

Stock Code : 3016

Episil-Precision Inc.

2025 Annual Shareholders' Meeting

Meeting Handbook

(Translation)

Convening method: entity shareholders meeting

Time: 9:00 a.m.(Friday), June 13, 2025

Place: at No.17, Innovation Rd.1, Hsinchu Science Park

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Episil-Precision Inc.  
2025 Annual Shareholders' Meeting  
Meeting Agenda  
(Translation)

Convening method: entity shareholders meeting

Time: 9:00 a.m. (Friday), June 13, 2025

Place: at No.17, Innovation Rd.1, Hsinchu Science Park

I、Call Meeting to Order

II、Chairman's Address

III、Report items

(1)2024 Annual Business Report

(2)Audit Committee's review report

(3)Status reports of 2024 employees and directors compensation distribution

(4)To report 2024 earnings distribution

(5)To report obtain asset from related party

(6)To report on the execution of convertible corporate bonds

IV、Approval Items

(1)Adoption of the 2024 Business Report and Financial Statements

(2)Adoption of the Proposal for Distribution of 2024 Profits

V、Discussions Items

(1)To revise the Articles of Incorporation

VI、Electoral Items

(1)Election of directors

VII、Other Items

(1)Proposal of Release the Prohibition on Directors from Participation in Competitive Business

The chairman may order the case to be put to the vote or the whole or part of the motion to be voted on by poll before the provisional motion is moved.

VIII、Other Business and Special Motion

IX、Meeting Adjourned

## Report Items

No. 1

Proposal: 2024 Annual Business Report

Explanatory : Please refer to Attachment 1.

No. 2

Proposal: Audit Committee's review report

Explanatory : Please refer to Attachment 2.

No. 3

Proposal: Status reports of 2024 employees and directors compensation distribution.

Explanation :

1. According to Company's Articles of Incorporation article 25, "The Company shall allocate no less than 5% of profit as employees' compensation and no more than 2% of profit as directors' compensation for each profitable fiscal year."
2. Epi distribute NT\$ 27,946,655 as employees' cash compensation and NT\$ 3,493,332 as directors' compensation and there is no difference from the estimated amount in the annual financial report for the recognition of expenses.

No. 4

Proposal: To report 2024 earnings distribution.

Explanation :

1. In accordance with Article 25-1 of the articles of association, the board of directors is authorized 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.
2. It is proposed to allocate NT\$ 144,270,910 for shareholders' dividends and distribute cash dividends, with NT\$0.5 per share. The dividend base date, payment date and other related matters of cash dividends shall be separately prescribed by the chairman of the board of directors. When paying cash dividends, the total amount of dividends distributed to individual shareholders is mainly calculated as NT\$1, and less than NT\$1 is rounded down. The

abnormal amount of cash dividend less than NT\$1 will be transferred to other income of the company. The dividend distribution rate for the company's shareholders is an estimated number of 288,541,819 shares in total that are entitled to participate in the distribution as of December 31, 2024. If the number of shares that are entitled to participate in the distribution subsequently changes, which affects the distribution rate per share of shareholders, the chairman of the board is authorized full discretion.

No. 5

Proposal: To report obtain asset from related party.

Explanation :

1. In order to meet Epi's future operational needs, Epi purchased a specific building and ancillary factory facilities located at No.17, Innovation Rd.1, Hsinchu Science Park from Epi's related party, Taiwan Hi-Tech Corporation, for a pre-tax amount of NT\$450 million.
2. Please refer to Attachment 5.

No. 6

Proposal: To report on the execution of convertible corporate bonds

Explanation :

The report on the implementation of the fifth domestic unsecured convertible corporate bonds issued by the company in 2024, please refer to Attachment 6.

## Approval Items

No. 1 (Proposed by the Board of Directors)

Proposal: Adoption of the 2024 Business Report and Financial Statements.

Explanation:

1. 2024 Business Report and Financial Statements have been reviewed by the Audit Committee, and approved by the board of directors. For the related Business Report and Financial Statements, please refer to Attachments 1 and 3~4.
2. Adoption is respectively requested.

Resolution:

No. 2 (Proposed by the Board of Directors)

Proposal: Adoption of the Proposal for Distribution of 2024 Profits.

Explanation:

1. 2024 Profit Distribution Table have been reviewed by the Audit Committee, and approved by the board of directors.
2. The company's after tax surplus in 2024 is NT \$264,608,032. The profit distribution statement is as follows.

EPISIL-PRECISION INC.  
Profit Distribution Table  
Year 2024

Unit: NTD

Item	Amount
Beginning retained earnings	65,081,599
Add : Profit for the year	264,608,032
Add : actuarial amount on defined benefit plans	4,277,754
Less: Legal reserve	(26,888,579)
Less: Special reserve	(423,296)
Distributable net profit	306,655,510
Cash Dividends to Shareholders (\$0.5 per share)	(144,270,910)
Unappropriated retained earnings	162,384,600

3. Adoption is respectively requested.

Resolution:

## Discussions Items

No. 1 (Proposed by the Board of Directors)

Proposal: To revise the Articles of Incorporation.

Explanation: To revise the Articles of Incorporation. Please refer to Attachments 7.

Resolution:

## Electoral Items

No. 1 (Proposed by the Board of Directors)

Proposal: Election of directors.

Explanation:

1. The tenure of the ninth term of directors (including independent directors) of the company will expire on June 20, 2025. It is proposed that the general meeting of shareholders in 2025 will be fully re-elected, and nine directors (three of them are independent directors) will be re-elected. The term of office is three years from June 13, 2025 to June 12, 2028.
2. According to Articles 15 and 16 of the company's articles of association, the election of directors (including independent directors) adopts the candidate nomination system. The list of candidates has been reviewed and approved by the company's board of directors on February 24, 2025. This election is handled in accordance with Epi's "Director Election Measures".

Type	Name	Education	experience	number of shares
Director	Episil Technologies Inc. representative : JH Shyu	Master's degree in chemical engineering , National Cheng Kung University	Chairman of Episil-Precision Inc.	166,961,680
Director	Episil Technologies Inc. representative : David Chen	Academic degree in Solid State Physics from University of Texas, USA	Director of Episil-Precision Inc	166,961,680
Director	Episil Technologies Inc. representative : Amy Fan	Master's degree in MBA, University of Leicester	Director of Episil-Precision Inc	166,961,680
Director	Episil Technologies Inc. representative : Ci-Sian Chen	Rutgers, The State University of New Jersey Materials Science and Engineering (PHD)	Technology Director of TSMC.	166,961,680
Director	Vanguard International Semiconductor Corporation. representative : Winnie Liang	Master's degree in Administration, Fu Jen Catholic University	Director of Vanguard International Semiconductor Corporation.	10
Director	Vanguard International Semiconductor Corporation. representative : JH Chiang	Master's degree in Administration, NYCU	Director of Vanguard International Semiconductor Corporation.	10
Independent Director	Eric Hu	Master's degree in Accounting and Management Decision Group, National Taiwan University	Partnership accountant of C.J.S. CPAS & CO.	0
Independent Director	Bing-Yue Cuei	PhD, Institute of Electronics, National Chiao Tung University	Professor, Institute of Electronics, National Yang Ming Chiao Tung University	0
Independent Director	DL Zeng	Bachelor's degree in Business Administration, National Chengchi University	Vice President of Finance at Vanguard International Semiconductor Corporation.	0

Election results:



## Other Items

No. 1 (Proposed by the Board of Directors)

Proposal: Proposal of Release the Prohibition on Directors from Participation in Competitive Business.

Explanation:

1. According to the provisions of Article 209 of the Company Law: "A director shall, for himself or others, act within the scope of the company's operation, and shall explain the important contents of his act to the shareholders' meeting and obtain its permission."
2. The company's new directors may also hold the positions of directors or managers of other companies within the company's business scope. In order to take advantage of their expertise and relevant experience, it is proposed to submit to the shareholders' meeting in accordance with the law to agree to lift the competition restrictions for new directors of the company. The contents of concurrent directorships are explained as follows:

Name	Other Position
Episil Technologies Inc.	Corporate Director of Wellknown Holdings Ltd.
Episil Technologies Inc. Representative : JH Shyu	Chairman & CEO of Episil Technologies Inc. Chairman and President of Wellknown Holdings Ltd. Independent director of Ultra Chip, Inc.
Episil Technologies Inc. Representative : David Chen	Director of Episil Technologies Inc. Director of Energic Technologies Corporation. Chairman of Advanced Ion Beam Technology, Inc.
Episil Technologies Inc. Representative : Amy Fan	Vice President of Episil Technology Co., Ltd. Director of Episil Technology Co., Ltd. Chairman of Episil Technologies Inc. (Shanghai) Authorized Representative of the Corporate supervisor of CT Micro International Corporation
Episil Technologies Inc. Representative : Ci-Sian Chen	Authorized Representative of the Corporate Director of Epileds Technologies, Inc. Director of Advesc Technology Inc.

