EPISIL TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS WITH REPORT OF INDEPENDENT AUDITORS

FOR THE THREE-MONTH PERIODS ENDED MRRCH 31, 2025 AND 2024

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Episil Technologies Inc.

Preface

We have reviewed the accompanying consolidated balance sheets of Episil Technologies Inc. and Subsidiaries as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows for the three-month periods ended March 31, 2025 and 2024, and notes to the consolidated financial statements (including a summary of significant accounting policies). It is the management's responsibility to prepare fairly presented consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 'Interim Financial Reporting' endorsed by the FSC, and the accountant's responsibility is to draw conclusions on the consolidated financial statements based on the review results.

Scope

Except as stated in the section of basis for qualified conclusion, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. The procedures performed in the review of consolidated financial statements include inquiries (primarily inquiring those responsible for financial and accounting matters), analytical procedures and other review procedures. The scope of the review work is significantly smaller than the scope of the audit work, so the accountant may not be able to identify all the material matters that can be identified by the audit work, and therefore cannot present the audit opinion.

Basis for qualified conclusion

As mentioned in Notes 4(3) to the consolidated financial statements, the financial statements of some unimportant subsidiaries included in the above consolidated financial statements not reviewed by the accountant. As of March 31, 2025 and 2024, the total assets of such subsidiaries were NT$184 million and NT$312 million respectively, accounting for 1.32% and 2.66% of the consolidated total assets respectively; the total liabilities were NT$34 million and NT$36 million respectively, accounting for 0.73% and 0.83% of the total consolidated liabilities respectively; the total comprehensive profit and loss for the three-month periods ended March 31, 2025 and 2024 were NT$(3) million and NT$(2) million respectively, accounting for 1.32% and 2.76% of the total consolidated comprehensive profit and loss respectively. And as mentioned in Notes 6(5), some investments using the equity method are prepared by each company for the same period and not reviewed by the accountant. As of March 31, 2025 and 2024, the investments accounted for under the equity method balances of NT$0 million and NT$190 million respectively, accounting for 0% and 1.62% of the consolidated total assets respectively, the related shares of profit or loss from the associates in the amount of NT$0.03 million and NT$0.5 million respectively, accounting for 0% and (0.60%) of the consolidated income from continuing operations before income tax for the three-month periods ended March 31, 2025 and 2024, respectively,

Qualified conclusion

According to the review results of the accountants, except for some unimportant subsidiaries included in the consolidated financial statements, investments using the equity method and the relevant information disclosed, which may be adjusted appropriately and the impacts may be disclosed, we did not find any circumstance where the consolidated financial statements referred to in paragraph 1 were not prepared in any material respect in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 'Interim Financial Reporting' endorsed by the FSC, making it impossible to fairly present the consolidated financial position of Episil Technologies Inc. and its subsidiaries as of March 31, 2025 and 2024, and the consolidated financial performance and consolidated cash flow for the three-month periods ended March 31, 2025 and 2024.

Li, Tien-Yi	Hsieh, Chih-Cheng

For and on behalf of PricewaterhouseCoopers, Taiwan
May 7, 2025

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

EPISIL TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 and MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	March 31, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%	March 31, 2024 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 5,251,486	38	$ 5,545,353	40	$ 3,614,096	31
1136	Current financial assets at amortized cost	6(1) and 8	650,000	5	160,000	1	17,820	-
1150	Notes receivable, net	6(3)	7,922	-	9,473	-	10,617	-
1170	Accounts receivable, net	6(3)	781,988	6	888,649	7	1,099,998	9
1180	Accounts receivable - related parties	7	142,129	1	137,283	1	1,043	-
1200	Other receivables	7	48,358	-	34,495	-	63,945	1
1220	Current income tax assets		7,460	-	6,411	-	4,416	-
130X	Inventories	6(4)	1,193,902	8	1,233,618	9	1,481,510	13
1410	Prepayments		145,272	1	162,614	1	140,799	1
1470	Other current assets		3,313	-	10,628	-	6,685	-
11XX	**Current assets**		8,231,830	59	8,188,524	59	6,440,929	55
	Non-current assets							
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	7,243	-	8,551	-	14,570	-
1535	Non-current financial assets at amortized cost	6(1) and 8	36,348	-	36,348	-	180,442	2
1550	Investments accounted for using equity method	6(5)	-	-	-	-	189,873	2
1600	Property, plant and equipment	6(6)	4,847,007	35	4,796,121	35	4,128,563	35
1755	Right-of-use assets	6(7)	536,694	4	569,420	4	457,956	4
1760	Investment property - net	6(9)	132,082	1	133,156	1	136,379	1
1780	Intangible assets		47,219	-	48,761	-	50,981	-
1840	Deferred income tax assets		131,356	1	131,357	1	137,199	1
1900	Other non-current assets		2,933	-	2,366	-	2,414	-
15XX	**Non-current assets**		5,740,882	41	5,726,080	41	5,298,377	45
1XXX	**Total assets**		$ 13,972,712	100	$ 13,914,604	100	$ 11,739,306	100

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EPISIL TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2025, DECEMBER 31, 2024 and MARCH 31, 2024
(Expressed in thousands of New Taiwan dollars)

			March 31, 2025		December 31, 2024		March 31, 2024	
	Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(10)	$ 500,000	4	$ 45,159	-	$ 479,418	4
2130	Current contract liabilities	6(18)	83,769	1	87,857	1	129,582	1
2150	Notes payable		14	-	-	-	-	-
2170	Accounts payable		365,208	3	426,739	3	321,599	3
2180	Accounts payable - related parties	7	1,475	-	286	-	3,351	-
2200	Other payables	6(11)	718,937	5	743,278	5	703,059	6
2220	Other payables - related parties	7	577	-	4,315	-	41,247	-
2230	Current income tax liabilities		27,714	-	27,218	-	67,702	1
2280	Current lease liabilities		38,912	-	16,802	-	23,158	-
2320	Long-term liabilities, current portion	6(12)	1,499,700	11	1,495,970	11	581,542	5
2399	Other current liabilities, others		215,899	1	198,717	2	311,977	3
21XX	**Current liabilities**		3,452,205	25	3,046,341	22	2,662,635	23
	Non-current liabilities							
2530	Corporate bonds payable	6(12)	471,794	3	468,868	4	992,234	9
2570	Deferred income tax liabilities		33,723	-	33,723	-	34,868	-
2580	Non-current lease liabilities		525,228	4	578,891	4	457,999	4
2640	Accrued pension liabilities	6(13)	102,487	1	126,994	1	149,684	1
2645	Guarantee deposits received		8,095	-	8,095	-	8,095	-
2670	Other non-current liabilities, others		23,873	-	25,771	-	6,194	-
25XX	**Non-current liabilities**		1,165,200	8	1,242,342	9	1,649,074	14
2XXX	**Total liabilities**		4,617,405	33	4,288,683	31	4,311,709	37
	Equity							
	Equity attributable to owners of the parent							
	Share capital	6(14)						
3110	Share capital - common stock		3,832,227	27	3,832,227	28	3,332,157	28
	Capital surplus	6(15)						
3200	Capital surplus		3,538,599	25	3,538,625	25	1,538,639	13
	Retained earnings	6(16)						
3310	Legal reserve		122,373	1	122,373	1	114,149	1
3320	Special reserve		99,123	1	99,123	1	101,815	1
3350	Unappropriated retained earnings		(183,596)	(1)	26,823	-	440,010	4
	Other equity interest	6(17)						
3400	Other equity interest		(104,959)	(1)	(104,110)	(1)	(98,830)	(1)
31XX	**Equity attributable to owners of the parent**		7,303,767	52	7,515,061	54	5,427,940	46
36XX	Non-controlling interest	4(3)	2,051,540	15	2,110,860	15	1,999,657	17
3XXX	**Total equity**		9,355,307	67	9,625,921	69	7,427,597	63
	Significant commitments and contingencies	9						
	Significant events after the reporting period	11						
3X2X	**Total liabilities and equity**		$ 13, 972,712	100	$ 13,914,604	100	$ 11,739,306	100

