

Stock Code: 3016

Episil-Precision Inc.

2025 Annual Report

Notice to readers

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

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

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II. Headquarter、Factory and Telephone Number

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III. Common Share Transfer Agent and Registrar

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IV. Independent Auditors

Accounting Firm : PWC

Auditors : Daniel Lee、Chih-Cheng Hsie

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

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One. A Letter to Shareholders

Dear Shareholders,

In 2025, global changes and new tax policies forced supply chains to become shorter and focus on localization. In the legacy node semiconductor market, low-price competition from China and weak demand in automotive, industrial and consumer market created long-term pressure. Because of this and the rising NT Dollar, Episil-Precision's total revenue dropped by about 5% compared to last year.

1. Implementation of 2025 business plan

This year, our total revenue reached NT\$ 3.89 billion, showing stable demand for Silicon epiwafers. However, net profit was NT\$ 20 million due to higher electricity costs, more R&D spending on SiC, and equipment depreciation.

Although costs are rising, our qualification progress in automotive electronics and industrial power devices is on track. This revenue shows that customers strongly trust our Silicon Epitaxy quality.

The consolidated operating performance of 2025 is as follows:

Unit: Thousand (TWD)

Items	2025	2024
Operating revenue	3,891,698	4,107,470
Operating margin	306,495	382,005
Net profit after tax	20,416	264,608
Earnings per share (Dollar(TWD))	0.07	0.92

2. Core Technology and Market Advantages

As a professional Silicon Epitaxy foundry, we know our important role in the industry. Last year, we made great progress in technology:

- Better PMIC Solutions: By making the epi-layer more uniform and reducing defects, we help customers create power chips with higher efficiency.

- Focus on High-Power Products (MOSFET/IGBT/GaN/SiC): In line with the green energy trend, our Silicon Epitaxial technology has been successfully applied to many products. We help customers grow in consumer, industrial, green energy, and AI power markets. This keeps our production steady and our company competitive even when the market changes.

3. Future Outlook and Key Strategies

For Silicon Epitaxy: We will continue to focus on niche products that save power and improve energy efficiency. These include Power MOSFETs, PMIC, and IGBT, which are used in electric vehicles, green energy, and servers.

For Compound Semiconductors (SiC/GaN) Epitaxy: We are steadily growing our production of SiC and GaN. We are also leading the way in 8-inch technology and working with major global companies to enter new markets. As AI grows fast, it needs a lot of power. We expect more and more applications will need our SiC and GaN epiwafers in the future.

4. Conclusion

Although our profit did not grow as expected last year, we have finished the hardest part of our technology and equipment updates. We believe that Silicon Epitaxy technology is the foundation of the modern electronics industry. Its demand will continue to grow along with global digitalization and electrification.

Looking ahead to 2026, even with geopolitical risks, energy efficiency is now a top goal for the world. We will focus on AI and automotive markets, improve our product portfolios, and support green manufacturing. We will continue to create the best value for our shareholders, customers, and employees.

Wish all shareholders good health and successful.

Chairman: JH Shyu

Two. Corporate Governance Report

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

(I) Directors

April 14, 2026

Title	Nationality/ Place of Incorporation	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	R. O. C	Episil Technologies Inc. Representative : JH Shyu	Male Age 61 ~ 70	2025.06	3	2016.02 2016.06	166,961,680 150,000	57.86 0.05	166,961,680 150,000	57.86 0.05	0 0	0 0	0 0	0 0	Master's degree in chemical engineering , National Cheng Kung University	Chairman & CEO of Episil Technologies Inc. Chairman and President of Wellknown Holdings Ltd. Independent director of Ultra Chip, Inc. Epi's Chief Strategy Officer			None
Director	R. O. C	Episil Technologies Inc. Representative : Eddy Peng	Male Age 51 ~ 60	2025.06	3	2016.02 2026.01	166,961,680 0	57.86 0	166,961,680 0	57.86 0	0 0	0 0	0 0	0 0	Master's degree in EMBA, NYCU Master's degree in BME , National Cheng Kung University	Chairman of Synaspire Corp. Chairman of Hermes Advanced Therapy Systems Corp. Chairman of Hanhui Technology (Hefei) Co., Ltd Chairman of Alliance Precision (Hefei) Inc. Independent director of E&R Engineering Corporation			None
Director	R. O. C	Episil Technologies Inc. Representative : Chris Chen	Male Age 61 ~ 70	2025.06	3	2016.02 2025.06	166,961,680 0	57.86 0	166,961,680 0	57.86 0	0 0	0 0	0 0	0 0	Rutgers, The State University of New Jersey Materials Science and Engineering (PHD)	Authorized Representative of the Corporate Director of Epileds Technologies, Inc. Director of Episil Technologies Inc.			None
Director	R. O. C	Episil Technologies Inc. Representative : Amy Fan	Male Age 61 ~ 70	2025.06	3	2016.02 2019.06	166,961,680 11,000	57.86 0	166,961,680 11,000	57.86 0	0 0	0 0	0 0	0 0	Master's degree in MBA, University of Leicester	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			None
Director (Note2)	R. O. C	Vanguard International Semiconductor Corporation. Representative : Winnie Liang	Female Age 51 ~ 60	2025.06	3	2025.06 2024.10	10,000 0	0 0	10,000 0	0 0	0 0	0 0	0 0	0 0	Master's degree in Administration, Fu Jen Catholic University	Director of Vanguard International Semiconductor Corporation. Executive Director of VIS Shanghai Company Limited.			None

Title	Nationality/ Place of Incorporation	Name	Gender/ Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director (Note3)	R. O. C	Vanguard International Semiconductor Corporation. Representative : JH Chiang	Male Age 61 ~ 70	2025.06	3	2025.06 2024.10	10,000 0	0 0	10,000 0	0 0	0 0	0 0	0 0	0 0	Master's degree in Administration, NYCU	Director of Vanguard International Semiconductor Corporation.	None			
Independent Director	R. O. C	Eric Hu	Male Age 51 ~ 60	2025.06	3	2019.06	0	0	0	0	0	0	0	0	Master's degree in Accounting and Management Decision Group, National Taiwan University	Partnership accountant of C. J. S. CPAS & CO. Director of Kye Systems Corp. Director of Godex International Co., Ltd. Director of Scientech Corporation Chairman of Jianrui Venture Capital Co. Ltd. Director of Basecom Telecommunication Co., Ltd. Director of Accom Technologies Co., Ltd. Supervisor of Power Tank Energy Ltd. Independent Director of Promate Electronics Co., Ltd. Independent Director of KKCompany Technologies Inc. Independent Director of Asia Electronic Material Co., Ltd.	None			
Independent Director	R. O. C	Tungliang Tseng	Male Age 61 ~ 70	2025.06	3	2025.06	0	0	0	0	0	0	0	0	Bachelor's degree in Business Administration, National Chengchi University	Independent Director of V5 Technologies Co., Ltd.	None			
Independent Director	R. O. C	Bing-Yue Tsui	Male Age 61 ~ 70	2025.06	3	2025.06	0	0	0	0	0	0	0	0	PhD, Institute of Electronics, NYCU	Professor, Institute of Electronics, National Yang Ming Chiao Tung University Independent Director of Elite Semiconductor Microelectronics Technology Inc.	None			

Note1: EPI's shareholders' meeting on June 13, 2025, completed the re-election of the tenth board of directors, whose term of office will be from June 13, 2025 to June 12, 2028.

Note2: The legal person director, Episil Technologies Inc, has changed its representative to Mr. Eddy Peng on January 13, 2026 (the original representative was Mr. David Chen).

Note3: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed: There is no situation in which the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship.

1. Major shareholders of the institutional shareholders :

April 14, 2026

Name of Institutional Shareholders	Major Shareholders	Shareholding ratio
Episil Technologies Inc.	Vanguard International Semiconductor Corporation.	12.61%
	Han Shin Corp.	5.45%
	Han Hsin Investment Corp.	5.23%
	Hermes-Epitek Corporation	4.58%
	Sincere Holding Company	4.11%
	Fubon Life Insurance Co., Ltd.	1.29%
	Min-Ci Huang	0.86%
	Chase manages the Vanguard Group Emerging Markets Fund Investment Account	0.83%
	Lin, Su-Lin	0.65%
	PERLAS WORLD S. A.	0.63%
Vanguard International Semiconductor Corporation.	TSMC	27.13%
	National Development Fund	16.02%
	Capital TIP Taiwan Select High Dividend ETF Fund Account	8.66%
	Taishin International Bank Co., Ltd., Custodian for Cathay Taiwan ESG Sustainable High Dividend ETF (Cathay Taiwan High Dividend Umbrella Securities Investment Trust Fund)	5.45%
	Taipei Fubon Commercial Bank Co., Ltd., Custodian for Fuh Hwa Taiwan Technology High Dividend ETF Fund	4.80%
	Fubon Life Insurance Co., Ltd.	4.65%
	Nan Shan Life Insurance Co., Ltd.	2.15%
	Chunghwa Post Co., Ltd.	1.57%
	CTBC Bank Co., Ltd., Trustee for Vanguard International Semiconductor Corporation Restricted Stock Trust Account (Voting Rights and Dividend Rights)	1.50%
	KGI Life Insurance Co., Ltd., 0.83%, none	0.83%

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

April 14, 2026

Name of Institutional	Major Shareholders	Shareholding ratio
Han Shin Corp.	Herm Investment Co. Ltd	31.67%
	Sendrin Investment Corp	20.00%
	Hwang, Ming-Chi	18.33%
	Lu, Fei-Chian	18.33%
	Yeh Tzu Charitable Trust Fund	10.00%
	Sincere Holding Company	1.67%
Han Hsin Investment Corp.	Yeh Tzu Charitable Trust Fund	36.50%
	Han Shin Corp.	35.25%
	HERMES-EPITEK CORPORATION	9.00%
	Honder Holdings Ltd.	8.75%
	Vision Holdings Ltd.	6.25%
	Sincere Holding Company	4.25%
Hermes-Epitek Corporation	Green Cove Enterprises Inc.	69.12%
	Hwang, Ming-Chi	11.55%
	Lu, Fei-Chian	8.03%
	Lin, Su-Lin	4.57%
	Hwang, Mei-Yun	2.50%
	HonSean-JY Company Limited	2.04%
	Vision Holdings Ltd	1.24%
	JadeYale-CY Company Limited	0.48%
	Tessabijou Corporation	0.47%
Sincere Holding Company	Yeh Tzu Charitable Trust Fund	100.00%
PERLAS WORLD S. A.	Mt. Jade Limited	100.00%
TSMC	ADR-Taiwan Semiconductor Manufacturing Company Ltd.	20.49%
	National Development Fund, Executive Yuan	6.38%
	Government of Singapore	2.08%
	Norges Bank	1.81%
	Yuanta/P-shares Taiwan Top 50 ETF	1.61%
	Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.37%
	Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	1.27%
	New Labor Pension Fund	1.20%
	iShares Core MSCI Emerging Markets ETF	0.97%
	EUPAC Fund	0.71%

3. Professional qualifications and independence analysis of directors :

Criteria Name	Professional Qualification Requirements and Experience	Independence situations (Complies with Note1)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
JH Shyu	He serves as the chairman and director of a number of electronic technology and semiconductor industry companies experience, such as chairman of Episil Technologies Inc. and chairman and President of Wellknown Holdings Ltd. and chairman and President of Taiwan Hi-Tech Corp. and independent director of Ultra Chip, Inc. and independent director of Upi Semiconductor. He has possess the professionalism of diversified industries and the ability of enterprise management.	not applicable	1
Eddy Peng	He serves as the chairman and independent director of a number of electronic technology and semiconductor industry companies experience, such as Chairman of Synaspire Corp. and Chairman of Hermes Advanced Therapy Systems Corp. and Chairman of Hanhui Technology (Hefei) Co., Ltd and Chairman of Alliance Precision (Hefei) Inc. and Independent director of E&R Engineering Corporation. He has possess the professionalism of diversified industries and the ability of enterprise management.	not applicable	1
Chris Chen	He serves as the Vice President and director of a number of electronic technology and semiconductor industry companies experience, such as Technical director of TSMC and Vice President of Hermes-Epitek Corporation. He has possess the professionalism of diversified industries and the ability of enterprise management.	not applicable	0
Amy Fan	She serves as a director and Vice President of Episil Technologies Inc. She possesses expertise in financial accounting and business management.	not applicable	0
Winnie Liang	She currently works as the Director of Accounting Department of Vanguard International Semiconductor Corporation, and executive director of VIS Shanghai Company Limited. She has professional capabilities in financial accounting.	not applicable	0
JH Chiang	She currently works as the Director of Engineering of Vanguard International Semiconductor Corporation. He has possess the professionalism of diversified industries and the ability of enterprise management.	not applicable	0

Criteria Name	Professional Qualification Requirements and Experience	Independence situations (Complies with Note1)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Eric Hu	He is currently a fair joint accounting firm partnership accountant. He also serves as the chairman or (independent) director of a number of electronic technology industry and venture capital companies experience, such as director of Kye Systems Corp. and director of Godex International Co., Ltd. and director of Scientech Corporation and chairman of the board of directors of Algotek, Inc. and chairman of Jianrui Venture Capital Co. Ltd. and director, Kai Xing Technology Co., Ltd. and director of Xinya Dentsu Co., Ltd and independent director of Promate Solutions Corporation. and supervisor of ORIENT PHARMA CO., LTD and Independent Director of Asia Electronic Material Co., Ltd and independent director of KKCompany Technologies Inc. He has possess ability in business management and financial accounting.	The three independent directors on the left have met the qualifications stipulated in the "Regulations on the Establishment and Matters to be Observed of Independent Directors of Publicly Offering Companies" promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act in the two years before their election and during their term of office. Requirements, and the independent directors have been given the power to fully participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, so as to independently execute relevant powers.	2
Tungliang Tseng	He serves as the independent director and manager of a number of electronic technology and semiconductor industry companies experience, such as independent director of V5 Technologies Co., Ltd. and Vice President of Finance of Vanguard International Semiconductor Corporation. He possesses expertise in financial accounting and business management.		1
Bing-Yue Tsui	He is currently a professor, Institute of Electronics, National Yang Ming Chiao Tung University. He also serves as an Independent Director of Elite Semiconductor Microelectronics Technology Inc. He has possess professional ability in financial accounting.		1

Note1: All directors of the Company have not been involved in any of the provisions of Article 30 of the Company Law.

4. Diversity of Directors:

(I) Diversity of the Board of Directors:

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

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

Among the 9 directors of the Company, there are 1 director with employee status and 3 independent directors; Independent directors accounted for 33%. Due to the characteristics of the industry, Epi's main considerations when selecting directors are professional ability and experience, and no specific gender ratio requirements are set. Epi currently has two female directors. In the future, during the director nomination process, the company will actively seek out female professionals with industry experience to join the company. It will also establish an internal talent development program to strengthen the career development of senior female management and increase the source of future director candidates. The board members include relevant professional backgrounds in science and engineering and finance, and relevant experience covers the semiconductor field (including directors JH Shyu, Eddy Peng, Chris Chern, JH Chiang and Bing-Yue Tsui, a total of 5), and financial experience (including directors Amy Fan, Winnie Liang, Eric Hu and Tungliang Tseng, a total of 4).

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

Manage goals	Achievement situation
The number of independent directors is one-third of the seats of directors	Reached
Half of the independent directors serve a term of not more than 9 years	Reached
Diverse professional knowledge and skills	Reached

The relevant implementation status is as follows:

Diversified core projects Name	Basic Composition							Possible Ability							
	Nationality	Gender	Also an employee	age		Term of office of independent directors (Year)		Operation judgment	Accounting and financial analysis	Operation management	Crisis management	Industrial knowledge	International market view	Leadership	Decision making skills
				51 ~ 60	61 ~ 70	0 ~ 3	6 ~ 9								
JH Shyu	R.O.C	Male	V		V			V	V	V	V	V	V	V	V
Eddy Peng	R.O.C	Male		V				V	V	V	V	V	V	V	V
Chris Chen	R.O.C	Male			V			V	V	V	V	V	V	V	V
Amy Fan	R.O.C	female			V			V	V	V	V	V	V	V	V
Winnie Liang	R.O.C	female		V				V	V	V	V	V	V	V	V
JH Chiang	R.O.C	Male			V			V	V	V	V	V	V	V	V
Eric Hu	R.O.C	Male		V			V	V	V	V	V			V	V
Tungliang Tseng	R.O.C	Male			V	V		V	V	V	V	V	V	V	V
Bing-Yue Tsui	R.O.C	Male			V	V		V			V	V	V	V	V

(II) Board independence: As of the end of 2025, the independent directors have all complied with the regulations of the Securities and Futures Bureau of the Financial Regulatory Commission regarding independent directors, and there are no matters 3 and 4 of Article 26-3 of the Securities and Exchange Act between each director and independent directors, and the board of directors of the Company is independent (please refer to page 7-8 of the Company - Professional qualifications of directors and disclosure of independent director independence information).

(II) Management Team :

April 14, 2026;Unit:share;%

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

Note : Vice president Mr. Shao-How Lu retired on January 9, 2026.

(III) Where the President or person of an equivalent post (the highest level manager) and Chairman of the Board of Directors are the same person, spouses, or relatives within the first degree of kinship, the reason for,

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

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

1. Y2024 Remuneration of Directors and Independent Directors

Unit: NT\$ thousands

Title	Name (Note3)	Remuneration								Ratio of Total Remuneration (A+B+C+D) & to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees						Ratio of Total Compensation (A+B+C+D+E+F+G) & to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company (Note 1)				
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C) (Note1)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G) (Note1)								
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements					
Chairman/ Director	Episil Technologies Inc.																							
	Representative : JH Shyu																							
	Representative : David Chen																							
	Representative : Winnie Liang (Note1、2)																							
	Representative : JH Chiang (Note1、2)																							
	Representative : Chris Chen (Note1)																							
	Representative : Amy Fan (Note1)																							
Director	Vanguard International Semiconductor Corporation. (Note2)	0	0	0	0	218	218	336	336	554	554	3,964	3,964	0	0	0	0	0	0	4,518	4,518	22.13%	22.13%	255
	Representative : Winnie Liang (Note1、2)																							
	Representative : JH Chiang (Note1、2)																							
Director	Nan Ya Photonics Incorporation (Note2)																							
	Representative : Eric Lo (Note2)																							
Director	Jiacai Investment Co. Ltd (Note2)																							
	Representative : Wunguei Ye (Note2)																							

Title	Name (Note3)	Remuneration								Ratio of Total Remuneration (A+B+C+D) & to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) & to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company (Note 1)
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C) (Note1)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G) (Note1)						
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements			
Independent Director	William Sheng(Note3)																					
Independent Director	T.P. Chen(Note3)																					
Independent Director	Eric Hu	900	900	0	0	109	109	618	618	1,627 7.97%	1,627 7.97%	0	0	0	0	0	0	0	0	1,627 7.97%	1,627 7.97%	0
Independent Director	Tungliang Tseng(Note3)																					
Independent Director	Bing-Yue Tsui(Note3)																					

Note1: Epi held a complete re-election of its board of directors on June 13, 2025. The corporate director, Episil Technologies Inc, was placed by Mr. Chris Chen and Ms. Amy Fan (the original representatives were Ms. Winnie Liang and Mr. JH Chiang).