Name	Other Position
Vanguard International Semiconductor Corporation.	Corporate Director of CMSC, INC. Corporate Director of Episil Technologies Inc. Corporate Director of Winsemi. Corporate Director of Qromis, Inc. Corporate Director of VIS Associates Inc. Corporate Director of VIS Investment Holding, Inc. Corporate Director of VIS Micro, Inc. Corporate Director of VIS Shanghai Company Limited. Corporate Director of Vanguard International Semiconductor Singapore Pte. Ltd. Corporate Director of VisionPower Semiconductor Manufacturing Company Pte. Ltd.
Vanguard International Semiconductor Corporation. representative : Winnie Liang	Executive Director of VIS Shanghai Company Limited.
Eric Hu	Partnership accountant of C. J. S. CPAS & CO. Director of Kye Systems Corp. Director of Godex International Co., Ltd. Director of Scientech 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.
Bing-Yue Cui	Independent Director of Elite Semiconductor Microelectronics Technology Inc.

Resolution:

Other Business and Special Motion

Meeting Adjourned

## Attachment 1

### Episil-Precision Inc. 2024 Annual Business Report

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.

Chairman: JH Shyu

President: CT Sune

CFO: Ann Chen

Attachment 2

Audit Committee's Review Report

The Board of Directors has prepared and submitted to us the Company's 2024 Business Report, Financial Statements, and proposal for earnings distribution. Financial Statements were audited by PricewaterhouseCoopers (PwC), Taiwan, and they issued an audited report accordingly. We, as the Audit Committee of the Company, have reviewed the Business Report, Financial Statements,

and proposal for earnings distribution and do not find any discrepancies. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Submit to

Annual Meeting of Shareholders, Episil-Precision Inc.

Chairman of the Audit Committee: T.P. Chen

Date: February 24, 2025

## Attachment 3

### INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR24000479

To the Board of Directors and Shareholders of Episil-Precision Inc.

#### ***Opinion***

We have audited the accompanying consolidated balance sheets of Episil-Precision Inc. and its subsidiary (the “Group”) as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparations of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

#### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these

requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

#### **Inventory valuation**

##### Description

Please refer to Note 4(12) for description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(4) for description of inventory and allowance for inventory valuation losses. As of December 31, 2024, inventory and allowance for inventory valuation losses amounted to NT\$886,135 thousand and NT\$102,300 thousand, respectively.

The Group primarily engages in research and development, manufacture and sales of epitaxy wafers and compound semiconductor epitaxial wafers. The industry is characterised by rapidly evolving technology and is easily affected by fluctuation in market price, there is a higher risk of incurring inventory valuation losses or having obsolete inventory. The Group's inventories are measured at the lower of cost and net realisable value, and the calculation of the net realisable value used in individually obsolete inventories or inventories which are over a certain period involves subjective

judgement. Since abovementioned inventories and allowance for inventory valuation losses are significant to the financial statements, we identified allowance for inventory valuation losses a key audit matter.

#### How our audit addressed the matter

For inventory valuation losses against inventories that are over a certain period or individually obsolete, we tailored the audit scope as follows:

1. Obtained an understanding and assessed the reasonableness of Group's policies and procedures related to the provision of allowance for inventory valuation losses and the identification of obsolete and slow-moving inventory.
2. Verified whether the systematic logic used in the Group's inventory aging report is appropriate and in accordance with the Group's policies.
3. Verified a sample of separately numbered inventory items against the clearance of those inventory items and respective historical data of discounts, and compared the sample to recorded allowance for inventory valuation losses to assess the reasonableness of allowance for inventory valuation losses.

#### ***Other matter – Parent company only financial reports***

We have audited and expressed an unmodified opinion on the parent company only financial statements of Episil-Precision Inc. as at and for the years ended December 31, 2024 and 2023.

#### ***Responsibilities of management and those charged with governance for the consolidated financial statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting



Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

***Auditors' responsibilities for the audit of the consolidated financial statements***

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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Li, Tien-Yi

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Hsieh, Chih-Cheng

For and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2025

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

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

**EPISIL-PRECISION INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,638,148	36	\$ 2,284,089	34
1136	Current financial assets at amortised cost	6(2)	10,000	-	-	-
1170	Accounts receivable, net	6(3)	625,605	9	880,646	13
1180	Accounts receivable due from related parties, net	6(3) and 7	233,640	3	102,958	2
1200	Other receivables		19,297	-	27,516	-
1210	Other receivables due from related parties	7	9,978	-	10,452	-
130X	Inventories	6(4)	783,835	11	919,718	13
1410	Prepayments		96,289	1	76,673	1
1470	Other current assets		7,603	-	4,381	-
11XX	Total current assets		4,424,395	60	4,306,433	63
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income		17	-	17	-
1535	Non-current financial assets at amortised cost	6(2) and 8	19,490	-	13,583	-
1600	Property, plant and equipment	6(5)	2,366,182	32	2,020,775	30
1755	Right-of-use assets	6(6)	358,958	5	220,993	3
1760	Investment property - net	6(8)	150,474	2	155,397	2
1780	Intangible assets	6(9)	58,197	1	55,648	1
1840	Deferred income tax assets	6(26)	32,224	-	38,067	1
1920	Refundable guarantee deposits		1,278	-	1,073	-
15XX	Total non-current assets		2,986,820	40	2,505,553	37
1XXX	Total assets		\$ 7,411,215	100	\$ 6,811,986	100

(Continued)

**EPISIL-PRECISION INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(10)	\$ 45,159	1	\$ 266,950	4
2170	Accounts payable	6(11)	306,247	4	257,005	4
2180	Accounts payable to related parties	7	6,469	-	5,975	-
2200	Other payables	6(12)	460,109	6	362,648	5
2220	Other payables to related parties	7	8,216	-	32,581	-
2230	Current income tax liabilities		27,218	-	58,279	1
2280	Current lease liabilities		12,447	-	6,907	-
2320	Long-term liabilities, current portion	6(13)	497,917	7	-	-
2399	Other current liabilities, others		47,636	1	53,628	1
21XX	Total current liabilities		1,411,418	19	1,043,973	15
Non-current liabilities						
2530	Bonds payable	6(13)	468,867	6	491,143	7
2570	Deferred income tax liabilities	6(26)	33,722	1	34,868	1
2580	Non-current lease liabilities		360,940	5	225,938	3
2640	Net defined benefit liability, non-current	6(14)	50,179	1	57,962	1
2645	Guarantee deposits received		8,095	-	8,095	-
2670	Other non-current liabilities, others		20,537	-	52,762	1
25XX	Total non-current liabilities		942,340	13	870,768	13
2XXX	Total liabilities		2,353,758	32	1,914,741	28
Equity attributable to owners of parent						
	Share capital	6(15)				
3110	Share capital - common stock		2,885,418	39	2,885,394	42
	Capital surplus	6(16)				
3200	Capital surplus		1,650,774	22	1,614,778	24
	Retained earnings	6(17)				
3310	Legal reserve		187,721	3	170,583	3
3320	Special reserve		1,898	-	1,155	-
3350	Unappropriated retained earnings		333,967	4	227,233	3
	Other equity interest	6(18)				
3400	Other equity interest		( 2,321 )	-	( 1,898 )	-
3XXX	Total equity		5,057,457	68	4,897,245	72
	Significant commitments and contingencies	9				
	Significaut events after the reporting period	11				
3X2X	Total liabilities and equity		\$ 7,411,215	100	\$ 6,811,986	100