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

EPISIL TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Items	Notes	2025 AMOUNT	2025 %	2024 AMOUNT	2024 %
4000	Operating revenue	6(18) and 7	$ 1,277,317	100	$ 1,457,563	100
5000	Operating costs	6(4)(22)(23) and 7	(1,349,797)	(105)	(1,414,623)	(97)
5900	Operating margin		(72,480)	(5)	42,940	3
	Operating expenses	6(22)(23) and 7				
6100	Selling and marketing expenses		(21,588)	(2)	(18,829)	(1)
6200	General and administrative expenses		(93,576)	(7)	(92,837)	(6)
6300	Research and development expenses		(48,225)	(4)	(66,086)	(5)
6450	Expected credit impairment losses	12(2)	-	-	-	-
6000	Total operating expenses		(163,389)	(13)	(177,752)	(12)
6900	Operating (loss) profit		(235,869)	(18)	(134,812)	(9)
	Non-operating income and expenses					
7100	Interest income		18,951	1	9,786	1
7010	Other income	6(19)	9,398	1	9,645	-
7020	Other gains and losses	6(20)	10,374	1	58,517	4
7050	Finance costs	6(21)	(10,838)	(1)	(15,026)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method	6(5)	26	-	487	-
7000	Total non-operating income and expenses		27,911	2	63,409	4
7900	**(Loss) Profit before income tax**		(207,958)	(16)	(71,403)	(5)
7950	Income tax expense	6(24)	(1,267)	-	(10,159)	(1)
8200	**(Loss) Profit for the period**		($ 209,225)	(16)	($ 81,562)	(6)

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EPISIL TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Items	Notes	2025 AMOUNT	2025 %	2024 AMOUNT	2024 %
	Other comprehensive income (loss), net					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(2)	($ 1,308)	-	($ 272)	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		(1,308)	-	(272)	-
	Components of other comprehensive income that may be subsequently reclassified to profit or loss					
8361	Exchange differences on translation of foreign operations		735	-	(101)	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that may be reclassified to profit or loss		-	-	521	-
8360	Components of other comprehensive income (loss) that may be reclassified to profit or loss		735	-	420	-
8300	**Other comprehensive (loss) income, net**		($ 573)	-	$ 148	-
8500	**Total other comprehensive income for the period**		($ 209,798)	(16)	($ 81,414)	(6)
	Profit, attributable to:					
8610	Owners of the parent		($ 210,419)	(16)	($ 98,686)	(7)
8620	Non-controlling interest		1,194	-	17,124	1
	Total		($ 209,225)	(16)	($ 81,562)	(6)
	Comprehensive income attributable to:					
8710	Owners of the parent		($ 211,268)	(16)	($ 98,393)	(7)
8720	Non-controlling interest		1,470	-	16,979	1
	Total		($ 209,798)	(16)	($ 81,414)	(6)
	Basic earnings per share	6(25)				
9750	Basic earnings per share (in dollars)		($ 0.55)		($ 0.30)	
	Diluted earnings per share	6(25)				
9850	Diluted earnings per share (in dollars)		($ 0.55)		($ 0.30)	

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

EPISIL TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
				Retained Earnings			Other equity interest				
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
Balance at January 1, 2024		$3,332,157	$1,538,468	$ 114,149	$ 101,815	$ 538,696	($ 6,209)	($ 92,914)	$5,526,162	$2,043,342	$7,569,504
(Loss) Profit for the three-month ended March 31,2024		-	-	-	-	(98,686)	-	-	(98,686)	17,124	(81,562)
Other comprehensive income (loss)	6(13)	-	-	-	-	-	565	(272)	293	(145)	148
Total comprehensive income (loss)		-	-	-	-	(98,686)	565	(272)	(98,393)	16,979	(81,414)
Changes in ownership interest in subsidiaries	6(15)	-	171	-	-	-	-	-	171	125	296
Cash dividends claim by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	(60,789)	(60,789)
Balance at March 31, 2024		$3,332,157	$1,538,639	$ 114,149	$ 101,815	$ 440,010	($ 5,644)	($ 93,186)	$5,427,940	$1,999,657	$7,427,597
Balance at January 1, 2025		$3,832,227	$3,538,625	$ 122,373	$ 99,123	$ 26,823	($ 4,905)	($ 99,205)	$7,515,061	$2,110,860	$9,625,921
(Loss) Profit for the three-month ended March 31,2025		-	-	-	-	(210,419)	-	-	(210,419)	1,194	(209,225)
Other comprehensive income (loss)	6(13)	-	-	-	-	-	459	(1,308)	(849)	276	(573)
Total comprehensive income (loss)		-	-	-	-	(210,419)	459	(1,308)	(211,268)	1,470	(209,798)
Changes in ownership interest in subsidiaries	6(15)	-	(26)	-	-	-	-	-	(26)	-	(26)
Cash dividends claim by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	(60,790)	(60,790)
Balance at March 31, 2025		$3,832,227	$3,538,599	$ 122,373	$ 99,123	($ 183,596)	($ 4,446)	($ 100,513)	$7,303,767	$2,051,540	$9,355,307

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

EPISIL TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	For the three-month periods ended March 31, 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) Profit before tax		($ 207,958)	($ 71,403)
Adjustments			
Adjustments to reconcile (profit) loss			
Depreciation expense	6(22)	192,873	176,222
Amortization expense	6(10) (22)	3,321	2,941
Gain on disposal of property, plant and equipment	6(20)	(717)	(39,878)
Share of profit of associates accounted for using equity method	6(5)	(26)	(487)
Finance costs	6(21)	9,139	12,793
Interest income	6(21)	(18,951)	(9,786)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		1,551	(5,873)
Accounts receivable		106,661	42,909
Accounts receivable - related parties		(4,846)	2,563
Other receivables		(13,474)	(16,974)
Inventories		39,716	112,031
Prepayments		17,343	(5,437)
Other current assets		7,315	4,903
Changes in operating liabilities			
Contract liabilities		(4,088)	(27,422)
Notes payable		14	-
Accounts payable		(61,531)	(32,357)
Accounts payable - related parties		1,189	1,453
Other payables		(55,273)	(43,381)
Other payables - related parties		(3,738)	12,506
Other current liabilities		17,182	19,250
Other non-current liabilities		(1,898)	(53,083)
Accrued pension liabilities		(24,507)	(16,601)
Cash (outflow) inflow generated from operations		(703)	64,889
Interest received		18,562	9,171
Interest paid		(10,047)	(7,539)
Income taxes paid		(1,820)	(955)
Net cash flows from operating activities		5,992	65,566

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EPISIL TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	For the three-month periods ended March 31, 2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortized cost		($ 490,000)	$ -
Acquisition of property, plant and equipment	6(26)	(258,196)	(227,614)
Proceeds from disposal of property, plant and equipment		1,550	40,249
Acquisition of intangible assets	6(10)	(1,779)	(2,100)
Increase in refundable deposits		(567)	(206)
Net cash flows used in investing activities		(748,992)	(189,671)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	6(27)	500,000	685,995
Repayments of short-term borrowings	6(27)	(45,159)	(473,527)
Payments of lease liabilities	6(27)	(6,044)	(5,673)
Net cash flows from financing activities		448,797	206,795
Effect of exchange rate changes		336	(100)
Net increase (decrease) in cash and cash equivalents		(293,867)	82,590
Cash and cash equivalents at beginning of period	6(1)	5,545,353	3,531,506
Cash and cash equivalents at end of period	6(1)	$ 5,251,486	$ 3,614,096

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

EPISIL TECHNOLOGIES INC. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2025 AND 2024

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

1. History and Organization

Episil Holding Inc. merged with former Episil Technologies Inc. on September 1, 2021. After the merger, Episil Holding Inc. was the surviving company while former Episil Technologies Inc. was the dissolved company. Meanwhile, Episil Holding Inc. was renamed to Episil Technologies Inc. (the “Company”).