Note2: Epi held a complete re-election of its board of directors on June 13, 2025. The corporate directors, Nan Ya Photonics Incorporation, and its representative Mr. Eric Lo, and Jiakai Investment Co., Ltd. and its representative Mr. Wunguei Ye, were reappointed. The newly appointed corporate director, Vanguard International Semiconductor Corporation, was replaced by Ms. Winnie Liang and Mr. JH Chiang.

Note3: Epi held a complete re-election of its board of directors on June 13, 2025. The independent directors, T.P. Chen and William Sheng were reappointed. The newly independent directors, were Mr. Tungliang Tseng and Mr. Bing-Yue Tsui.

Note4: The Board of Directors of the Company decided on March 2, 2026 to allocate the remuneration for director in 2025. The above table is a provisional estimate.

Note5: Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: please refer to page 17-18 of the policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance.

Note6: Except as disclosed in the above table, the remuneration received by the directors of the company in the most recent year for providing services (such as serving as a consultant for non-employees of the parent company/all companies listed in the financial report/re-investment enterprises, etc.): None.

Range of Remuneration

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Less than NT\$ 1,000,000	Episil Technologies Inc./ Vanguard International Semiconductor Corporation./Nan Ya Photonics Incorporation/ Jiacai Investment Co. Ltd/ JH Shyu/ David Chen/ Chris Chen/ Amy Fan/ Winnie Liang / JH Chiang /Eric Lo/ Wunguei Ye/ William Sheng/ T.P. Chen/ Eric Hu/Tungliang Tseng/ Bing-Yue Tsui	Episil Technologies Inc./ Vanguard International Semiconductor Corporation./Nan Ya Photonics Incorporation/ Jiacai Investment Co. Ltd/ JH Shyu/ David Chen/ Chris Chen/ Amy Fan/ Winnie Liang / JH Chiang /Eric Lo/ Wunguei Ye/ William Sheng/ T.P. Chen/ Eric Hu/Tungliang Tseng/ Bing-Yue Tsui	Episil Technologies Inc./ Vanguard International Semiconductor Corporation./Nan Ya Photonics Incorporation/ Jiacai Investment Co. Ltd/ David Chen/ Chris Chen/ Amy Fan/ Winnie Liang / JH Chiang /Eric Lo/ Wunguei Ye/ William Sheng/ T.P. Chen/ Eric Hu/Tungliang Tseng/ Bing-Yue Tsui	Episil Technologies Inc./ Vanguard International Semiconductor Corporation./Nan Ya Photonics Incorporation/ Jiacai Investment Co. Ltd/ David Chen/ Chris Chen/ Amy Fan/ Winnie Liang / JH Chiang /Eric Lo/ Wunguei Ye/ William Sheng/ T.P. Chen/ Eric Hu/Tungliang Tseng/ Bing-Yue Tsui
NT\$1,000,000 ~ NT\$1,999,999	-	-	-	-
NT\$2,000,000 ~ NT\$3,499,999	-	-	-	-
NT\$3,500,000 ~ NT\$4,999,999	-	-	JH Shyu	JH Shyu
NT\$5,000,000 ~ NT\$9,999,999	-	-		
NT\$10,000,000 ~ NT\$14,999,999	-	-	-	-
NT\$15,000,000 ~ NT\$29,999,999	-	-	-	-
NT\$30,000,000 ~ NT\$49,999,999	-	-	-	-
NT\$50,000,000 ~ NT\$99,999,999	-	-	-	-
Greater than or equal to NT\$100,000,000	-	-	-	-
Total	17	17	17	17

2.Y2024 Remuneration of President and Vice Presidents

Unit: NT\$ thousands

Title	Name (Note1) (Note2)	Base Compensation (A)		Bonus to Supervisors (B)		Allowances (C)		Employee Compensation (D) (Note3)				Ratio of Total Remuneration (A+B+C) & to Net Income (%)		Remune- ration from ventur- es other than subsidi- aries or from the parent compan- y
		The company	Compani- es in the consoli- dated financi- al state- ments	The company	Compani- es in the consoli- dated financi- al state- ments	The compan- y	Compani- es in the consoli- dated financi- al state- ments	The company		Companies in the consolidated financial statements		The compan- y	Compani- es in the consolida- ted financial state- ments	
								Cash	Stock	Cash	Stock			
President	JS Wen	20,560	20,560	324	324	83	83	0	0	0	0	20,967 102.70%	20,967 102.70%	90
President	CT Sune													
Chief Operating Officer	JH Shyu													
Vice President	Shao-How Lu													
Vice President	Forest Chang													

Note 1: President JS Wen was appointed on March 6, 2025 (former president CT Sune retired on March 5, 2025).

Note 2: Vice President Shao-How Lu retired on January 9, 2026.

Note 3: The Board of Directors of the Company decided on March 2, 2026 to allocate the remuneration for employees in 2025. The above table is a provisional estimate.

Range of Remuneration

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

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

Unit: NT\$ thousands

Title	Name	Employee Compensation - in Stock (Fair Market Value)	Employee Compensation - in Cash	Total(Note1)	Ratio of Total Amount to Net Income
Executive Officers	President(Note1)	0	32	32	0.16%
	President(Note1)				
	Chief Operating Officer				
	Vice President(Note2)				
	Vice President				
	Associate Vice President				
	Associate Vice President				
	Head of finance & Accounting				
	Governance Officer				

Note 1: President JS Wen was appointed on March 6, 2025 (former president CT Sune retired on March 5, 2025).

Note 2: Vice President Shao-How Lu retired on January 9, 2026.

Note 3: The Board of Directors of the Company decided on March 2, 2026 to allocate the remuneration for employees in 2025. The above table is a provisional estimate.

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

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

Unit: NT\$ thousands

Year Identity	Y2024				Y2025(Note2)			
	The company		Companies in the consolidated financial statements		The company		Companies in the consolidated financial statements	
	Total remuneration	Ratio of total remuneration to net income (%)	Total remuneration	Ratio of total remuneration to net income (%)	Total remuneration	Ratio of total remuneration to net income (%)	Total remuneration	Ratio of total remuneration to net income (%)
Director(Note1)	17,708	6.69%	17,708	6.69%	6,145	30.10%	6,145	30.10%
Executive Officers	24,146	9.13%	24,146	9.13%	20,967	102.70%	20,967	102.70%

Note 1: Including directors who are also employees.

Note 2: The Board of Directors of the Company decided on March 2, 2026 to allocate the remuneration for employees in 2025. The above table is a provisional estimate and has not yet been reported to the regular meeting of shareholders.

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

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

while taking into account their positions, responsibilities assumed and contributions to the Company, as well as the industry standards It is agreed. The remunerations are handled pursuant to the procedures of " Manager incentive and performance bonus method ".

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

(3) The correlation with business performance and future risks

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

III、Implementation of Corporate Governance：

(I) Board of Directors

A total of 7 (A) meetings of the Board of Directors were held in 2025. The attendance of director were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%)【B/A】	Remarks	
Chairman	Episil Technologies Inc.	Representative : JH Shyu	7	0	100%	
Director		Representative : David Chen	6	1	86%	
Director		Representative : Winnie Liang	2	0	100%	(Note1) Number of times required to attend: 2
Director		Representative : JH Chiang	2	0	100%	
Director		Representative : Chris Chen	4	1	80%	(Note1) Number of times required to attend: 5
Director		Representative : Amy Fan	5	0	100%	
Director	Nan Ya Photonics Incorporation	Representative : Eric Lo	2	0	100%	(Note2) Number of times required to attend: 2
Director	Jiacai Investment Co. Ltd	Representative : Wunguei Ye	2	0	100%	
Director	Vanguard International Semiconductor Corporation.	Representative : Winnie Liang	5	0	100%	(Note2) Number of times required to attend: 5
Director		Representative : JH Chiang	5	0	100%	
Independent Director	William Sheng		2	0	100%	(Note3) Number of times required to attend: 2
Independent Director	T.P. Chen		2	0	100%	
Independent Director	Eric Hu		7	0	100%	
Independent Director	Tungliang Tseng		5	0	100%	(Note3) Number of times required to attend: 5
Independent Director	Bing-Yue Tsui		4	0	80%	

Note1: Epi held a complete re-election of its board of directors on June 13, 2025. The corporate director, Episil Technologies Inc, was placed by Mr. Chris Chen and Ms. Amy Fan (the original representatives were Ms. Winnie Liang and Mr. JH Chiang).

Note2: Epi held a complete re-election of its board of directors on June 13, 2025. The corporate directors, Nan Ya Photonics Incorporation, and its representative Mr. Eric Lo, and Jiacai Investment Co., Ltd. and its representative Mr. Wunguei Ye, were reappointed. The newly appointed corporate director, Vanguard International Semiconductor Corporation, was replaced by Ms. Winnie Liang and Mr. JH Chiang.

Note3: Epi held a complete re-election of its board of directors on June 13, 2025. The independent directors, T.P. Chen and William Sheng were reappointed. The newly independent directors, were Mr. Tungliang Tseng and Mr. Bing-Yue Tsui.

Other mentionable items:

I、If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company' s response should be specified. Please see page 66-68.

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

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

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

Board meeting Term/ Date	Name of benefit avoidance director	Major resolutions	Should benefit to void the reason	Voting situation
9th Term 16th Session 2025.02.24	William Sheng, T.P. Chen Eric Hu	1. Independent director remuneration distribution	Director himself	The rest of the directors present approved the case
9th Term 16th Session 2025.02.24	JH Shyu, David Chen, Winnie Liang JH Chiang, Eric Lo Wunguei Ye	1. General directors' remuneration distribution	Director himself	The rest of the directors present approved the case
10th Term 2th Session 2025.07.29	Eric Hu Tungliang Tseng Bing-Yue Tsui	1.Appointment of members to the Sixth Compensation and Remuneration Committee	Director himself	The rest of the directors present approved the case
10th Term 3th Session 2025.07.29	Eric Hu Tungliang Tseng Bing-Yue Tsui	1.Independent director business execution fees	Director himself	The rest of the directors present approved the case
10th Term 3th Session 2025.07.29	JH Shyu, David Chen, Chris Chen Amy Fan Winnie Liang JH Chiang,	1.General director business execution fees	Director himself	The rest of the directors present approved the case
10th Term 5th Session 2025.12.16	Eric Hu Tungliang Tseng Bing-Yue Tsui	1. Y2026 Independent director business execution fees	Director himself	The rest of the directors present approved the case
10th Term 5th Session 2025.12.16	JH Shyu, David Chen, Chris Chen Amy Fan Winnie Liang JH Chiang,	1. Y2026 General director business execution fees	Director himself	The rest of the directors present approved the case
10th Term 5th Session 2025.12.16	JH Shyu	1. Proposal on executive compensation	Director also serves as manager	The rest of the directors present approved the case
10th Term 6th Session 2026.03.02	Eric Hu Tungliang Tseng Bing-Yue Tsui	1. Independent director remuneration distribution	Director himself	The rest of the directors present approved the case
10th Term 6th Session 2026.03.02	JH Shyu, Eddy Peng, Chris Chen Amy Fan Winnie Liang JH Chiang,	1. General directors' remuneration distribution	Director himself	The rest of the directors present approved the case
10th Term 6th Session 2026.03.02	Tungliang Tseng Eddy Peng, Chris Chen	1. Release the Prohibition on Directors from Participation in Competitive Business	Director himself	The rest of the directors present approved the case

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

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluate the content	Evaluate the results
Annually	2025/1/1~2025/12/31	Individual board members	Director's self-assessment	<ul style="list-style-type: none"> (1) Mastery of the company's goals and tasks. (2) Awareness of directors' responsibilities. (3) the degree of involvement in the company's operations. (4) Internal relationship management and communication. (5) Professional and continuing education of directors. (6) Internal control. 	The Company's 2025 Board of Directors performance evaluation results were between 5 points ("Excellent") and 4 points ("Good"). The directors were largely satisfied with the operation of the various evaluation indicators. The Board of Directors was assessed as operating well overall, meeting corporate governance requirements, and effectively strengthening the functions of the Board of Directors and protecting the interests of shareholders.
Annually	2025/1/1~2025/12/31	The valuation of the board	Board of Directors Self-Assessment	<ul style="list-style-type: none"> (1) The degree of participation in the company's operations. (2) Improve the quality of decision-making of the board of directors. (3) Composition and structure of the Board of Directors. (4) Election of directors and continuing education. (5) Internal control. 	The Company's 2025 functional committees performance evaluation results ranged between 5 ("Excellent") and 4 ("Good"). The directors largely agreed with the performance of all evaluation indicators. The evaluation also indicated that the functional committees functioned well overall, met corporate governance requirements, and effectively strengthened the Board's functions and protected shareholder interests.
Annually	2025/1/1~2025/12/31	functional committees (Salary and Remuneration Committee and Audit Committee)	Board of Directors Self-Assessment	<ul style="list-style-type: none"> (1) The degree of participation in the operation of the company. (2) Awareness of the responsibilities of functional committees. (3) the quality of decision-making of functional committees. (4) Composition and selection of members of the functional committee. (5) Internal control. 	The Company's 2025 functional committees performance evaluation results ranged between 5 ("Excellent") and 4 ("Good"). The directors largely agreed with the performance of all evaluation indicators. The evaluation also indicated that the functional committees functioned well overall, met corporate governance requirements, and effectively strengthened the Board's functions and protected shareholder interests.

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

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

Note: The attendance rate of the board of directors in 2025 (total actual attendance rate of all directors/total attendance rate that all directors should attend) is 95%.

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

I、Work Priorities in 2026：

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

II、Audit Committee：

- (1) The Audit Committee of the Company consists of three members (term commencing on June 13, 2025 and expiring on June 12, 2028).
- (2) A total of 5 (A) Audit Committee meetings were held in 2025. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	Delegated in Person	Attendance Rate (%) 【 B/A 】	Remarks
Independent director	T.P. Chen	2	0	100%	(Note1) Number of times required to attend: 2
Independent director	William Sheng	2	0	100%	
Independent director	Eric Hu	5	0	100%	(Note1) Number of times required to attend: 3
Independent director	Tungliang Tseng	3	0	100%	
Independent director	Bing-Yue Tsui	3	0	100%	

Note1: Epi held a complete re-election of its board of directors on June 13, 2025. The independent directors, T.P. Chen and William Sheng were reappointed. The newly independent directors, were Mr. Tungliang Tseng and Mr. Bing-Yue Tsui.

Other mentionable items：

I、If any of the following circumstances occur, the date of the meeting, schedule, content of the proposal, content of independent directors' objections, reservations or major recommendations, results of the audit committee's resolutions and the company's handling of the audit committee's opinions:
1. Matters referred to in Article 14-5 of the Securities and Exchange Act. :

Audit Committee Term/ Date	Major resolutions	Comments and follow-up of the Board of Auditors	The Company's Handling of the Audit Committee's Opinions
3rd Term 15th Session 2025.02.24	1. 2024 annual business report and financial report. 2. Appointment and remuneration of certified accountants for financial statement review in 2025 and assessment of their competence and independence. 3. The company's 2024 profit distribution proposal. 4. 2024 annual internal control system effectiveness assessment and internal control system statement.	The independent directors expressed no objections, reservations or major suggestions to the following proposals, and all the proposals were approved by all members of the Audit Committee.	All directors present agreed
3rd Term 16th Session 2025.05.06	1. Financial Report for the first quarter of 2025.		
4rd Term 1th Session 2025.07.29	1. Financial Report for the second quarter of 2025.		
4rd Term 2th Session 2025.11.04	1. Financial Report for the third quarter of 2025. 2. Amend the "Measures for the Issuance and Conversion of the Fifth Domestic Unsecured Convertible Corporate Bonds". 3. Amend the internal control system and internal audit details for the "Payroll Cycle - Payroll Operations". 4. Establish an internal audit plan for the year 2026.		
4rd Term 3th Session 2025.12.16	1. 2026 annual operating plan and related manpower, equipment and cost budget.		
4rd Term 4th Session 2026.03.02	1. 2025 annual business report and financial report. 2. Appointment and remuneration of certified accountants for financial statement review in 2026 and assessment of their competence and independence. 3. The company's 2025 profit distribution proposal. 4. Release the Prohibition on Directors from Participation in Competitive Business 5. 2025 annual internal control system effectiveness assessment and internal control system statement.		

2. Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors:None

II、If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Board meeting Term/ Date	Major resolutions	In situations of independent directors recuse themselves due to conflict of interest
9th Term 16th Session 2025.02.24	1. Independent director remuneration distribution	For the motion listed on the left, the three independent directors T.P. Chen, William Sheng and Eric Hu did not participate in the voting because they had interests in themselves and avoided their interests.
10th Term 2th Session 2025.07.29	1. Appointment of members to the Sixth Salary and Compensation Committee	For the motion listed on the left, the three independent directors Eric Hu, Tungliang Tseng and Bing-Yue Tsui did not participate in the voting because they had interests in themselves and avoided their interests.
10th Term 3th Session 2025.07.29	1. Y2025 Independent director business execution fees	
10th Term 5th Session 2025.12.16	1. Y2026 Independent director business execution fees	
10th Term 6th Session 2026.03.02	1. Independent director remuneration distribution	
10th Term 6th Session 2026.03.02	1. Release the prohibition on directors from participation in competitive business	For the motion listed on the left, the independent director, Tungliang Tseng, did not participate in the voting because they had interests in themselves and avoided their interests.