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

**EPISIL-PRECISION INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(Expressed in thousands of New Taiwan dollars)

			Year ended December 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(19) and 7		\$ 4,107,470	100	\$ 4,236,502	100
5000 Operating costs	6(4) and 7		( 3,725,465 )	( 91 )	( 3,741,029 )	( 88 )
5900 Gross profit from operation			<u>382,005</u>	<u>9</u>	<u>495,473</u>	<u>12</u>
Operating expenses	6(24)(25) and 7					
6100 Selling and marketing expenses			( 47,394 )	( 1 )	( 47,409 )	( 1 )
6200 General and administrative expenses			( 189,507 )	( 4 )	( 176,750 )	( 5 )
6300 Research and development expenses			( 72,144 )	( 2 )	( 88,345 )	( 2 )
6000 Total operating expenses			( 309,045 )	( 7 )	( 312,504 )	( 8 )
6900 Operating profit			<u>72,960</u>	<u>2</u>	<u>182,969</u>	<u>4</u>
Non-operating income and expenses						
7100 Interest income	6(20)		37,424	1	30,776	1
7010 Other income	6(21)		41,315	1	45,698	1
7020 Other gains and losses	6(22)		189,892	5	( 21,907 )	-
7050 Finance costs	6(23)		( 23,680 )	( 1 )	( 31,921 )	( 1 )
7000 Total non-operating income and expenses			<u>244,951</u>	<u>6</u>	<u>22,646</u>	<u>1</u>
7900 Profit before income tax			317,911	8	205,615	5
7950 Income tax expense	6(26)		( 53,303 )	( 1 )	( 41,576 )	( 1 )
8200 Profit for the year			<u>\$ 264,608</u>	<u>7</u>	<u>\$ 164,039</u>	<u>4</u>
Other comprehensive income, net						
8311 Gains on remeasurements of defined benefit plans	6(14)		\$ 4,277	-	\$ 7,340	-
Items may be subsequently reclassified to profit or loss						
8361 Exchange differences on translation of foreign operations	6(18)		( 423 )	-	( 743 )	-
8300 Other comprehensive income, net			<u>\$ 3,854</u>	<u>-</u>	<u>\$ 6,597</u>	<u>-</u>
8500 Total comprehensive income for the year			<u>\$ 268,462</u>	<u>7</u>	<u>\$ 170,636</u>	<u>4</u>
Profit attributable to:						
8610 Owners of the parent			<u>\$ 264,608</u>	<u>7</u>	<u>\$ 164,039</u>	<u>4</u>
Comprehensive income attributable to:						
8710 Owners of the parent			<u>\$ 268,462</u>	<u>7</u>	<u>\$ 170,636</u>	<u>4</u>
Basic earnings per share	6(27)					
9750 Basic earnings per share (in dollars)			<u>\$ 0.92</u>		<u>\$ 0.57</u>	
Diluted earnings per share	6(27)					
9850 Diluted earnings per share (in dollars)			<u>\$ 0.92</u>		<u>\$ 0.57</u>	

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

EPISIL-PRECISION INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Equity attributable to owners of the parent											
Capital surplus						Retained earnings			Financial statements translation differences of foreign operations	Total Equity	
Notes	Share capital - common stock	Additional paid-in capital	Employee stock warrants	Restricted stocks	Others	Legal reserve	Special reserve	Unappropriated retained earnings			
<u>2023</u>											
Balance at January 1, 2023		\$2,885,394	\$1,581,843	\$ 21,757	\$ 670	\$ 10,508	\$ 101,319	\$ 910	\$ 702,441	( \$ 1,155 )	\$5,303,687
Profit for the year		-	-	-	-	-	-	-	164,039	-	164,039
Other comprehensive income (loss)	6(18)	-	-	-	-	-	-	-	7,340	( 743 )	6,597
Total comprehensive income (loss)		-	-	-	-	-	-	-	171,379	( 743 )	170,636
Appropriation of 2022 earnings	6(17)										
Legal reserve		-	-	-	-	-	69,264	-	( 69,264 )	-	-
Special reserve		-	-	-	-	-	-	245	( 245 )	-	-
Cash dividends		-	-	-	-	-	-	-	( 577,078 )	-	( 577,078 )
Balance at December 31, 2023		\$2,885,394	\$1,581,843	\$ 21,757	\$ 670	\$ 10,508	\$ 170,583	\$ 1,155	\$ 227,233	( \$ 1,898 )	\$4,897,245
<u>2024</u>											
Balance at January 1, 2024		\$2,885,394	\$1,581,843	\$ 21,757	\$ 670	\$ 10,508	\$ 170,583	\$ 1,155	\$ 227,233	( \$ 1,898 )	\$4,897,245
Profit for the year		-	-	-	-	-	-	-	264,608	-	264,608
Other comprehensive income (loss)	6(18)	-	-	-	-	-	-	-	4,277	( 423 )	3,854
Total comprehensive income (loss)		-	-	-	-	-	-	-	268,885	( 423 )	268,462
Appropriation of 2023 earnings	6(18)										
Legal reserve		-	-	-	-	-	17,138	-	( 17,138 )	-	-
Special reserve		-	-	-	-	-	-	743	( 743 )	-	-
Cash dividends		-	-	-	-	-	-	-	( 144,270 )	-	( 144,270 )
Conversion of corporate bonds	6(13)(15)(16)	24	285	( 13 )	-	-	-	-	-	-	296
Issuance of corporate bonds	6(13)	-	-	35,724	-	-	-	-	-	-	35,724
Balance at December 31, 2024		\$2,885,418	\$1,582,128	\$ 57,468	\$ 670	\$ 10,508	\$ 187,721	\$ 1,898	\$ 333,967	( \$ 2,321 )	\$5,057,457

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



EPISIL-PRECISION INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 317,911	\$ 205,615
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(5)(6)(8)(24)	432,676	499,742
Amortisation expense	6(9)(24)	3,551	2,520
Finance costs	6(23)	23,680	31,921
Interest income	6(20)	( 37,424 )	( 30,776 )
Gain on disposal of property, plant and equipment	6(22)	( 183,293 )	( 1,599 )
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		255,041	145,294
Accounts receivable due from related parties	(	130,682 )	104,841
Other receivables		8,586	434
Other receivables due from related parties		474	( 1,980 )
Inventories		135,883	27,358
Prepayments	(	19,616 )	16,817
Other current assets	(	3,222 )	5,385
Changes in operating liabilities			
Accounts payable		49,242	( 162,134 )
Accounts payable to related parties		494	4,090
Other payables		79,752	( 146,401 )
Other payables to related parties	(	24,365 )	( 3,502 )
Other current liabilities	(	38,216 )	( 35,679 )
Net defined benefit liability	(	3,506 )	( 2,036 )
Cash inflow generated from operations		866,966	659,910
Interest received		37,038	30,392
Interest paid	(	19,369 )	( 25,422 )
Income taxes paid	(	79,667 )	( 111,212 )
Net cash flows from operating activities		804,968	553,668

(Continued)

EPISIL-PRECISION INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial asset at amortised cost	6(2)	( \$ 35,887 )	( \$ 2,622 )
Proceeds from disposal of financial assets measured at amortised cost		20,000	2,622
Acquisition of property, plant and equipment	6(28)	( 824,165 )	( 608,688 )
Proceeds from disposal of property, plant and equipment	6(22)	270,224	2,460
Acquisition of intangible assets	6(9)	( 3,220 )	( 5,648 )
(Increase) decrease in refundable guarantee deposits		( 205 )	35
Net cash flows used in investing activities		( 573,253 )	( 611,841 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(29)	929,375	1,085,310
Decrease in short-term borrowings	6(29)	( 1,151,166 )	( 996,984 )
Proceeds from issuance of corporate bonds	6(29)	499,755	-
Payments of lease liabilities	6(29)	( 10,927 )	( 9,654 )
Cash dividends paid	6(17)	( 144,270 )	( 577,078 )
Net cash flows from (used in) financing activities		122,767	( 498,406 )
Effect of exchange rate changes		( 423 )	( 743 )
Net increase (decrease) in cash and cash equivalents		354,059	( 557,322 )
Cash and cash equivalents at beginning of year	6(1)	2,284,089	2,841,411
Cash and cash equivalents at end of year	6(1)	<u>\$ 2,638,148</u>	<u>\$ 2,284,089</u>

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

## Attachment 4

### INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR24000396

To the Board of Directors and Shareholders of Episil-Precision Inc.

#### ***Opinion***

We have audited the accompanying parent company only balance sheets of Episil-Precision Inc. (the “Company”) as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

#### **Inventory valuation**

##### Description

Please refer to Note 4(11) for description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(4) for description of inventory and allowance for inventory valuation losses. As of December 31, 2024, inventory and allowance for inventory valuation losses amounted to NT\$886,135 thousand and NT\$102,300 thousand, respectively.

The Company primarily engages in research and development, manufacture and sales of silicon epitaxy wafers and compound semiconductor epitaxial wafer. The industry is characterised by rapidly evolving technology and is easily affected by fluctuation in market price, there is a higher risk of incurring inventory valuation losses or having obsolete inventory. The Company's inventories are measured at the lower of cost and net realisable value, and the calculation of the net realisable value used in individually obsolete inventories or inventories which are over a certain period involves subjective judgement. Since abovementioned inventories and allowance for inventory valuation losses are significant to the financial statements, we identified allowance for inventory valuation losses a key audit matter.

#### How our audit addressed the matter

For inventory valuation losses against inventories that are over a certain period or individually obsolete, we tailored the audit scope as follows:

1. Obtained an understanding and assessed the reasonableness of Company's policies and procedures related to the provision of allowance for inventory valuation losses and the identification of obsolete and slow-moving inventory.
2. Verified whether the systematic logic used in the Company's inventory aging report is appropriate and in accordance with the Company's policies.
3. Verified a sample of separately numbered inventory items against the clearance of those inventory items and respective historical data of discounts, and compared the sample to recorded allowance for inventory valuation losses to assess the reasonableness of allowance for inventory valuation losses.