The Company was established by former Episil Technologies Inc. through a share swap on October 1, 2014, and on the same date, the regulatory authority has approved for the Company’s shares to be listed on the Taipei Exchange. Former Episil Technologies Inc. became the Company’s wholly-owned subsidiary after the swap. On January 5, 2015, former Episil Technologies Inc. split its epitaxy and compounds semiconductor business to the subsidiary, Episil Semiconductor Wafer, Inc., and subsequently, Episil Semiconductor Wafer, Inc. merged with Episil-Precision Inc. in accordance with Business Mergers and Acquisitions Act on January 11, 2016. Under the merger, Episil Semiconductor Wafer, Inc. would be the dissolved company while the Episil-Precision Inc. would be the surviving company. Episil-Precision Inc. became one of the Company’s subsidiaries after the merger. As of March 31, 2025, the Company holds 57.86% equity interest in Episil-Precision Inc.

The Company is primarily engaged in general investment, research, development, manufacture and sales of epitaxial and silicon wafers, mixed-signal integrated circuit and linear integrated circuit and research and development of the following manufacturing process technology for providing 6-inch silicon wafer foundry service.

(1) 6” SiC G3/G4 Platform Development;

(2) SiC Schottky Diode 3300V process;

(3) SiC MOSFET 3300V manufacturing process; and

(4) GaN power semiconductor components combined with IC process.

2. The Date of and Procedures for Authorization for Issuance of the Financial Statements

These consolidated financial statements were authorized for issuance by the Board of Directors on May 7, 2025.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

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

(2) Effect of new, revised or amended IFRSs endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial	January 1, 2026
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

(3) IFRSs issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by IASB
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature-dependent electricity’	January 1, 2026
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by IASB
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Significant Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the compliance statement, basis of preparations, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.

B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through other comprehensive income.

(b) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. The same principles of consolidation have been applied in the consolidated financial statements as those applied in the consolidated financial statements for the year ended December 31, 2024.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) March 31, 2025	December 31, 2024	March 31, 2024	Note
Episil Technologies Inc. INC.)	Episil-Precision Inc.	Semiconductor industry	57.86	57.86	57.86	
Episil Technologies Inc. INC.)	Wei Nuo Investment Inc.	Investment company	100	100	100	1
Wei Nuo Investment Inc.	Wellknown Holding Company Ltd.	Investment company	100	100	100	1
Wellknown Holding Company Ltd.	Episil Technologies Inc. (Shanghai)	Trading company	100	100	100	1
Episil-Precision Inc.	Precision Silicon Japan Co., Ltd.	Sales of epitaxial and silicon wafer	100	100	100	1

Note: Because it does not meet the definition of an important subsidiary, its financial statements on March 31, 2025 and 2024 have not been reviewed by accountants.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of March 31, 2025, December 31, 2024 and March 31, 2024, the non-controlling interests amounted to $2,051,540, $2,110,860 and $1,999,657, respectively. The information on non-controlling interests and respective subsidiary is as follows:

		Non-controlling interests March 31, 2025		Non-controlling interests December 31, 2024		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)	Description
Espisil-Precicion Inc.	Taiwan	$ 2,051,540	42.14%	$ 2,110,860	42.14%	

		Non-controlling interests March 31, 2024		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Description
Espisil-Precicion Inc.	Taiwan	$ 1,999,657	42.14%	

Balance sheets

	Episil-Precision Inc. and its subsidiary		
	March 31, 2025	December 31, 2024	March 31, 2024
Current assets	$ 4,152,696	$ 4,424,395	$ 4,544,421
Non-current assets	3,067,704	2,986,820	2,426,119
Current liabilities	(1,378,787)	(1,411,418)	(1,839,738)
Non-current liabilities	(924,938)	(942,340)	(337,239)
Total net assets	$ 4,916,675	$ 5,057,457	$ 4,793,563

Statements of comprehensive income

	Episil-Precision Inc. and its subsidiary	
	For the three-month periods ended March 31,	
	2025	2024
Revenue	$ 897,024	$ 1,030,060
Profit before income tax	3,544	50,796
Income tax expense	(710)	(10,159)
Profit for the period	2,834	40,637
Other comprehensive income, net of tax	655	(344)
Total comprehensive income for the period	$ 3,489	$ 40,293
Comprehensive income attributable to non-controlling interests	$ 1,470	$ 16,979

Statements of cash flows

	Episil-Precision Inc. and its subsidiary	
	For the three-month periods ended March 31,	
	2025	2024
Net cash provided by operating activities	$ 131,650	$ 155,215
Net cash used in investing activities	(208,895)	(87,666)
Net cash provided by financing activities	(48,275)	185,048
Effect of exchange rates	655	(344)
(Decrease)Increase in cash and cash equivalents	(124,865)	252,253
Cash and cash equivalents at beginning of period	2,638,148	2,284,089
Cash and cash equivalents at end of period	$ 2,513,283	$ 2,536,342

(4) Employee benefits

Pensions

Defined benefit plan

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income taxes

The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

There have been no significant changes as of March 31, 2025. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and revolving funds	$ 508	$ 520	$ 498
Checking accounts and demand deposits	943,805	519,879	723,553
Time deposits	2,216,173	3,064,354	1,341,445
Cash equivalents	2,091,000	1,960,600	1,548,600
	$ 5,251,486	$ 5,545,353	$ 3,614,096

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

B. Cash and cash equivalent restricted for providing guarantee for customs and corporate bonds were reclassified to current and non-current financial assets at amortized cost. For their detail, please refer to Note 8.

(2) Financial assets at fair value through other comprehensive income

Items	March 31, 2025	December 31, 2024	March 31, 2024
Non-current items:			
Unlisted stocks	$ 107,756	$ 107,756	$ 107,756
Valuation adjustment	(100,513)	(99,205)	(93,186)
	$ 7,243	$ 8,551	$ 14,570

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $7,243, $8,551 and $14,570 as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the three-month periods ended March 31,	
	2025	2024
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	($ 1,308)	($ 272)

C. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(3) Notes and accounts receivable

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	$ 7,922	$ 9,473	$ 10,617
Accounts receivable	$ 825,254	$ 931,915	$ 1,106,398
Accounts receivable-Related Parties	142,129	137,283	-
Less: Loss allowance	(43,266)	(43,266)	(6,400)
	$ 924,117	$ 1,025,932	$ 1,099,998

A. The ageing analysis of accounts receivable and notes receivable is as follows:

	March 31, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 927,874	$ 7,922	$ 972,459	$ 9,473
Up to 30 days	18,298	-	50,716	-
31 to 90 days	275	-	369	-
91 to 180 days	-	-	15,136	-
Over 180 days	20,936	-	30,518	-
	$ 967,383	$ 7,922	$ 1,069,198	$ 9,473

	March 31, 2024	
	Accounts receivable	Notes receivable
Not past due	$ 1,031,832	$ 10,617
Up to 30 days	60,900	-
31 to 90 days	5,976	-
91 to 180 days	3,062	-
Over 180 days	4,628	-
	$ 1,106,398	$ 10,617

The above ageing analysis was based on past due date.