III、Communication between Independent Directors, head of internal audit, and CPAs :

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

3.Communication between Independent Directors and head of internal audit:

meeting date	Way	communication focus	Suggestions, corrections and communication results of independent directors
2025.02.24	The Audit Committee	Internal audit business execution report for the fourth quarter of 2024	Contact. No other suggestions and corrections.
		2024 Annual Internal Control System Effectiveness Assessment and Internal Control System Statement	After being consulted by the chairman and passed without objection by all the attending members, it will be submitted to the board of directors for approval.
	Independent directors communicate with internal audit supervisor separately	The head of internal audit explained the questions raised by the independent directors	There were no other recommendations or corrections at this meeting.
2025.05.06	The Audit Committee	Internal audit business execution report for the first quarter of 2025	Contact. No other suggestions and corrections.
	Independent directors communicate with internal audit supervisor separately	The head of internal audit explained the questions raised by the independent directors	There were no other recommendations or corrections at this meeting.
2025.07.29	The Audit Committee	Internal audit business execution report for the second quarter of 2025	Contact. No other suggestions and corrections.
	Independent directors communicate with internal audit supervisor separately	The head of internal audit explained the questions raised by the independent directors	There were no other recommendations or corrections at this meeting.
2025.11.04	The Audit Committee	Internal audit business execution report for the third quarter of 2025	Contact. No other suggestions and corrections.
		1. Revise the internal control system and internal audit details for the "Payroll Cycle - Payroll Operations". 2. Develop an internal audit plan for 2026	After being consulted by the chairman and passed without objection by all the attending members, it will be submitted to the board of directors for approval.
	Independent directors communicate with internal audit supervisor separately	The head of internal audit explained the questions raised by the independent directors	There were no other recommendations or corrections at this meeting.

meeting date	Way	communication focus	Suggestions, corrections and communication results of independent directors
2026.03.02	The Audit Committee	Internal audit business execution report for the fourth quarter of 2025	Contact. No other suggestions and corrections.
		2025 Annual Internal Control System Effectiveness Assessment and Internal Control System Statement	After being consulted by the chairman and passed without objection by all the attending members, it will be submitted to the board of directors for approval.
	Independent directors communicate with internal audit supervisor separately	The head of internal audit explained the questions raised by the independent directors	There were no other recommendations or corrections at this meeting.

4. Communication between Independent Directors and CPAs:

meeting date	Way	communication focus	Suggestions, corrections and communication results of independent directors
2025.02.24	The Audit Committee	<ol style="list-style-type: none"> 2024 annual financial report review Communication matters with main governance units Description of key check items Description of AQIs 	There were no other suggestions or corrections at this meeting, and the financial report has been approved by the Audit Committee and submitted to the Board of Directors for approval.
	Independent directors communicate with internal audit supervisor separately	The accountant explained the questions raised by the independent directors	There were no other suggestions or corrections at this meeting.
2025.05.06	The Audit Committee	<ol style="list-style-type: none"> Review of financial reports for the first quarter of 2025 Communication matters with main governance units 	There were no other suggestions or corrections at this meeting, and the financial report has been approved by the Audit Committee and submitted to the Board of Directors for approval.
	Independent directors communicate with internal audit supervisor separately	The accountant explained the questions raised by the independent directors	There were no other suggestions or corrections at this meeting.

meeting date	Way	communication focus	Suggestions, corrections and communication results of independent directors
2025. 07. 29	The Audit Committee	1. Review of financial reports for the second quarter of 2025 2. Communication matters with main governance units	There were no other suggestions or corrections at this meeting, and the financial report has been approved by the Audit Committee and submitted to the Board of Directors for approval.
	Independent directors communicate with internal audit supervisor separately	The accountant explained the questions raised by the independent directors	There were no other suggestions or corrections at this meeting.
2025. 11. 04	The Audit Committee	1. Review of financial reports for the third quarter of 2025 2. Communication matters with main governance units	There were no other suggestions or corrections at this meeting, and the financial report has been approved by the Audit Committee and submitted to the Board of Directors for approval.
	Independent directors communicate with internal audit supervisor separately	The accountant explained the questions raised by the independent directors	There were no other suggestions or corrections at this meeting.
2026. 03. 02	The Audit Committee	1. 2025 annual financial report review 2. Communication matters with main governance units 3. Description of key check items 4. Description of AQIs	There were no other suggestions or corrections at this meeting, and the financial report has been approved by the Audit Committee and submitted to the Board of Directors for approval.
	Independent directors communicate with internal audit supervisor separately	The accountant explained the questions raised by the independent directors	There were no other suggestions or corrections at this meeting.

Note: The attendance rate of audit committee in 2025 (total actual attendance rate of all independent directors/total attendance rate required by all independent directors) is 100%.

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

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

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

Evaluation project	Operation		Differences between the code of practice for corporate governance of listed and OTC companies and the reasons
	yes	no	
<p>evaluation on a regular basis each year, reported the evaluation result to the Board of Director and used the result as a reference on the consideration of individual directors' remuneration and nomination for re-election?</p> <p>(IV) Does the Company assess the independence of external auditors on a regular basis?</p>	✓	<p>Audit Committee are evaluated on a regular basis every year. The results of the 2025 annual evaluation will be submitted to the 6th meeting of the 10th session of the Board of Directors on March 2, 2026 as a basis for review and improvement, and the overall performance evaluation results of the Board of Directors will be used as a reference for the selection or nomination of directors (including independent directors), and the performance evaluation results of individual directors will be considered as a reference basis for determining their individual remuneration and nomination for renewal in the future.</p> <p>(IV)</p> <ol style="list-style-type: none"> 1. The company regularly evaluates the competency and independence of Certified Public Accountants every year, together with the declaration letter issued by the certified public accountants that the independence has not been violated, and submits it to the board of directors for evaluation. 2. The company regularly evaluates the independence of certified accountants, including: <ol style="list-style-type: none"> (1) Whether accountants and their spouses and dependants have direct or significant indirect financial interests with the company. (2) Whether the accountant and his spouse and dependants have a business relationship with the directors and managers of the company that affects their independence. (3) During the audit period, whether the audit accountant and his spouse and dependants are directors or managers of the company or have direct and significant influence on the audit work. (4) Whether the auditor and the directors and managers of the company have spouse, direct blood relatives, direct 	No difference

Evaluation project	Operation		Differences between the code of practice for corporate governance of listed and OTC companies and the reasons
	yes	no	
			<p>in laws or second-class internal collateral blood relatives.</p> <p>3. The company refers to the audit quality indicators to evaluate the qualifications of certified accountants. The important contents include:</p> <p>(1) Whether accountants and inspectors above management level have sufficient audit experience to perform the audit work.</p> <p>(2) Whether accountants and inspectors above management level receive sufficient education and training every year to continuously acquire professional knowledge and skills.</p> <p>(3) The accountant's workload, including the number of public offering companies that act as the main signatory or the proportion of the accountant's available working hours.</p> <p>(4) The number of cases of lack of inspection by the Financial Supervisory Commission and the Accounting Oversight Board of American Public Offering Companies, and the number of cases in which accountants have been disciplined and sanctioned.</p> <p>4. According to the assessment results of the 6th meeting of the 10th session of the board of directors on March 2, 2026 reported by the company: the certified accountants of the company are independent and qualified.</p>
IV. Does the TWSE/TPEX listed company dedicate competent managers or sufficient number of managers to be in charge of corporate governance, and designate supervisors thereof to oversee the corporate governance affairs (including but not limited to providing information required for director/supervisor's operations, assisting	✓		<p>In order to implement the corporate governance and promote the board of directors to play its due functions to safeguard the rights and interests of investors, the company has allocated suitable and appropriate number of corporate managers. The resolution of the board of directors passed on March 8, 2021, appointing Angela Wu, the financial director, as the corporate governance director, to be responsible for the corporate governance related affairs. Manager Angela Wu has the experience of financial director in public companies More than three years, the main business implementation is as follows and please</p>

Evaluation project	Operation		Differences between the code of practice for corporate governance of listed and OTC companies and the reasons
	yes	no	
the Board and supervisors in legal compliance, convening board/shareholder meetings in accordance with the law, applying for/changing company registry, and producing meeting minutes of board/shareholder meetings)?			refer to page 64 of 2025 continuing education situation. 1.Handle matters related to meetings of the board of directors and shareholders' meeting in accordance with the law. 2.Prepare minutes of the board of directors and shareholders' meetings. 3.Assist directors in their appointment and continuing education. 4.Provide directors with the information needed to perform their business. 5.Assist directors to comply with laws. 6.Report to the Board of Directors on the results of its review of whether the qualifications of independent directors at the time of nomination, election and during their term of office comply with relevant laws and regulations. 7.Handle matters related to the change of directors. 8.Other matters stipulated in the company's articles of association or contract, etc.
V. Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?	✓		The company has a dedicated investor relations unit to provide relevant information and communication channels including shareholders, customers, suppliers and investors. The company's website also sets up a special area for interested parties to contact with the responsible personnel to respond to the concerns of stakeholders. Please refer to page 36~38 for important corporate social responsibility issues of concern to stakeholders and information on communication channels.
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The company entrusts SinoPac Securities Corporation stock affairs agency to handle the affairs of the shareholders' meeting.
VII. Information Disclosure (I) Has the Company established a corporate website to disclose information regarding its financial, business and corporate governance status?	✓		(I)The company has set up a website (www.epi.episil.com) Disclose information related to financial business and corporate governance at any time.

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

Evaluation project	Operation		Differences between the code of practice for corporate governance of listed and OTC companies and the reasons
	yes	no	
standards, execution of customer policies, liability insurance for the Company's directors and supervisors)?			<p>safety department is responsible for supervising and guiding all departments to carry out independent inspection and improvement, and regularly carry out various work safety inspection, so as to improve the safety and health of operators, and firefighting training, AED+CPR first aid training, factory emergency response training, and other industrial safety-related education and training are held regularly every year, so as to cultivate employees' ability of emergency response and self safety management, so as to provide safe and appropriate working environment and necessary emergency rescue.</p> <p>3. Investor relations, supplier relations, rights of interested parties: the company discloses information through the public information Observatory and the company's website, so that investors can fully understand the company's operating conditions, and communicate with investors through the shareholders' meeting and the spokesman mechanism. In addition, a special area for interested parties is set up on the company's website to respond to important issues of concern to interested parties.</p> <p>4. The situation of directors' Further Education: Directors of the company may attend the courses of professional knowledge such as finance and business as required. Please refer to the situation of directors' further education on page 64-65.</p> <p>5. Implementation of risk management policies and risk measurement standards: major operational policies, investment proposals, acquisition or disposal of assets, etc. are evaluated and analyzed by relevant departments, and then submitted to the board of directors for resolution. According to the risk assessment results, the Audit Office formulates the annual audit plan and implements it to implement the risk control and supervision mechanism.</p>

Evaluation project	Operation		Summary	Differences between the code of practice for corporate governance of listed and OTC companies and the reasons
	yes	no		
			<p>6. Implementation of customer policy: the company has quality engineering department and business support department to provide transparent and effective after-sales service and customer complaint handling for products and services.</p> <p>7. The company purchases liability insurance for directors: the company purchases liability insurance for directors. The insured amount in 2026 has been submitted to the 6th meeting of the 10th session board of directors and reported to the public information Observatory in accordance with regulations.</p>	
<p>IX. Please explain improvements that have been made as well as priorities and measures to improve the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Corporate Governance Center: The company has completed self-assessment and review, and will continue to strengthen the level of corporate governance.</p>				

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

Stakeholder	Issues of concern	Communication Form and Frequency	The actual implementation status and contact window of each agreed pipeline in 2025
Client	<ul style="list-style-type: none"> · Customer relationship management · Corporate Governance · Code of conduct · Regulatory Compliance · Grievance mechanism · Innovation and development 	<ol style="list-style-type: none"> 1. Sustainability report (annual). 2. Review meetings with customers: including technology, products, after-sales service, prohibited substances, conflict minerals, environment, etc. (irregular, QBR/HBR/ABR). 3. Customer satisfaction survey (annual). 4. Corporate website (irregularly). 5. Customer-hosted supplier meetings (irregular). 	<ol style="list-style-type: none"> 1. Provide the sustainability reports on the company's official website. 2. Complete the annual customer satisfaction survey. 3. Disclose the latest product technology on the corporate website. 4. Participate in customer information security, ESG and other promotional meetings. 5. Cooperate with customer product, environment, responsibility and other requirements and checks, and cooperate with prevention and continuous improvement. <p>contact window Tel:03-5632255 extension 2852 Miss Tseng E-mail epi.sales@epi.episil.com</p>
Supplier	<ul style="list-style-type: none"> · Supply chain management · Supplier rating · Professional ethics · Conflict-free minerals · Supplier ESG policy and management 	<ol style="list-style-type: none"> 1. Supplier audit (irregular). 2. Rating of suppliers and outsourcers (annual). 3. Supplier code of conduct requirements (annual). 4. Requirements for declaration of non-conflict minerals (irregularly). 5. Stakeholder conflict questionnaire survey and analysis 	<ol style="list-style-type: none"> 1. A total of 5 key suppliers were audited throughout the year. 2. The evaluation of key suppliers is completed in December every year. 3. There are 34 key suppliers that comply with the ethical standards. 4. Key suppliers sign back a declaration of non-use of conflict minerals (100%). 5. Key Supplier Sustainability Management Self-Assessment Questionnaire (once every three years). <p>contact window Tel:03-5632255 extension 2300 Director Hung E-mail: procurement@epi.episil.com</p>
Staff	<ul style="list-style-type: none"> · Human rights protection · Talent Attraction and Retention · Talent cultivation and development · Salary and benefits 	<ol style="list-style-type: none"> 1. Labor-management meeting (quarterly). 2. Employee welfare committee meeting (quarterly). 3. Education and training (irregular). 4. Departmental communication and work meetings (irregular). 	<ol style="list-style-type: none"> 1. A total of 4 labor-management meetings are held every quarter. 2. A total of 4 regular meetings of the Employee Welfare Committee are held every quarter. 3. Conduct training for new recruits to help them understand the company. Provide internal and external training resources, and the average training hours for each employee is about 28.68 hours, effectively achieving talent cultivation and development.

Stakeholder	Issues of concern	Communication Form and Frequency	The actual implementation status and contact window of each agreed pipeline in 2025
	<ul style="list-style-type: none"> · Workplace safety and health · Employee Care and Care 	<ol style="list-style-type: none"> 5. Internal information announcement (irregular). 6. Employee complaint hotline (timely). 7. Meetings of the Occupational Safety and Health Committee (quarterly). 	<ol style="list-style-type: none"> 4. Conduct corporate information security/business secret training courses to improve employees' legal literacy. 5. Hold a supervisor meeting every week to assist the supervisors of each unit to understand the company's operating conditions and improve communication efficiency. 6. Organize annual budget briefings and strategic consensus camps for middle/senior executives, and assist supervisors in understanding the company's future operating strategies and product development directions. 7. Release company information announcements from time to time, so that all colleagues can understand company-related information in real time. 8. The Complaints Committee received and handled 1 complaint related to unlawful infringement.. 9. A total of 4 Occupational Safety and Health Committee meetings are held every quarter. <p>contact window Tel:03-5632255 extension 2226 Ms. Chen E-mail:2226@epi.episil.com</p>
Investors	<ul style="list-style-type: none"> · Integrity management · Organization strategy vision · Risk Management · Follow the law · Information transparency for shareholder rights protection · Economic performance 	<ol style="list-style-type: none"> 1. Shareholders' meeting (annual). 2. Legal person briefing (annual). 3. Release operating income (monthly). 4. Public information observation station (updated in real time). 5. Company website (updated immediately). 	<ol style="list-style-type: none"> 1. One annual general meeting of shareholders. 2. Hold a briefing session for legal persons. 3 Regularly disclose the company's financial and business information on the public information observation station and the company's website. 4 There are spokespersons and acting spokespersons to respond to issues of concern to investors in real time. <p>contact window Spokesperson: Amy Fan , Deputy President Acting Spokesperson: Director Ann Chen Tel:03-5632255 E-mail:epi@epi.episil.com</p>
Government Units and Competent Authorities	<ul style="list-style-type: none"> · Integrity management · Risk Management 	<ol style="list-style-type: none"> 1. Respond to government agencies' requests in official 	<ol style="list-style-type: none"> 1. In accordance with the requirements of government regulations, provide relevant reports or replies on a regular basis.

Stakeholder	Issues of concern	Communication Form and Frequency	The actual implementation status and contact window of each agreed pipeline in 2025
	<ul style="list-style-type: none"> · Follow the law 	<ol style="list-style-type: none"> 1. documents (immediately). 2. Update the information on the company website and public information observation station (monthly, quarterly, and yearly). 3. Questionnaires and interviews (irregular). 4. Accept the evaluation of government agencies (annual). 5. Participate in relevant activities of government agencies (irregularly). 	<ol style="list-style-type: none"> 2. Complete the 2025 corporate governance evaluation. 3. Directors attended the promotional seminars & forums held by the securities regulatory authorities for a total of 9 hours. <p>contact window Address: No. 10, Duxing 1st Road, Hsinchu Science Park Tel: 03-5632255</p>
Nonprofits and Communities	<ul style="list-style-type: none"> · Social care · Community Involvement · Charitable activities 	<ol style="list-style-type: none"> 1. Talent recruitment platform and activities (daily). 2. The company's external website (daily). 3. Public welfare donations (irregular). 	<ol style="list-style-type: none"> 1. The recruitment platform provides employment opportunities and participates in 8 local recruitment events. The company held a total of 7 recruitment events, collaborated with 2 companies in industry-academia partnerships, provided employment opportunities, and conducted campus seminars on company and industry trends to increase job seekers' willingness to work. 2. Purchase public welfare products; donate materials to public welfare groups. 3. Completed charity donations to 9 organizations. <p>contact window Tel: 03-5632255 extension 2226 Ms. Chen E-mail: 2226@epi.episil.com</p>

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

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

Title	Criteria Name	seniority	Professional Qualification Requirements and Experience	Independence situations	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Director (Convener)	Eric Hu	7 years	Please refer to "Disclosure of Directors' Professional Qualifications and Independent Directors' Independence Information" on page 8		1
Independent director	Tungliang Tseng	1 year			1
Independent director	Bing-Yue Tsui	1 year			1

II、Attendance of Members at Remuneration Committee Meetings and the key work in 2026 :

(1) The key work in 2026 :

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

(2) Attendance of Members at Remuneration Committee Meetings :

1. There are 3 members in the Remuneration Committee.
2. A total of 3 (A) Remuneration Committee meetings were held in 2025. The attendance record of the Remuneration Committee members was as follows :

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Convener	William Sheng	1	0	100	(Note1) Number of times required to attend: 1
Committee Member	T.P. Chen	1	0	100	
Committee Member / Convener	Eric Hu	3	0	100	(Note1&2) Number of times required to attend: 3
Committee Member	Tungliang Tseng	2	0	100	(Note2)Number of times required to attend: 2
Committee Member	Bing-Yue Tsui	2	0	100	

Note1 : Epi held a complete re-election of its board of directors on June 13, 2025. The members of the Remuneration Committee T.P. Chen and William Sheng have completed their terms of office.