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

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

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

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

### ***Auditors' responsibilities for the audit of the parent company only financial statements***

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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Li, Tien-Yi

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Hsieh, Chih-Cheng

For and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2025

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

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



EPISIL-PRECISION INC.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 2,603,976	35	\$ 2,239,419	33
1136	Current financial assets at amortised cost	6(2)	10,000	-	-	-
1170	Accounts receivable, net	6(3)	608,073	8	759,028	11
1180	Accounts receivable due from related parties, net	7	270,058	4	259,805	4
1200	Other receivables		17,678	-	20,841	-
1210	Other receivables due from related parties	7	9,978	-	10,452	-
130X	Inventories	6(4)	783,835	11	919,718	14
1410	Prepayments		96,179	2	76,595	1
1470	Other current assets		7,603	-	4,381	-
11XX	Total current assets		4,407,380	60	4,290,239	63
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income		17	-	17	-
1535	Non-current financial assets at amortised cost		19,490	-	13,583	-
1550	Investments accounted for using equity method	6(5)	11,396	-	12,763	-
1600	Property, plant and equipment	6(6)	2,366,182	32	2,020,775	30
1755	Right-of-use assets	6(7)	358,958	5	220,993	3
1760	Investment property - net	6(9)	150,474	2	155,397	2
1780	Intangible assets	6(10)	58,197	1	55,648	1
1840	Deferred income tax assets	6(27)	32,224	-	38,067	1
1920	Refundable guarantee deposits		794	-	572	-
15XX	Total non-current assets		2,997,732	40	2,517,815	37
1XXX	Total assets		\$ 7,405,112	100	\$ 6,808,054	100

(Continued)

EPISIL-PRECISION INC.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>						
2100	Short-term borrowings	6(11)	\$ 45,159	1	\$ 266,950	4
2170	Accounts payable	6(12)	306,247	4	256,976	4
2180	Accounts payable to related parties	7	706	-	2,475	-
2200	Other payables	6(13)	459,954	6	362,575	5
2220	Other payables to related parties	7	8,216	-	32,581	-
2230	Current income tax liabilities		27,210	-	58,203	1
2280	Current lease liabilities		12,447	-	6,907	-
2320	Long-term liabilities, current portion	6(14)	497,917	7	-	-
2399	Other current liabilities, others		47,459	1	53,374	1
21XX	<b>Total current liabilities</b>		<u>1,405,315</u>	<u>19</u>	<u>1,040,041</u>	<u>15</u>
<b>Non-current liabilities</b>						
2530	Bonds payable	6(14)	468,867	6	491,143	7
2570	Deferred income tax liabilities	6(27)	33,722	1	34,868	1
2580	Non-current lease liabilities		360,940	5	225,938	3
2640	Net defined benefit liability, non-current	6(15)	50,179	1	57,962	1
2645	Guarantee deposits received		8,095	-	8,095	-
2670	Other non-current liabilities, others		20,537	-	52,762	1
25XX	<b>Total non-current liabilities</b>		<u>942,340</u>	<u>13</u>	<u>870,768</u>	<u>13</u>
2XXX	<b>Total liabilities</b>		<u>2,347,655</u>	<u>32</u>	<u>1,910,809</u>	<u>28</u>
<b>Equity attributable to owners of parent</b>						
	Share capital	6(16)				
3110	Share capital - common stock		2,885,418	39	2,885,394	42
	Capital surplus	6(17)				
3200	Capital surplus		1,650,774	22	1,614,778	24
	Retained earnings	6(18)				
3310	Legal reserve		187,721	3	170,583	3
3320	Special reserve		1,898	-	1,155	-
3350	Unappropriated retained earnings		333,967	4	227,233	3
	Other equity interest	6(19)				
3400	Other equity interest		( 2,321 )	-	( 1,898 )	-
3XXX	<b>Total equity</b>		<u>5,057,457</u>	<u>68</u>	<u>4,897,245</u>	<u>72</u>
	Significant commitments and contingencies	9				
	Significant events after the reporting period	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 7,405,112</u>	<u>100</u>	<u>\$ 6,808,054</u>	<u>100</u>

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

EPISIL-PRECISION INC.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

		Year ended December 31			
Items	Notes	2024		2023	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(20) and 7	\$ 4,020,598	100	\$ 4,217,444	100
5000 Operating costs	6(4) and 7	( 3,644,845 )	( 91 )	( 3,731,263 )	( 89 )
5900 Gross profit from operation		<u>375,753</u>	<u>9</u>	<u>486,181</u>	<u>11</u>
Operating expenses	6(25)(26) and 7				
6100 Selling and marketing expenses		( 41,330 )	( 1 )	( 40,970 )	( 1 )
6200 General and administrative expenses		( 189,507 )	( 4 )	( 176,750 )	( 4 )
6300 Research and development expenses		( 72,144 )	( 2 )	( 88,345 )	( 2 )
6000 Total operating expenses		<u>( 302,981 )</u>	<u>( 7 )</u>	<u>( 306,065 )</u>	<u>( 7 )</u>
6900 Operating profit		<u>72,772</u>	<u>2</u>	<u>180,116</u>	<u>4</u>
Non-operating income and expenses					
7100 Interest income	6(21)	37,419	1	30,774	1
7010 Other income	6(22)	41,311	1	45,693	1
7020 Other gains and losses	6(23)	191,014	5	21,002	-
7050 Finance costs	6(24)	( 23,679 )	( 1 )	( 31,908 )	( 1 )
7070 Share of (loss)/profit of associates and joint ventures accounted for using equity method	6(5)	( 944 )	-	1,376	-
7000 Total non-operating income and expenses		<u>245,121</u>	<u>6</u>	<u>24,933</u>	<u>1</u>
7900 Profit before income tax		<u>317,893</u>	<u>8</u>	<u>205,049</u>	<u>5</u>
7950 Income tax expense	6(27)	( 53,285 )	( 1 )	( 41,010 )	( 1 )
8200 Profit for the year		<u>\$ 264,608</u>	<u>7</u>	<u>\$ 164,039</u>	<u>4</u>
<b>Other comprehensive income, net</b>					
<b>Components of other comprehensive income (loss) that may not be reclassified to profit or loss</b>					
8311 Gains (losses) on remeasurements of defined benefit plans	6(15)	\$ 4,277	-	\$ 7,340	-
<b>Components of other comprehensive income (loss) that may be reclassified to profit or loss</b>					
8361 Exchange differences on translation of foreign operations	6(19)	( 423 )	-	( 743 )	-
8300 Other comprehensive income, net		<u>\$ 3,854</u>	<u>-</u>	<u>\$ 6,597</u>	<u>-</u>
8500 Total comprehensive income for the year		<u>\$ 268,462</u>	<u>7</u>	<u>\$ 170,636</u>	<u>4</u>
Basic earnings per share					
9750 Basic earnings per share (in dollars)	6(28)	\$ 0.92		\$ 0.57	
Diluted earnings per share					
9850 Basic earnings per share (in dollars)	6(28)	\$ 0.92		\$ 0.57	

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

EPISIL-PRECISION INC.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Capital surplus				Retained earnings			Financial statements translation differences of foreign operations	Total equity	
Notes	Share capital - common stock	Additional paid-in capital	Warrants	Restricted stock	Others	Legal reserve	Special reserve	Unappropriated retained earnings			
<u>2023</u>											
		\$ 2,885,394	\$ 1,581,843	\$ 21,757	\$ 670	\$ 10,508	\$ 101,319	\$ 910	\$ 702,441	( \$ 1,155 )	\$ 5,303,687
		-	-	-	-	-	-	-	164,039	-	164,039
	6(15)(19)	-	-	-	-	-	-	-	7,340	( 743 )	6,597
		-	-	-	-	-	-	-	171,379	( 743 )	170,636
	6(18)										
		-	-	-	-	-	69,264	-	( 69,264 )	-	-
		-	-	-	-	-	-	245	( 245 )	-	-
		-	-	-	-	-	-	-	( 577,078 )	-	( 577,078 )
		\$ 2,885,394	\$ 1,581,843	\$ 21,757	\$ 670	\$ 10,508	\$ 170,583	\$ 1,155	\$ 227,233	( \$ 1,898 )	\$ 4,897,245
<u>2024</u>											
		\$ 2,885,394	\$ 1,581,843	\$ 21,757	\$ 670	\$ 10,508	\$ 170,583	\$ 1,155	\$ 227,233	( \$ 1,898 )	\$ 4,897,245
		-	-	-	-	-	-	-	264,608	-	264,608
	6(15)(19)	-	-	-	-	-	-	-	4,277	( 423 )	3,854
		-	-	-	-	-	-	-	268,885	( 423 )	268,462
	6(18)										
		-	-	-	-	-	17,138	-	( 17,138 )	-	-
		-	-	-	-	-	-	743	( 743 )	-	-
		-	-	-	-	-	-	-	( 144,270 )	-	( 144,270 )
	6(14)(16)(17)	24	285	( 13 )	-	-	-	-	-	-	296
	6(14)	-	-	35,724	-	-	-	-	-	-	35,724
		\$ 2,885,418	\$ 1,582,128	\$ 57,468	\$ 670	\$ 10,508	\$ 187,721	\$ 1,898	\$ 333,967	( \$ 2,321 )	\$ 5,057,457