B. As of March 31, 2025, December 31, 2024 and March 31, 2024, notes and accounts receivable were all from contracts with customers. As of January 1, 2024, the balance of receivables from contracts with customers amounted to $1,151,257.

C. As of March 31, 2025, December 31, 2024 and March 31, 2024, collaterals held by the Group as security for accounts receivable amounted to $1,000, $1,000 and $1,000, respectively.

D. As of March 31, 2025, December 31, 2024 and March 31, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was $7,922, $9,473 and $10,617, $924,117, $1,025,932 and $1,099,998, respectively.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Inventories

	March 31, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 447,264	($ 118,183)	$ 329,081
Supplies	673,424	(98,606)	574,818
Work in progress	206,669	(5,095)	201,574
Finished goods	113,939	(25,510)	88,429
	$ 1,441,296	($ 247,394)	$ 1,193,902

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 499,675	($ 119,672)	$ 380,003
Supplies	669,291	(78,348)	590,943
Work in progress	180,669	(7,392)	173,277
Finished goods	126,604	(37,209)	89,395
	$ 1,476,239	($ 242,621)	$ 1,233,618

	March 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 633,260	($ 100,743)	$ 532,517
Supplies	652,101	(64,863)	587,238
Work in progress	227,751	(4,305)	223,446
Finished goods	151,491	(13,182)	138,309
	$ 1,664,603	($ 183,093)	$ 1,481,510

The cost of inventories recognized as expense for the period:

	For the three-month periods ended March 31,	
	2025	2024
Cost of goods sold	$ 913,463	$ 1,026,641
Unamortized manufacturing expenses	431,322	381,598
Reversal of inventory valuation loss	4,773	4,963
Inventory scrapped	239	1,421
	$ 1,349,797	$ 1,414,623

(5) Investments accounted for using equity method

	2025	2024
At January 1	$ -	$ 188,865
Share of profit or loss of investments accounted for using equity method	26	487
Changes in capital surplus	(26)	-
Other equity interest	-	521
At March 31	$ -	$ 189,873

	March 31, 2025	December 31, 2024	March 31, 2024
Associates			
Taiwan Hi-Tech Corp.	$ -	$ -	$ 189,873

The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarized below:

	For the three-month periods ended March 31,	
	2025	2024
Profit from continuing operations	$ -	$ 487
Other comprehensive income (loss), net of tax	-	521
Total comprehensive income	$ -	$ 1,008

The Group is the single largest shareholder of Taiwan Hi-Tech Corp. with a 45.22% equity interest. Given that other shareholders (non-related parties) hold more shares than the Group, which indicates that the Group has no current ability to direct the relevant activities of Taiwan Hi-Tech Corp., the Group has no control, but only has significant influence, over the investee.

(6) Property, plant and equipment

	2025					
	Buildings and structures	Machinery and equipment	Computer and telecommunication equipment	Other equipment	Construction in process and equipment to be inspected	Total
At January 1						
Cost	$ 5,635,385	$ 9,800,604	$ 127,247	$ 128,408	$ 873,993	$ 16,565,637
Accumulated depreciation	(3,418,647)	(7,516, 028)	(83,146)	(123,929)	-	(11,141,750)
Accumulated impairment	(376,292)	(251,473)	-	(1)	-	(627,766)
	$ 1,840,446	$ 2,033,103	$ 44,101	$ 4,478	$ 873,993	$ 4,796,121
At January 1	$ 1,840,446	$ 2,033,103	$ 44,101	$ 4,478	$ 873,993	$ 4,796,121
Additions	34,883	24,466	2,135	-	175,541	237,025
Disposals	(670)	(162)	-	-	-	(832)
Reclassifications	183,129	111,778	3,840	-	(299,472)	(725)
Depreciation expenses	(57,399)	(121,310)	(5,176)	(697)	-	(184,582)
At March 31	$ 2,000,389	$ 2,047,875	$ 44,900	$ 3,781	$ 750,062	$ 4,847,007
At March 31						
Cost	$ 5,850,612	$ 9,928,500	$ 132,513	$ 128,408	$ 750,062	$ 16,790,095
Accumulated depreciation	(3,473,931)	(7,629,153)	(87,613)	(124,626)	-	(11,315,323)
Accumulated impairment	(376,292)	(251,472)	-	(1)	-	(627,765)
	$ 2,000,389	$ 2,047,875	$ 44,900	$ 3,781	$ 750,062	$ 4,847,007

s

	2024					
	Buildings and structures	Machinery and equipment	Computer and telecommunication equipment	Other equipment	Construction in process and equipment to be inspected	Total
At January 1						
Cost	$ 4,911,368	$ 9,103,950	$ 121,768	$ 127,377	$ 1,516,279	$ 15,780,742
Accumulated depreciation	(3,244,160)	(7,575,810)	(66,044)	(121,692)	-	(11,007,706)
Accumulated impairment	(376,292)	(254,766)	-	(2)	-	(631,060)
	$ 1,290,916	$ 1,273,374	$ 55,724	$ 5,683	$ 1,516,279	$ 4,141,976
At January 1	$ 1,290,916	$ 1,273,374	$ 55,724	$ 5,683	$ 1,516,279	$ 4,141,976
Additions	7,140	47,174	496	-	100,742	155,552
Disposals	-	(371)	-	-	-	(371)
Reclassifications	23,494	254,868	-	-	(278,362)	-
Depreciation expenses	(40,400)	(122,856)	(4,720)	(618)	-	(168,594)
At March 31	$ 1,281,150)	(1,452,189)	51,500	5,065	1,338,659	(4,128,563)
At March 31						
Cost	$ 4,941,283	$ 9,395,791	$ 120,286	$ 127,377	$ 1,338,659	$ 15,923,396
Accumulated depreciation	(3,283,841)	(7,689,536)	(68,786)	(122,310)	-	(11,164,473)
Accumulated impairment	(376,292)	(254,066)	-	(2)	-	(630,360)
	$ 1,281,150	$ 1,452,189	$ 51,500	$ 5,065	$ 1,338,659	$ 4,128,563

A. For the three-month periods ended March 31, 2025 and 2024, the amounts capitalized were $1,123 and $0, respectively, and the ranges of the interest rates for such capitalization were 2% and 0%, respectively.

B. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group has no property, plant and equipment pledged to others as collateral.

(7) Lease transaction – lessee

A. The Group leases various assets, including land, buildings and structures and machinery and equipment. Lease agreements are typically made for periods of 3 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise other equipment.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
	Book value	Book value	Book value
Land	$ 499,605	$ 533,218	$ 415,666
Buildings and structures	34,332	36,202	42,290
Machinery and equipment	2,757	-	-
	$ 536,694	$ 569,420	$ 457,956

	For the three-month periods ended March 31,	
	2025	2024
	Depreciation expenses	Depreciation expenses
Land	$ 5,458	$ 4,840
Buildings and structures	1,700	1,705
Machinery and equipment	59	-
	$ 7,217	$ 6,545

D. For the three-month periods ended March 31, 2025 and 2024, the additions to right-of-use assets were $2,815 and $17,943, respectively.

E. Information on profit or loss in relation to lease agreements is as follows:

	For the three-month periods ended March 31,	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	$ 3,375	$ 2,515
Expense on short-term lease agreements	$ 684	$ 676

F. For the three-month periods ended March 31, 2025 and 2024, the Group's total cash outflow for leases were $10,103 and $8,864, respectively.

