts and disputes. In addition, to ensure the rights and interests of stakeholders, a rigorous reporting mechanism allows stakeholders to be safe and confidential. Convey the message. (III)The company provides a reporting channel and takes appropriate protection measures in accordance with the law to maintain the personal data and privacy of the informant.	No difference
IV、Strengthen information disclosure? Enhancement of Information Disclosure Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System?	✓		The company has disclosed the content of the Code of Integrity and its promotion results on his website .	No difference
V. If the Company has established integrity management principles in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe its current practices and any deviations from the Best Practice Principles: None.				
VI. Other important information to facilitate better understanding of the Company' s corporate conduct and ethics compliance practices (e.g., review the company' s corporate conduct and ethics policy): Up to now, the company has not violated the integrity management rules, affecting the operation of the company.				

(VIII) Other important information material to the understanding of corporate governance within the Company: In order to improve the corporate good governance system, the company has formulated the "Code of Procedure for the Board of Directors", "Rules of Procedure for the Board of Shareholders", "Method for the Election of Directors", "Code of Corporate Governance", "Code of Ethical Business Practice" and "Code of Corporate Social Responsibility".

(1) Corporate Governance Supervisors :

Title	Name	During training	Organizer	Course title	Hours
Head of Corporate Governance	Angela Wu	2024/10/2	Taiwan Corporate Governance Association	Business Management Practice: New Knowledge on AI Transformation in Manufacturing Industry	3
		2024/10/29	Taiwan Corporate Governance Association	Enterprise Risk Management and Crisis Management - From the Director' s Perspective	3
		2024/12/12	The Institute of Internal Auditors-Chinese Taiwan	Practical discussion and countermeasures on insider trading and untrue financial statements	6

(2)Director's training :

Title	Name	During training	Organizer	Course title	Hours
Chairman	JH Shyu	2024/10/29	Taiwan Corporate Governance Association	Enterprise Risk Management and Crisis Management - Director's Corner	3
		2024/10/02	Taiwan Corporate Governance Association	Business management practice: new knowledge on AI transformation in manufacturing	3
Director	David Chen	2024/10/29	Taiwan Corporate Governance Association	Enterprise Risk Management and Crisis Management - Director's Corner	3
		2024/10/02	Taiwan Corporate Governance Association	Business management practice: new knowledge on AI transformation in manufacturing	3
Director	Winnie Liang	2024/12/24	Taiwan Corporate Governance Association	The net-zero path with unlimited business opportunities - analyzing the strategic direction from an industry perspective	3
		2024/10/29	Taiwan Corporate Governance Association	Enterprise Risk Management and Crisis Management - Director's Corner	3
		2024/10/22	Securities and Futures Institute	New Developments in International Sustainability Disclosure Standards	3
		2024/10/02	Taiwan Corporate Governance Association	Business management practice: new knowledge on AI transformation in manufacturing	3
Director	JH Chiang	2024/11/29	Taiwan Project Management Association	Discussion on the legal system and case studies on the protection of corporate trade secrets	3
		2024/10/29	Taiwan Corporate Governance Association	Enterprise Risk Management and Crisis Management - Director's Corner	3
		2024/10/08	Taiwan Project Management Association	Board of Directors vs Management Team	3
		2024/10/02	Taiwan Corporate Governance Association	Business management practice: new knowledge on AI transformation in manufacturing	3
Director	Wunguei Ye	2024/10/02	Taiwan Corporate Governance Association	Business management practice: new knowledge on AI transformation in manufacturing	3
		2024/08/06	Taiwan Stock Exchange Corporation	Sustainable Knowledge Empowerment Promotion Course - Electronics Industry Using Sustainable Knowledge to Create a New Carbon Age Promotion Conference	6

Title	Name	During training	Organizer	Course title	Hours
Director	Eric Lo	2024/10/29	Taiwan Corporate Governance Association	Enterprise Risk Management and Crisis Management - Director's Corner	3
		2024/10/02	Taiwan Corporate Governance Association	Business management practice: new knowledge on AI transformation in manufacturing	3
Independent director	William Sheng	2024/05/02	Taiwan Corporate Governance Association	How can the board of directors ensure the sustainable operation of the enterprise? - Starting from the discovery and training of talents	3
		2024/04/26	Securities and Futures Institute	Sharing and suggestions on how enterprises can conduct tax management and digital solutions	3
Independent director	T.P. Chen	2024/10/29	Taiwan Corporate Governance Association	Enterprise Risk Management and Crisis Management - Director's Corner	3
		2024/10/02	Securities and Futures Institute	Business management practice: new knowledge on AI transformation in manufacturing	3
Independent director	Eric Hu	2024/06/13	Taiwan Project Management Association	Succession team building and talent development	3
		2024/06/07	Taiwan Project Management Association	Board of Directors vs Management Team	3

(IX) Status of Implementation of Internal Control System

1. Statement of internal control system :

Please refer to the Market Observation Post System (MOPS)

<https://mops.twse.com.tw> > Single Company > Corporate Governance >

Company Regulations> Internal Control/Internal Control Statement

Announcement. Enter the year and company code to search for the internal control statement announcement.

2. If the Company is required by the Security and Futures Bureau to hire an accountant to audit the Company' s internal control system, the audit report prepared by the CPAs should be disclosed: Not applicable.

(X) Major resolutions passed at shareholders' meetings and board meetings held in the most recent year up till the printing date of this annual report:

1. Major resolutions and execution of the shareholders' meeting:

Shareholders' meeting	Resolutions	Execution
Shareholders' meeting May 30, 2024	1. Acknowledgement of the 2023 financial statement 2. Acknowledging the 2023 surplus allocation.	1. The resolution was adopted. 2. Worked in accordance with the resolution results. NT\$0.5 will be distributed per share, and a cash dividend of NT\$144,269,685 will be distributed on August 1, 2024.

2. Major resolutions passed in board meetings:

Board of Directors Date/Term	Content of the motion and subsequent processing	The independent director disagrees or reservations	Company responses to independent directors opinions	The resolution results
2024.02.26 9th Term 10th Session	1. Approved the company's 2023 employee remuneration and director remuneration distribution proposal. 2. Approved the company's 2024 employee remuneration and director's remuneration estimation proposal 3. Approved the 2023 annual business report and financial report. 4. Pass the 2024 financial statement review and certification of the appointment and remuneration of certified accountants and their eligibility and independence assessment. 5. Approved the company's 2023 profit distribution proposal. 6. Approve the date, venue and reason for convening the company's 2024 regular shareholders' meeting.	None	NA	All the directors present agree to pass

Board of Directors Date/Term	Content of the motion and subsequent processing	The independent director disagrees or reservations	Company responses to independent directors opinions	The resolution results
	7. Pass the 2023 internal control system effectiveness assessment and internal control system statement. 8. Amend the company' s "Manager Incentive and Performance Bonus Measures" . 9. Through manager incentives and performance bonuses.			
2024.05.06 9th Term 11th Session	1. Issue new shares through the fourth domestic unsecured convertible corporate bond conversion and capital increase. 2. Approved the first quarter financial report of 2024. 3. Approved the amendments to the "Board of Directors' Rules of Procedure" and the "Audit Committee's Organizational Rules". 4. Approved the purchase of factory buildings for business purposes. 5. Approve manager appointment and remuneration proposals.	None	NA	All the directors present agree to pass
2024.05.30 9th Term 12th Session	1. Approved the issuance of the fifth domestic unsecured convertible corporate bond case.	None	NA	All the directors present agree to pass
2024.08.05 9th Term 13th Session	1. Adopt the financial report for the second quarter of 2024. 2. Get a loan from a financial institution. 3. Approved the 2023 ESG Report.	None	NA	All the directors present agree to pass
2024.10.31 9th Term 14th Session	1. Adopt the third quarter financial report of 2024. 2. Established the "Code of Ethical Conduct for Directors".	None	NA	All the directors present agree to pass
2024.12.23 9th Term 15th Session	1. Approve the 2025 operating plan and the budget for related manpower, equipment and expenses. 2. Formulate the "Sustainable Information Management Operation Methods" and revise relevant internal control systems and internal audit rules. 3. Formulate the internal audit plan for 2025. 4. Revise the "Related Party Transaction Management Operation Procedures". 5. Approve the 2025 directors' business execution fees. 6. Formulate the "Manager Retirement Management Measures". 7. Approve the 2025 manager compensation proposal.	None	NA	All the directors present agree to pass
2025.02.24 9th Term 16th Session	1. Approve the 2024 employee remuneration and director remuneration distribution plan.	None	NA	All the directors present agree to pass

Board of Directors Date/Term	Content of the motion and subsequent processing	The independent director disagrees or reservations	Company responses to independent directors opinions	The resolution results
	2. Approve the proposal for the estimation of employee remuneration and directors' remuneration for 2025. 3. Approve the 2024 business report and financial report. 4. Pass the appointment and remuneration of the certified public accountants for the 2025 financial statements audit and the assessment of their suitability and independence. 5. Pass the resolution on profit distribution for 2024. 6. Approve the amendment to the Articles of Association. 7. Approve the board election proposal. 8. Approve and review the list of candidate directors (including independent directors) nominated by the Board of Directors. 9. Approved to lift the non-competition restrictions on new directors. 10. To determine the date, location and reasons for convening the 2025 General Meeting of Shareholders. 11. Pass the 2024 internal control system effectiveness assessment and internal control system declaration. 12. Approved the appointment of directors of the subsidiary ((PRECISION SILICON JAPAN CO., LTD.)). 13. Revise the "Manager Retirement Management Regulations". 14. The manager intends to apply for retirement. 15. Manager appointment and remuneration proposals.			