Note2 : On July 29, 2025, the Company appointed Mr. Eric Hu ,Tungliang Tseng and Mr. Bing-Yue Tsui as Remuneration Committee Members.

Other mentionable items :

I、If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.

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

Remuneration Committee Meeting	Major resolutions	All compensation committee comments and follow-up processing
2025.02.24 5th Term 7th Session	<ol style="list-style-type: none"> 1. The 2024 annual employee compensation and director compensation distribution plan. 2. 2025 Employee Compensation and Director Compensation Appraisal Proposal. 3. Revise the Company's "Manager Retirement Management Regulations". 4. The manager intends to file for retirement. 5. Manager appointment and remuneration proposals. 	<p>The left proposals were approved by all members of the Remuneration Committee and all directors without any objection or reservation from the independent directors.</p>
2025.07.29 6th Term 1st Session	<ol style="list-style-type: none"> 1. The salary proposal for Director. 	
2025.12.16 6th Term 2nd Session	<ol style="list-style-type: none"> 1. 2026 Employee Compensation and Director Compensation Appraisal Proposal. 2. The salary proposal for Director in 2026. 3. Manager applies for retirement. 4. The salary proposal for managers in 2026. 	
2026.03.02 6th Term 3rd Session	<ol style="list-style-type: none"> 1. The 2025 annual employee compensation and director compensation distribution plan. 	

(V) Promoting Sustainable Development Implementation:

Evaluation project	Operation		Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
	yes	no	
I. Has the company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and supervised by the board of directors?	✓		<p>Following the vision and mission of the company's ESG policy, the "ESG Steering Committee" is established in 2022 to serve as the highest-level sustainable development decision-making center within the company. The chairman serves as the chairman and reviews the company together with many senior executives in different fields. The core operating capabilities of the company have established a medium- and long-term sustainable development plan.</p> <p>The "ESG Implementation Committee" serves as a cross-departmental communication platform integrating top and bottom and horizontally connecting. Through meetings and task groups set up according to issues, identify sustainable issues related to company operations and stakeholders, formulate corresponding strategies and work guidelines, compile budgets related to sustainable development of each organization, plan and implement annual plans, At the same time, track the implementation results to ensure that the sustainable development strategy is fully implemented in the company's daily operations. The ESG steering committee regularly reports to the board of directors on the progress of sustainable development.</p> <p>Members of the "ESG Steering Committee" report to the Board of Directors on sustainable development implementation results and future work plans every quarter. A total of 4 reports were submitted to the Board of Directors in 2025.</p> <p>Epi's board of directors regularly listens to the management team's operating reports and ESG reports every quarter. The board of directors assesses the likelihood of success of the company's proposed strategies, reviews the progress of the strategies, and urges the management team to make adjustments when necessary.</p>

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

Evaluation project	Operation		Summary	Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
	yes	no		
(II) Is the Company committed to achieving Energy efficiency and efficient use of resources, and using renewable materials that produce less impact on the environment?	✓		<p>of enterprises. We determine to strictly comply with applicable legal requirements and other requirements relevant to Environment prevention. Pay attention to Environment issues, evaluate the risks and opportunities, and take effective management measures and controls to the risk. Set up a framework for setting and reviewing Environment and objectives to enhance the Environment and performance. All factories of the company obtained the ISO14001 environmental management system certification in December 2001, and regularly obtain third-party verification and pass the review every year, which is continuously valid, and the certificate is valid until November 24, 2028. At the same time, starting from 2021, the greenhouse gas inventory will be carried out every year in accordance with the ISO14064-1 and passed verification by the third party</p> <p>(II) Based on the environmental spirit of "cherishing natural resources", the company combines the core business of environmental protection with customers' trust, and jointly creates the concept of "sustainable operation" and social feedback, so as to continuously promote waste reduction and reuse.</p>	No difference
(III) Has the Company made an assessment on the potential risks and opportunities posed by climate changes to the present and future of the Company and undertaken countermeasures pertaining to climate changes?	✓		(III) EPI has assessed the potential risks and opportunities of climate change for enterprises now and in the future, incorporated them into risk management, and actively promoted energy and carbon reduction related operations.	No difference
(IV) Has the Company measured its greenhouse gas emission, water use and total weight of waste, and established policies pertaining to energy	✓		(IV) The Company measured its greenhouse gas emission, water use and total weight of waste, and established policies pertaining to energy conservation, reduction in water use, or management of waste disposal on page 58~59 & 48.	No difference

Evaluation project	Operation		Summary	Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
	yes	no		
conservation, reduction in water use, or management of waste disposal?				
IV. Social Issues				
(I) Does the Company establish policies and procedures in compliance with regulations and internationally recognized human rights principles?	✓		(I) The company refers to the "United Nations Universal Declaration of Human Rights" and "United Nations International Labor Organization", "Labor and Ethics Management Code" and other international human rights conventions, and has formulated the "Episil-Precision Inc. Human Rights Policy". For the relevant policy content, human rights due diligence process, and its implementation, please refer to page 49-52.	No difference
(II) Has the Company established and implemented reasonable employee benefit measures (including salary, leave and other benefits), reasonably tying operating results to employee salary?	✓		(II) The company has provided a number of welfare policies for employees. In addition to labor insurance, health insurance, pension allocation and parental leave stipulated by laws and regulations, it also handles annual health checkups for employees, distribution of gift money and gift certificates for three festivals, wedding and funeral celebrations and condolences, and employee group insurance. In addition, according to the company's articles of association, the company should allocate no less than 5% of the employee's remuneration according to the annual profit situation, and distribute it to all colleagues after the annual performance appraisal, so as to encourage all colleagues to work together. The company's goal is to work hard. In addition, the company has formulated the "Salary Management Measures" as the basis for employee salary assessment, and actively grasps the market salary level to regularly review the company's salary policy, and has a corresponding salary adjustment mechanism to provide employees with good salary conditions. The company also has a performance bonus, which is awarded according to the annual operating performance (operating results),	No difference

Evaluation project	Operation		Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons	
	yes	no		Summary
(III) Does the Company provide healthy work environment? Are employees trained regularly on safety and health issues?	✓		<p>financial status, operating status and personal work performance, in order to achieve the purpose of rewarding employees.</p> <p>(III)We, EPI , strive to enhance safety and health, prevent injury and ill health, and eliminate hazard and reduce OH&S risks, and create a safe, healthy and comfortable working environment. Through the participation and consultation of all workers, with continuous improvement and periodically review, to achieve the goal of comply with applicable legal requirement, maintain a healthy safety atmosphere, and sustainable growth of enterprises. In order to protect workers from harmful substances in the workplace and provide workers with a healthy and comfortable working environment, Episil-Precision monitors the workplace twice a year to gradually understand the actual status of workers' exposure. We determine to strictly comply with applicable legal requirements and other requirements relevant to OH&S hazard prevention. Pay attention to OH&S issues, evaluate the risks and opportunities, and take effective management measures and controls to the risk. Set up a framework for setting and reviewing OH&S objectives to enhance the OH&S performance. Establish a complete communication structure to actively communicate to all persons working under EPI, and be available to interested parties. Promote independent safety inspections by unit supervisors, as well as regular inspections by safety engineers and irregular project inspections to achieve the goal of continuous improvement. Regarding employee education and training, both new and in-service employees are required to carry out safety training in accordance with the law. OHSAS 18001 safety and health management system certification in</p>	No difference

Evaluation project	Operation		Summary	Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
	yes	no		
(IV) Has the Company implemented an effective training program that helps employees develop skills over their career?	✓		<p>January 2010. The international organization for Standardization (ISO) announced in March 107 that the new version of occupational health and safety management system (ISO 45001:2018) would replace OHSAS18001. The company obtained iso45001:2018 certification in October 2019. The expiry date is November 24, 2028.</p> <p>The company had no fire incidents and no casualties in 2025. Excluding commuting-related occupational accidents, there was an incident of slipping and getting injured on a rainy day. Relevant improvements have been made to prevent similar incidents from happening again.</p> <p>(IV) The company has established a complete functional map and career development plan for employees, including newcomer training, management function training, professional training, core competence training, etc., through internal and external training, and C-Learning, E-Learning, OJT and other multiple learning methods, effective Improve work ability, and provide colleagues with on-the-job degree training assistance, language training assistance, etc., to motivate and assist colleagues in continuous self-development. The company has been awarded the Bronze Medal Award of Taiwan Training Quality System, which strengthens the professional skills of employees and provides the company with competitiveness and long-term development. 2025 annual training results:</p> <p>(1)The completion rate of the annual training plan is 99.6%.</p> <p>(2)The total number of hours of annual course bidding is about 1,474 hours, the total number of training hours is 20,247 hours, and the average number of training hours per employee per year is about 28.68 hours.</p>	No difference

Evaluation project	Operation		Summary	Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
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(V) Pertaining to the health and safety of customer when using the Company's products and services, consumer privacy, marketing and labeling, does the Company comply with the relevant regulations and international standards, and establish relevant policies on consumer and customer protection and complaint procedure?	✓		(V) The marketing and labeling of our products and services comply with and comply with relevant laws and regulations and international standards.	No difference
(VI) Has the Company established policy on supplier management, demanding suppliers to observe code of conduct pertinent to environmental protection, labor safety and health or labor rights, and monitoring their implementation?	✓		(VI) The company has a supplier evaluation system. Before dealing with suppliers, we will conduct a qualification review to confirm that there is no record of impacting the environment and society in the past. Suppliers are also required to abide by the relevant business ethics system formulated by the company.	No difference
V. Does the Company refer to universal standard or guideline for report preparation when preparing for Sustainability Report and other non-financial disclosure reports? Does the Company obtain the confirmation or affirmation opinion from third party for the aforementioned reports?	✓		Epi refers to internationally accepted reporting standards or guidelines to prepare a sustainability report to disclose the company's non-financial information, and reports it on the public information observatory and the company's website. The 2024 Sustainability Report has obtained a limited assurance report from We Win CPAs Firm..	No difference
VI. If the Company has established integrity management principles in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" please describe the current practices and any deviations from the Best Practice Principles: The company attaches great importance to the promotion of sustainable development. In the future, it will regularly review the implementation situation in accordance with the code and improve accordingly. There is no difference in the implementation so far.				
VII. Other important information to facilitate better understanding of corporate conduct and ethics compliance practices of the Company: (1) All factories of the company have obtained the international standard certification of environmental management system (ISO 14001: 2015) and occupational safety and health management system (ISO 45001:2018). "Chemical Substances Operation Management Regulations" and "Environmental Banned Substances Management Procedures" strictly control all products				

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<p>and materials as standards for the management of banned/restricted chemical substances for suppliers to comply with international conventions, environmental protection laws and customer specifications; and through the implementation of the ISO14001 environmental management system, the optimization of energy saving is carried out, the water and electricity energy consumption is managed from the source, the impact on the environment is reduced and the cost is saved.</p> <p>(2) The company conducts conflict ore source investigations on suppliers semi-annually and irregularly, and requires suppliers not to purchase or use mines from conflict areas controlled by non-governmental military groups or illegal military factions in the Democratic Republic of the Congo, including the metals such as Au, Ta, W and Sn are also publicly promoted through the company's website, declaring the policy of not using conflict minerals; supplier management is in accordance with IATF 16949:2016 and the requirements of RoHS and related laws and regulations to confirm whether its quality system complies with ISO9001.</p> <p>(3) The company's water consumption and total waste weight in the past two years :</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th rowspan="2">Data Coverage</th> <th rowspan="2">water consumption (m³/Yr)</th> <th colspan="3">Total weight of waste (tons)</th> <th rowspan="2">Waste reuse rate</th> </tr> <tr> <th>hazardous waste</th> <th>non-hazardous waste</th> <th>total</th> </tr> </thead> <tbody> <tr> <td>2025</td> <td>All factories</td> <td>826,261</td> <td>5.85</td> <td>211.11</td> <td>216.97</td> <td>58.7%</td> </tr> <tr> <td>2024</td> <td>All factories</td> <td>668,560</td> <td>4.41</td> <td>153.01</td> <td>157.42</td> <td>54.6%</td> </tr> </tbody> </table> <p>(4) company policies to reduce greenhouse gas, water use or other waste management</p> <table border="1"> <thead> <tr> <th>Develop policies for greenhouse gas reduction, water use reduction or other waste management</th> <th>Promotional measures to achieve the goal</th> <th>2025 Achievement</th> </tr> </thead> <tbody> <tr> <td>Y2025-Y2029 Electricity saving rate target >1.5%</td> <td>1. Replace old and inefficient units 2. Equipment parts update 3. Adjust energy-saving measures 4. Replacement of lamps</td> <td>Electricity saving rate = 2.0%. Equivalent to saving 1.873 million kWh of electricity</td> </tr> <tr> <td>Y2025-Y2029 Water consumption per unit wafer <15.5 ton/m²</td> <td>1. Increase the ratio of process wastewater used by Local scrubber. 2. Install water-saving devices on faucets in the factory area 3. Assess the cooling tower to increase conductivity and reduce drainage.</td> <td>Water consumption per unit wafer is about 10.15 ton/m²</td> </tr> <tr> <td>Y2025-Y2026 Waste recycling rate >=53% Y2027-Y2029 Waste recycling rate >=55%</td> <td>1. Recycle and reuse empty boxes of finished products 2. Process test wafer recycling and reusing. 3. Manage from the source through education, training, supervision and publicity, and actively implement waste reduction and classification management.</td> <td>A total of 4,205 waste paper boxes were recycled and reused, and 5,674 process test wafer were recycled and reused, 3,656 cushioning materials were recycled and reused. The waste recycling and reuse rate was 58.7%.</td> </tr> </tbody> </table>					Year	Data Coverage	water consumption (m ³ /Yr)	Total weight of waste (tons)			Waste reuse rate	hazardous waste	non-hazardous waste	total	2025	All factories	826,261	5.85	211.11	216.97	58.7%	2024	All factories	668,560	4.41	153.01	157.42	54.6%	Develop policies for greenhouse gas reduction, water use reduction or other waste management	Promotional measures to achieve the goal	2025 Achievement	Y2025-Y2029 Electricity saving rate target >1.5%	1. Replace old and inefficient units 2. Equipment parts update 3. Adjust energy-saving measures 4. Replacement of lamps	Electricity saving rate = 2.0%. Equivalent to saving 1.873 million kWh of electricity	Y2025-Y2029 Water consumption per unit wafer <15.5 ton/m ²	1. Increase the ratio of process wastewater used by Local scrubber. 2. Install water-saving devices on faucets in the factory area 3. Assess the cooling tower to increase conductivity and reduce drainage.	Water consumption per unit wafer is about 10.15 ton/m ²	Y2025-Y2026 Waste recycling rate >=53% Y2027-Y2029 Waste recycling rate >=55%	1. Recycle and reuse empty boxes of finished products 2. Process test wafer recycling and reusing. 3. Manage from the source through education, training, supervision and publicity, and actively implement waste reduction and classification management.	A total of 4,205 waste paper boxes were recycled and reused, and 5,674 process test wafer were recycled and reused, 3,656 cushioning materials were recycled and reused. The waste recycling and reuse rate was 58.7%.
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<p>(5)Epi obtained the ISO 14001 Environmental Management System certification in 2001. Guided by our Environmental, Health, and Safety (EHS) policy, we strive for sustainable operations. In 2019, we successfully completed the transition to ISO 14001:2015 with external verification by LRQA. The latest certificate is valid from November 25, 2025, to November 24, 2028.</p> <p>Epi Environmental Management System and its Implementation Status in 2025: In accordance with the environmental regulations set by the Ministry of Environment and the requirements of ISO 14001, Epi establishes its Environmental, Safety, and Health (ESH) Management Manual and System in accordance with the environmental regulations set by the Ministry of Environment and the requirements of ISO 14001. The company conducts internal ISO 14001 audits semi-annually and undergoes regular third-party certifications annually to ensure the continuous effectiveness of the system.</p> <ol style="list-style-type: none"> 1.Environmental Management Programs: Completed 6 projects focusing on energy conservation, waste reduction, and enhancing the operational efficiency of pollution control systems. 2.Energy Efficiency Measures: we have implemented four key initiatives: replacing inefficient legacy units, updating equipment components, optimizing energy-saving protocols, and upgrading lighting fixtures. In 2025, these efforts achieved a total benefit of 1.873 million kWh in electricity savings and a carbon reduction of 887.9 metric tons of CO2e. With an energy-saving rate of 2%, we have successfully surpassed the 1.5% target set for the 2025 - 2026 period. 3.Waste Management: we conducted waste reduction initiatives that resulted in a 58.7% recycling and reuse rate in 2025. This represents a 4.1% increase compared to 2024 and successfully achieved our 2025 - 2026 target of 53%. 4.Historical monitoring results consistently show that air pollutant emission concentrations remain well below the emission standards. 5.We conduct annual emergency response drills for air pollution control, with a total of five sessions held in 2025. <p>(6) Epi obtained ISO 50001:2018 Energy Management System certification in 2025, which was externally verified by LRQA. The latest certificate is valid from July 7, 2025 to July 6, 2028.</p> <p>(7) Epi's human rights policy, human rights due diligence process, and its implementation status:</p> <ol style="list-style-type: none"> 1.Human rights policy declaration: Epi recognizes and adheres to the principles set forth in international human rights conventions, including 「Universal Declaration of Human Rights」, 「United Nations Global Compact」, 「United Nations Guiding Principles on Business and Human Rights」 and 「International Labor Organization」 Comply with various international human rights conventions and adopt actions consistent with the Responsible Business Alliance, providing employees with a fair and safe working environment, treating and respecting all stakeholders with dignity, preventing any acts that infringe upon or violate human rights, and adhering to local government labor laws, fulfilling the responsibilities of management, advocacy, and risk mitigation. 2.Scope of the Human Rights Policy: Applicable to the company group and its invested subsidiaries, through the emphasis on human rights management, it strives to reduce human rights risks and impacts on employees, suppliers, partners, and the environment in which we operate. 3.Contents of the Human Rights Policy: 			