G. Extension and termination options

In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(8) Lease arrangements – lessor

A. The Group leases various assets, including buildings and structures. Lease agreements are typically made for periods of 1 and 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required from lessees.

B. Gain arising from operating lease agreements for the three-month periods ended March 31, 2025 and 2024 are as follows:

	For the three-month periods ended March 31,	
	2025	2024
Rental revenue	$ 8,808	$ 8,716

C. The maturity analysis of the lease payments under the operating leases is as follows:

	March 31, 2025	December 31, 2024
2025	$ 16,573	$ 34,063
2026	8,270	24,663
2027	503	1,451
2028	147	1, 451
2029	-	1,347
Over 2030	-	12,750
	$ 25,493	$ 75,725

	March 31, 2024
2024	$ 24,799
2025	32,964
2026	23,988
2027	1,200
2028	1,200
2029	1,200
Over 2030	12,750
	$ 98,101

(9) Investment property

	2025	2024
	Buildings and structures	Buildings and structures
At January 1		
Cost	$ 173,428	$ 173,428
Accumulated depreciation and impairment	(40,272)	(35,966)
	$ 133,156	$ 137,462
At January 1	$ 133,156	$ 137,462
Depreciation expenses	(1,074)	(1,083)
At March 31	$ 132,082	$ 136,379
At March 31		
Cost	$ 173,428	$ 173,428
Accumulated depreciation and impairment	(41,346)	(37,049)
	$ 132,082	$ 136,379

A. Rental revenue from investment property.

	For the three-month periods ended March 31,	
	2025	2024
Rental revenue from investment property	$ 8,486	$ 8,484
Direct operating expenses arising from the investment property that generated rental revenue during the period	$ 2,805	$ 2,045

B. The fair value of the investment property held by the Group as of March 31, 2025, December 31, 2024 and March 31, 2024, was $176,954, $170,183 and $174,515, respectively. Valuations were made using the income approach which is categorized within Level 3 in the fair value hierarchy. Key assumptions are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Discount rate	9.26% ~10.89%	9.98% ~11.76%	8.70% ~11.15%
Annual rent (net income)	$ 29,850	$ 29,759	$ 29,728
Duration	10 years	10 years	10 years

C. The Group has no interest capitalization for the three-month periods ended March 31, 2025 and 2024.

D. The significant components of investment property include buildings and renovation, which are depreciated over 42~51 years and 46 years, respectively.

E. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group has no investment property pledged to others as collateral.

(10) Short-term borrowings

Type of borrowings	March 31, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 500,000	1.915%～2.18%	None

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 45,159	5.50%～5.83%	None

Type of borrowings	March 31, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 479,418	5.88%～6.16%	None

(11) Other payable

	March 31, 2025	December 31, 2024	March 31, 2024
Accrued expenses-expendables	$ 230,891	$ 230,687	$ 218,594
Payables for equipment	121,514	143,808	75,871
Accrued expenses-bonus	74,451	149,981	147,877
Dividends payable	60,790	-	60,789
Employees' compensation and directors' remuneration payable	31,878	31,440	31,937
Accrued expenses-others	199,413	187,362	167,991
	$ 718,937	$ 743,278	$ 703,059

(12) Bonds payable

	March 31, 2025	December 31, 2024	March 31, 2024
The Company's third secured convertible bonds	$ -	$ -	$ 600,000
The Company's fourth secured convertible bonds	1,000,000	1,000,000	1,000,000
Episil-Precision Inc.'s fourth unsecured convertible bonds	500,000	500,000	500,000
Episil-Precision Inc.'s fifth unsecured convertible bonds	500,000	500,000	-
	2,000,000	2,000,000	2,100,000
Less: Bonds payable converted	(300)	(300)	(511,200)
Less: Discount on bonds payable	(28,206)	(34,862)	(15,024)
	1,971,494	1,964,838	1,573,776
Less: Current portion	(1,499,700)	(1,495,970)	(581,542)
	$ 471,794	$ 468,868	$ 992,234

A. The issuance terms of the Company's third domestic secured convertible bonds are as follows:

(a) The regulatory authority has approved the third domestic unsecured convertible corporate bonds issued by the Company. The bonds are with a total issuance amount of $600,000 and a coupon rate of 0%, covering a 3-year period of issuance and a circulation period from June 22, 2021 to June 22, 2025 and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on June 22, 2021.

(b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three month of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

(c) The effective date for the conversion price of the convertible was set on June 11, 2021. The conversion price was set up based on multiplying a benchmark price which was the closing price of the Company's common share calculated at simple arithmetic mean of $73.8 (in dollars) in either 1, 3 or 5 business days before the effective date (effective date is excluded) by convertible premium rate of 105.67% (round to the nearest tenth). If there is an ex-right or ex-dividend before the pricing effective date, the closing price adopted to calculate conversion price shall be imputed with ex-right or ex-dividend; if there is an ex-right or ex-dividend during the period that the conversion price was set up but prior to share issuance, the conversion price shall be adjusted based on the conversion price adjustment formula. The conversion price was adjusted to $72.4 (in dollars) per share on July 23, 2024 as the Company distributed dividend.

(d) All convertible bonds repurchased, redeemed or converted by the Company from securities trading markets shall be retired, which are not allowed to resell or reissue, and conversion rights attached to the bonds are also extinguished.

(e) Regarding the issuance of convertible bonds, the equity conversion options amounting to $14,895 were separated from the liability component and were recognised in "Capital surplus-warrants" in accordance with IAS 32.

(f) The convertible bonds were terminated on June 22, 2024, and delisted from the Taipei Exchange on June 24, 2024 after the accumulated conversion of the bonds amounting to $511,400 (face value) into 6,949 thousand shares of common stock, and on July 3, 2024, the convertible bonds of $88,600 were repaid to the creditors.

B. The issuance terms of the Company's forth domestic secured convertible bonds are as follows:

(a) The regulatory authority has approved the third domestic unsecured convertible corporate bonds issued by the Company. The bonds are with a total issuance amount of $1,000,000 and a coupon rate of 0%, covering a 3-year period of issuance and a circulation period from April 7, 2022 to April 7, 2025 and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on April 7, 2022.

(b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three month of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

(c) The effective date for the conversion price of the convertible was set on March 16, 2022. The conversion price was set up based on multiplying a benchmark price which was the closing price of the Company's common share calculated at simple arithmetic mean of $118.8 (in dollars) in either 1,3 or 5 business days before the effective date (effective date is excluded) by convertible premium rate of 102.5% (round to the nearest tenth). If there is an ex-right or ex-dividend before the pricing effective date, the closing price adopted to calculate conversion price shall be imputed with ex-right or ex-dividend; if there is an ex-right or ex-dividend during the period that the conversion price was set up but prior to share issuance, the conversion price shall be adjusted based on the conversion price adjustment formula. The conversion price was adjusted to $117 (in dollars) per share on July 23, 2024 as the Company distributed dividend.

(d) All convertible bonds repurchased, redeemed or converted by the Company from securities trading markets shall be retired, which are not allowed to resell or reissue, and conversion rights attached to the bonds are also extinguished.

(e) Regarding the issuance of convertible bonds, the equity conversion options amounting to $267,416 were separated from the liability component and were recognised in "Capital surplus-warrants" in accordance with IAS 32.

(f) Through March 31, 2025, no bonds were converted into common shares.