3. Important decisions of the Audit Committee:

Board of Directors Date/Term	Proposal content and subsequent handling	Items listed in Article 14-5 of the Securities and Exchange Act	Resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors
2024.02.26 9th Term 10th Session	1. 2023 annual business report and financial report. 2. Appointment and remuneration of certified accountants for financial statement review in 2024 and assessment of their competence and independence. 3. The company's 2023 profit distribution proposal.	✓	None

Board of Directors Date/Term	Proposal content and subsequent handling	Items listed in Article 14-5 of the Securities and Exchange Act	Resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors
	4. 2023 annual internal control system effectiveness assessment and internal control system statement. Audit Committee Resolution : All members of the Audit Committee agreed to pass. The company's handling of the opinions of the audit committee: all the directors present agreed to pass.		
2024. 05. 06 9th Term 11th Session	1. The fourth domestic unsecured convertible corporate bond-to-capital increase and new share issuance. 2. Financial Report for the first quarter of 2024. 3. Purchase of business premises. Audit Committee Resolution : All members of the Audit Committee agreed to pass. The company's handling of the opinions of the audit committee: all the directors present agreed to pass.	✓	None
2024. 05. 30 9th Term 12th Session	1. Issued the fifth domestic unsecured convertible corporate bond Audit Committee Resolution : All members of the Audit Committee agreed to pass. The company's handling of the opinions of the audit committee: all the directors present agreed to pass.	✓	None
2024. 08. 05 9th Term 13th Session	1. Financial Report for the second quarter of 2024. Audit Committee Resolution : All members of the Audit Committee agreed to pass. The company's handling of the opinions of the audit committee: all the directors present agreed to pass.	✓	None
2024. 10. 31 9th Term 14th Session	1. Financial Report for the third quarter of 2024. Audit Committee Resolution : All members of the Audit Committee agreed to pass. The company's handling of the opinions of the audit committee: all the directors present agreed to pass.	✓	None
2024. 12. 23 9th Term 15th Session	1. 2025 annual operating plan and related manpower, equipment and cost budget. 2. Establishment of "Sustainable Information Management Operation Guidelines" and revision of internal control system and internal audit rules 3. Establish an internal audit plan for the year 2025. Audit Committee Resolution : All members of the Audit Committee agreed to pass. The company's handling of the opinions of the audit committee: all the directors present agreed to pass.	✓	None
2025. 02. 24 9th Term 16th Session	1. 2024 annual business report and financial report. 2. Appointment and remuneration of certified accountants for financial statement review in 2025 and assessment of their competence and independence. 3. The company's 2024 profit distribution proposal. 4. 2024 annual internal control system effectiveness assessment and internal control system statement. Audit Committee Resolution : All members of the Audit Committee agreed to pass.	✓	None

Board of Directors Date/Term	Proposal content and subsequent handling	Items listed in Article 14-5 of the Securities and Exchange Act	Resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors
	The company's handling of the opinions of the audit committee: all the directors present agreed to pass.		

(XI) Written opinions or declarations made by Directors or Supervisors against board resolutions in the most recent year, up till the printing date of this annual report: None.

IV、CPA Fees：

Unit: Thousand (TWD)						
Name of accounting firm	Name of CPA	Audit period	Audit fees	Non-Audit fees	Total	Remarks
Pricewaterhouse Coopers Taiwan	Daniel Lee Chih-Cheng Hsieh	2024/01/01- 2024/12/31	2,470	870	3,340	

(I) In 2024, the non-audit services will be paid for business registration, non-executive salary review and tax visa services, with a total amount of NT\$870 Thousand.

(II) If there is a reduction of audit fees paid compared to that in the previous year due to change of accounting firms, the amount of fees reduced, percentage, and reason shall be disclosed: No such situation.

(III) If the audit fees paid is less than 10% of that in the previous year, the amount of fees reduced, percentage, and reason shall be disclosed: No such situation.

V、Alternation of CPA：

(I) About the former accountant

Change Date	2023/01/01	2024/01/01
Reasons and explanations for the change	In line with the internal rotation policy of Chengcheng United Certified Public Accountants, the accountants for auditing and approving financial statements (including review) were changed from accountants Chih-Cheng Hsieh and Yu-Kuan Lin, to accountants Chih-Cheng Hsieh and Cai-Yan Jiang	In line with the internal rotation policy of Chengcheng United Certified Public Accountants, the accountants for auditing and approving financial statements (including review) were changed from accountants Chih-Cheng Hsieh and Cai-Yan Jiang, to accountants Daniel Lee, and Chih-Cheng Hsieh

Change Date	2023/01/01		2024/01/01
Indicate that the appointer or accountant has terminated or refused to accept the appointment.	parties		Accountant
	Situation		Appointing Person
	Voluntary termination of appointment		NA
	No longer accept (continue) appointment		NA
Opinions and reasons for audit reports issued within the latest two years other than unqualified opinions	None		
Any disagreements with the issuer?	Yes		Accounting principles or practices
			Financial Report Disclosure
			Check scope or steps
			Other
	No	V	
	Description: Not applicable		
Other disclosures (Items 1-4 to 1-7 of Paragraph 6 of Article 10 of this Code should be disclosed)	None		

(II)About the successor accountant

Firm name	PricewaterhouseCoopers Taiwan	PricewaterhouseCoopers Taiwan
Accountant name	Chih-Cheng Hsieh Cai-Yan Jiang	Daniel Lee Chih-Cheng Hsieh
Date of appointment	2023/01/01	2024/01/01
Pre-appointment consulting matters and results regarding accounting treatment methods or accounting principles for specific transactions and opinions on the possible issuance of financial reports	Not applicable	
Written opinions of the successor accountant on matters with different opinions from the predecessor accountant	Not applicable	

(III)Reply from the former accountant on matters 1 and 3 of paragraph 6 of Article 10 of these Standards: Not applicable.

VI、Any of the Company's Chairman, President, or managers responsible for Financial or Accounting Affairs being employed by the auditor's firm or any of its affiliated Company in the most recent year: No such situation.

VII、Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders：

Share transfer: Please refer to
https://mops.twse.com.tw/mops/#/web/query6_1
 Changes in share pledge: Please refer to
https://mopsov.twse.com.tw/mops/web/STAMAK03_1.

VIII、Information on Relationships among Top 10 Largest shareholders：

Name	Shareholding		Shares Held by Spouse & Minors		Total shares held in the name of others		Names of spouse or other relatives within two degrees of consanguinity who are also among the EPI's top 10 largest shareholders		Remarks
	Number	Percentage of Shareholding	Number	Percentage of Shareholding	Number	Percentage of Shareholding	Name	Relationship	
Episil Technologies Inc	166,961,680	57.86	NA	NA	0	0	None	None	
Representative: JH Shyu	150,000	0.05	0	0.00	0	0	None	None	
Nan Ya Photonics Incorporation	9,847,325	3.41	NA	NA	0	0	None	None	
Representative: Wen-chao Wang	0	0.00	0	0.00	0	0	None	None	
Wunguei Ye	3,199,632	1.11	2,500,855	0.87	0	0	Siou-Cing Chen Bi-Siang Ye Wu-Shun Huang	Spouse Second degree relatives Second degree relatives	
Jiacai Investment Co. Ltd	3,100,793	1.07	NA	NA	0	0	None	None	
Representative: Siou-Cing Chen	2,500,855	0.87	3,199,632	1.11	0	0	Wunguei Ye Bi-Siang Ye Wu-Shun Huang	Spouse Second degree relatives Second degree relatives	
Bi-xiang Ye	2,918,385	1.01	2,740,814	0.95	0	0	Wu-Shun Huang Wunguei Ye Siou-Cing Chen	Spouse Second degree relatives Second degree relatives	
Wu-shun Huang	2,740,814	0.95	2,918,385	1.01	0	0	Bi-Siang Ye Wunguei Ye Siou-Cing Chen	Spouse Second degree relatives Second degree relatives	
Siou-Cing Chen	2,500,855	0.87	3,199,632	1.11	0	0	Wunguei Ye Bi-Siang Ye Wu-Shun Huang	Spouse Second degree relatives Second degree relatives	
You-Cin Yang,	1,120,000	0.39	0	0.00	0	0	None	None	
Jhih-Ying Yang	907,075	0.31	0	0.00	0	0	None	None	
Gao-Huang Lin	850,000	0.29	0	0.00	0	0	None	None	

VI、Combined Shareholding Ratio：

March 31, 2025/ Unit: shares

Affiliated Enterprise (Note1)	Ownership by the Company		Ownership by Directors, Supervisors, Managerial officers, and directly/indirectly owned subsidiaries		Total Ownership	
	Shares	% of Shareholding	Shares	% of Shareholding	Shares	% of Shareholding
PRECISION SILICON JAPAN CO., LTD.	200	100	-	-	200	100