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

EPISIL-PRECISION INC.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 317,893	\$ 205,049
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(25)	432,676	499,742
Amortisation expense	6(25)	3,551	2,520
Finance costs	6(24)	23,679	31,908
Interest income	6(21)	( 37,419 )	( 30,774 )
Share of loss (profit) of associates and joint ventures accounted for using equity method	6(5)	944	( 1,376 )
Gain on disposal of property, plant and equipment	6(23)	( 183,293 )	( 1,599 )
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		150,955	230,851
Accounts receivable due from related parties	(	10,253 )	22,096
Other receivables		3,531	3,871
Other receivables due from related parties		474	( 1,980 )
Inventories		135,883	27,358
Prepayments	(	19,584 )	16,813
Other current assets	(	3,222 )	5,385
Changes in operating liabilities			
Accounts payable		49,271	( 161,789 )
Accounts payable to related parties	(	1,769 )	877
Other payables		79,670	( 146,397 )
Other payables to related parties	(	24,365 )	( 3,706 )
Other current liabilities	(	38,140 )	( 33,024 )
Net defined benefit liability	(	3,506 )	( 2,036 )
Cash inflow generated from operations		876,976	663,789
Interest received		37,033	30,390
Interest paid	(	19,368 )	( 25,410 )
Income taxes paid	(	79,581 )	( 109,804 )
Net cash flows from operating activities		815,060	558,965

(Continued)

EPISIL-PRECISION INC.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial asset at amortised cost	6(2)	( \$ 35,887 )	( \$ 2,622 )
Proceeds from disposal of financial assets measured at amortised cost		20,000	2,622
Acquisition of property, plant and equipment	6(29)	( 824,165 )	( 608,688 )
Proceeds from disposal of property, plant and equipment		270,224	2,460
Acquisition of intangible assets	6(10)	( 3,220 )	( 5,648 )
Increase in refundable guarantee deposits		( 222 )	-
Net cash flows used in investing activities		( 573,270 )	( 611,876 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(30)	929,375	1,085,310
Decrease in short-term borrowings	6(30)	( 1,151,166 )	( 996,984 )
Proceeds from issuance of corporate bonds	6(30)	499,755	-
Payment of lease liabilities	6(30)	( 10,927 )	( 9,654 )
Cash dividends paid	6(18)	( 144,270 )	( 577,078 )
Net cash flows from (used in) financing activities		122,767	( 498,406 )
Net increase (decrease) in cash and cash equivalents		364,557	( 551,317 )
Cash and cash equivalents at beginning of year	6(1)	2,239,419	2,790,736
Cash and cash equivalents at end of year	6(1)	<u>\$ 2,603,976</u>	<u>\$ 2,239,419</u>

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

## Attachment 5

Epi acquires assets from related parties in accordance with Article 6 of the "Related Party Transaction Management Operation Rules ". Please refer to the table below for details:

Purpose, necessity and expected benefits of acquiring or disposing of assets	<p>Purpose: To expand compound semiconductor business and enhance production capacity and international competitiveness.</p> <p>Necessity: The existing plant space is insufficient to meet the needs of compound epitaxial wafer expansion.</p> <p>Expected benefits:</p> <p>(1) Expand compound semiconductor production capacity.</p> <p>(2) Quickly acquire factory buildings and facilities for expansion and seize business opportunities.</p>
Reasons for selecting related persons as transaction partners	<p>In order to expand our compound semiconductor business, we need to increase investment in factory buildings and plant facilities. The related party intends to sell its factory located in the Science Park . In order to facilitate management within the park, the related party' s factory and factory facilities are purchased.</p>
Transaction Conditions Reasonableness Assessment Materials	<p>(1) According to the valuation report of an external professional valuation company, the difference between the valuation amount of the factory buildings and plant facilities in this case and the transaction amount is only 1.13% of the transaction amount.</p> <p>(2) The factory building built by the related party was built more than five years before the estimated contract date of this transaction, and the appraisal results show that the transaction cost of obtaining the property inventory of the related party is not lower than the transaction price.</p>
The original acquisition date and price of the related party, the transaction object and its relationship with the company and	<p>The factory building was built by the related party and there was no previous transaction, so it is not applicable.</p>

the related party																																																																																					
Forecast for each month of the next year starting from the expected contract month, and evaluate the necessity of the transaction and the rationality of capital utilization	<div>Forecast:</div> <div>Unit: NT\$ million</div> <table><tr><td></td><td>113.06</td><td>113.07</td><td>113.08</td><td>113.09</td><td>113.10</td><td>113.11</td><td>113.12</td><td>114.01</td><td>114.02</td><td>114.03</td><td>114.04</td><td>114.05</td><td>114.06</td></tr><tr><td>Cash at beginning of year</td><td>2,515</td><td>2,641</td><td>3,057</td><td>2,944</td><td>3,023</td><td>2,606</td><td>2,596</td><td>2,638</td><td>2,361</td><td>2,417</td><td>2,513</td><td>1,935</td><td>1,942</td></tr><tr><td>Net cash flows (used in)/from operating activities</td><td>31</td><td>161</td><td>47</td><td>20</td><td>96</td><td>59</td><td>50</td><td>(45)</td><td>64</td><td>104</td><td>24</td><td>8</td><td>41</td></tr><tr><td>Net cash flows (used in) from investing &amp; financing activities</td><td>94</td><td>255</td><td>(161)</td><td>59</td><td>(512)</td><td>(69)</td><td>(8)</td><td>(232)</td><td>(7)</td><td>(8)</td><td>(603)</td><td>(1)</td><td>(17)</td></tr><tr><td>Net (decrease) increase in cash</td><td>126</td><td>416</td><td>(113)</td><td>80</td><td>(417)</td><td>(11)</td><td>42</td><td>(277)</td><td>56</td><td>96</td><td>(579)</td><td>8</td><td>24</td></tr><tr><td>Cash at end of year</td><td>2,641</td><td>3,057</td><td>2,944</td><td>3,023</td><td>2,606</td><td>2,596</td><td>2,638</td><td>2,361</td><td>2,417</td><td>2,513</td><td>1,935</td><td>1,942</td><td>1,967</td></tr></table> <div>Necessity of the transaction: To expand the company’s compound epitaxial wafer business and solve problems such as insufficient factory space, the purchase of new factories and facilities is in line with long-term development plans. Reasonable use of funds: The company’s cash position at the time of signing the contract plus the estimated net cash inflow from operations in 2014 are sufficient to cover the funds required for the purchase of the factory and factory facilities. After evaluation, the operational expansion needs and capital allocation are in compliance with the regulations of the competent authorities.</div>		113.06	113.07	113.08	113.09	113.10	113.11	113.12	114.01	114.02	114.03	114.04	114.05	114.06	Cash at beginning of year	2,515	2,641	3,057	2,944	3,023	2,606	2,596	2,638	2,361	2,417	2,513	1,935	1,942	Net cash flows (used in)/from operating activities	31	161	47	20	96	59	50	(45)	64	104	24	8	41	Net cash flows (used in) from investing & financing activities	94	255	(161)	59	(512)	(69)	(8)	(232)	(7)	(8)	(603)	(1)	(17)	Net (decrease) increase in cash	126	416	(113)	80	(417)	(11)	42	(277)	56	96	(579)	8	24	Cash at end of year	2,641	3,057	2,944	3,023	2,606	2,596	2,638	2,361	2,417	2,513	1,935	1,942	1,967
	113.06	113.07	113.08	113.09	113.10	113.11	113.12	114.01	114.02	114.03	114.04	114.05	114.06																																																																								
Cash at beginning of year	2,515	2,641	3,057	2,944	3,023	2,606	2,596	2,638	2,361	2,417	2,513	1,935	1,942																																																																								
Net cash flows (used in)/from operating activities	31	161	47	20	96	59	50	(45)	64	104	24	8	41																																																																								
Net cash flows (used in) from investing & financing activities	94	255	(161)	59	(512)	(69)	(8)	(232)	(7)	(8)	(603)	(1)	(17)																																																																								
Net (decrease) increase in cash	126	416	(113)	80	(417)	(11)	42	(277)	56	96	(579)	8	24																																																																								
Cash at end of year	2,641	3,057	2,944	3,023	2,606	2,596	2,638	2,361	2,417	2,513	1,935	1,942	1,967																																																																								
Valuation report issued by a professional appraiser or an accountant’s opinion	(1)Obtain a real estate (building) valuation report issued by a professional appraiser or an accountant’s opinion. (2)Obtain the valuation report of movable property (ancillary factory facilities) of Guolin Asset Services Co., Ltd. (3)Obtain a price reasonableness opinion from Yunyang United Accounting Firm.																																																																																				
Restrictions and other important agreements of this transaction	Delivery or payment terms: in accordance with the contract signed by the buyer and seller Contractual restrictions and other important stipulations: None																																																																																				