Evaluation project	Operation		Summary	Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
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			<p>It includes nine major aspects: no employment discrimination(Ensure fairness in hiring, compensation, benefits, training, performance evaluation and promotion opportunities, and ensure that employees are not discriminated against based on gender, race, nationality, religion, age, marital status, sexual orientation, political stance, etc., and establish a work environment free from discrimination and harassment.), no forced labor & no child labor, legal working conditions, ensuring freedom of association, focusing on labor-management relations, establishing grievance mechanisms, emphasizing information security and privacy protection, adhering to professional ethics, and creating a healthy and safe workplace. (For detailed content, please refer to EPI's official website / Corporate Sustainability / Social Sustainability / Respect for Human Rights. (https://www.epi.episil.com/Default/Social_participation))</p> <p>4. Human Rights Governance and Organizational Units:</p> <p>In response to potential human rights issues and risks during the operational process, the Human Resources Department within the organizational structure is responsible for the management and execution of related administrative tasks. EPI established a dedicated sustainable development unit "ESG Steering Committee" and "ESG Implementation Committee" in 2022. Following the vision and mission of the company's ESG policy, the "ESG Steering Committee" is the highest-level ESG decision-making center. It combines multiple departmental expertise and is chaired by the chairman, formulate mid- to long-term sustainable development plans, analyze sustainability issues such as governance, environment and society, and hold regular meetings to report the sustainable development execution plans and results to the board of directors. The board of directors also plays the role of supervision and guidance, keeping abreast of Development Pulse.</p> <p>"ESG Implementation Committee" is under "ESG Steering Committee", with the president as the executive director. Through vertical integration and horizontal connection, it creates a cross-department communication platform, holds regular meetings, formulates corresponding strategies and work guidelines, and provides guidance when necessary. Urging the operating team to make adjustments.</p> <p>Through meetings and functional groups based on ESG issues, we are responsible for identifying sustainability issues related to company operations and stakeholder concerns, preparing relevant budgets required for strategies, planning and executing annual plans, and tracking implementation results to ensure sustainability. The development strategy is fully implemented in the company's daily operations, and implement the effectiveness of human rights-related governance, achieve the company's sustainable development goals, and fulfill corporate social responsibility.</p> <p>5. Implementation of Human Rights Advocacy:</p> <p>In 2025, "Friendly Workplace" related training was conducted with 706 participants, accounting for 100% of the total number of active employees, with a total of 706 training hours; "Responsible Business Alliance Code of Conduct (RBA) Advocacy" courses were also conducted, with 706 participants, accounting for 100% of the total number of active employees, with a total of 706 training hours. In the future, attention will continue to be paid to human rights protection issues, promoting related education and training as well as human rights risk assessment and management, in order to enhance awareness of human rights protection and reduce the likelihood of related risks occurring.</p> <p>6. Human Rights Due Diligence Process and its Implementation:</p>	

Evaluation project	Operation		Summary	Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
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<p>In accordance with relevant domestic and international laws and regulations and the "Code of Conduct of the Responsible Business Alliance," regular human rights due diligence is conducted. Through a process involving issue identification, risk assessment, improvement actions, effectiveness review, and reporting disclosure, human rights risk management and protection responsibilities are implemented. Specifically:</p> <p>6.1 Supplier investigation: In accordance with the "Supplier Audit Management Regulations," the Quality System Department assists in conducting a "Supplier Corporate Social Responsibility Questionnaire" every two years for qualified suppliers. In 2025, a total of 54 questionnaires were distributed and 54 were returned, achieving a 100% return rate. All suppliers complied with RBA specifications. No major violations occurred.</p> <p>6.2 Internal risk assessment survey: In order to practice ESG corporate social responsibility for sustainable development, implement human rights policies, comply with the labor and ethics regulations of the Responsible Business Alliance (RBA), effectively improve and continuously improve management systems and reduce the risks and impacts of human rights management, we conducted a labor and ethics risk assessment of all employees. (Assessment survey method: The "Labor and Ethical Hazard Assessment Form" was completed online; 714 questionnaires were returned, with a response rate of 100%.)</p> <p>7. Human Rights Due Diligence Results: According to the 2025 survey results, all 14 risk issues were classified as "low risk" in terms of the likelihood of occurrence, the severity of occurrence, and the risk product. Although the 2025 survey results did not reveal any high-risk issues, Chia-Ching remains committed to the principles of human rights protection and sustainable development. The company continues to make self-improvements and optimize its management to reduce the occurrence and impact of human rights issues. For the two issues with the highest risk products—working hours and anti-discrimination/anti-harassment/humanitarian treatment—the company will strengthen supervision and develop improvement plans.</p> <p>8. Human Rights Issues Mitigation and Remedial Measures:</p>				

Evaluation project	Operation		Differences between the code of practice for Sustainable development of listed and OTC companies and the reasons
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For details of human rights due diligence, please refer to the EPI website/Corporate Sustainability/Social Sustainability/Respect for Human Rights. (https://www.epi.episil.com/Default/Social_participation)

Issue	Risk Description	Mitigation Measures	Remedial Measures
Working hours	The risk of working hours exceeding the legal maximum, working more than 60 hours per week (except in emergencies or special circumstances), or not meeting the requirement of resting at least one day every seven days.	<ul style="list-style-type: none"> The company has established and publicized its "Human Rights Policy," "Employee Work Rules," "Overtime Management Regulations," "Schedule and Overtime Management Regulations," and "Leave Management Regulations," strengthening awareness and encouraging employees to take leave in accordance with regulations. A management system for overtime, leave, attendance, and attendance card swiping has been established to assist supervisors and colleagues in managing and allocating working hours. Working hour statistics/reports, production capacity, and manpower needs are reviewed regularly at senior management meetings, and recruitment policies are adjusted flexibly accordingly. All employees complete ESG and RBA-related training courses annually to strengthen their awareness of human rights and working hour management. 	<ul style="list-style-type: none"> Utilize time reports and system statistics to create an early warning mechanism and improve company policies and systems. Implement production scheduling planning to ensure reasonable task and manpower allocation. Provide overtime pay and leave in accordance with the law, allowing employees sufficient rest. In case of any violations, conduct internal investigations and implement reward and punishment procedures to restore employees' rightful benefits.
Anti-discrimination/Anti-harassment/Humane treatment	There is a risk of violence, sexual violence, sexual harassment, sexual assault, corporal punishment, psychological or physical coercion, bullying, etc., or of harsh or inhumane treatment, or of discrimination or harassment of employees in recruitment and in actual work based on race, skin color, age, gender, sexual orientation, etc.	<ul style="list-style-type: none"> The company has established and publicized its "Human Rights Policy," "Employee Work Rules," "Labor and Ethics Management Standards," "Prevention Plan for Unlawful Harassment in the Performance of Duties," "Written Statement on Prevention of Workplace Unlawful Harassment," "Sexual Harassment Prevention and Handling Measures," and "Declaration Prohibiting Workplace Sexual Harassment." The company provides diverse communication channels. Employees can participate in discussions and express their opinions through labor-management meetings, employee welfare committee meetings, occupational safety and health committee meetings, food committee meetings, work and management meetings, employee relations activities, seminars, training courses, etc. They can also use employee feedback hotlines, dedicated areas, email, and the performance management system to submit suggestions and appeals. Cases are handled by dedicated personnel and the appeals committee to achieve full communication and problem-solving, while protecting the safety and rights of relevant personnel. The company conducts annual "RBA Labor and Ethics Hazard Assessment" and "Workplace Unlawful Harassment Prevention Operations." Through risk assessment, potential risk issues and areas are identified, and corresponding measures are proposed to strengthen prevention, detection, and response, ensuring a safe workplace environment. Every year, all employees regularly complete education and training courses related to ESG, RBA, and prevention of workplace misconduct to strengthen their human rights awareness. 	<ul style="list-style-type: none"> Regularly review and revise human rights-related procedures and measures, and ensure the accessibility of channels for complaints and feedback. In the event of any related incidents, provide appropriate protection and resettlement to the victims or complainants to prevent retaliation or unfair treatment. In the event of any violations of regulations, conduct internal investigations and implement reward and punishment procedures to restore the employees' rightful entitlements.

9. Improvement Actions and Results:

- (1) Working Hours: Through daily and periodic management mechanisms, the legality and reasonableness of working hours are strictly monitored and controlled. No disputes or lawsuits related to working hours arose this year.
- (2) Anti-discrimination/Anti-harassment/Humanitarian Treatment: We provide diverse communication channels, conduct annual RBA (Labour and Ethics Risk Assessment) and workplace misconduct prevention operations, and regularly hold educational and training courses on ESG, RBA, and workplace misconduct prevention to strengthen human rights awareness, reduce the probability of risks, and ensure a safe workplace environment. No related disputes or lawsuits arose this year.

(VI)Climate-related information of listed companies:

1 Implementation of climate-related information

Item	Execution situation																												
1. Describe the board and management's oversight and governance of climate-related risks and opportunities.	<p>Climate change is one of the most concerning environmental issues around the world today. Epi discloses climate-related information in accordance with relevant regulations. The highest supervision unit of Epi's risk management is the board of directors, which regularly reviews and supervises risks and opportunities related to climate change to ensure the effective implementation of the risk management system. In 2022, Epi established the "ESG Steering Committee", which is the highest organization for climate change management. The chairman serves as the chairman and leads the management team to jointly review climate change strategies and goals, propose countermeasures, and regularly report implementation plans and results to the board of directors. Based on the company's climate change strategy and goals, the management team is responsible for preparing the relevant budgets required for relevant strategies, planning and executing annual plans, and regularly tracking and reporting implementation results.</p>																												
2. Describe how the identified climate risks and opportunities affect the company's business, strategy and finance (short-term, medium-term, long-term).	<p>Epi conducted cross-department discussions and identified short-term, medium-term, and long-term climate risks and opportunities. A total of 6 key risks and opportunities were identified, and scenarios were conducted to address the potential operational and financial impacts that these 6 key risks and opportunities would bring to the company. Analyze and set goals and strategies.</p>																												
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	Transformation	Goodwill	Impact on company image	Failure to meet the expectations of stakeholders affects reputation	lost sales	◆ Improve corporate reputation: Obtained ISO14001, carbon inventory verification, and transparently disclosed carbon information
	Entity	Soon	Sudden climate disasters disrupt supply chains	Sudden climate disasters disrupt supply chains	Delays in product shipments and increased operating expenses	◆ Improve supply stability: Establish backup suppliers, multi-source transportation routes, and increase local supplier warehousing capacity
	Entity	Long term	Extreme climate intensification_water shortage	Water shortage affects production	Operation interruption, increased operating costs	◆ Increase water resource utilization and response: Establish a water regime monitoring mechanism and a water shortage response mechanism, and sign contracts with water trucks to supply water.

3. Describe the financial impact of extreme climate events and transition actions.

Global warming has caused climate anomalies, and the frequency of extreme weather such as heavy rains or droughts has increased, resulting in longer raw material preparation periods, increased transportation costs, and increased factory production costs, increasing the company's operating costs. Net-zero carbon emissions have become a global trend. The European Union's Carbon Border Adjustment Mechanism (CBAM) will be trialled in October 2023. The U.S. Clean Competition Act (CCA) is also planned to be launched in 2024. Taiwan's Ministry of Environment announced on October 7, 2024 that the carbon fee will be NT\$300 per ton, with a minimum charge of 25,000 tons. A trial application will be made in 2025 without paying the fee, and the fee will be officially charged in May 2026. Currently, none of Epi's plants have reached the threshold for carbon tax payment, so no carbon tax needs to be paid.

Epi proposes specific management countermeasures for climate change risks as follows:

(1) Actively promote various energy conservation and carbon reduction programs to strengthen the company's ability to cope with extreme climate, including:

- a. Completed 27 energy-saving actions, with an annual electricity saving rate of 2.0%, equivalent to saving 1.873 million kilowatt hours of electricity.
- b. Establish an energy-saving project management team to continuously carry out energy-saving optimization measures for equipment and facilities.
- c. Establish a greenhouse gas inventory management review committee, establish greenhouse gas inventory procedures, introduce management systems such as ISO50001、ISO14001 and ISO14064-1, conduct greenhouse gas inventory verification personnel training, conduct greenhouse gas inventory every year, and pass inspections by third-party agencies.

(2) R&D and production of low energy consumption products to provide customers with lower carbon products: Actively develop and mass-produce new energy-saving products (compound semiconductors GaN and SiC) to provide customers with more advanced product choices with energy-saving and carbon-reducing advantages.

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

<p>manage physical risks and transformation risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p> <p>8. If climate-related goals are set, information such as the activities covered, greenhouse gas emission scope, planning schedule, annual achievement progress, etc. should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, information such as Explain the</p>	<p>Epi has established an internal carbon price of NT\$3,000 per ton of CO₂e, taking into account international carbon market trends, national carbon fees, and internal carbon reduction costs. Starting in 2026, carbon costs will be integrated into capital expenditure (CAPEX) applications. This pricing mechanism is applied to evaluate the effectiveness of energy-saving, carbon reduction, and renewable energy projects.</p> <p>As of the publication date of the annual report, the Company has not set climate-related targets, so it is not applicable.</p>
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<p>source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) being redeemed.</p> <p>9. Greenhouse gas inventory and confirmation, reduction goals, strategies and specific action plans (fill in 1-1 and 1-2 separately).</p>	<p>Greenhouse gas inventory and confirmation status as well as reduction targets, strategies and specific action plans are as follows 1-1.</p> <p>As of the publication date of the annual report, it is not necessary to disclose the reduction targets, strategies and specific action plans, and will be disclosed in accordance with legal requirements in the future.</p>
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1-1 Company greenhouse gas inventory and confirmation status in the last two years

<p>Basic information of the company</p> <p><input type="checkbox"/> Companies with capital of more than NT\$10 billion, steel industry, cement industry</p> <p><input type="checkbox"/> Companies with capital of more than NT\$5 billion but less than NT\$10 billion</p> <p><input checked="" type="checkbox"/> Companies with capital of less than NT\$5 billion</p>	<p>According to the provisions of the sustainable development road map of listed companies, at least</p> <p><input checked="" type="checkbox"/> Individual inspection of the parent company</p> <p><input type="checkbox"/> Inspection of the consolidated financial report of subsidiaries</p> <p><input type="checkbox"/> Parent company' s individual confidence</p> <p><input type="checkbox"/> Consolidated financial report subsidiary' s confidence</p>
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Greenhouse gas inventory and confirmation status for Y2025 :

Data coverage Total emissions		Total emissions (metric tons CO2e)	Intensity (metric tons CO2e/million yuan)	Believe in the organization	Description of the belief situation (including the scope of the belief, the assurance agency, the assurance criteria and the assurance agency)
parent company	Scope1	681.04	0.2	LRQA	<p>The parent company' s total greenhouse gas emissions from Scope 1, Scope 2 and Scope 3 are 56,157.55 metric tons CO2e, of which Scope 1 accounts for 1.2% of the total emissions, Scope 2 accounts for 79.3%, and Scope 3 accounts for 19.5%.</p> <p>The subsidiary' s total greenhouse gas emissions from Scope 1, Scope 2 and Scope 3 are 4.165 metric tons CO2e, of which Scope 1 accounts for 0% of the total emissions, Scope 2 accounts for 85.0%, and Scope 3 accounts for 15.0%.</p> <p>It is expected that the third-party certification will be completed in March 2026, and LRQA will certify it according to the ISO 14064-3:2019 standards. This information will be disclosed in the sustainability report.</p>
	Scope2	44530.99	11.4	LRQA	
	Scope3	10945.52	2.8	LRQA	
subsidiary	Scope1	0	0	LRQA	
	Scope2	3.54	0.025	LRQA	
	Scope3	0.63	0.004	LRQA	

Greenhouse gas inventory and confirmation status for Y2024 :

Data coverage Total emissions		Total emissions (metric tons CO2e)	Intensity (metric tons CO2e/million yuan)	Believe in the organization	Description of the belief situation (including the scope of the belief, the assurance agency, the assurance criteria and the assurance agency)
parent company	Scope1	665.6	0.2	LRQA	The parent company's total greenhouse gas emissions from Scope 1, Scope 2 and Scope 3 are 52073.2 metric tons CO2e, of which Scope 1 accounts for 1.28% of the total emissions, Scope 2 accounts for 81.08%, and Scope 3 accounts for 17.65%. The assurance agency adopts ISAE3410/ISO 14064-3:2019 standards to assure that the assurance opinions for Scope 1 and Scope 2 are reasonable assurance, and the assurance opinion for Scope 3 is limited assurance..
	Scope2	42219.0	10.3	LRQA	
	Scope3	9188.7	2.2	LRQA	
subsidiary	Scope1	0	0	LRQA	The subsidiary's total greenhouse gas emissions from Scope 1, Scope 2 and Scope 3 are 4.4 metric tons CO2e, of which Scope 1 accounts for 0% of the total emissions, Scope 2 accounts for 80.6%, and Scope 3 accounts for 19.94%. The assurance agency adopts ISAE3410/ISO 14064-3:2006 standards to assure that the assurance opinions for Scope 1 and Scope 2 are reasonable assurance, and the assurance opinion for Scope 3 is limited assurance.
	Scope2	3.5	0.016	LRQA	
	Scope3	0.9	0.004	LRQA	

Note: EPI's FAB4 obtained the factory registration certificate on November 26, 2024, so the above inventory and confirmation figures do not include FAB4.