Note1 : Investment by the company using the equity method

Three. Capital Overview

I、Capital and Shares：

(I) Sources of Capital：

April 15, 2025 Unit: shares

Share categories	Authorized capital			Note
	Outstanding shares (public listed)	Unissued shares	Total	
Registered Common Shares	288,541,819	211,458,181	500,000,000	—

April 15, 2025

Unit: shares / NTD

Time	Issue price (NTD)	Authorized capital		Paid-in capital		Remarks		
		Number	Amount	Number	Amount	Source of capital	Paid-in properties other than cash	Others
105.01	10	300,000,000	3,000,000,000	243,575,315	2,435,753,150	Merge with Episil Semiconductor Co. Ltd	—	Note 1
105.05	10	300,000,000	3,000,000,000	244,179,315	2,441,793,150	Execute employee stock warrants 604,000 shares	—	Note 2
105.08	10	300,000,000	3,000,000,000	244,290,315	2,442,903,150	Execute employee stock warrants 111,000 shares	—	Note 3
105.11	10	300,000,000	3,000,000,000	244,320,315	2,443,203,150	Execute employee stock warrants 30,000 shares	—	Note 4
106.02	10	300,000,000	3,000,000,000	244,401,315	2,444,013,150	Execute employee stock warrants 81,000 shares	—	Note 5
107.01	10	300,000,000	3,000,000,000	274,401,315	2,744,013,150	Capital increase from cash 30,000,000 shares	—	Note 6
109.08	10	500,000,000	5,000,000,000	277,491,213	2,774,912,130	Corporate bonds into shares 3,089,898 shares	—	Note 7
109.11	10	500,000,000	5,000,000,000	278,816,103	2,788,161,030	Corporate bonds into shares 1,324,890 shares	—	Note 8
110.03	10	500,000,000	5,000,000,000	279,635,585	2,796,355,850	Corporate bonds into shares 819,482 shares	—	Note 9
110.05	10	500,000,000	5,000,000,000	280,068,790	2,800,687,900	Corporate bonds into shares 433,205 shares	—	Note 10

Time	Issue price (NTD)	Authorized capital		Paid-in capital		Remarks		
		Number	Amount	Number	Amount	Source of capital	Paid-in properties other than cash	Others
110.08	10	500,000,000	5,000,000,000	280,538,097	2,805,380,970	Corporate bonds into shares 469,307 shares	—	Note 11
110.11	10	500,000,000	5,000,000,000	282,320,639	2,823,206,390	Corporate bonds into shares 1,782,542 shares	—	Note 12
2022.01	10	500,000,000	5,000,000,000	284,376,729	2,843,767,290	Corporate bonds into shares 2,056,090 shares	—	Note 13
2022.05	10	500,000,000	5,000,000,000	284,715,486	2,847,154,860	Corporate bonds into shares 338,757 shares	—	Note 14
2022.06	10	500,000,000	5,000,000,000	288,015,486	2,880,154,860	Capital increase from cash 3,300,000 shares	—	Note 15
2022.11	10	500,000,000	5,000,000,000	288,539,369	2,885,393,690	Corporate bonds into shares 523,883 shares	—	Note 16
113.03	10	500,000,000	5,000,000,000	288,541,819	2,885,418,190	Corporate bonds into shares 2,450 shares	—	Note 17

Note 1 : Approved by February 19, 2016, GSZ No. 1050004119

Note 2 : Approved by May 24, 2016, GSZ No. 1050013773

Note 3 : Approved by August 22, 2016, GSZ No. 1050023364

Note 4 : Approved by November 21, 2016, GSZ No. 1050032283

Note 5 : Approved by February 06, 2017, GSZ No. 1060002669

Note 6 : Approved by January 12, 2018, GSZ No. 1070002205

Note 7 : Approved by August 18, 2020, GSZ No. 1090023232

Note 8 : Approved by November 23, 2020, GSZ No. 1090032888

Note 9 : Approved by February 22, 2021, GSZ No. 1100007646

Note 10 : Approved by May 24, 2021, GSZ No. 1100014727

Note 11 : Approved by August 20, 2021, GSZ No. 1100023377

Note 12 : Approved by November 23, 2021, GSZ No. 1100034547

Note 13 : Approved by January 19, 2022, GSZ No. 1110001782

Note 14 : Approved by May 26, 2022, GSZ No. 1110016327

Note 15 : Approved by June 28, 2022, GSZ No. 1110019931

Note 16 : Approved by November 18, 2022, GSZ No. 1110037183

Note 17 : Approved by May 14, 2024, GSZ No. 1130014926

(II)List of major shareholders :

April 15, 2025

Shares	Shares Held (Shares)	Holding Percentage
Name of major shareholders		
Episil Technologies Inc.	166, 961, 680	57.86%
Nan Ya Photonics Incorporation	9, 847, 325	3.41%
Wunguei Ye	3, 199, 632	1.11%
Jiacai Investment Co. Ltd	3, 100, 793	1.07%
Bi-Siang Ye	2, 918, 385	1.01%
Wu-Shun Huang	2, 740, 814	0.95%
Siou-Cing Chen	2, 500, 855	0.87%
You-Cin Yang,	1, 120, 000	0.39%
Jhih-Ying Yang	907, 075	0.31%
Gao-Huang Lin	850, 000	0.29%

(III)Dividend Policy and Execution Status :

- 1.If there is any surplus in the EPI's annual final accounts, tax shall be paid first to make up for the previous losses. The next 10% shall be used as the statutory surplus reserve, and then the special surplus reserve shall be appropriated or reversed according to the relevant laws and regulations. If there is any surplus, the shareholders' meeting shall decide to distribute the dividend or reserve it.

EPI authorizes the board of directors to present more than two-thirds of the directors and the resolution of more than half of the directors to distribute all or part of the dividends and bonus in the form of cash and report to the shareholders' meeting, which is not applicable to the provisions of the relevant shareholders' meeting resolution.

EPI will consider the industrial environment and growth stage, meet the future capital demand and long-term financial planning, and meet the shareholders' demand for cash flow. The annual amount of cash dividends shall not be less than 30% of the total amount of cash dividends and stock dividends issued in the current year.

- 2.Situation of dividend distribution discussed this year: The company's board of directors resolved on February 26, 2025 to issue a cash dividend of NT\$0.5 per share, totaling NT\$144,270,910.

(IV)The impact of the free allotment proposed by the shareholders' meeting on the company's business performance and earnings per share: not applicable.

(V)Employee dividends and directors' remuneration:

1. The percentage or range of employee dividends and directors' remuneration as set out in the articles of association:

Article 25 of the articles of association:

The company shall allocate not less than 5% for the remuneration of its employees and not more than 2% for the remuneration of its directors according to the profit situation of the current year. However, if the company still has accumulated losses, it shall reserve the amount of compensation in advance.

Employees may be remunerated in stock or cash, and the objects of payment in stock or cash may include employees of subordinate companies who meet certain conditions.

2. According to the approval of the board of directors, the employee compensation and director compensation in 2024 are NT \$27,946,655 and NT \$3,493,332 respectively, all of which are paid in cash. It is based on the amount of the company's net profit before tax deducting the employee compensation and director compensation multiplied by the distribution ratio of employee compensation and director compensation proposed in the articles of association. There is no difference in the annual cost estimates.

3. The actual distribution of employee dividends and directors' remuneration in the previous year (including the number of shares distributed, amount and share price), and the difference between the actual distribution and the remuneration of recognized employees and directors, the reasons for the difference and the handling situation: no difference.

(VI) Share repurchases: None

II、Corporate Bonds:

(I) Corporate bonds issued but not repaid:

April 15, 2025

Corporate Bond Type		The fifth domestic unguaranteed corporate bonds
Issue date		July 26, 2024
Denomination		NT\$100,000
Issuing and transaction location		Taipei Exchange
Issue price		Issue by denomination 101%
Total price		NT\$500,000,000
Coupon rate		0%
Tenor		3 years Maturity: July 26, 2028
Guarantee agency		None
Consignee		KGI Commercial Bank Co., Ltd.
Underwriting institution		KGI Securities Co., Ltd.
Certified lawyer		Hanchen Law Firm Lawyer Ya-Wen Chiu
CPA		PWC Daniel Lee / Chih-Cheng Hsieh
Repayment method		Unless the holders of the convertible bonds are converted into the common shares of the company in accordance with Article 10 of the issuance and conversion rules, or the company purchases and cancels the bonds at the business offices of securities firms, the company will repay the bonds held by the bondholders in cash in one lump sum according to the face value of the bonds at the maturity of the bonds.
Outstanding principal		NT \$500,000,000
Terms of redemption or advance repayment		Please refer to Appendix I of the company's prospectus for the issuance and conversion of the fifth domestic unguaranteed corporate bonds
Restrictive clause		None
Name of credit rating agency, rating date, rating of corporate bonds		None
Other rights attached	As of the printing date of this annual report, converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities	As of 2025/04/15, no conversion yet.
	Issuance and conversion (exchange or subscription) method	Please refer to Appendix I of the company's prospectus for the issuance and conversion of the fifth domestic unguaranteed corporate bonds.
Issuance and conversion exchange or subscription method, issuing condition dilution, and impact on existing shareholders' equity		Please refer to the appendix of the public statement of the fifth domestic unguaranteed corporate bonds.
Transfer agent		None

(II) Issue convertible bonds, exchangeable bonds, and corporate bonds with warrants in general, and disclose the information of convertible bonds, exchangeable bonds, and corporate bonds with warrants in general.