## Attachment 6

Please refer to the following table for details of the main conditions of the fifth domestic unsecured convertible corporate bond issuance, the conversion situation and the implementation of the capital utilization plan:

Corporate bond type	The fifth domestic unsecured conversion of corporate bonds (EPI5/30165 )
Date issued	2024/7/26
Face value	NT\$ 100,000
Total	NT\$ 500,000,000
Interest rate	0%
Duration	3 years/due date : 2027/07/26
Reason	Purchase of machinery and equipment and related installation projects
Conversion price	NT\$ 72.6
Repayment method	Unless the bondholders convert the convertible corporate bonds to the Company' s common shares in accordance with Article 10 of the Issuance and Conversion Regulations, or the bonds have been repurchased and cancelled by TPEx, the bonds shall be redeemed on maturity in cash at par value.
Outstanding principal	NT\$ 500,000,000
Terms for redemption or early repayment	Please refer to the fifth Domestic Unsecured Convertible Corporate Bond Issuance and Conversion Measures
convert target	Epi' s Ordinary shares
Conversion situation	As of the closing date (April 15, 2025), 0 shares have been converted.
Execution of the capital utilization plan	The NT\$500 million raised will be used to purchase machinery and equipment and related installation projects, which are expected to be completed in the second quarter of 2025. As of the first quarter of 2025, the actual implementation progress is 69.47%

## Attachment 7

## EPISIL-PRECISION INC.

## 「Articles of Incorporation」

## Comparison table before and after revision

Article No.	original Articles	Amended Articles	Amendment reason
Article 19	A resolution of the board of directors shall be approved by a majority of the directors present, except as otherwise provided by the company law and under the circumstances specified in Article 22. If a director is unable to attend the board meeting for some reason, he may issue a power of attorney, list the scope of authorization for the reasons for convening the meeting, and entrust other directors to attend the board meeting on his behalf, provided that one person is entrusted by one person. The meeting of the board of directors of the company may be convened in writing, by e-mail or by fax.	A resolution of the board of directors shall be approved by a majority of the directors present, except as otherwise provided by the related laws. If a director is unable to attend the board meeting for some reason, he may issue a power of attorney, list the scope of authorization for the reasons for convening the meeting, and entrust other directors to attend the board meeting on his behalf, provided that one person is entrusted by one person. The meeting of the board of directors of the company may be convened in writing, by e-mail or by fax.	The board of directors' resolutions are amended to comply with relevant laws and regulations
Article 22	<del>Resolutions on major matters of the company shall be approved by more than two thirds of the directors present and more than half of the directors present. The major issues of special resolution in accordance with this article are as follows: 1. Change of articles of association. 2. Preparing budgets and final accounts. 3. The dissolution of the company and the proposed merger with other companies. 4. Propose a plan for distributing surplus or making up loss. 5. Approval of endorsement, acceptance, warranty and undertaking in the name of the Company. 6. Acquisition, transfer and grant of patent rights for specialized technology with other companies or designated persons, and approval and amendment of technical cooperation contracts. 7. Approval to reinvest in other undertakings.</del>	<u>This corporation may take out liability insurance for the directors in respect of their liability for compensation in accordance with the law.</u>	Delete the original article and replace it with the original Article 22-1

Article No.	original Articles	Amended Articles	Amendment reason
Article 22-1	This corporation may take out liability insurance for the directors in respect of their liability for compensation in accordance with the law.	The remuneration of all directors shall be authorized to be determined by the board meeting in accordance with the normal level of payment of the same industry.	Delete the content of Article 22 and adjust the article number
Article 22-2	The remuneration of all directors shall be authorized to be determined by the board meeting in accordance with the normal level of payment of the same industry.		Delete the content of Article 22 and adjust the article number
Article 25	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.	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. <u>Of the employee remuneration amount referred to in the preceding paragraph, no less than 1% shall be set aside for the distribution of remuneration to grassroots employees.</u>	Amendment to Article 14, Paragraph 6 of the Securities and Exchange Act
Article 30	This chapter is first enacted on October 15st, 1998; first revised on May 28st, 2001; second revision on April 23th, 2002; third revision on April 28th, 2006; fourth revision on May 30th, 2007; fifth revision on June 11th, 2008; sixth revision on June 25th, 2010; 7th revision on June 12th, 2012; eighth revision on September 24th, 2015; ninth revision on February 23th, 2016; tenth revision on June 16th, 2016; eleventh revision on June 14th, 2019; twelfth revision on June 12th, 2020; thirteenth revision on May 31th, 2023;	This chapter is first enacted on October 15st, 1998; first revised on May 28st, 2001; second revision on April 23th, 2002; third revision on April 28th, 2006; fourth revision on May 30th, 2007; fifth revision on June 11th, 2008; sixth revision on June 25th, 2010; 7th revision on June 12th, 2012; eighth revision on September 24th, 2015; ninth revision on February 23th, 2016; tenth revision on June 16th, 2016; eleventh revision on June 14th, 2019; twelfth revision on June 12th, 2020; thirteenth revision on May 31th, 2023; <u>fourteenth revision on June 13th, 2025</u>	Add revision date

## Appendix 1

### Episil-Precision Inc. Rules and Procedures of Shareholders' Meeting

- 1 Shareholders' Meeting of the Company (the "Meeting" ) shall be conducted in accordance with these Rules and Procedures.
- 2 Shareholders attending the meeting must submit a sign-in card in lieu of signing in. The number of shares in attendance is calculated based on the number of signed-in cards paid and the number of shares registered on the video conferencing platform, plus the number of shares for which voting rights have been exercised in writing or electronically.
- 3 The attendance and votes of the shareholders meeting are calculated on the basis of the shares.
- 4 The Meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the Meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.  
When the Company convenes a video conference of shareholders, it is not subject to the restrictions on the venue mentioned in the preceding paragraph.
- 5 If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson of the Board of Directors. When the Chairperson by reason of leave or otherwise is unable to exercise such power of office, the Chairperson shall designate a Director as chair of the meeting, failing which the Directors shall select one of their number to chair the meeting.  
If a shareholders' meeting is convened by any person, other than the Board of Directors, entitled to convene such a meeting, the meeting shall be chaired by that person.
- 6 The Company may appoint designated counsel, CPA or other related persons to attend the Meeting.  
Persons handling affairs of the Meeting shall wear identification cards or badges.
- 7 The shareholders' meeting shall record and videotape the entire shareholder registration process, meeting proceedings, and voting counting process continuously and continuously from the time the shareholder registration is accepted, and keep it for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189

of the Company Law, the lawsuit shall be preserved until the lawsuit is concluded.

If the shareholders' meeting is held by video conference, the company should record and save the shareholders' registration, registration, check-in, questions, voting and company vote counting results, etc., and record and videotape the entire video conference continuously during the existence of the company. Keep it properly.

- 8 Chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet constituted the quorum at the time scheduled for the Meeting, the chairman may postpone the time for the Meeting. The postponements shall be limited to two times at the most and Meeting shall not be postponed for longer than one hour in the aggregate. If after two postponements no quorum can yet be constituted but the shareholders present at the Meeting represent more than one - third of the total outstanding shares, tentative resolutions may be made in accordance with Section 1 of Article 175 of the Company Law of the Republic of China.

The aforesaid tentative resolutions shall be executed in accordance with relevant provisions of the Company Law of the Republic of China.

If during the process of the Meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairman may submit the tentative resolutions to the Meeting for approval in accordance with Article 174 of the Company Law of the Republic of China.

- 9 The agenda of the Meeting shall be set by the Board of Directors if the Meeting is convened by the Board of Directors. Unless otherwise resolved at the Meeting, the Meeting shall proceed in accordance with the agenda. The above provision applies mutatis mutandis to cases where the Meeting is convened by any person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved at the Meeting, the chairman cannot announce adjournment of the Meeting before all the discussion items (including special motions) listed in the agenda are resolved.

The shareholders cannot designate any other person as chairman and continue the Meeting in the same or other place after the Meeting is adjourned. However, in the event that the Chairman adjourns the Meeting in violation of these Rules and Procedures, the shareholders may

designate, by a majority of votes represented by shareholders attending the Meeting, one person as chairman to continue the Meeting.

- 10 When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.

If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.