C. The issuance terms of the Episil-Precision Inc.'s forth domestic unsecured convertible bonds are as follows:

(a) The regulatory authority has approved the third domestic unsecured convertible corporate bonds issued by Episil-Precision Inc. The bonds are with a total issuance amount of $500,000 and a coupon rate of 0%, covering a 3-year period of issuance and a circulation period from March 29, 2022 to March 29, 2025 and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on March 29, 2022.

(b) The bondholders have the right to ask for conversion of the bonds into common shares of Episil-Precision Inc. during the period from the date after three month of the bonds issue to the next days before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

(c) The effective date for the conversion price of the convertible was set on March 21, 2022. The conversion price was set up based on multiplying a benchmark price which was the closing price of Episil-Precision Inc.'s common share calculated at simple arithmetic mean of $128 (in dollars) in either 1, 3 or 5 business days before the effective date (effective date is excluded) by convertible premium rate of 109.22% (round to the nearest tenth). If there is an ex-right or ex-dividend before the pricing effective date, the closing price adopted to calculate conversion price shall be imputed with ex-right or ex-dividend; if there is an ex-right or ex-dividend during the period that the conversion price was set up but prior to share issuance, the conversion price shall be adjusted based on the conversion price adjustment formula. The conversion price was NT$128 (in dollars) per share based on the aforementioned method. The conversion price was adjusted to $122.4 (in dollars) per share on July 12, 2024 as the Episil-Precision Inc. distributed dividend.

(d) All convertible bonds repurchased, redeemed or converted by Episil-Precision Inc. from securities trading markets shall be retired, which are not allowed to resell or reissue, and conversion rights attached to the bonds are also extinguished.

(e) Regarding the issuance of convertible bonds, the equity conversion options amounting to $21,757 were separated from the liability component and were recognised in "Capital surplus-warrants" in accordance with IAS 32.

(f) Through March 31, 2025, the bonds totalling $300 (face value) had been converted into 2 thousand shares of Episil-Precision Inc.'s common shares.

D. The issuance terms of the Episil-Precision Inc.'s fifth domestic unsecured convertible bonds are as follows：

(a) The regulatory authority has approved the third domestic unsecured convertible corporate bonds issued by Episil-Precision Inc. The bonds are with a total issuance amount of $500,000 and a coupon rate of 0%, covering a 3-year period of issuance and a circulation period from July 26, 2024 to July 26, 2027 and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on July 26, 2024.

(b) The bondholders have the right to ask for conversion of the bonds into common shares of Episil-Precision Inc. during the period from the date after three month of the bonds issue to the next days before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

(c) The effective date for the conversion price of the convertible was set on July 18, 2024, based on either 1, 3 or 5 business days before the effective date (effective date is excluded) by convertible premium rate of 105.68% (round to the nearest tenth). If there is an ex-right or ex-dividend before the pricing effective date, the closing price adopted to calculate conversion price shall be imputed with ex-right or ex-dividend; if there is an ex-right or ex-dividend during the period that the conversion price was set up but prior to share issuance, the conversion price shall be adjusted based on the conversion price adjustment formula. The conversion price was $72.6 (in dollars).

(d) All convertible bonds repurchased, redeemed or converted by Episil-Precision Inc. from securities trading markets shall be retired, which are not allowed to resell or reissue, and conversion rights attached to the bonds are also extinguished.

(e) Regarding the issuance of convertible bonds, the equity conversion options amounting to $35,724 were separated from the liability component and were recognised in “Capital surplus-warrants” in accordance with IAS 32.

E. Information on the carrying amount of collateral for convertible bonds is provided in Note 8.

(13) Pensions

A. (a) The Company and its domestic subsidiaries have defined benefit pension plans in accordance with the Labor Standards Act, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plans, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees’ monthly salaries and wages to the pension funds deposited with Bank of Taiwan, the trustee, under the name of the independent pension fund committees. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.

(b) The pension costs recognized by the Group according to the above pension regulations for the three-month periods ended March 31, 2025 and 2024 were $506 and $565, respectively.

(c) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2025 amount to $7,082.

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

(b) The Group's mainland China subsidiary, Episil Technologies Inc. (Shanghai), has a defined contribution plan. Monthly contribution to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC.) is based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under the defined contribution pension plans of the Group for the three-month periods ended March 31, 2025 and 2024 were $22,109 and $15,678, respectively.

(14) Share capital

A. The Company was established by former Episil Technologies Inc. through a share swap on October 1, 2014. As of March 31, 2025, the Company's authorized capital was $5,000,000, consisting of 500 million shares of ordinary stock (including $500,000, equivalent to 50 million shares, reserved for bonds conversion, preferred stocks conversion and employee stock options), and the paid-in capital was $3,832,227 with a par value of $10 (in dollars) per share.

B. Movements in the number of the Company's ordinary shares outstanding are as follows:

Unit: thousand shares	2025	2024
Shares issued at January 1	383,223	333,216
Share outstanding at January 1	383,223	333,216
Shares issued at March 31	383,223	333,216
Shares outstanding at March 31	383,223	333,216

(15) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2025					
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes of associates and joint ventures accounted for using equity method	Warrants	Others	Total
At January 1	$ 2,714,961	$ 527,676	($ 1,413)	$ 284,707	$ 12,694	$ 3,538,625
Changes in ownership interest in subsidiaries	-	(26)	-	-	-	(26)
At March 31	$ 2,714,961	$ 527,650	($ 1,413)	$ 284,707	$ 12,694	$ 3,538,599

	2024					
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes of associates and joint ventures accounted for using equity method	Warrants	Others	Total
At January 1	$ 734,518	$ 506,836	($ 299)	$ 286,919	$ 10,494	$ 1,538,468
Conversion of convertible bonds	-	171	-	-	-	171
At March 31	$ 734,518	$ 507,007	($ 299)	$ 286,919	$ 10,494	$ 1,538,639

(16) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve, and setting aside or reversal for special reserve in accordance with related laws, if any. The Board of Directors should propose the distribution of the remaining earnings based on the Company's dividend policy for the approval of the shareholders.

A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the dividends and bonus all or partially distributed in the form of cash; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting, which is not subject to the rules in relation to the resolution of shareholders' meeting.

B. The Company's dividend policy is summarized below: as the Company operates in high-tech industries and is in the stable growth stage, to take into consideration the business environment and growing stage of the Company and meet future capital requirements, long-term financial plan and fulfil shareholders' requirement for cash flows. The current year's earnings, if any, shall be distributed in the form of cash dividends not lower than 10% of total cash and stock dividends and bonus to be distributed.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the dividends and bonus all or partially distributed in the form of cash; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. On February 25, 2025, the meeting of Boards of Directors and on June 14, 2024 , the shareholders' meeting resolved the appropriation of earnings for the years ended December 31, 2023, the Company did not plan to distribute earnings.