A · Convertible Bonds

Corporate bond type		5 th Unsecured Convertible Corporate Bond	
Item	Year	Y2024	As of 2025/4/15
	Market price of the convertible bond		
	Highest	109.25	101.85
	Lowest	98.65	92.00
	Average	105.87	98.20
Convertible Price		72.6	
Issue date and conversion price at issuance		Issue Date : July 26, 2024 Conversion price at issuance : NT\$72.6	
Conversion methods		Issuing of new stocks	

B · Exchangeable Bonds Information : None

C · Shelf Registration for Issuing Bonds : None

D · Corporate Bonds with Warrants : None

III · Issuance of Special Stock:None

IV · Issuance of Global Depository Receipts:None

V · Issuance of Employee Stock Options:None

VI · Status of New Shares Issuance in Connection with Mergers and Acquisitions:None

VII · Financing Plans and Implementation:

(I) Epi issued its fifth domestic unsecured convertible corporate bond in Y2025 for the purchase of machinery and equipment and related installation projects, raising a total of NT\$505,000,000.

(II) Overview of the funding plan and expected benefits: Please refer to the Market Observation Post System(MOPS)
https://mopsov.twse.com.tw/mops/web/bfhtm_q2.

Four. Business overview

I、Business Content:

(I) Scope

- 1.Main content: Manufacture of silicon epitaxy wafers, buried-layer epitaxy wafers, multi-layer epitaxy wafers, silicon epitaxy on SOI (Silicon on Insulator) wafer, GaN epitaxy wafers, SiC epitaxy wafers.
2. 2024 Consolidated operating proportion :

Unit: NT\$ Thousand ; %

Major Divisions \ Year	Y2023		Y2024	
	Total Sales	(%) of Total Sales	Total Sales	(%) of Total Sales
Epitaxial wafers	4,236,502	100.00	4,107,470	100.00
Total	4,236,502	100.00	4,107,470	100.00

- 3.Current portfolios: production and foundry of Silicon Epitaxy, Silicon Carbide Epitaxy and Gallium Nitride Epitaxy.

- 4.New products planned to be developed

- (1)8" GaN-on-Silicon medium and low voltage epitaxial wafers for low and medium voltage applications.
- (2)8" SiC-on-SiC epitaxial wafers.

(II)Industrial overview

- 1.Current status of the industry

Fall 2024	Amounts in US\$M			Year on Year Growth in %		
	2023	2024	2025	2023	2024	2025
Americas	134,377	186,635	215,309	-4.8	38.9	15.4
Europe	55,763	52,031	53,736	3.5	-6.7	3.3
Japan	46,751	47,410	51,866	-2.9	1.4	9.4
Asia Pacific	289,994	340,792	376,273	-12.4	17.5	10.4
Total World - \$M	526,885	626,869	697,184	-8.2	19.0	11.2
Discrete Semiconductors	35,530	31,546	33,377	4.5	-11.2	5.8
Optoelectronics	43,184	42,092	43,705	-1.6	-2.5	3.8
Sensors	19,730	18,732	20,034	-9.4	-5.1	7.0
Integrated Circuits	428,442	534,499	600,069	-9.7	24.8	12.3
Analog	81,225	79,433	83,157	-8.7	-2.2	4.7
Micro	76,340	79,291	83,723	-3.5	3.9	5.6
Logic	178,589	208,723	243,782	1.1	16.9	16.8
Memory	92,288	167,053	189,407	-28.9	81.0	13.4
Total Products - \$M	526,885	626,869	697,184	-8.2	19.0	11.2

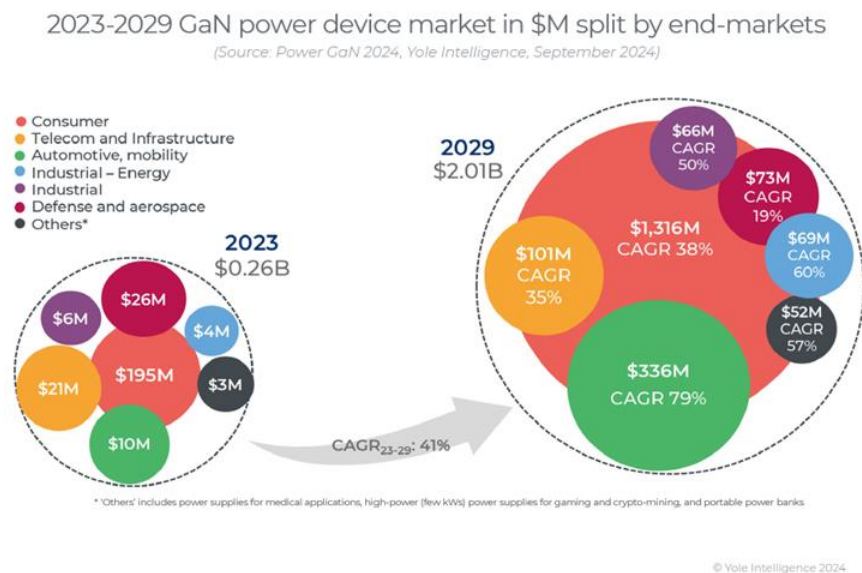
Note: Numbers in the table are rounded to whole millions of dollars, which may cause totals by region and Totals by product group to differ slightly..

Sorce : WSTS, December 2024

According to the November 2024 report of World Semiconductor Trade Statistics (WSTS), the global semiconductor market grew in 2024, with a scale of \$626.869 billion dollars, an annual growth of 19.0% from \$526.885 billion in 2023. In 2025, the overall semiconductor market is expected to grow by 11.2%, and the analog IC and discrete device markets, which are more closely related to the epitaxy material, will grow by 4.7% and 5.8% respectively.

Also, SiC-on-SiC, GaN-on-Silicon, and GaN-on-SiC wafers, which outperform silicon and are mass-produced by Episil-Precision, are expected to see growing use in power discrete market.

About WBG (wide band gate), according to Yole's 2024 forecast, the GaN power device market will grow from \$260 million in 2023 to \$2.01 billion in 2029 with a 41% CAGR (2023-2029). Key applications include consumer electronics, telecom infrastructure, and automotive.



Sources: Yole, September 2024

For SiC, Yole forecasts the market to grow from \$2.75 billion in 2023 to \$9.87 billion in 2029, with a 24% CAGR (2023-2029). Key applications include EVs, hybrid vehicles, and industrial use.

2023-2029 power SiC device market (\$M)

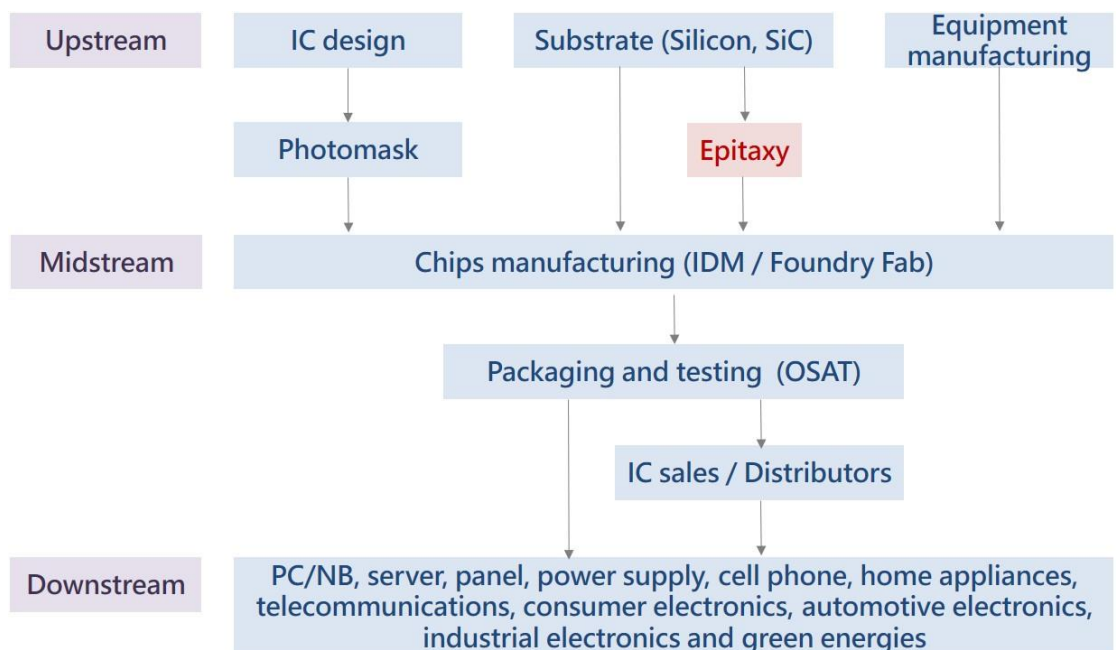
(Source: Power SiC - Markets and Applications 2024, Yole Intelligence, September 2024)



Sources: Yole, September 2024

2. Relevance of the industry

Relevance of the industry are shown in the figure below, the upstream industries include: wafer manufacturing or reclaiming, IC design, chemical manufacturing, equipment manufacturing, lead frame manufacturing and mask manufacturing, etc. The downstream industries are: packaging and testing, IC sales, system manufacturers. Episil-Precision belongs to the upstream wafer related industry.