(VII) Status of Implementation of Integrity Operation:

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

Evaluation project	Operation		Differences and reasons between the code of good faith operation of listed and OTC companies
	yes	no	
<p>businesses with which it has dealings and include clear ethical corporate behavior provisions in contracts with such counterparties?</p> <p>(II) Does the Company task a unit that reports directly to the Board of Directors and with promoting ethical standards, making periodical updates (at least once a year) to the Board on ethical management policy, as well as the supervision of measures for prevention of unethical conduct? ✓</p>			<p>conducting business transactions, the legitimacy and reputation of the objects of business transactions should be considered to avoid dealing with those who have dishonest behaviors. In addition, the terms of dishonest behaviors should be specified in the relevant business contracts. If the opposite party is involved in dishonest behaviors, the contract may be terminated or terminated at any time.</p> <p>(II) Epi's integrity management coordination unit is the Chairman's Office, which leads the management team to promote and supervise the company's integrity management policies and prevent dishonest behavior, and regularly reports to the board of directors on the implementation status of the year. The most recently on March 2, 2026. Epi has established the "Code of Conduct for Honest Business Practices", "Regulations for Preventing Insider Trading", "Employee Code of Ethics", and "Key Points for Reporting and Handling Violations of Professional Ethics and Integrity", and established a reporting, punishment and appeal system to implement the policy of honest business practices. Epi's 2025 integrity management implementation status:</p> <div style="border: 1px solid black; padding: 5px;"> <p>(1) Universal education and training :</p> <p>Annual training completion rate for all employees(706 employees) is 100%</p> <ul style="list-style-type: none"> ● Securities and Exchange Law Insider Trading Course ● Promotion of business integrity code ● Promotion of employee ethics standards ● Information security code promotion </div>

No difference

Evaluation project	Operation			Differences and reasons between the code of good faith operation of listed and OTC companies
	yes	no	Summary	
			(2) Prevention of Insider Trading : All the insiders of the Company strictly abide by the company's regulations and there is no record of trading its stocks during the closed period of thirty days before the announcement of the annual financial report or fifteen days before the announcement of each quarterly financial report.	
(III) Does the company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	✓		(III) The company has formulated the "Code of Integrity Management" and "Employee Code of Ethics" to prevent conflicts of interest, and set up investment zones, corporate governance zones, corporate sustainable development zones, and stakeholder zones on the company's website to benefit shareholders and Stakeholders etc.	No difference
(IV) To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, and had internal auditors made audit plans according to the results of the risk assessment of unethical conduct, so as to inspect the compliance of the preventive measures, or commissioned external CPA to conduct the audit?	✓		(IV) The company has established an effective accounting system and internal control system, and the operation is normal. The internal auditors regularly carry out audit according to the audit plan and make audit reports, and the audit reports are sent to the chairman and independent directors for inspection, so as to implement honest operation and avoid fraud.	No difference
(V) Does the Company provide internal and external ethical conduct training programs on a regular basis?	✓		(V) Through departmental meetings, the company promotes and enables employees to understand the company's principles and norms of good faith management.	No difference
III. Implementation of the Whistleblowing System				
(I) Has the Company established specific whistle-blowing and reward procedures, accessible	✓		(I) EPI has established "Guidelines for Reporting and Handling Violations of Professional Ethics and Integrity" and	No difference

Evaluation project	Operation		Differences and reasons between the code of good faith operation of listed and OTC companies
	yes	no	
reporting channels, and designated personnel to handle the reported misconducts?			set up reporting channels for internal and external parties. When the company receives a report, it will refer the case to the "Board of Directors" or the "Personnel Review Committee" for investigation and disciplinary action, depending on the nature of the violation. There were no disciplinary actions for violations of integrity management regulations this year.
(II) Has the Company established standard operating procedures for investigating misconducts, follow-up measures taken after investigation and confidentiality protection mechanism?	✓		(II) EPI has established a "Guideline for Reporting and Handling Violations of Professional Ethics and Integrity" to handle reports and adheres to the principles of fairness and non-disclosure in investigating the relevant facts..
(III) Has the Company provided proper whistleblower protection?	✓		(III) EPI's reporting process keeps the identity of the whistleblower and the content of the report confidential, protecting them from unfair treatment or retaliation..
IV、Strengthen information disclosure? Enhancement of Information Disclosure Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System?	✓		The company has disclosed the content of the Code of Integrity and its promotion results on his website .
V. If the Company has established integrity management principles in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe its current practices and any deviations from the Best Practice Principles: None.			
VI. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (e.g., review the company's corporate conduct and ethics policy): Up to now, the company has not violated the integrity management rules, affecting the operation of the company.			

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

(1)Governance Officer's training :

Title	Name	During training	Organizer	Course title	Hours
Governance Officer	Angela Wu	2025/5/21	Taiwan Corporate Governance Association	Seminar on "Improving the Performance Evaluation of Boards of Directors and Functional Committees"	2
		2025/8/28	Taiwan Corporate Governance Association	Global economic situation and the effects of Trump's new policies	3
		2025/8/29	BCSD Taiwan	CDP Report on IFRS S2 Issues Release - Strengthening Climate Information Disclosure to Enhance Corporate Climate Resilience	3
		2025/09/26	Securities and Futures Institute	Y2025 Annual Insider Trading Prevention Promotion Meeting	3
		2025/11/04	Taiwan Institute of Directors	Develop sustainable performance indicators and rewards	3
		2025/11/14	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3

(2)Director's training :

Title	Name	During training	Organizer	Course title	Hours
Chairman	JH Shyu	2025/8/28	Taiwan Corporate Governance Association	Global economic situation and the effects of Trump's new policies	3
		2025/11/04	Taiwan Institute of Directors	Develop sustainable performance indicators and rewards	3
Director	David Chen (Note1)	2025/8/28	Taiwan Corporate Governance Association	Global economic situation and the effects of Trump's new policies	3
		2025/11/04	Taiwan Institute of Directors	Develop sustainable performance indicators and rewards	3
Director	Amy Fan	2025/8/28	Taiwan Corporate Governance Association	Global economic situation and the effects of Trump's new policies	3
		2025/11/04	Taiwan Institute of Directors	Develop sustainable performance indicators and rewards	3
Director	Chris Chen	2025/8/28	Taiwan Corporate Governance Association	Global economic situation and the effects of Trump's new policies	3
		2025/11/18	The allied association for Science Parks Industries	How Enterprises Can Plan ESG Sustainable Development Strategies	3
		2025/12/05	The allied association for Science Parks Industries	Tax Management of Intellectual Property Rights from the Perspective of Corporate Governance	3
		2025/12/09	The allied association for Science Parks Industries	Legal Risks Businesses May Face	3

Title	Name	During training	Organizer	Course title	Hours
Director	Winnie Liang	2025/8/28	Taiwan Corporate Governance Association	Global economic situation and the effects of Trump's new policies	3
		2025/11/04	Taiwan Institute of Directors	Develop sustainable performance indicators and rewards	3
Director	JH Chiang	2025/8/28	Taiwan Corporate Governance Association	Global economic situation and the effects of Trump's new policies	3
		2025/11/04	Taiwan Institute of Directors	Develop sustainable performance indicators and rewards	3
Independent director	Eric Hu	2025/11/11	Taiwan Corporate Governance Association	Developing Talent for Sustainable Business Operations	3
		2025/09/10	Securities & Futures Institute	Series of Courses for Directors, Supervisors, and Corporate Governance Executives - Case Studies of Financial Statement Fraud	3
Independent director	Tungliang Tseng	2025/8/28	Taiwan Corporate Governance Association	Global economic situation and the effects of Trump's new policies	3
		2025/10/16	Financial Supervisory Commission Republic of China(Taiwan)	The 15th Taipei Corporate Governance Forum	6
		2025/11/04	Taiwan Institute of Directors	Develop sustainable performance indicators and rewards	3
Independent director	Bing-Yue Tsui	2025/8/28	Taiwan Corporate Governance Association	Global economic situation and the effects of Trump's new policies	3
		2025/11/04	Taiwan Institute of Directors	Develop sustainable performance indicators and rewards	3

Notel : The legal person director, Episil Technologies Inc, has changed its representative to Mr. Eddy Peng on January 13, 2026 (the original representative was Mr.David Chen).

(IX) Status of Implementation of Internal Control System

1. Statement of internal control system :

Please refer to the Market Observation Post System (MOPS)

<https://mops.twse.com.tw> > Single Company > Corporate Governance > Company Regulations> Internal Control/Internal Control Statement

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

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

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

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

Shareholders' meeting	Resolutions	Execution
Shareholders' meeting June 13, 2025	1. Acknowledgement of the 2024 financial statement 2. Acknowledging the 2024 surplus allocation. 3. To revise 「the Articles of Incorporation」 4. Election of directors 5. Proposal of Release the Prohibition on Directors from Participation in Competitive Business	1. The resolution was adopted. 2. Worked in accordance with the resolution results. NT\$0.5 will be distributed per share, and a cash dividend of NT\$144,270,910 will be distributed on June 26, 2025. 3. Worked in accordance with the resolution results. The change of registration was completed on June 26, 2025. 4. The list of elected directors for the tenth board is as follows, and the change of registration was completed on June 26, 2025. .Episil Technologies Inc. Representative : JH Shyu .Episil Technologies Inc. Representative : Eddy Peng .Episil Technologies Inc. Representative : Chris Chen .Episil Technologies Inc. Representative : Amy Fan .Vanguard International Semiconductor Corporation. Representative : Winnie Liang .Vanguard International Semiconductor Corporation. Representative : JH Chiang .Eric Hu .Tungliang Tseng .Bing-Yue Tsui 5. Worked in accordance with the resolution results.

2. Major resolutions passed in board meetings:

Board of Directors Date/Term	Content of the motion and subsequent processing	The independent director disagrees or reservations	Company responses to independent directors opinions	The resolution results
2025.02.24 9th Term 16th Session	1. Approve the 2024 employee remuneration and director remuneration distribution plan. 2. Approve the proposal for the estimation of employee remuneration and directors' remuneration for 2025. 3. Approve the 2024 business report and financial report.	None	NA	All the directors present agree to pass

Board of Directors Date/Term	Content of the motion and subsequent processing	The independent director disagrees or reservations	Company responses to independent directors opinions	The resolution results
	4. Pass the appointment and remuneration of the certified public accountants for the 2025 financial statements audit and the assessment of their suitability and independence. 5. Pass the resolution on profit distribution for 2024. 6. Approve the amendment to the Articles of Association. 7. Approve the board election proposal. 8. Approve and review the list of candidate directors (including independent directors) nominated by the Board of Directors. 9. Approved to lift the non-competition restrictions on new directors. 10. To determine the date, location and reasons for convening the 2025 General Meeting of Shareholders. 11. Pass the 2024 internal control system effectiveness assessment and internal control system declaration. 12. Approved the appointment of directors of the subsidiary ((PRECISION SILICON JAPAN CO., LTD.)). 13. Revise the "Manager Retirement Management Regulations". 14. The manager intends to apply for retirement. 15. Manager appointment and remuneration proposals.			
2025. 05. 06 9th Term 17th Session	1. Approved the Financial Report for the first quarter of 2025. 2. Amend Epi's Articles of Association. 3. Approved the 2024 ESG Report.	None	NA	All the directors present agree to pass
2025. 06. 13 10th Term 1st Session	1. Elect Chairman.	None	NA	All the directors present agree to pass
2025. 07. 29 10th Term 2nd Session	1. Appointment of members to the Sixth Salary and Compensation Committee.	None	NA	All the directors present agree to pass
2025. 07. 29 10th Term 3rd Session	1. Approved the Financial Report for the second quarter of 2025. 2. Approval of financial institution loan cases. 3. Approved the 2024 ESG report confirms. 4. Approved the salary proposal for Director.	None	NA	All the directors present agree to pass

Board of Directors Date/Term	Content of the motion and subsequent processing	The independent director disagrees or reservations	Company responses to independent directors opinions	The resolution results
2025.11.04 10th Term 4th Session	<ol style="list-style-type: none"> 1. Approved the Financial Report for the third quarter of 2025. 2. Amend the "Measures for the Issuance and Conversion of the Fifth Domestic Unsecured Convertible Corporate Bonds". 3. Define the scope of "grassroots employees" . 4. Amend the internal control system and internal audit details for the "Payroll Cycle - Payroll Operations". 5. Establish an internal audit plan for the year 2026. 	None	NA	All the directors present agree to pass
2025.12.16 10th Term 5th Session	<ol style="list-style-type: none"> 1. Approved the 2026 Employee Compensation and Director Compensation Appraisal Proposal . 2. Approved the 2026 annual operating plan and related manpower, equipment and cost budget. 3. Approved the The salary proposal for Director in 2026. 4. Manager applies for retirement. 5. Approved the The salary proposal for managers in 2026. 	None	NA	All the directors present agree to pass
2026.03.02 10th Term 6th Session	<ol style="list-style-type: none"> 1. Approved the 2025 annual employee compensation and director compensation distribution plan. 2. Approved the 2025 annual business report and financial report. 3. Appointment and remuneration of certified accountants for financial statement review in 2026 and assessment of their competence and independence. 4. Approved the company's 2025 profit distribution proposal. 5. Release the Prohibition on Directors from Participation in Competitive Business. 6. Setting the date, location, and reasons for convening the 2026 Annual General Meeting of Shareholders were set. 7. Approved the 2025 annual internal control system effectiveness assessment and internal control system statement. 	None	NA	All the directors present agree to pass

3. Important decisions of the Audit Committee:

Board of Directors Date/Term	Proposal content and subsequent handling	Items listed in Article 14-5 of the Securities and Exchange Act	Resolutions not approved by the Audit Committee but approved by more than two- thirds of all directors
2025.02.24 9th Term 16th Session	1. 2024 annual business report and financial report. 2. Appointment and remuneration of certified accountants for financial statement review in 2025 and assessment of their competence and independence. 3. The company's 2024 profit distribution proposal. 4. 2024 annual internal control system effectiveness assessment and internal control system statement.	✓	None
	Audit Committee Resolution : All members of the Audit Committee agreed to pass. The company's handling of the opinions of the audit committee: all the directors present agreed to pass.		
2025.05.06 9th Term 17th Session	1. Financial Report for the first quarter of 2025.	✓	None
	Audit Committee Resolution : All members of the Audit Committee agreed to pass. The company's handling of the opinions of the audit committee: all the directors present agreed to pass.		
2025.07.29 10th Term 3th Session	1. Financial Report for the second quarter of 2025.	✓	None
	Audit Committee Resolution : All members of the Audit Committee agreed to pass. The company's handling of the opinions of the audit committee: all the directors present agreed to pass.		
2025.11.04 10th Term 4th Session	1. Financial Report for the third quarter of 2025. 2. Amend the "Measures for the Issuance and Conversion of the Fifth Domestic Unsecured Convertible Corporate Bonds". 3. Amend the internal control system and internal audit details for the "Payroll Cycle - Payroll Operations". 4. Establish an internal audit plan for the year 2026.	✓	None
	Audit Committee Resolution : All members of the Audit Committee agreed to pass. The company's handling of the opinions of the audit committee: all the directors present agreed to pass.		
2025.12.16 10th Term 5th Session	1. 2026 annual operating plan and related manpower, equipment and cost budget.	✓	None
	Audit Committee Resolution : All members of the Audit Committee agreed to pass. The company's handling of the opinions of the audit committee: all the directors present agreed to pass.		
2026.03.02 10th Term 6th Session	1. 2025 annual business report and financial report. 2. Appointment and remuneration of certified accountants for financial statement review in 2026 and assessment of their competence and independence. 3. The company's 2025 profit distribution proposal. 4. Release the Prohibition on Directors from Participation in Competitive Business	✓	None

Board of Directors Date/Term	Proposal content and subsequent handling	Items listed in Article 14-5 of the Securities and Exchange Act	Resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors
	5. 2025 annual internal control system effectiveness assessment and internal control system statement.		
	Audit Committee Resolution: All members of the Audit Committee agreed to pass. The company's handling of the opinions of the audit committee: all the directors present agreed to pass.		

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

IV、CPA Fees：

Unit: Thousand (TWD)

Name of accounting firm	Name of CPA	Audit period	Audit fees	Non-Audit fees	Total	Remarks
Pricewaterhouse Coopers Taiwan	Daniel Lee Chih-Cheng Hsieh	2025/01/01- 2025/12/31	2,470	830	3,300	

(I) In 2025, the non-audit services will be paid for business registration, non-executive salary review and tax visa services, with a total amount of NT\$830 Thousand.

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

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

V、Alternation of CPA：

(I) About the former accountant

Change Date	2024/01/01		
Reasons and explanations for the change	In line with the internal rotation policy of Chengcheng United Certified Public Accountants, the accountants for auditing and approving financial statements (including review) were changed from accountants Chih-Cheng Hsieh and Cai-Yan Jiang, to accountants Daniel Lee, and Chih-Cheng Hsieh		
Indicate that the appointer or accountant has terminated or refused to accept the appointment.	parties	Accountant	Appointing Person
	Situation		
	Voluntary termination of appointment	NA	NA
	No longer accept	NA	NA

	(continue) appointment		
Opinions and reasons for audit reports issued within the latest two years other than unqualified opinions	None		
Any disagreements with the issuer?	Yes		Accounting principles or practices
			Financial Report Disclosure
			Check scope or steps
		Other	
	No	V	
Description: Not applicable			
Other disclosures (Items 1-4 to 1-7 of Paragraph 6 of Article 10 of this Code should be disclosed)	None		

(II) About the successor accountant

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

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

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

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

Share transfer: Please refer to

https://mops.twse.com.tw/mops/#/web/query6_1

Changes in share pledge: Please refer to

https://mopsov.twse.com.tw/mops/web/STAMAK03_1.