(17) Other equity items

	2025		2024	
	Unrealized gains (losses) on valuation	Financial statements translation difference of foreign operations	Unrealized gains (losses) on valuation	Financial statements translation difference of foreign operations
At January 1	($ 99,205)	($ 4,905)	($ 92,914)	($ 6,209)
–Group	(1,308)	459	(272)	44
–Associates	-	-	-	521
At March 31	($ 100,513)	($ 4,446)	($ 93,186)	($ 5,644)

(18) Operating revenue

	For the three-month periods ended March 31,	
	2025	2024
Revenue from contracts with customers	$ 1,277,317	$ 1,457,463

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following major product lines:

For the three-month periods ended March 31, 2025	Silicon wafers	IC	Others	Total
Revenue from external customer contracts	$ 818,388	$ 407,433	$ 51,496	$ 1,277,317

Timing of revenue recognition				
At a point in time	$ 818,388	$ 407,433	$ 51,496	$ 1,277,317

For the three-month periods ended March 31, 2024	Silicon wafers	IC	Others	Total
Revenue from external customer contracts	$ 941,674	$ 501,985	$ 13,904	$ 1,457,563
Timing of revenue recognition				
At a point in time	$ 941,674	$ 501,985	$ 13,904	$ 1,457,563

B. Contract liabilities

(a) The Group has recognized the following revenue-related contract liabilities:

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Contract liabilities:				
Contract liabilities – advance sales receipts	$ 83,769	$ 87,857	$ 129,582	$ 157,004

(b) Revenue recognized that was included in the contract liabilities balance at the beginning of the period

	For the three-month periods ended March 31,	
	2025	2024
Revenue recognized that was included in the contract liabilities balance at the beginning of the period	$ 11,662	$ 71,501

(19) Other income

	For the three-month periods ended March 31,	
	2025	2024
Rental revenue	$ 8,808	$ 8,716
Other income, others	590	929
	$ 9,398	$ 9,645

(20) Other gains and losses

	For the three-month periods ended March 31,	
	2025	2024
Gains on disposals of property, plant and equipment	$ 717	$ 39,878
Net currency exchange gains	10,712	19,697
Depreciation on investment property	(1,074)	(1,083)

Other gains	19	25
	$ 10,374	$ 58,517

(21) Finance costs

	For the three-month periods ended March 31,	
	2025	2024
Interest expense:		
Banking borrowings	$ 231	$ 6,423
Bonds payable	6,656	3,855
Lease liabilities	3,375	2,515
Less : The amount of capitalization of assets that meet the requirements	(1,123)	-
Other finance expenses	1,699	2,233
	$ 10,838	$ 15,026

(22) Expenses by nature

	For the three-month periods ended March 31,	
	2025	2024
Employee benefit expense	$ 445,752	$ 421,781
Depreciation expenses	192,873	176,222
Amortization expenses on intangible assets	3,321	2,941

(23) Employee benefit expense

	For the three-month periods ended March 31,	
	2025	2024
Wages and salaries	$ 353,696	$ 337,189
Labor and health insurance fees	33,788	33,196
Pension costs	22,615	16,243
Other personnel expenses	35,652	35,153
	$ 445,751	$ 421,781

A. According to the Articles of Incorporation of the Company, employees' compensation and directors' remuneration shall be calculated based on current year's earnings, which should first be used to cover accumulated deficits, if any, and then, not less than 5% for employees' compensation and not more than 2% for directors' remuneration.
Employees' compensation can be distributed by stock or dividends, including distributions to certain qualifying employees within the Group.

B. For the three-month periods ended March 31, 2025 and 2024, due to losses, no employees' remuneration and directors' remuneration were accrued.
Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors and approved by the shareholders will be posted in

the “Market Observation Post System”.

(24) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the three-month periods ended March 31, 2025	2024
Current tax:		
Current tax on profits for the period	$ 1,267	$ 10,159
Total current tax	1,267	10,159
Deferred tax:		
Origination and reversal of temporary differences	-	-
Total deferred tax	-	-
Income tax expense	$ 1,267	$ 10,159

(b) The income tax (charge)/credit relating to components of other comprehensive income: None.

B. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(25) Earning earnings per share

	For the three-month periods ended March 31,2025		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share			
Profit attributable to ordinary shareholders of the parent	($ 210,419)	383,223	($ 0.55)

	For the three-month periods ended March 31,2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic loss per share			
Profit attributable to ordinary shareholders of the parent	($ 98,686)	333,216	($ 0.30)

For the three-month periods ended March 31, 2024, the Company's issued convertible bonds had anti-dilutive effect, thus, they were not included in the calculation of diluted earnings per share.

(26) Supplemental cash flow information

A. Investing activities with partial cash payments

	For the three-month periods ended March 31,	
	2025	2024
Acquisition of property, plant and equipment	$ 237,025	$ 155,552
Add: Beginning balance of payables on equipment	143,808	147,933
Less: Ending balance of payables on equipment	(121,514)	(75,871)
Less: Capitalization of interests	(1,123)	-
Cash paid during the period	$ 258,196	$ 227,614

B. Financing activities with no cash flow effects:

	For the three-month periods ended March 31,	
	2025	2024
Dividend paid	$ 60,790	$ 60,789

(27) Changes in liabilities from financing activities

	2025					
	Short-term borrowings	Lease liabilities	Bonds payable	Guarantee deposits-received	Dividend paid	Liabilities from financing activities
At January 1	$ 45,159	$ 595,693	$ 1,964,838	$ 8,095	$ -	$ 2,613,785
Changes in cash flow from financing activities	454,841	(6,044)	-	-	-	448,797
Interest paid	-	(3,375)	-	-	-	(3,375)
Interest expense	-	3,375	6,656	-	-	10,031
Cash dividends claimed	-	-	-	-	60,790	60,790
Changes in other non-cash items	-	(25,509)	-	-	-	(25,509)
At March 31	$ 500,000	$ 564,140	$ 1,971,494	$ 8,095	$ 60,790	$ 3,104,519

	2024					
	Short-term borrowings	Lease liabilities	Bonds payable	Guarantee deposits-received	Dividend paid	Liabilities from financing activities
At January 1	$ 266,950	$ 468,887	$ 1,570,217	$ 8,095	$ -	$ 2,314,149
Changes in cash flow from financing activities	212,468	(5,673)	-	-	-	206,795
Interest paid	-	(2,515)	-	-	-	(2,515)
Interest expense	-	2,515	3,855	-	-	6,370
Option exercised	-	-	(300)	-	-	(300)
Discount on bonds payable	-	-	4	-	-	4
Cash dividends claimed	-	-	-	-	60,789	60,789
Changes in other non-cash items	-	17,943	-	-	-	17,943
At March 31	$ 479,418	$ 481,157	$ 1,573,776	$ 8,095	$ 60,789	$ 2,603,235

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Hermes-Epitek Corporation	The Company's director
Taiwan Hi-Tech Corp.	Investee accounted for using equity method
Vanguard International Semiconductor Corporation	Entity with significant influence to the group

Note: EPISIL Technology Inc. transacted private placement follow-on offering which Vanguard International Semiconductor Corporation subscribed 50 million shares, and acquired EPISIL Technology Inc. 13% equity on effective date September 24th, 2024. Vanguard International Semiconductor Corporation is a related party who has significant influence with EPISIL Technology Inc. from effective date.

(2) Significant related party transactions

A. Operating revenue

	For the three-month periods ended March 31,	
	2025	2024
Sales of goods:		
-Other related parties	$ 2,405	$ 1,385
Entity with significant influence to the group	168,204	-
	$ 170,609	$ 1,385

The price and terms on sales are available to third parties and the credit term is 30 to 90 days after monthly billings.

B. Purchases

	For the three-month periods ended March 31,	
	2025	2024
Purchases of goods:		
-Other related parties	$ 1,211	$ 3,284
Entity with significant influence to the group	177	-
	$ 1,388	$ 3,284

The price and terms on purchase are available to third parties and the payment term is 30 to 90 days after monthly billings.

C. Receivables from related parties

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts receivable:			
-Other related parties	$ 2,196	$ 581	$ 1,043
Entity with significant influence to the group	139,933	136,702	-
	$ 142,129	$ 137,283	$ 1,043
Other receivable:			
-Other related parties	$ 9,020	$ -	$ -

The receivables from related parties arise mainly from sales of goods. The receivables are due 3 months after the date of sale. The receivables are unsecured in nature and bear no interest. There are no loss allowance against receivables from related parties.