With the evolution of vertical integration of semiconductor industry, the upstream are IC design companies and silicon wafer manufacturing companies. IC design companies design the circuit diagrams base on customers' request, and silicon wafer manufacturing companies use polysilicon as raw materials to produce silicon wafers. For the midstream, The IC wafer manufacturer companies follows the circuit diagram designed by IC design Companies and prints the basic circuit pattern on the wafer with photo mask, and then produces the circuit and device on the wafer by oxidation, diffusion, CVD, etching, ion implantation and other methods. The finished wafers are then sent to downstream IC packaging and testing companies, the dice are coated with plastic, ceramic or metal to protect from contamination and easy assembly, and attain the effect of electrical connection and heat dissipation between the chip and electronic system. Lastly testing process including function, electrical and heat dissipation tests. Episil-Precision' s silicon and compound semiconductor (SiC and GaN) epitaxy belong to the upstream industry.

The major products of Episil-Precision and subsidiary are Silicon Epitaxial Wafer, Buried Layer Epitaxial Wafer, Multi-Layer Epitaxial Wafer, GaN Epitaxial Wafer and SiC Epitaxial Wafer, which are important materials for Power Semiconductors, such as Power MOSFET, Diodes, Insulated Gate Bipolar Transistor (IGBT), and Power Management IC (PMIC). There are many applications of its downstream products, such as consumer electronics, automotive electronics, industrial control, telecommunications, computers, etc.

3. Industrial trend

Looking ahead, emerging technologies such as Artificial Intelligence (AI), servers, humanoid robots, IoT, wireless charging, and autonomous driving will further boost the semiconductor industry' s value. Due to its excellent electrical properties, the epitaxial process is widely used in various discrete components and ICs, such as power management, driver, optoelectronic, and protective devices. The rise of emerging applications will greatly increase energy consumption, boosting the demand for high-efficiency power devices to meet ESG requirements. Today, 6-inch and 8-inch silicon epitaxial wafers are the mainstream raw materials, but major IDMs are shifting power device production to 12-inch fabs. In some application that beyond silicon' s limit, there are increasing companies adopting wide band gap semiconductor devices. Episil-Precision is also working on SiC-on-SiC and GaN-on-Silicon epitaxy development.

4. Competition

Foreign competitors are mainly silicon substrate manufacturing companies in Japan, German and United States. These competitors have substrate ingot, slicing, grinding, polishing, cleaning and epitaxy. Most of them focus on large-size (8" /12") standard CMOS processes. In addition, China has some competitors in the small/medium-size silicon epi house.

Episil-Precision's epitaxial technology has recognized by domestic and foreign customers. We will go on developing new processes to provide quality, costly and competitive products to our customers.

(III) Overview of technology and R&D

1. Technical level and research development of the business

Episil-Precision has developed key epitaxial technologies for quality improvements such as gas supply stability monitoring technology, equipment improving for parameter stabilization and decompression growth technology. Our 6-inch, 8-inch epitaxial silicon wafers, and 6, 8-inch buried layer epitaxial silicon wafers have been certified and adopted by large semiconductor manufacturers. In addition to legacy silicon materials, our new developed GaN and SiC epitaxy technologies are also certified and in mass production.

2. Research and Development Expenses by the Central Research Institute (CRI) in the Past year

Unit : NT\$ thousands

Year	Y2024	2025/01/01~2025/03/31
Total Expenses	72,144	11,377
Total Sales	4,107,470	897,024
%	1.76%	1.27%

3. Successfully developed technology or product

(1) Recent developed technologies or products

- 1) Gen 2 High Grade SiC-on-SiC epitaxial wafers.
- 2) RF GaN (GaN-on-Silicon) epitaxial wafers.
- 3) Gen 2 650V GaN-on-Silicon epitaxial wafers.
- 4) Reduced pressure process for high resistance silicon epitaxial wafers.

(2) Patents

Up to now, 7 ROC patents, 2 US patents, 2 China patents and 1 Japan patent have been filed and approved.

(IV) Long-term and short-term business plan

(1) Short-term business plan

The short-term business plan is to maintain good customer relationships, deepen the niche market, differentiate the market with high quality, avoid price-cutting competition, improve the profitability, and keep the competitive advantage.

(2) Long-term business plan

Due to long-term effort in business internationalization, service and quality improvement, we have been recognized by customers. In recent years, Episil-Precision develops China and emerging markets in response to the growing needs of Asian and China semiconductor market, and produce various types of epitaxy such as SOI, SiC-on-SiC and GaN-on-Silicon to expand the epitaxy business.

II、Market and Sales Overview:

(I) Market analysis

1. Sales (Service) Region

Unit ; NT\$ thousands

Area		Year		2023		2024	
				Amount	(%)	Amount	(%)
Domestic sales	Taiwan			1,925,955	45.46	2,238,708	54.50
Export sales	Japan			1,491,222	35.20	914,677	22.27
	Mainland China			214,844	5.07	107,521	2.62
	Other			604,481	14.27	846,564	20.61
Total Sales				4,236,502	100.00	4,107,470	100.00

2. The future demand and growth of the market

With the booming development of EVs, green energy, and 5G related applications, the reliance on semiconductors is increasing, and the semiconductor market is bound to continue to expand in the coming years. Coupled with higher energy efficiency requirements, this is also driving both qualitative and quantitative improvements in power semiconductors. Since Episil-Precision's silicon epitaxial products and compound semiconductor epitaxial products are necessary raw materials for power semiconductors, we are optimistic that the demand for epitaxial products will continue to grow.

3. Niche of Competition

A. With a complete product line and market reputation

Episil-Precision has excellent epitaxial production technology, R&D capabilities, and market reputation. It is an important supplier for global silicon epitaxial material which can provide complete services in response to the needs of different customers. Market position is small amount of variety, and customer orders are all customized products.

B. Key technologies through strategic alliances

In addition to our own research and development, Episil-Precision also cooperates with customers and allied companies to develop processes technology. To reduce production costs, increase product yield, we also upgraded the transferred technology by our own technology and established a long-term relationship. In the other hand, employees are rewarded to apply patents with their research results for intellectual property protection.

C. Independent research and development capabilities

With the trend of consumer electronics products becoming lighter, thinner and shorter, the industry continues to introduce products with more power-saving, low-power and fast data transmission characteristics. Semiconductor material companies must also provide silicon substrates that are in line with future trends to help device manufacturers achieve the best performance. Epitaxial silicon wafers are essential materials for energy saving trends. Episil-Precision's epitaxial technology can be applied to energy-saving and carbon reduction power components and develop energy-saving products. In addition to legacy silicon materials, we also develop and mass-produced new epitaxial materials GaN and SiC, provide a superior epitaxy material and become a pioneer in the energy-saving and carbon reduction power electronics industry.

D. A robust portion of vertically integrated IC industry in Taiwan

For Taiwan stands a key position in the global semiconductor industry, Episil-Precision is an integral part of this value chain and has been closely integrated with upstream and downstream, and share mutual benefits. Therefore, Episil-Precision is not only internationally competitive, but also effective in developing new markets.

E. High-quality product is highly recognized by customers

About quality, Episil-Precision is ISO 9001:2015 and ISO/TS16949:2016 certified.

In terms of environmental safety and health, Episil-Precision is ISO 14001:2015 and ISO 45001:2018 certified.

4. Advantages and disadvantages of development prospects and countermeasures

A. Advantages

- (A) For silicon epitaxial foundry, Episil-Precision and the subsidiaries have long-term cooperation with customers and have established good relationships, to optimize the capacity and expansion plans. °
- (B) Episil-Precision and the subsidiaries have been researching and manufacturing on epitaxy for more than 30 years and has accumulated mature technology in terms of quality and human resource. The complete foundry service enables well-known domestic and foreign companies to participate in technical cooperation. We have obtained a large number of orders and long-term orders in Japan market, and also made great efforts to develop European, American and China markets, to become a diversified market.
- (C) Silicon wafer materials market grows as global semiconductor demand continues to grow. Devices like smart phones, tablets, computers are in strong demand, making memory, processors, communications chips and other IC components in short supply, also makes semiconductor materials market continued growth.

B. Disadvantages

- (A) New competitors are coming into the market, squeezing margins. In addition, China government actively supports there domestic semiconductor industry, and the market competition becomes more fierce.

Countermeasures

- a. Episil-Precision works with customers to develop new processes and products, and work on yield improvement to enhance the competitiveness of products. In recent years, epitaxial silicon wafer technologies have been applied in many products, including energy-saving products. Episil-Precision will continue to upgrade new manufacturing processes to face competition.
- b. To develop business, adjust product portfolio, and establish strategic alliances to reduce impact from industry competition and economic.

- c. To develop the epitaxial materials and device manufacturing technologies for next generation power semiconductors, and expend mass production lines, increase product value, and avoid price competition.
- (B) Silicon wafers are essential materials for semiconductor devices. They are part of the semiconductor industry and are subject to semiconductor booms and booms..