- 11 Each shareholder may not speak more than twice on the same resolution without the consent of the chairman, and each speech shall not exceed five minutes. If a shareholder's speech violates the provisions of the preceding paragraph or goes beyond the scope of the topic, the chairman may stop him from speaking.

If the shareholders' meeting is held by video conference, shareholders participating in the video conference may ask questions in text on the video conference platform of the shareholders' meeting after the chairman announces the opening of the meeting and before announcing the adjournment of the meeting. The number of questions for each proposal shall not exceed two times. It is limited to 200 words, and the provisions of Article 10 and Paragraph 1 of this Article do not apply.

- 12 Any legal entity designated as proxy by a shareholder(s) to be present at the Meeting may appoint only one representative to attend the Meeting.

If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

- 13 After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.
- 14 The chairman may announce to end the discussion of any resolution and go into voting if the Chairman deems it appropriate.
- 15 The supervisors and counting personnel for voting on proposals shall be

designated by the chairman, but the supervisors shall have the status of shareholders.

The counting of votes for shareholders' meetings or election proposals shall be conducted in a public place at the shareholders' meeting, and after the vote counting is completed, the voting results, including the statistical weights, shall be announced on the spot and recorded.

16 In the course of the meeting, the chairman may declare a rest at a time of his discretion.

17 Unless otherwise stipulated by the Company Law and the Articles of Association of the Company, voting on proposals shall be passed with the consent of more than half of the voting rights of the shareholders present.

When voting, the chairman or his designee shall announce the total number of voting rights of the shareholders present on a case-by-case basis, and then the shareholders shall vote on a case-by-case basis.

The company convenes a video conference of shareholders. Shareholders participating in the video conference should vote on various proposals and election proposals through the video conferencing platform after the chairman announces the meeting. The voting should be completed before the chairman announces the end of voting. Overtime Those who do so will be deemed to have abstained.

If the shareholders' meeting is held via video conference, the votes shall be counted in one go and the voting and election results shall be announced after the chairman announces the end of the voting.

18 If there is amendment to or substitute for a discussion item, the chairman shall decide the sequence of voting for such discussion item, the amendment or the substitute. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

19 The chairman may conduct the disciplinary officers or the security guard to assist in keeping order of the Meeting place. Such disciplinary officers or security guards shall wear badges marked "Disciplinary Officers" for identification purpose.

20 Any matter not provided in these Rules and Procedures shall be handled in accordance with relevant laws and regulations.

21 These Rules and Procedures shall be effective from the date it is approved by the Shareholders' Meeting. The same applies in case of revision.

## Appendix 2

### EPISIL-PRECISION INC.

#### Articles of Incorporation

##### CHAPTER 1: GENERAL PROVISIONS

- Article 1 The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be EPISIL-PRECISION INC in the Chinese language, and EPISIL-PRECISION INC. in the English language.
- Article 2 The business of the company is as follows:  
CC01080 electronic components manufacturing industry  
I501010 product design industry  
IZ99990 other business services  
I199990 other consulting services  
F401010 international trade  
C801010 basic chemical industry (limited to the tenant of No. 3, Innovation Rd.1, Science Park, Hsinchu)  
F207200 chemical raw material sales (limited to the tenant of No. 3, Innovation Rd.1, Science Park, Hsinchu)  
(1) Research, design, develop, manufacture and sell the following projects and their application products:  
1. Epitaxial silicon wafers and silicon materials.  
2. Sapphire rod, wafer and sapphire substrate silicon epitaxy (SOS).  
3. Compound semiconductor epitaxial wafer.  
(2) Before the product technology, consulting services business.  
(3) Import and export business related to the above products.  
(4) Hydrogen production and sales of the former products.  
(limited to the tenant of No. 3, Innovation Rd.1, Science Park, Hsinchu)
- Article 3 The total amount of the Corporation' s reinvestment shall not be subject to the restriction of not more than forty percent of the Corporation' s paid-up capital as provided in Article 13 of the Company Law. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the Board of Directors.
- Article 3-1 The Corporation may provide endorsement and guarantee and act as



a guarantor.

Article 4 The Corporation shall have its head office in Hsinchu Science Park, Taiwan, Republic of China, and shall be free, upon approval of government authorities in charge, to set up representative and branch offices at various locations within and without the territory of the Republic of China, wherever and whenever the Corporation deems it necessary or advisable to carry out any or all of its activities.

Article 5 Public announcements of the Company shall be duly made in accordance with the Article 28 of the Company Act.

## CHAPTER 2: CAPITAL STOCKS

Article 6 The total capital stock of the Company shall be in the amount of NTD5,000,000,000, divided into 500,000,000 shares, at NTD10 par value, and may be issued separately.

Among the total capital stock indicated in the first paragraph, the amount of shares 5,000,000 should be reserved for issuing options for stock, preferred stock, or corporate bond.

Where the Company repurchases the shares of the Company, only qualified employees of parents or subsidiaries meeting certain specific requirements are entitled to receive shares. Only qualified employees of parents or subsidiaries meeting certain specific requirements are entitled to receive share subscription warrant of the Company.

Upon issuing new shares of the Company, only qualified employees of parents or subsidiaries meeting certain specific requirements are entitled to subscribe for the shares.

Upon issuing new restricted stock for employees of the Company, only qualified employees of parents or subsidiaries meeting certain specific requirements are entitled to receive the restricted stock.

Article 7 The share certificate of this Company shall be issued in registered form and signed by or affixed with the seal of Represented a directors and numbered accordingly. The shares won't be effective until the authentication of the competent authority or the agencies of issuance and registration under their approval.

The Company may not print share certificates for the issuance. Registers of share certificates shall contact the share

certificates' depository and clearing organizations and follow the regulations of that enterprise.

Article 8 All the Company' s stockholder-related affairs shall be dealt in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies.

### CHAPTER 3: SHAREHOLDERS' MEETINGS

Article 9 The shareholders' meeting shall be convened in two forms: a regular meeting or extraordinary meeting.

1. The regular meeting shall be held once annually and convened by the Board of Directors within six months from the closing of each fiscal year in accordance with the relevant regulations.

2. An extraordinary meeting, if necessary, shall be convened in accordance with the Company Law or relevant regulations.

The company' s shareholders' meeting can be held via video conference or other methods announced by the central competent authority.

Article 10 A shareholder who is unavailable to attend a shareholders' meeting may duly issue a power of attorney expressly bearing the scope of the authorized power to appoint a proxy to attend the meeting on behalf.

Article 11 When the shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. In case of the Chairman' s absence or unavailability, his proxy shall be the Vice Chairman. the Chairman shall, in advance, appoint a director to act in his place, but if the Chairman does not appoint his representative, one director shall be elected from among them to act in Chairman' s place. In the event that the shareholders' meeting is convened by others instead of the Board of Directors, the shareholders' meeting shall be chaired by that convener. In case of two or more conveners, one of them shall be elected to chair the meeting.

Article 12 Each share of stock shall be entitled to one vote

Article 13 Unless otherwise provided for in the Company Law, resolutions in the shareholders' meeting shall be adopted by a majority vote in the meeting attended by shareholders representing a majority of the total issued shares.

Article 13-1 The stock warrants issued by the company at a price lower than the closing price of the ordinary shares issued by the Japanese company shall not be issued until the consent of the board of

shareholders representing more than half of the total number of shares issued and more than two-thirds of the voting rights of the shareholders present is obtained.

Any transfer of the Company to an employee at a price lower than the average price of the company's ordinary shares actually purchased shall be subject to the consent of more than two-thirds of the voting rights of the present shareholders representing more than half of the total number of shares issued at the last board meeting.

An employee stock option certificate issued by the company with a subscription price lower than the closing price of the common stock of a Japanese company may only be issued with the consent of the shareholders' meeting representing more than half of the total number of issued shares and more than two-thirds of the voting rights of the shareholders present.

The transfer of the company's common shares to employees at a price lower than the average price of the actual repurchase of the company's common shares shall be approved by more than half of the shareholders representing the total number of issued shares present at the latest shareholders' meeting and more than two-thirds of the voting rights of the shareholders present.

Article 14 The minutes of the resolutions of the shareholders' meeting shall be made, signed or sealed by the chairman, and distributed to all shareholders within 20 days after the meeting. The distribution of the minutes referred to in the preceding paragraph may be made by public announcement.

#### CHAPTER 4: Directors and audit committee

Article 15 The company shall have seven to nine directors. Among the directors mentioned in the preceding paragraph, there shall be at least two independent directors, who shall not be less than one fifth of the number of directors.

The system of nomination of candidates is adopted in the election of directors. The acceptance method and announcement of the list of directors' candidates shall be handled in accordance with the relevant laws and regulations of the company law and the securities and exchange law. Independent directors and non independent directors shall be elected together and the number of elected directors shall be calculated separately.