VIII、Information on Relationships among Top 10 Largest shareholders :

Name	Shareholding		Shares Held by Spouse & Minors		Total shares held in the name of others		Names of spouse or other relatives within two degrees of consanguinity who are also among the EPI's top 10 largest shareholders		Remarks
	Number	Percentage of Shareholding	Number	Percentage of Shareholding	Number	Percentage of Shareholding	Name	Relationship	
Episil Technologies Inc	166,961,680	57.86	NA	NA	0	0	None	None	
Representative: JH Shyu	150,000	0.05	0	0.00	0	0	None	None	
Nan Ya Photonics Incorporation	9,847,325	3.41	NA	NA	0	0	None	None	
Representative: Wen-chao Wang	0	0.00	0	0.00	0	0	None	None	
Wunguei Ye	3,835,000	1.33	2,524,855	0.88	0	0	Siou-Cing Chen Bi-Siang Ye Wu-Shun Huang	Spouse Second degree relatives Second degree relatives	
Jiacai Investment Co. Ltd	3,100,793	1.07	NA	NA	0	0	None	None	
Representative: Siou-Cing Chen	2,524,855	0.88	3,835,000	1.33	0	0	Wunguei Ye Bi-Siang Ye Wu-Shun Huang	Spouse Second degree relatives Second degree relatives	
Bi-xiang Ye	2,848,385	0.99	2,760,814	0.96	0	0	Wu-Shun Huang Wunguei Ye Siou-Cing Chen	Spouse Second degree relatives Second degree relatives	
Wu-shun Huang	2,760,814	0.96	2,848,385	0.99	0	0	Bi-Siang Ye Wunguei Ye Siou-Cing Chen	Spouse Second degree relatives Second degree relatives	
Siou-Cing Chen	2,524,855	0.88	3,835,000	1.33	0	0	Wunguei Ye Bi-Siang Ye Wu-Shun Huang	Spouse Second degree relatives Second degree relatives	
You-Cin Yang,	1,240,000	0.43	0	0.00	0	0	None	None	
HSBC Bank Custody for Goldman Sachs International Company Investment Account	1,128,545	0.39	NA	NA	0	0	None	None	
Jhih-Ying Yang	919,075	0.32	0	0.00	0	0	None	None	

IX、Combined Shareholding Ratio：

March 31, 2026/ Unit: shares

Affiliated Enterprise (Note1)	Ownership by the Company		Ownership by Directors, Supervisors, Managerial officers, and directly/indirectly owned subsidiaries		Total Ownership	
	Shares	% of Shareholding	Shares	% of Shareholding	Shares	% of Shareholding
PRECISION SILICON JAPAN CO., LTD.	200	100	0	0	200	100

Note1 : Investment by the company using the equity method

Three. Capital Overview

I. Capital and Shares :

(I) Sources of Capital :

April 14, 2026 Unit: shares

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

April 14, 2026
Unit: shares / NTD

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(II)List of major shareholders :

April 14, 2026

Shares	Shares Held (Shares)	Holding Percentage
Name of major shareholders		
Episil Technologies Inc.	166,961,680	57.86%
Nan Ya Photonics Incorporation	9,847,325	3.41%
Wunguei Ye	3,835,000	1.33%
Jiacai Investment Co. Ltd	3,100,793	1.07%
Bi-Siang Ye	2,848,385	0.99%
Wu-Shun Huang	2,760,814	0.96%
Siou-Cing Chen	2,524,855	0.88%
You-Cin Yang,	1,240,000	0.43%
HSBC Bank Custody for Goldman Sachs International Company Investment Account	1,128,545	0.39%
Jhih-Ying Yang	919,075	0.32%

(III)Dividend Policy and Execution Status :

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

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

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

- II. Situation of dividend distribution discussed this year: The company's board of directors resolved on March 2, 2026 to issue a cash dividend of NT\$0.5 per share, totaling NT\$144,270,910.

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

(V)Employee dividends and directors' remuneration:

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

Article 25 of the articles of association:

The company shall allocate not less than 5% for the remuneration of its employees and not more than 2% for the remuneration of its directors according to the profit situation of the current year. However, if the company still has accumulated losses, it shall reserve the amount of compensation in advance. Of the aforementioned employee compensation amount, no less than one percent should be allocated to grassroots employees for compensation distribution.

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

2. According to the approval of the board of directors, the employee compensation and director compensation in 2025 are NT \$3,268,654 (includes NT\$2,059,252 in compensation allocated to frontline employees) and NT \$326,865 respectively, all of which are paid in cash. It is based on the amount of the company's net profit before tax deducting the employee compensation and director compensation multiplied by the distribution ratio of employee compensation and director compensation proposed in the articles of association There is no difference in the annual cost estimates.
3. The actual distribution of employee dividends and directors' remuneration in the previous year (including the number of shares distributed, amount and share price), and the difference between the actual distribution and the remuneration of recognized employees and directors, the reasons for the difference and the handling situation: no difference.

(VI) Share repurchases: None

II、Corporate Bonds:

(I) Corporate bonds issued but not repaid:

April 14, 2026

Corporate Bond Type	The fifth domestic unguaranteed corporate bonds	
Issue date	July 26, 2024	
Denomination	NT\$100,000	
Issuing and transaction location	Taipei Exchange	
Issue price	Issue by denomination 101%	
Total price	NT\$500,000,000	
Coupon rate	0%	
Tenor	3 years Maturity: July 26, 2028	
Guarantee agency	None	
Consignee	KGI Commercial Bank Co., Ltd.	
Underwriting institution	KGI Securities Co., Ltd.	
Certified lawyer	Hanchen Law Firm Lawyer Ya-Wen Chiu	
CPA	PWC Daniel Lee / Chih-Cheng Hsieh	
Repayment method	Unless the holders of the convertible bonds are converted into the common shares of the company in accordance with Article 10 of the issuance and conversion rules, or the company purchases and cancels the bonds at the business offices of securities firms, the company will repay the bonds held by the bondholders in cash in one lump sum according to the face value of the bonds at the maturity of the bonds.	
Outstanding principal	NT \$500,000,000	
Terms of redemption or advance repayment	Please refer to EPI's prospectus for the issuance and conversion of the fifth domestic unguaranteed corporate bonds.	
Restrictive clause	None	
Name of credit rating agency, rating date, rating of corporate bonds	None	
Other rights attached	As of the printing date of this annual report, converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities	As of 2026/04/14, no conversion yet.
	Issuance and conversion (exchange or subscription) method	Please refer to EPI's prospectus for the issuance and conversion of the fifth domestic unguaranteed corporate bonds.
Issuance and conversion exchange or subscription method, issuing condition dilution, and impact on existing shareholders' equity	Please refer to the appendix of the public statement of the fifth domestic unguaranteed corporate bonds.	
Transfer agent	None	

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

A · Convertible Bonds

Corporate bond type		5 th Unsecured Convertible Corporate Bond	
Year		Y2025	As of 2026/4/14
Item			
Market price of the convertible bond	Highest	110.90	118.45
	Lowest	92.00	100.50
	Average	104.02	112.79
Convertible Price		Effective July 15, 2025, the convertible bond price will be adjusted from \$72.6 to \$71.4.	
Issue date and conversion price at issuance		Issue Date : July 26, 2024 Conversion price at issuance : : NT\$72.6	
Conversion methods		Issuing of new stocks	

B · Exchangeable Bonds Information : None

C · Shelf Registration for Issuing Bonds : None

D · Corporate Bonds with Warrants : None

III · Issuance of Special Stock:None

IV · Issuance of Global Depository Receipts:None

V · Issuance of Employee Stock Options:None

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

VII · Financing Plans and Implementation: None

Four. Business overview

I、Business Content:

(I) Scope

1. Main content: Manufacture of silicon epitaxy wafers, buried-layer epitaxy wafers, multi-layer epitaxy wafers, silicon epitaxy on SOI (Silicon on Insulator) wafer, GaN epitaxy wafers, SiC epitaxy wafers.
2. 2025 Consolidated operating proportion :

Unit: NT\$ Thousand ; %

Major Divisions \ Year	Y2024		Y2025	
	Total Sales	(%) of Total Sales	Total Sales	(%) of Total Sales
Epitaxial wafers	4,107,470	100.00	3,891,698	100.00
Total	4,107,470	100.00	3,891,698	100.00

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

4. New products planned to be developed

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

(II) Industrial overview

1. Current status of the industry

Autumn 2025	Amounts in US\$M			Year on Year Growth in %		
	2024	2025	2026	2024	2025	2026
Americas	195,123	251,926	338,574	45.2	29.1	34.4
Europe	51,250	54,127	60,429	-8.1	5.6	11.6
Japan	46,739	44,835	50,164	0.0	-4.1	11.9
Asia Pacific	337,437	421,354	526,293	16.4	24.9	24.9
Total World - \$M	630,549	772,243	975,460	19.7	22.5	26.3
Discrete Semiconductors	31,026	30,900	33,436	-12.7	-0.4	8.2
Optoelectronics	41,095	42,597	45,020	-4.8	3.7	5.7
Sensors	18,923	20,894	22,713	-4.1	10.4	8.7
Integrated Circuits	539,505	677,852	874,291	25.9	25.6	29.0
Analog	79,588	85,552	91,988	-2.0	7.5	7.5
Micro	78,633	84,839	96,620	3.0	7.9	13.9
Logic	215,768	295,892	390,863	20.8	37.1	32.1
Memory	165,516	211,568	294,821	79.3	27.8	39.4
Total Products - \$M	630,549	772,243	975,460	19.7	22.5	26.3

Source : WSTS, December 2025

According to the December 2025 report of World Semiconductor Trade Statistics (WSTS), the global semiconductor market grew in 2025, with a scale of \$772.243 billion dollars, an annual growth of 22.5% from \$630.549 billion in 2024. In

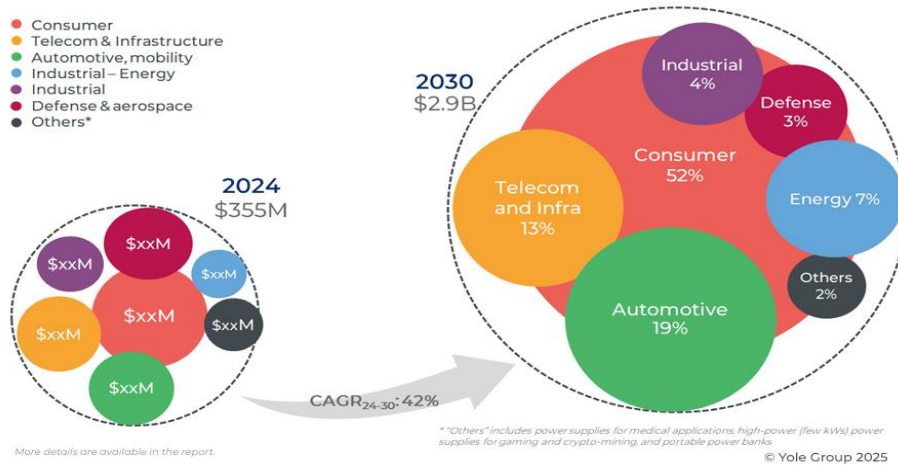
2026, the overall semiconductor market is expected to grow by 26.3%, and the analog IC and discrete device markets, which are more closely related to the epitaxy material, will grow by 7.5% and 8.2% respectively.

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

About WBG (wide band gate), according to Yole's 2025 forecast, the GaN power device market will grow from \$355 million in 2024 to \$2.9 billion in 2030 with a 42% CAGR (2024-2030). Key applications include consumer electronics, telecom infrastructure, and automotive.

**GaN power device market in \$M split by end-markets:
2024-2030**

(Source: Power GaN 2025, Yole Group, October 2025)

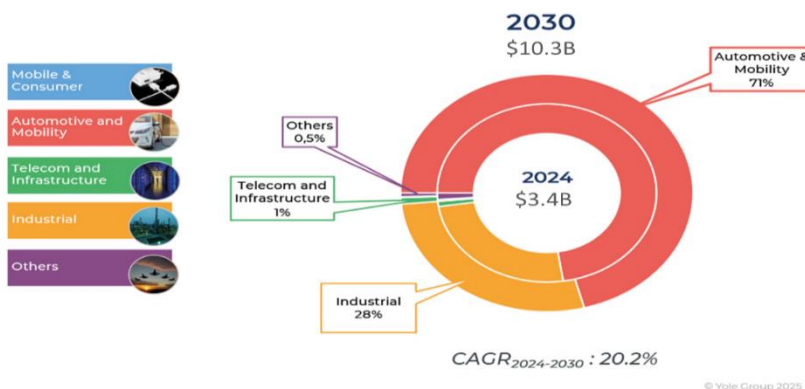


Sources: Yole, October 2025

For SiC, Yole forecasts the market to grow from \$3.4 billion in 2024 to \$10.3 billion in 2030, with a 20.2% CAGR (2024-2030). Key applications include EVs, hybrid vehicles, and industrial use.

2024 & 2030 power SiC device market (\$M)

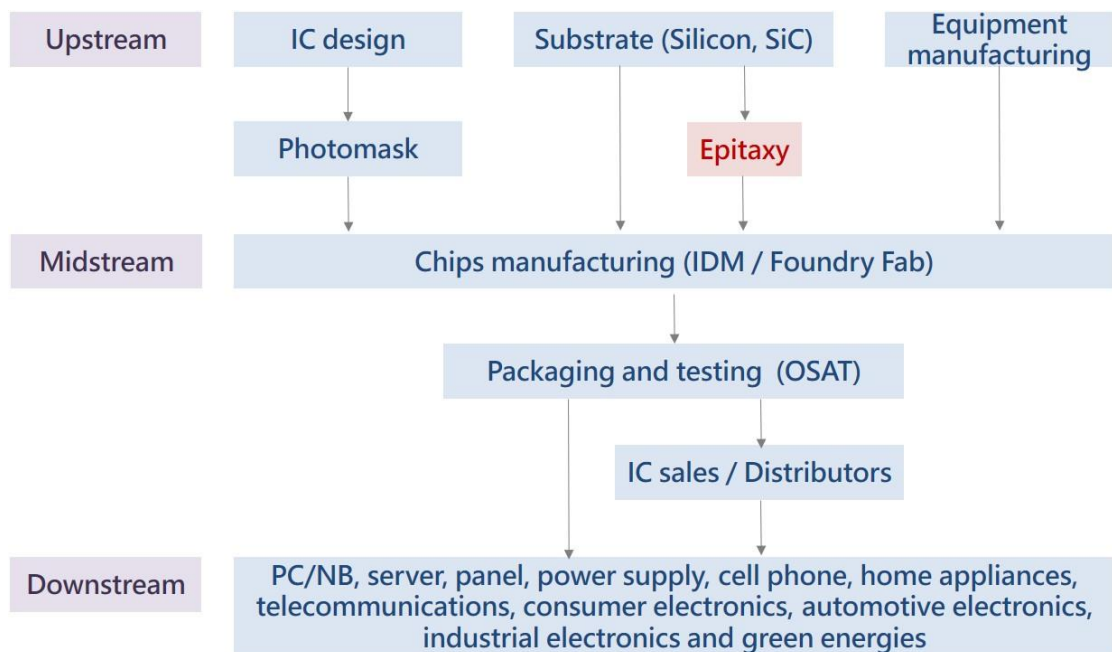
(Source: Power SiC 2025 - Markets and Applications, Yole Group, May 2025)



Sources: Yole, May 2025. Episil-Precision estimates 2024 market size.

2. Relevance of the industry

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



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

Precision's silicon and compound semiconductor (SiC and GaN) epitaxy belong to the upstream industry.

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

3. Industrial trend

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

4. Competition

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

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

(III) Overview of technology and R&D

1. Technical level and research development of the business

Episil-Precision has developed key epitaxial technologies for quality improvements such as gas supply stability monitoring technology, equipment improving for parameter stabilization and decompression growth technology. Our 6-inch, 8-inch epitaxial silicon wafers, and

6, 8-inch buried layer epitaxial silicon wafers have been certified and adopted by large semiconductor manufacturers. In addition to legacy silicon materials, our new developed GaN and SiC epitaxy technologies are also certified and in mass production.

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

Unit : NT\$ thousands

Year	Y2025	2026/01/01~2026/03/31
Total Expenses	56,779	13,932
Total Sales	3,891,698	1,058,983
%	1.46%	1.32%

3. Successfully developed technology or product

(1)Recent developed technologies or products

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

(2)Patents

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

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

(1)Short-term business pla

The short-term business plan is to optimize our product portfolios to improve gross margins. We will increase the proportion of large-size wafer products and reduce low-margin small-size ones. We are also expanding into emerging fields such as AI and data centers, smart power grids and energy storage, electric vehicles and AI robots, autonomous driving to drive our next wave of growth.

(2)Long-term business plan

Looking ahead to 2030, the Power SiC market is expected to grow at a CAGR of 20.2%, and the Power GaN market at 42%. We will continue to invest in developing and improving GaN-on-Silicon and SiC epitaxial technologies to ensure we maintain our technical advantage in core materials.

Furthermore, we are building strong strategic alliances with major

global foundries and key IDM (Integrated Device Manufacturer) partners. By joining our customers' power device design process early in the R&D stage, we use joint technology development and capacity guarantee agreements to strengthen our strategic position in the global power semiconductor epitaxy market.

II、Market and Sales Overview:

(I) Market analysis

1. Sales (Service) Region

Unit ; NT\$ thousands

Area		Year	2024		2025	
			Amount	(%)	Amount	(%)
Domestic sales	Taiwan		2,238,708	54.50	2,283,717	58.68
Export sales	Japan		914,677	22.27	802,156	20.61
	Mainland China		107,521	2.62	43,393	1.12
	Other		846,564	20.61	762,432	19.59
Total Sales			4,107,470	100.00	3,891,698	100.00

2. The future demand and growth of the market

With the booming development of AI and data centers, smart power grids and energy storage, electric vehicles and AI robots, autonomous driving, the reliance on semiconductors is increasing, and the global semiconductor market is bound to continue to expand in the coming years. Coupled with higher energy efficiency requirements, this is also driving both qualitative and quantitative improvements in power semiconductors. Since Episil-Precision's silicon epitaxial products and compound semiconductor epitaxial products are necessary raw materials for power semiconductors, we are optimistic that the demand for epitaxial products will continue to grow.

3. Niche of Competition

A. With a complete product line and market reputation

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

B. Key technologies through strategic alliances

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

C. Independent research and development capabilities

As global energy efficiency requirements upgrade, semiconductor materials have become key to better performance. Next-generation materials are highly valued across all sectors: consumer electronics seek high-speed and power-saving features; EVs demand long-range and fast-charging; AI data centers require efficient cooling; and power grids need high-voltage stability

With full-scale production in Silicon, SiC, and GaN epiwafers, Episil-Precision precisely meets the needs of diverse new applications. We help customers gain a market edge with advanced materials and support the green energy transition through our leading energy-saving technology.

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

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

E. High-quality product is highly recognized by customers

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

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

4. Advantages and disadvantages of development prospects and countermeasures

A. Advantages

(A) For silicon epitaxial foundry, Episil-Precision and the subsidiaries have long-term cooperation with customers and have established good relationships, to optimize the capacity and expansion plans. °

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

B. Disadvantages

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

Countermeasures

- a. Episil-Precision works with customers to develop new processes and products, and work on yield improvement to enhance the competitiveness of products. In recent years, epitaxial silicon wafer technologies have been applied in many products, including energy-saving products. Episil-Precision will continue to upgrade new manufacturing processes to face competition.
 - b. To develop business, adjust product portfolio, and establish strategic alliances to reduce impact from industry competition and economic.
 - c. To develop the epitaxial materials and device manufacturing technologies for next generation power semiconductors, and expend mass production lines, increase product value, and avoid price competition.
- (B) Silicon wafers are essential materials for semiconductor devices. They are part of the semiconductor industry and are subject to semiconductor booms and booms..