Countermeasures

To carefully evaluate investment plans and schedule for personnel, machinery, capital and technology. Reduce the impact of business fluctuations by flexibility.

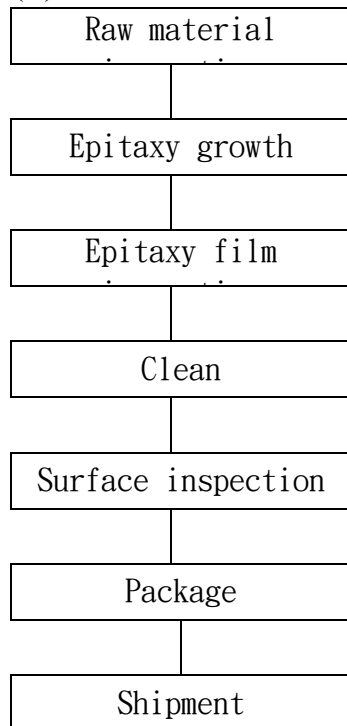
(II) Important use and production process of main products

(1) Important use of main products

The major products of Episil-Precision and subsidiary are Silicon Epitaxial Wafer, Buried Layer Epitaxial Wafer, Multi-Layer Epitaxial Wafer, GaN Epitaxial Wafer and SiC Epitaxial Wafer, which are important materials for Power Semiconductors, such as Power MOSFET, Diodes, Insulated Gate Bipolar Transistor (IGBT), and Power Management IC (PMIC).

Product	Function	Use
Silicon epitaxial wafer (Buried layer epitaxial wafer)	It can increase the breakdown voltage and maintain the fast response time of the transistor	Essential materials for power FET (field-effect transistor), small signal transistors, FRD (fast recovery diodes), CMOS (Complementary Metal-Oxide-Semiconductor), VLSI (very-large-scale integration)
Multilayer epitaxial wafer	Achieve ultra-low MOSFET on-resistance	For ultra-low resistance power FET manufacturing.
Silicon epitaxy on SOI (Silicon on Insulator)	High speed devices	For RF IC manufacturing
GaN epitaxy wafer	It can increase the breakdown voltage and 10 times better than silicon wafer, and increase the operating frequency	Suitable for applications on communication, military, aerospace, high-speed/high-voltage/high-current power
SiC epitaxy wafer	It can increase the breakdown voltage and better than GaN wafer, and reduce on-resistance	Suitable for applications on high-speed/high-voltage/ultra-high-current power, such as 1200V applications

(2)Process flow



Thickness/uniformity/resistance

Particle /Metal

(III)Raw materials supply chain

Epi is committed to stabilizing the supply of raw materials and managing and certifying suppliers. There are more than 2 suppliers to buy the raw materials with reasonable price, good quality, and rapid delivery, and to enhance competitiveness. Epi has established long-term cooperative relations with suppliers, and regularly evaluates them to ensure the stability of quality and delivery.

(IV)Names of customers with 10% or more purchases or sales and the value of purchases or sales in the past two years and their ratios: please describe the reason for the increase or decrease

1. Major Suppliers in the Last Two Calendar Years :

Unit:NT\$ thousands

Item	Company Name	Y2023			Y2024		
		Amount	Percent %	Relation with Issuer	Amount	Percent %	Relation with Issuer
1	B	338,742	18.49	None	387,855	22.28	None
2	C	NA	NA	None	238,476	13.70	None
3	A	288,484	15.75	None	225,615	12.96	None
4	Others	1,204,787	65.76		889,234	51.06	
	Net Total Supplies	1,832,013	100.00		1,741,180	100.00	

Reasons for increase or decrease: Changes in purchase amount and proportion are mainly due to changes in customer product demand.

2. Major Clients in the Last Two Calendar Years :

Unit:NT\$ thousands

Item	Company Name	Y2023			Y2024		
		Amount	Percent %	Relation with Issuer	Amount	Percent %	Relation with Issuer
1	A	NA	NA	None	604,997	14.73	Individuals who have significant influence over the Group
2	B	797,501	18.82	None	NA	NA	None
3	Others	3,439,001	81.18		3,502,473	85.27	
	Net Total Clients	4,236,502	100.00		4,107,470	100.00	

Reasons for changes: Changes in sales amount and proportion are mainly due to changes in customer product demand.

III、Human Resources：

Employees information in the most recent two years and as of the publication date of the annual report

Year		2023	2024	As of 2025/4/15
Numbers Of Employees	Operators	269	257	253
	Indirect	434	461	474
	Total	703	718	727
Average Age		39.40	40.20	41.57
Average Years of Employment		10.38	11.11	11.86
Level of Education(%)	Ph. D.	0.57%	0.42%	0.28%
	Master' s Degree	14.08%	15.60%	15.96%
	Bachelor' s & Associate Vice President' s Degree	69.13%	68.52%	68.23%
	Senior High School	14.94%	14.21%	14.16%
	Other	1.28%	1.25%	1.37%

IV、Environmental Protection Expenditure：

(I)Amount of losses and penalties for environmental pollution in the most recent year and up to the date of publication of the annual report: none.

(II)Future countermeasures and possible expenditures:

The company is committed to protecting the earth and the environment and providing safe and healthy workplaces. In the planning of the plant, we have carefully considered the pollution prevention and control facilities and treatment methods. After being reviewed by the Environmental Protection Bureau of Hsinchu County / city and the Administration Bureau of Hsinchu Science and Industry Park, we have met the statutory discharge standards and obtained the air, water, waste and poison permits. According to the law, the company has a special person responsible for the supervision and management of relevant environmental protection business, all of whom have relevant certificates. In December, 2001, Episil-Precision obtained the certification of ISO 140001. The current issue date is 2022/11/25 and the expiry date is 2025/11/24. Obtained OHSAS18001 safety and health management system certification in 2010. In March 2018, the International Organization for Standardization (ISO) announced a new version of the occupational health and safety management system (ISO 45001:2018) to replace OHSAS 18001. The company has obtained ISO45001:2018 certification in October 2019 , the current issue date

is 2022/11/25 and the expiry date is 2025/11/24. It is expected that the three-year renewal certificate will be conducted in September 2025. Whether it is the environmental management system or the occupational safety and health management system, it is regularly reviewed every year. In the future, continuous improvement actions will be taken to strengthen pollution prevention, risk control, and reduce the impact on the environment and the risk of safety and health.

(III) Protection actions for working environment and personal safety of employees:

1. The company has set up an Occupational safety and health department, which is responsible for the planning, implementation and audit of the safety and health management work in the plant area, continuously improving various safety and health measures, and creating a safe and healthy working environment.
2. In order to make the colleagues have a correct understanding of the hazards and preventive measures in the operation, the safety and health education, training, propaganda and drills should be carried out regularly every year or irregularly, so as to enhance the safety awareness and emergency response ability of the colleagues.
3. Conduct staff health examination and health promotion activities (such as health weight loss, health lecture, etc.), and provide the latest health information to take care of and improve staff's physical and mental health.
4. A professional organization shall be entrusted to monitor the working environment every half a year, divide the similar exposure groups and establish their exposure status. According to the results of exposure assessment, chemicals shall be classified and managed, and relevant protective measures and operation control shall be taken to provide a safe and comfortable working environment for employees, so as to maintain their physical and mental health.
5. Formulate annual automatic inspection schedule, formulate inspection items covering hazard prevention of machinery and equipment according to the requirements of each unit, and implement the supervision and audit mechanism to prevent accidents and meet the requirements of laws and regulations.

V、Labor and Management Relationship：

(I) Employees welfare、 further Study and training、 retirement system and its implementation， as well as labor-management agreements and employee rights：

1. Employees welfare：

(1)All employees participate in labor insurance and national health insurance：

Employees from the day they officially start to work participate in labor insurance, national health insurance and accident insurance to ensure their rights.

(2)Employees regular health check：

In order to ensure the health of employees, in addition to providing regular free health check-ups, the company also adds other specific item health check-ups for special operators.

(3) Staff training：

A. Staff training and training methods

Employees are the company's most important asset. In order to cultivate talents, the company has established complete training procedures and implemented various training courses based on the employees functions. The company's training covers orientation training, on-the-job training, external training, self-development, and certification and appraisal methods to improve the work efficiency of employees and provide customers with better product quality and services.

B. Staff training and expenditure information

Year 2024 current employees training as follows:

Items	Total	Class	Total hours	Cost(\$NT)
Talent development training	33	1	3.00	\$58,223
Function Professional Training	5,901	430	1,687.52	\$950,511
Class Management Training	1,096	30	48.50	\$545,096
Others	8,056	48	50.00	\$421,200
Total	15,086	509	1,789.02	\$1,975,030

(4) Employees welfare：

The Employee Welfare Committee provides subsidies for birthdays, marriages, childbirth, funeral ceremonies and organizes employee tours and a number

of club activities to enhance the friendship of employees and relax their bodies and minds.