The audit committee is composed of all independent directors

according to laws and regulations of the company. The Audit Committee exercises its functions and powers in accordance with Article 14-4 of the securities and exchange law and relevant laws and regulations.

- Article 16 The election of independent directors adopts the system of nomination of candidates, which is elected by the board of shareholders on the list of candidates for independent directors. The professional qualifications, term of office, part-time restrictions, selection methods and other matters to be followed of independent directors shall be in accordance with the relevant provisions of the securities authority.
- Article 17 When the term of office of a director has expired and he is unable to be re elected, his duties shall be extended until the re elected director takes office.
- Article 18 The board of directors shall be convened by the chairman of the board of directors, except that the first board of directors of each term shall be convened by the director with the most voting rights. If the chairman of the board of directors is unable to perform his duties for some reason, it shall be handled in accordance with Article 208 of the company law.
- Article 19 A resolution of the board of directors shall be approved by a majority of the directors present, except as otherwise provided by the company law and under the circumstances specified in Article 22. If a director is unable to attend the board meeting for some reason, he may issue a power of attorney, list the scope of authorization for the reasons for convening the meeting, and entrust other directors to attend the board meeting on his behalf, provided that one person is entrusted by one person. The meeting of the board of directors of the company may be convened in writing, by e-mail or by fax.
- Article 20 Minutes of the proceedings of the board of directors shall be made, signed or sealed by the chairman, and distributed to all directors within 20 days after the meeting. The distribution of the minutes referred to in the preceding paragraph may be made electronically.
- Article 21 The board of directors shall be attended by more than two-thirds of the directors and approved by more than half of the directors present. One of them shall be elected as the chairman of the board of directors, and one of them may be elected as the vice

chairman of the board of directors in the same way.

Article 22 Resolutions on major matters of the company shall be approved by more than two-thirds of the directors present and more than half of the directors present. The major issues of special resolution in accordance with this article are as follows:

1. Change of articles of association.
2. Preparing budgets and final accounts.
3. The dissolution of the company and the proposed merger with other companies.
4. Propose a plan for distributing surplus or making up loss.
5. Approval of endorsement, acceptance, warranty and undertaking in the name of the Company.
6. Acquisition, transfer and grant of patent rights for specialized technology with other companies or designated persons, and approval and amendment of technical cooperation contracts.
7. Approval to reinvest in other undertakings.

Article 22-1 This corporation may take out liability insurance for the directors in respect of their liability for compensation in accordance with the law.

Article 22-2 The remuneration of all directors shall be authorized to be determined by the board meeting in accordance with the normal level of payment of the same industry.

#### SECTION 5:Managers and Staff

Article 23 The Company may appoint one CEO, one general manager and several deputy general managers in accordance with the resolution of the Board of Directors. The appointment, dismissal and remuneration thereof shall be handled in accordance with the Provisions of the Company Law. The general manager shall act as both CEO and CEO.

The CEO oversees the company's operations and decisions, and is accountable to the chairman and board of directors. The general manager is responsible for carrying out the business and operation within the scope of authority and responsibility according to the company policy.

#### SECTION 6:Settlement

Article 24 The Company's fiscal year starts from January 1 and ends on December 31 of every calendar year.

Upon the closing of each fiscal year, the Board of Directors

shall work out the following documents and present it at a regular meeting of shareholders for acknowledgement.

1. Business report

2. Financial statements

3. Proposal of earning distribution or loss coverage.

The distribution of the financial statements referred to in the preceding paragraph and decisions on the distribution of earnings or the appropriation of losses may be made by public announcement.

Article 25 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.

Article 25-1 If there is any surplus in the company'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.  
The company 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.

Article 25-2 The company authorizes the board of directors to distribute all or part of the capital reserve or statutory surplus reserve in the form of cash in the presence of more than two-thirds of the directors and the resolution of more than half of the directors, and report to the shareholders' meeting.

Article 26 The company 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.

#### SECTION 7: SUPPLEMENTARY PROVISIONS

- Article 27      The rules and regulations of the company shall be formulated by the board of directors.
- Article 28      The directors, managers and employees of the company shall not inform or disclose to others the confidential documents of the company or the technology, market, products and other confidential information obtained by participating in the operation of the company.
- Article 29      Matters not provided for in this articles of incorporation shall be undertaken in accordance with relevant laws and regulations.
- Article 30      This chapter is first enacted on October 15st, 1998;  
first revised on May 28st, 2001;  
second revision on April 23th, 2002;  
third revision on April 28th, 2006;  
fourth revision on May 30th, 2007;  
fifth revision on June 11th, 2008;  
sixth revision on June 25th, 2010;  
seventh revision on June 12th, 2012;  
eighth revision on September 24th, 2015;  
ninth revision on February 23th, 2016;  
tenth revision on June 16th, 2016;  
eleventh revision on June 14th, 2019;  
twelfth revision on June 12th, 2020;  
thirteen revision on May 31th, 2023;

## Appendix 3

### EPISIL-PRECISION INC.

#### Director Election Measures

2016.06.16

- Article 1      The election of directors of the company shall be handled in accordance with these regulations.
- Article 2      The election of directors of the company adopts the cumulative voting method. When a director is elected, each share has the same voting rights as the number of directors to be elected, and one person may be elected centrally or distributed.
- Article 3      The election of directors of the company shall adopt the candidate nomination system to be elected by shareholders from a list of candidates, and in accordance with the number of candidates stipulated in the articles of association of the company, those with more voting rights shall be elected as directors, and independent directors shall be elected as directors. Non-independent directors shall be elected together, and the elected quota shall be calculated separately. If there are two or more representatives who have the same number of votes and the number of votes exceeds the specified number of votes, those who have the same number of votes shall draw lots.
- Article 4      Shareholders may exercise their voting rights in writing or electronically.
- Article 5      Election ballots shall be issued by the board of directors. The names of electors shall be replaced by the shareholder account number or attendance card number, and the number of voting rights of each shareholder shall be indicated.
- Article 6      At the beginning of the election, the chairman shall report and designate a number of scrutineers and tellers to perform various related tasks.
- Article 7      If the electee is a shareholder, the elector shall fill in the name of the electee in the "elected person" column on the ballot paper, and shall indicate the shareholder account number; The name of the elector and the number of the identification document; if the electee is a government or a legal person, the name of the government or legal person must be filled in, and if there are several representatives, the names of the representatives should be added separately.



- Article 8        Ballots in the following circumstances are invalid:
1. Those who do not use the ballots specified in Article 5 of these Regulations.
  2. Two or more candidates are listed on the same ballot.
  3. In addition to the name of the electee (including the name of the legal person and the representative) and its shareholder account number (the unified ID card number), other words are included.
  4. The handwriting is blurred and unrecognizable.
  5. If the filled-in candidate is a shareholder, his name does not match that listed in the shareholder register; if the filled-in electee is not a shareholder, his name and the unified ID card number have been checked for discrepancies.
  6. The name of the electee filled in is the same as the name of other shareholders but the shareholder account number (uniform ID card number) is not filled in for identification.
- Article 9        During the election of directors, the board of directors shall prepare the ballot box by itself, and the scrutineer shall open it for inspection in public before voting.
- Article 10       After the voting is completed, the votes will be counted on the spot, and the results of the voting will be announced by the chairman on the spot.
- Article 11       Matters not stipulated in these Measures shall be handled in accordance with the provisions of the Company Law and relevant laws and regulations.
- Article 12       These Measures shall come into force after being approved by the shareholders' meeting, and the same shall apply when amended.

## Appendix 4

### EPISIL-PRECISION INC.

#### Shareholdings of All Directors

- 1、The statutory percentage and number of shares of the ninth directors of the company are as follows：

The number of ordinary shares issued by the company is 288,541,819 shares.  
All directors shall hold 12,000,000 shares.

- 2、As of April 15, 2025, when the transfer of ownership of the ordinary meeting of shareholders stopped, the number of shares held by all directors is as follows, which meets the percentage standard stipulated in Article 26 of the securities and exchange law:

Position	Name	Current Shareholding (Shares)	Shareholding ratio (%)
Director	Episil Technologies Inc. Representative：JH Shyu	166, 961, 680	57.86
Director	Episil Technologies Inc. Representative：David Chen	166, 961, 680	57.86
Director	Episil Technologies Inc. Representative：Winnie Liang	166, 961, 680	57.86
Director	Episil Technologies Inc. Representative：JH Chiang	166, 961, 680	57.86
Director	Nan Ya Photonics Incorporation Representative：Eric Lo	9, 847, 325	3.41
Director	Jiacai Investment Co., Ltd Representative：Wunguei Ye	3, 100, 793	1.07
Independent Director	William Sheng	0	0.00
Independent Director	T.P. Chen	0	0.00
Independent Director	Eric Hu	0	0.00
Number and percentage of shares held by all directors		179, 909, 798	62.34