Countermeasures

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

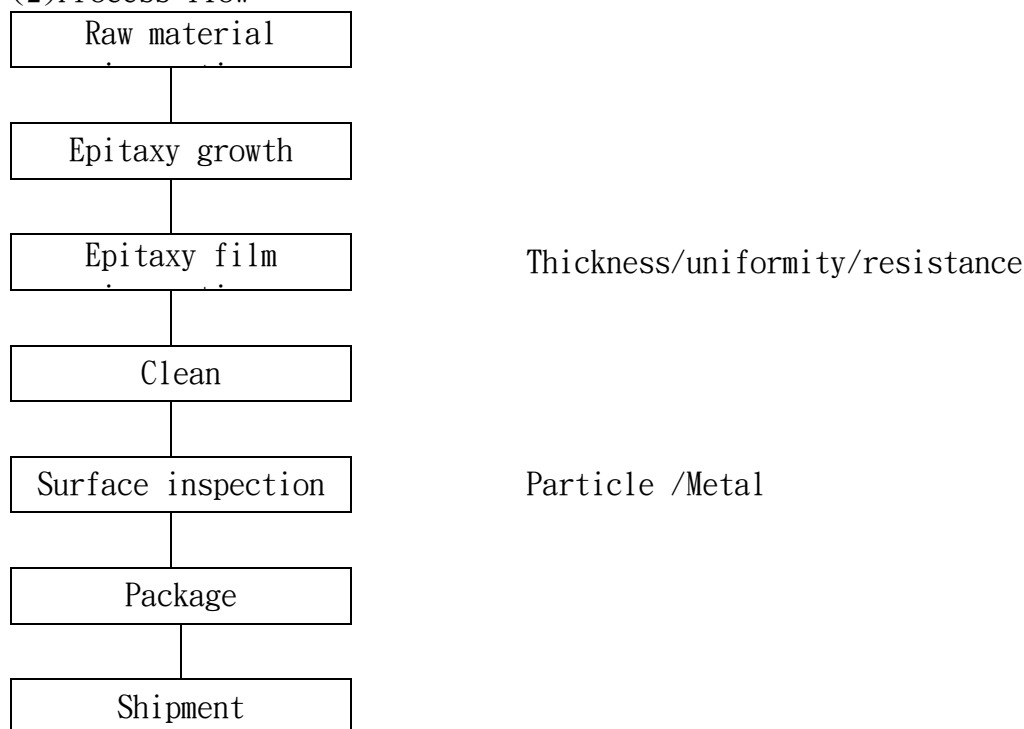
(II) Important use and production process of main products

(1) Important use of main products

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

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

(2)Process flow



(III)Raw materials supply chain

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

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

1. Major Suppliers in the Last Two Calendar Years :

Unit:NT\$ thousands

Item	Company Name	Y2024			Y2025		
		Amount	Percent %	Relation with Issuer	Amount	Percent %	Relation with Issuer
1	B	387,855	22.28	None	391,233	25.21	None
2	C	238,476	13.70	None	234,929	15.14	None
3	A	225,615	12.96	None	225,468	14.53	None
4	Others	889,234	51.06		700,479	45.12	
	Net Total Supplies	1,741,180	100.00		1,552,109	100.00	

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

2. Major Clients in the Last Two Calendar Years :

Unit:NT\$ thousands

Item	Company Name	Y2024			Y2025		
		Amount	Percent %	Relation with Issuer	Amount	Percent %	Relation with Issuer
1	A	604,997	14.73	Individuals who have significant influence over the Group	756,948	19.45	Individuals who have significant influence over the Group
2	B	NA	NA	None	418,433	10.75	None
3	Others	3,502,473	85.27		2,716,317	69.80	
	Net Total Clients	4,107,470	100.00		3,891,698	100.00	

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

III、Human Resources :

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

Year		2024	2025	As of 2026/4/14
Numbers Of Employees	Operators	257	249	235
	Indirect	461	457	467
	Total	718	706	702
Average Age		40.20	40.60	40.64
Average Years of Employment		11.11	11.33	11.32
Level of Education(%)	Ph. D.	0.42%	0.43%	0.29%
	Master' s Degree	15.60%	16.15%	15.24%
	Bachelor' s & Associate Vice President' s Degree	68.52%	69.12%	70.51%
	Senior High School	14.21%	13.03%	12.68%
	Other	1.25%	1.27%	1.28%

IV、Environmental Protection Expenditure :

(I)Amount of losses and penalties for environmental pollution in the most recent year and up to the date of publication of the annual report:

none.

(II)Future countermeasures and possible expenditures:

The company is committed to protecting the earth and the environment and providing safe and healthy workplaces. In the planning of the

plant, we have carefully considered the pollution prevention and control facilities and treatment methods. After being reviewed by the Environmental Protection Bureau of Hsinchu County / city and the Administration Bureau of Hsinchu Science and Industry Park, we have met the statutory discharge standards and obtained the air, water, waste and poison permits. According to the law, the company has a special person responsible for the supervision and management of relevant environmental protection business, all of whom have relevant certificates. In December, 2001, Episil-Precision obtained the certification of ISO 140001. The current issue date is 2025/11/25 and the expiry date is 2028/11/24. Obtained OHSAS18001 safety and health management system certification in 2010. In March 2018, the International Organization for Standardization (ISO) announced a new version of the occupational health and safety management system (ISO 45001:2018) to replace OHSAS 18001. The company has obtained ISO45001:2018 certification in October 2019 , the current issue date is 2025/11/25 and the expiry date is 2028/11/24. Whether it is the environmental management system or the occupational safety and health management system, it is regularly reviewed every year. In the future, continuous improvement actions will be taken to strengthen pollution prevention, risk control, and reduce the impact on the environment and the risk of safety and health.

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

1. The company has set up an Occupational safety and health department, which is responsible for the planning, implementation and audit of the safety and health management work in the plant area, continuously improving various safety and health measures, and creating a safe and healthy working environment.
2. In order to make the colleagues have a correct understanding of the hazards and preventive measures in the operation, the safety and health education, training, propaganda and drills should be carried out regularly every year or irregularly, so as to enhance the safety awareness and emergency response ability of the colleagues.
3. Conduct staff health examination and health promotion activities (such as health weight loss, health lecture, etc.), and provide the latest health information to take care of and improve staff's physical and mental health.
4. A professional organization shall be entrusted to monitor the working environment every half a year, divide the similar exposure groups and establish their exposure status. According to the

results of exposure assessment, chemicals shall be classified and managed, and relevant protective measures and operation control shall be taken to provide a safe and comfortable working environment for employees, so as to maintain their physical and mental health.

5. Formulate annual automatic inspection schedule, formulate inspection items covering hazard prevention of machinery and equipment according to the requirements of each unit, and implement the supervision and audit mechanism to prevent accidents and meet the requirements of laws and regulations.

V、Labor and Management Relationship：

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

1. Employees welfare：

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

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

- (2) Employees regular health check：

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

- (3) Staff training：

- A. Staff training and training methods

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

- B. Staff training and expenditure information

Year 2025 current employees training as follows:

Items	Total	Class	Total hours	Cost(\$NT)
Talent development training	24	3	12.00	\$45,440
Function Professional Training	3,557	332	1,192.00	\$596,650
Class Management Training	568	16	36.50	\$429,000
Others	13,301	167	233.50	\$275,570
Total	17,450	518	1,474.00	\$1,346,660

(4) Employees welfare :

The Employee Welfare Committee provides subsidies for birthdays, marriages, childbirth, funeral ceremonies and organizes employee tours and a number of club activities to enhance the friendship of employees and relax their bodies and minds.

2. Employee Retirement System :

Epi's retirement system is established in accordance with the Labor Pension Ordinance and protects the retirement rights of employees under the old system who are subject to the Labor Standards Act, or employees under the new system who are subject to the Labor Pension Ordinance. For employees who are subject to the old system, the employer will contribute 2% to 15% of the employee's total monthly salary to the labor retirement reserve fund account on a monthly basis. The account is earmarked for special use, and the ownership belongs to the employer, and the Bank of Taiwan (Trust Department) handles the fund's receipts, payments, custody and use. When an employee meets the retirement conditions and applies for pension from the employer, the employer can pay it from the labor retirement reserve account. For colleagues who are subject to the new system, in addition to the employer's monthly pension contribution of 6% of salary, they can voluntarily contribute pension within the range of 6%, and the full amount will be deducted from the total personal comprehensive income of the current year. The ownership of this special account belongs to labor. Epi, as a retirement benefit for all employees, was valued at NT\$36.13 million in 2025, with an average retirement benefit of NT\$51.2 thousand per employee.

3. Other important agreements :

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

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

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

The company's labor relations policy has always adhered to the philosophy of sincerity, cooperation, and sharing, constantly strives to create a harmonious happy working atmosphere and living environment through internal communication, with the hope to establish a satisfactory relationship of mutual trust between employees and management to allow all employees to enjoy the company, prosperity and growth together; Implementation of external social responsibilities is in the planning and execution of the company's various employee relationship activities, long-term donation of materials to the private Hsinchu Ren'ai Children's Home in Hsinchu City, supporting public welfare activities in the neighborhood, and participating in donations and charity sales to give back to stakeholders in the community. The total donations over the years have exceeded NT\$2 million. In 2025, it participated in activities of 9 charity groups and donated a total of NT\$500,000.

	Item	Donation / Order
2025/3/7	The garden of hope foundation 【Support Program for Child Victims of Sexual Violence】	60,000
2025/3/7	Xi shi Community Development Association 【Support services for disadvantaged families and children】	50,000
2025/4/18	The Society of Wilderness 【River Cleanup Volunteering Day】	50,000
2025/4/18	Saint Joseph Social Welfare Foundation 【The 2025 Disability Services and Environmental Charity Fair】	60,000
2025/5/23	Corporation Changhua Country Joyce-Polio Care Association 【Polio Home Fundraising Project】	50,000
2025/7/18	Children are us Foundation 【Vocational Training for People with Disabilities】	60,000
2025/7/18	Taipei Life of Heart Association 【EPI Support SMI patients and families】	50,000
2025/10/17	Waiting Children Council of Social 【Rice field activities】	60,000

	Item	Donation / Order
2025/10/17	Syin-Lu Social Welfare Foundation 【Dream pusher-Learning in happiness, and growing up with you." -Hsinchu Children's Development Program】	60,000

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

(III) Employee Code of Conduct:

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

A. Corporate governance standards

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

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

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

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

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

C. Maintain an excellent working environment

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

The spouse and relatives within the third degree of kinship (inclusive) of the supervisor shall not hold positions in the unit directly under his/her jurisdiction.

Employees performing non-official services should be approved by their superiors.

D. Promote social harmony

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

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

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

VI、Information security management：

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

(1) Infocom Security Risk Management Framework：

A. EPI has an Information Security Committee to coordinate the planning, implementation, and management of information security policies. The General Manager serves as the convener, and the Director of the Information Department serves as the executive secretary. The committee regularly compiles reports on the implementation of information security protection measures, including

anti-virus, disaster prevention, anti-hacking, and leak prevention, and reports to management.

B. The committee has established an Information Security Implementation Team and an Emergency Response Team, which are responsible for the reporting, response, and follow-up of information security incidents.

(2) Information Security Policy :

We continuously improve and strengthen our information security management to ensure the confidentiality, integrity, and availability of our information assets, complying with relevant laws, regulations, and contracts. We establish and maintain a secure, reliable, and business-continuous operation information environment, protecting it from intentional or accidental threats from internal and external sources, and safeguarding our information assets.

(3) specific management plan :

A. Endpoint device protection and control: install antivirus software, keep operating system updated, import DLP mechanisms, and file encryption security solutions ◦

B. Central external control: establish a security protection platform such as Firewall, Mail Gateway, Proxy Gateway, etc.

C. Data protection: important data is stored in different places and heterogeneous platforms through the backup system.

D. The company regularly conducts information security publicity for colleagues, enhances information security awareness, and strengthens information security protection.

(4) 27.95 million yuan has been invested in the introduction of existing information security solutions. The annual continuous maintenance investment is 1.98 million yuan. The information security budget for 2026 includes an investment of 4.00 million yuan based on protection needs.

(5) EPI is adopting the ISO27001 information security management system standard. Third-party verification is expected to be conducted in May 2026, and ISO27001 certificate can be obtained before the end of 2026.

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

VII、Important Contracts：

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

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

I. Financial situation :

(I) Analysis of Financial Status

Unit: NT\$ thousands

Year	2025	2024	Difference Amount	Difference %
Item				
Current Assets	3,891,214	4,424,395	(533,181)	(12.05)
Property, Plant and Equipment	2,412,159	2,366,182	45,977	1.94
Intangible assets	54,166	58,197	(4,031)	(6.93)
Other Assets	545,508	562,441	(16,933)	(3.01)
Total Assets	6,903,047	7,411,215	(508,168)	(6.86)
Current Liabilities	1,046,902	1,411,418	(364,516)	(25.83)
Long-term Liabilities	916,505	942,340	(25,835)	(2.74)
Total Liabilities	1,963,407	2,353,758	(390,351)	(16.58)
Capital stock	2,885,418	2,885,418	0	0
Capital surplus	1,650,774	1,650,774	0	0
Retained Earnings	406,225	523,586	(117,361)	(22.41)
Other Adjustments	(2,777)	(2,321)	(456)	19.65
Total Stockholders' Equity	4,939,640	5,057,457	(117,817)	(2.33)

1. The main reasons for the major changes in assets, liabilities and stockholders' equity in the last two years (those with changes of more than 20 percent in the previous and late periods and the amount of change amounting to NT\$10 million) and their impact and future response plans

(1) Decrease in Current Liabilities: The decreased was mainly due to the reduction in the current portion of Long-term borrowings and other payables outweighed the increase in Short-term borrowings.

(2) Decrease in retained earnings: The decreased was mainly due to decrease in net profit in 2025.

2. Future Response Plan: The above changes have no significant impact on the Company.

II、Financial performance：

(I) Analysis of Financial Performance：

Unit: NT\$ thousands

Item \ Year	2025	2024	Difference Amount	Difference %
Net Sales	3,891,698	4,107,470	(215,772)	(5.25)
Cost of Sales	3,585,203	3,725,465	(140,262)	(3.76)
Gross Profit	306,495	382,005	(75,510)	(19.77)
Operating Expenses	288,747	309,045	(20,298)	(6.57)
Operating Income	17,748	72,960	(55,212)	(75.67)
Non-operating Income and Loss	11,361	244,951	(233,590)	(95.36)
Income Before Tax	29,109	317,911	(288,802)	(90.84)
Income tax (cost) benefits	(8,693)	(53,303)	44,610	(83.69)
Net income	20,416	264,608	(244,192)	(92.28)

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

- (1) Decrease in Operating Income :The decreased was mainly due to the decrease in Gross Profit in 2025..
- (2) Decrease in in Non-operating Income and Loss :The decreased was mainly due to gain on disposal of property, plant and equipment and foreign exchange gain in 2024 , which raised the comparison base.
- (3) Decrease in Income Before Tax, Income tax and Net income: The decreased was mainly due to the higher non-operating gains recognized in 2024.

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

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

III、Cash Flow Analysis for the Current Year：

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year(A)	Net Cash Flow from Operating Activities (B)	Cash (Out)flow (C)	Cash Surplus (Deficit) (A)+(B)-(C)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
2,638,148	492,480	(844,673)	2,285,955	-	-
Analysis of change in cash flow in the current year:					
1. Cash Shortage Improvement Plan: The Company is expected to be not cash-free for the current year, sufficient to meet normal operating requirements.					
2. Cash liquidity analysis for the coming year: not applicable.					

IV、Major Capital Expenditure Items: None.

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

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

VI、Analysis of Risk Management：

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

Unit: NT\$ thousands

Item	Export %	Exchange (profit) and loss	Total Sales	(%) of Total Sales
Y2025	41.32%	(27,599)	3,891,698	(0.71%)

- 1、The company regularly evaluates the bank loan interest rate, monitors the change of market interest rate at any time, and keeps close contact with the bank to strive for preferential loan interest rate. As a result, the change of interest rate has little impact on the company's profit and loss.
- 2、In terms of foreign exchange management, the company regularly evaluates and monitors the adjustment of net foreign exchange position, and when necessary, conducts derivative financial commodity transactions for the purpose of hedging. Therefore, the exchange gains and losses are within the controllable range, which has limited impact on the company's overall profits and

losses.

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

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

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

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

1. Future R&D plan:

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

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

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

2. The estimated R & D expense in the year of 2026 is NT\$68,542 thousand.

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

(IV) The impact of major domestic and foreign policy and legal changes on the company's financial business in the most recent year and up to the date of publication of the annual report and the corresponding measures: the company and its subsidiaries continue to pay attention to the changing trend of domestic and foreign situations and the changes of policies and laws, and take various corresponding measures. In the most recent fiscal year and up to the date of

publication of the annual report, there were no significant changes in policies and laws at home and abroad, the results of which were sufficient to have a significant impact on the financial business of the company and its subsidiaries.

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

been submitted to the Board of Directors for proval. The investment benefits and possible risks have been considered.

(IX) In the most recent financial year and up to the date of publication of the annual report, the risks faced by the centralized purchase or sale of goods and the corresponding measures:

1. Purchase risk and Countermeasures: the main purchase manufacturers account for 55% of the net purchase amount. Considering the factors of product quality, purchase cost and cooperation with manufacturers, in addition to manufacturers with good long-term cooperative relationship, they also actively develop other new purchase sources to avoid the risk caused by purchase concentration.
2. In recent years, we have actively developed energy-saving epitaxy products that secured certifications from major international players, maintaining steady revenue. We continue to expand our domestic and global client base to diversify sales and mitigate concentration risks.

(X) For the most recent fiscal year and up to the date of publication of the annual report, the impact, risks and Countermeasures of the substantial transfer or replacement of shares by directors or major shareholders holding more than 10% of the shares on the company: none.

(XI) For the most recent fiscal year and up to the date of publication of the annual report, the impact, risks and Countermeasures of the change of management right on the company: not applicable.

(XII) In the most recent fiscal year and up to the date of publication of the annual report, the company and its directors, Presidents, substantial responsible persons, major shareholders holding more than 10% of the shares, and subordinate companies have decided or are still in the process of major litigation, non litigation, or administrative litigation, the results of which may have a significant impact on shareholders' equity or securities prices: none.

(XIII) Other important risks and Countermeasures:

1. Risk management policy

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

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

2. Organizational structure of risk management

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

VII、Other important matters: None

Six. Special Disclosure

I 、Related information of related enterprises:

Please refer to the Market Observation Post System (MOPS)
https://mopsov.twse.com.tw/mops/web/t57sb01_q10. Enter the company code to search for related information.

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

III 、Other necessary supplementary notes: None.

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