2. Employee Retirement System :

Epi's retirement system is established in accordance with the Labor Pension Ordinance and protects the retirement rights of employees under the old system who are subject to the Labor Standards Act, or employees under the new system who are subject to the Labor Pension Ordinance. For employees who are subject to the old system, the employer will contribute 2% to 15% of the employee's total monthly salary to the labor retirement reserve fund account on a monthly basis. The account is earmarked for special use, and the ownership belongs to the employer, and the Bank of Taiwan (Trust Department) handles the fund's receipts, payments, custody and use. When an employee meets the retirement conditions and applies for pension from the employer, the employer can pay it from the labor retirement reserve account. For colleagues who are subject to the new system, in addition to the employer's monthly pension contribution of 6% of salary, they can voluntarily contribute pension within the range of 6%, and the full amount will be deducted from the total personal comprehensive income of the current year. The ownership of this special account belongs to labor.

3. Other important agreements :

The company has always spared no effort in protecting the rights of employees and caring for employees' body and mind. The labor-management relationship is very harmonious. The company has established an employee welfare committee to be responsible for the planning of employee welfare matters.

Use more communication and coordination methods for labor and management to ensure that both labor and management can obtain a common understanding, so that all tasks can be promoted smoothly. In addition to strengthening the communication between labor and management and cooperation team, it also attaches importance to the opinions and complaints of employees. Labor-management meetings are held regularly, and no labor-management disputes have occurred so far.

4. Other important information that helps to understand the operation of corporate social responsibility :

The company's labor relations policy has always adhered to the philosophy of sincerity, cooperation, and sharing, constantly strives to create a harmonious happy working atmosphere and living environment through internal communication, with the hope to establish a satisfactory relationship of mutual trust between employees and management to allow

all employees to enjoy the company, prosperity and growth together; Implementation of external social responsibilities is in the planning and execution of the company's various employee relationship activities, long-term donation of materials to the private Hsinchu Ren'ai Children's Home in Hsinchu City, supporting public welfare activities in the neighborhood, and participating in donations and charity sales to give back to stakeholders in the community. The total donations over the years have exceeded NT\$1.5 million. In 2024, it participated in activities of 10 charity groups and donated a total of NT\$500,000.

Item		Donation / Order
2024/3/29	Hsinchu City Catholic Renai Social Welfare Foundation	Experiential Course Craft Materials - forty sets of fluid bears and forty meal boxes
2024/4/12	WPA 【2024 World Peace Association Children's Drama Charity Performance】	20,000
2024/7/26	Eden Social Welfare Foundation 【Disability Services Program】	50,000
2024/7/26	Down Syndrome Foundation R.O.C 【2024 Full-day residential institution multi-health care program】	57,000
2024/7/26	The Garden of Hope Foundation 【Reconstruction of the lives of battered women and children】	30,000
2024/7/26	Hsinchu City Catholic Renai Social Welfare Foundation 【2024 Exhibition of Artistic Creation the Physically and Mentally Handicapped】	50,000
2024/8/30	Chang Gung University of Science and Technology Fly Recreation Guidance Club 【Little sun Environmental Education, Life Experience Camp】	50,000
2024/8/30	Children Are Us Foundation Tayuan and Hsinchu Administrative Center 【2024 Delivering Love to the Tribe: Green Life Sustainability Project】	50,000
2024/12/13	Sunshine Social Welfare Foundation 【Physical and psychological Reconstruction Service Program for Children with Burn and Facial Injuries】	64,000
2024/12/13	The Garden of Mercy Foundation 【Protecting Infants with drug addiction in child placement facility: Care and support project】	64,000

Item		Donation / Order
2024/12/13	Corporation Changhua Country Joyce-Polio Care Association 【Polio Home Fundraising Project】	65,000

(II) Losses suffered due to labor disputes in the most recent year and as of publication date of the annual report, the estimated amount and corresponding measures that may occur at present and in the future are disclosed: None

(III) Employee Code of Conduct:

1. In order to comply with the relevant regulations of listed companies such as the Securities Exchange Law, to protect the rights and interests of employees, customers and shareholders, the company has formulated a code of conduct for employees, as summarized below:

A. Corporate governance standards

Be truthful with shareholders, customers, suppliers, competitors, at all levels of government agencies and other persons or organizations that will be affected by the company's activities. Strictly abide the various laws and regulations, commit to the transparency of the company's response to external disclosure as well and respect social culture.

Uphold the principle of fair competition as the foundation of business operations, and aim to continuously provide high-quality products and services. To maintain profitability as the company's operation goal for a long time to ensure shareholder's remuneration rights.

B. Maintain the trading order and fairness of the securities market

The company has established a code of conduct for employees. Any information that may affect the market price of the company's stocks should be disclosed by the company's spokesperson. Before the authority and responsible unit announced according to law, employees should keep confidential the information learned due to their duties. Prohibited to disclose without authorization.

If an employee is an insider as defined by the stock exchange, the person must comply with the "Insider Equity Transition Reporting Operation" to handle equity changes.

C. Maintain an excellent working environment

Within the company, propaganda for political parties or politicians is not allowed, nor allowed to spread religion or recruit for charitable organizations.

Department heads above employees should avoid relatives within third-degree relatives (including) to work in the company. Employees performing non-official services should be approved by their superiors.

D. Promote social harmony

No employee of the company shall accept any form of bribery. If there is a gift for the holidays and festivals, it should be shared by all departments or given to the Welfare Committee for use in activities.

Employees shall not introduce illegal software to the company's computer system for use.

2. In order to establish an accurate concept of gender equality among colleagues and protect employee's rights and interests at work, the company provides a working environment free from sexual harassment, and formulates sexual harassment prevention, complaints and punishment measures.
3. In order to promote workplace harmony, protect all employees' workplace safety and work rights, prevent employees while performing their duties encounters internal and external workplace violence incidents. There is a 「Workplace Violence Prevention Measures」 to prevent unlawful violations.

VI、Information security management：

- (I) Describe the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.

(1) Infocom Security Risk Management Framework：

A. The company's information department is responsible for information security policy management and planning, and an information security team is responsible for information security-related incident handling and reporting.

B. Regularly report to the President on the anti-virus, disaster prevention, hacking, and leakage prevention mechanisms of information security.

(2) Information Security Policy：

Formulate information security management specifications to ensure the confidentiality and security of the company's

information assets and legal compliance, and formulate hazard handling procedures to minimize the impact.

(3) specific management plan :

- A. Endpoint device protection and control: install antivirus software, keep operating system updated, import DLP mechanisms, and file encryption security solutions.
- B. Central external control: establish a security protection platform such as Firewall, Mail Gateway, Proxy Gateway, etc.
- C. Data protection: important data is stored in different places and heterogeneous platforms through the backup system.
- D. The company regularly conducts information security publicity for colleagues, enhances information security awareness, and strengthens information security protection.

(4) 25.8 million yuan has been invested in the introduction of existing information security solutions. The annual continuous maintenance investment is 2.28 million yuan. The information security budget for 2025 includes an investment of 2.15 million yuan based on protection needs.

(II) In the most recent year and as of the date of publication of the annual report, losses, possible impacts and countermeasures due to major information security incidents: None.

VII、Important Contracts :

Nature of contract	Parties	Contract start and end date	Main contents	Restrictions and remarks
Sales contract	Company E	From 2024 to 2030	To formulate the relevant conditions, rights and obligations of both parties	None
Sales contract	Company I	From 2020 to 2030	To formulate the relevant conditions, rights and obligations of both parties	None

Five. Review of Financial Conditions, Operating Results, and Risk Management

I、Financial situation：

(I) Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference Amount	Difference %
Current Assets	4,424,395	4,306,433	117,962	2.74
Property, Plant and Equipment	2,366,182	2,020,775	345,407	17.09
Intangible assets	58,197	55,648	2,549	4.58
Other Assets	562,441	429,130	133,311	31.07
Total Assets	7,411,215	6,811,986	599,229	8.80
Current Liabilities	1,411,418	1,043,973	367,445	35.20
Long-term Liabilities	942,340	870,768	71,572	8.22
Total Liabilities	2,353,758	1,914,741	439,017	22.93
Capital stock	2,885,418	2,885,394	24	0.00
Capital surplus	1,650,774	1,614,778	35,996	2.23
Retained Earnings	523,586	398,971	124,615	31.23
Other Adjustments	(2,321)	(1,898)	(423)	22.29
Total Stockholders' Equity	5,057,457	4,897,245	160,212	3.27
<p>1. The main reasons for the major changes in assets, liabilities and stockholders' equity in the last two years (those with changes of more than 20 percent in the previous and late periods and the amount of change amounting to NT\$10 million) and their impact and future response plans</p> <p>(1) Increase in other assets :The increase was mainly due to increase of right-of-use assets in 2024.</p> <p>(2) Decrease in current liabilities: The decrease was mainly due to decrease in short-term borrowings , increase in long-term borrowings, and other payables in 2024.</p> <p>(3) Increase in total liability : The increase was mainly due to current liabilities in 2024.</p> <p>(4) Increase in retained earnings: The Increase was mainly due to increase in net profit in 2024.</p> <p>2. Future Response Plan: The above changes have no significant impact on the Company.</p>				

II、Financial performance：

(I) Analysis of Financial Performance：

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference Amount	Difference %
Net Sales	4,107,470	4,236,502	(129,032)	(3.05)
Cost of Sales	3,725,465	3,741,029	(15,564)	(0.42)
Gross Profit	382,005	495,473	(113,468)	(22.90)
Operating Expenses	309,045	312,504	(3,459)	(1.11)
Operating Income	72,960	182,969	(110,009)	(60.12)
Non-operating Income and Loss	244,951	22,646	222,305	981.65
Income Before Tax	317,911	205,615	112,296	54.61
Income tax (cost) benefits	(53,303)	(41,576)	(11,727)	28.21
Net income	264,608	164,039	100,569	61.31

(I) The main reasons for the significant changes in net sales, operating income and income before tax in the last two years (those who changed by more than 20 percent in the previous and late periods and the amount of change amounted to NT\$10 million)

- (1) Decrease in gross Profit :The decrease was mainly due to the decrease in sales in 2024.
- (2) Decrease in operating income :The decrease was mainly due to the decrease in operating gross profit in 2024.
- (3) Increase in non-operating income and loss :The increase was mainly due to gain on disposal of property, plant and equipment and exchange gain increases in 2024.
- (4) Increase in income before tax, income tax and net income: The increase was mainly due to gain on disposal of property, plant and equipment and exchange gain in 2024..

(II) Expected sales volume and basis for the coming year, possible impact on the company's future financial business and corresponding plan:

The company according to the industrial environment and the future supply and demand of the market and consider the R & D plans, business development and other related information for evaluation, set the annual sales target, the company belongs to the industry is still in the growth stage, the future will be based on the market demand changes, expand the market share, enhance the company's profitability. Due to the low profit margin of the silicon crystal industry, in addition to stabilizing production quality and reducing production costs, the company is actively expanding its customer base and continuing to lay out large customer (IDM) cooperation projects in the field of compound semiconductors to open up the blue ocean of the market.

III 、Cash Flow Analysis for the Current Year :

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year(A)	Net Cash Flow from Operating Activities (B)	Cash Outflow (C)	Cash Surplus (Deficit) (A)+(B)-(C)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
2,284,089	804,968	450,909	2,638,148	—	—
Analysis of change in cash flow in the current year:					
1. Cash Shortage Improvement Plan: The Company is expected to be not cash-free for the current year, sufficient to meet normal operating requirements.					
2. Cash liquidity analysis for the coming year: not applicable.					

IV 、Major Capital Expenditure Items:

Epi's real estate, plant and equipment additions in 2024 were all purchased for the normal operation of the Company, and there was no adverse impact on the Company's financial business..

V 、The reinvestment policy for the most recent year, the main reason for its profit or loss, improvement plan and investment plan for the next year :

The company's reinvestment under the equity method focuses on long-term strategic purposes. In the future, the company will continue to prudently evaluate reinvestment plans based on the principle of long-term strategic investment.

VI 、Analysis of Risk Management :

(I)Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures :

Unit: NT\$ thousands

Item	Export %	Exchange (profit) and loss	Total Sales	(%) of Total Sales
2024	45.50%	18,452	4,107,470	0.45%

- 1、The company regularly evaluates the bank loan interest rate, monitors the change of market interest rate at any time, and keeps close contact with the bank to strive for preferential loan interest rate. As a result, the change of interest rate has little impact on the company's profit and loss.
- 2、In terms of foreign exchange management, the company regularly evaluates and monitors the adjustment of net foreign exchange position, and when necessary, conducts derivative financial

commodity transactions for the purpose of hedging. Therefore, the exchange gains and losses are within the controllable range, which has limited impact on the company's overall profits and losses.

3、Inflation is a change in the overall economic environment that has a limited impact on the company's profits and losses.

(II) For the most recent fiscal year and up to the date of publication of the annual report, the policies, main reasons for profit or loss, and future countermeasures for engaging in high-risk, highly leveraged investment, loan of funds to others, endorsement and guarantee, and derivatives trading are as follows:

1. The company and its subsidiaries are not engaged in derivatives trading.
2. The company and its subsidiaries are not engaged in capital lending to others or external endorsement and guarantee transactions.
3. The company and its subsidiaries are not engaged in high-risk and highly leveraged investment.

(III) Future R&D plan and expected R&D Expenditure:

1. Future R&D plan:

(1) 8" GaN-on-Silicon medium and low voltage epitaxial technologies.

(2) 8" SiC-on-SiC epitaxial technologies.

(3) GaN-on-Engineered substrates epitaxial technologies.

2. The estimated R & D expense in the year of 2025 is NT\$63,214 thousand.

3. In recent years, our company has focused on developing silicon and wide bandgap epitaxy technologies, optimizing equipment, and making good progress. We will continue to expand research and development, strengthen customer trust, and grow our revenue.

(IV) The impact of major domestic and foreign policy and legal changes on the company's financial business in the most recent year and up to the date of publication of the annual report and the corresponding measures: the company and its subsidiaries continue to pay attention

to the changing trend of domestic and foreign situations and the changes of policies and laws, and take various corresponding measures. In the most recent fiscal year and up to the date of publication of the annual report, there were no significant changes in policies and laws at home and abroad, the results of which were sufficient to have a significant impact on the financial business of the company and its subsidiaries.

- (V) Impact of technological changes and industrial changes on the company's financial business in the most recent fiscal year and up to the date of publication of the annual report and corresponding measures: the company and its subsidiaries shall keep abreast of the industrial changes and market trends, and pay attention to the development and changes of relevant technologies. During the most recent fiscal year and up to the date of publication of the annual report, there were no significant technological and industrial changes, the results of which were sufficient to have a significant impact on the financial business of the company and its subsidiaries.
- (VI) In the most recent year and up to the date of publication of the annual report, the impact of corporate image change on corporate crisis management and Countermeasures: since the establishment of the company and its subsidiaries, the company has actively strengthened the operation and management of the company and its subsidiaries, and abided by relevant laws and regulations, so as to maintain a good corporate image. During the most recent fiscal year and up to the date of publication of the annual report, there was no major change in the corporate image that led to a crisis.
- (VII) Expected benefits, possible risks and Countermeasures of M & A in the most recent year and up to the date of publication of the annual report: During the most recent year and up to the date of publication of the annual report, the company and its subsidiaries did not conduct merger and acquisition.

- (VIII) Expected benefits, possible risks and Countermeasures of plant expansion in the most recent year and up to the publication date of the annual report: The expansion of the factories have been carefully evaluated, and the significant capital expenditure have been submitted to the Board of Directors for proval. The investment benefits and possible risks have been considered.
- (IX) In the most recent financial year and up to the date of publication of the annual report, the risks faced by the centralized purchase or sale of goods and the corresponding measures:
1. Purchase risk and Countermeasures: the main purchase manufacturers account for 49% of the net purchase amount. Considering the factors of product quality, purchase cost and cooperation with manufacturers, in addition to manufacturers with good long-term cooperative relationship, they also actively develop other new purchase sources to avoid the risk caused by purchase concentration.
 2. In recent years, the company has actively researched and developed energy-saving products, which have been certified by international manufacturers, and the revenue has been growing steadily. The company will also continue to develop product applications and expand customers at home and abroad, in order to avoid the risk caused by the concentration of sales.
- (X) For the most recent fiscal year and up to the date of publication of the annual report, the impact, risks and Countermeasures of the substantial transfer or replacement of shares by directors or major shareholders holding more than 10% of the shares on the company: none.
- (XI) For the most recent fiscal year and up to the date of publication of the annual report, the impact, risks and Countermeasures of the change of management right on the company: not applicable.
- (XII) In the most recent fiscal year and up to the date of publication of the annual report, the company and its directors, Presidents, substantial responsible persons, major shareholders holding more than 10% of the shares, and subordinate companies have decided or

are still in the process of major litigation, non litigation, or administrative litigation, the results of which may have a significant impact on shareholders' equity or securities prices: none.

(XIII)Other important risks and Countermeasures:

1.Risk management policy

The company and its subsidiaries have always adopted preventive policies for risk management. Strict internal control system is established in accordance with the law, and the implementation is checked by auditors. In addition, relevant insurance for specific projects, such as property insurance and cargo insurance, is insured to reduce the loss caused by risks. In addition, the company and its subsidiaries are not engaged in high-risk, highly leveraged investment and other businesses, and the subsidiaries are not allowed to lend funds to others or provide endorsement and guarantee by resolution of the board of directors.

The company and its subsidiaries shall, in accordance with the operation policy, reduce possible losses within the scope of acceptable risk exposure. On the premise of achieving a balance between risk and reward, we should achieve the operation goal, improve the shareholders' wealth and optimize the capital allocation.

2.Organizational structure of risk management

The company adopts a comprehensive risk management and control system to identify all risks (including market risk, credit risk and operational risk) and measure the value at risk of all kinds of risks, so that the management of the company can effectively control and measure the market risk, credit risk and operational risk. Therefore, a risk management team is set up, which is responsible for Responsible for risk management, the team sets limits and carries out risk management in accordance with relevant laws and regulations and the company's relevant regulations.

VII、Other important matters: None

Six. Special Disclosure

I 、Related information of related enterprises:

Please refer to the Market Observation Post System (MOPS)

https://mopsov.twse.com.tw/mops/web/t57sb01_q10. Enter the company code to search for related information.

II 、Private placement of Securities for the most recent year and up to the date of publication of the annual report: None.

III 、Other necessary supplementary notes: None.

Seven. Matters Affecting Shareholders' Equity or Stock Price : None