D. Payables to related parties

	March 31, 2025	December 31, 2024	March 31, 2024
Accounts payable:			
-Other related parties	$ 1,270	$ 83	$ 3,351
Entity with significant influence to the group	205	203	-
	$ 1,475	$ 286	$ 3,351
Other receivables:			
-Associates	$ -	$ 4,315	$ 40,575
-Other related parties	577	-	672
	$ 577	$ 4,315	$ 41,247
	$ 2,052	$ 4,601	$ 44,598

The payables to related parties arise mainly from purchase of goods and services, and payable 3 months after the date of purchase. The payables bear no interest.

E. Disposal of property, plant and equipment

	2025		2024	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
- Other related parties	$ 1,550	$ 1,388	$ -	$ -

F. Others

	For the three-month periods ended March 31,	
	2025	2024
Testing fee:		
-Associates	$ -	$ 50,339

(3) Key management personnel compensation

	For the three-month periods ended March 31,	
	2025	2024
Salaries and other short-term employee benefits	$ 23,861	$ 22,208
Post-employment benefits	383	353
	$ 24,244	$ 22,561

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

	Book value			
Pledged asset	March 31, 2025	December 31, 2024	March 31, 2024	Purpose
Pledged time deposits (shown as "Non-Current financial assets at amortized cost")	$ 36,348	$ 36,348	$ 30,442	Customs deposits and guarantee deposits for leases
Pledged time deposits (shown as "Current financial assets at amortized cost")	150,000	150,000	17,820	Guarantee for convertible bonds
Pledged time deposits (shown as "Non-current financial assets at amortized cost")	-	-	150,000	Guarantee for convertible bonds
	$ 186,348	$ 186,348	$ 198,262	

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

None.

(2) Commitments

A. Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Property, plant and equipment	$ 470,875	$ 629,404	$ 828,738

B. To expand production capacity by adding equipment, the Group entered into a production capacity guarantee agreement with the specific customer. In accordance with the agreement, a prepayment of US$1,500 thousand shall be paid by the customer. The Group will refund the prepayment on a regular basis according to the agreed terms and capacity conditions.

	March 31, 2025	December 31, 2024	March 31, 2024
Production capacity guarantee agreement (Shown as "Other current liabilities, others")	$ 10,459	$ 10,459	$ 11,791

10. Significant Disaster Loss

None.

11. Significant Events after the Reporting Period

None.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital or issue new shares to shareholders in order to achieve the most appropriate capital structure.

(2) Financial instruments

A. Financial instruments by category

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets			
Financial assets at fair value through other comprehensive income	$ 7,243	$ 8,551	$ 14,570
Financial assets at amortized cost			
Cash and cash equivalents	5,251,486	5,545,353	3,614,096
Financial assets at amortized cost	686,348	196,348	198,262
Notes receivable	7,922	9,473	10,617
Accounts receivable (including related parties)	924,117	1,025,932	1,101,041
Other receivables (including related parties)	48,358	34,495	63,945
Refundable guarantee deposits	2,933	2,366	2,414
	$ 6,928,407	$ 6,822,518	$ 5,004,945

	March 31, 2025	December 31, 2024	March 31, 2024
Financial liabilities			
Financial liabilities at amortized cost			
Short-term borrowings	$ 500,000	$ 45,159	$ 479,418
Notes payable	14	14	14
Accounts payable (including related parties)	366,683	427,025	324,950
Other payables (including related parties)	719,514	747,593	744,306
Bonds payable (including current portion)	1,971,494	1,964,838	1,573,776
Guarantee deposits received	8,095	8,095	8,095
	$ 3,565,800	$ 3,192,724	$ 3,130,545
Lease liabilities	$ 564,140	$ 595,693	$ 481,157

B. Policy of risk management

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts and foreign currency option contracts are used to hedge certain exchange rate risk, and interest rate swaps are used to fix variable future cash flows. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, JPY and RMB. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

ii. Management has set up policies to require group companies to manage their foreign exchange risk against their functional currencies. The companies are required to hedge their entire foreign exchange risk exposure through coordination with the Group treasury. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, entities in the Group use foreign currency denominated liabilities and derivative financial instruments (foreign exchange forward contracts) to hedge exchange rate risk through Group treasury. Foreign exchange risk arises when future commercial transactions, recognized assets or liabilities are denominated in a currency that is not the entity's functional currency.

iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD, RMB and JPY). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2025		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 22,617	33.199	$ 750,872
JPY:NTD	186,877	0.2228	41,636
RMB:NTD	8,159	4.572	37,303
Non-monetary items: None.			
Financial liabilities			
Monetary items			
USD:NTD	$ 6,752	33.199	$ 224,173
JPY:NTD	150,187	0.2228	33,462

RMB:NTD	13,401	4.572	61,271
Non-monetary items: None.			

	December 31, 2024		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 25,916	32.790	$ 849,889
JPY:NTD	67,422	0.2102	14,172
RMB:NTD	12,821	4.4780	57,412
Non-monetary items: None.			
Financial liabilities			
Monetary items			
USD:NTD	$ 9,360	32.790	$ 306,952
JPY:NTD	78,956	0.2102	16,597
RMB:NTD	16,509	4.4780	73,927
Non-monetary items: None.			

	March 31, 2024		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 29,524	32.002	$ 944,822
JPY:NTD	16,598	0.2117	3,514
RMB:NTD	22,126	4.4090	97,552
Non-monetary items: None.			
Financial liabilities			
Monetary items			
USD:NTD	$ 23,571	32.002	$ 754,306
JPY:NTD	24,089	0.2117	5,100
RMB:NTD	8,042	4.4090	35,459
Non-monetary items: None.			

iv. The total exchange (loss) gain, including realized and unrealized, arising from significant foreign exchange variations on the monetary items held by the Group for the three-month periods ended March 31, 2025 and 2024, amounted to $10,712 and $19,697, respectively.

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

	March 31, 2025		
	Change in exchange rate	Effect on profit (loss)	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 7,509	$ -
JPY:NTD	1%	416	-
RMB:NTD	1%	373	-
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 2,242)	$ -
JPY:NTD	1%	(335)	-
RMB:NTD	1%	(613)	-

	March 31, 2024		
	Change in exchange rate	Effect on profit (loss)	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 9,448	$ -
JPY:NTD	1%	35	-
RMB:NTD	1%	976	-
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 7,543)	$ -
JPY:NTD	1%	(51)	-
RMB:NTD	1%	(355)	-

Price risk

i. The Group’s investments in equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income.

ii. The Group’s investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, fair value adjustment would have increased/decreased by $72 and $146, respectively, as a result of the price change on equity investment at fair value through other comprehensive income for the three-month periods ended March 31, 2025 and 2024.

Cash flow and fair value interest rate risk

i. The Group’s main interest rate risk arises from short-term borrowings with floating rates, which expose the Group to cash flow interest rate risk. For the three-month periods ended March 31, 2025 and 2024, the Group’s borrowings at floating rates were mainly denominated in US dollars.

ii. The Group’s borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

iii. If the borrowing interest rate of New Taiwan dollars and US dollars had increased/decreased by 0.25% with all other variables held constant, loss after tax for the three-month periods ended March 31, 2025 and 2024, would have increased/decreased by $250 and $240, respectively. Changes in interest expense mainly due from floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost.

ii. The Group manages their credit risk taking into consideration the entire group’s perspective. Only rated banks with an optimal rating and financial institutes with investment grade are accepted. According to the Group’s credit policy, each entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual credit limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.

iii. The Group adopts the assumptions under IFRS 9, and the default occurs when the contract payments are past due over 90 days.

iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

(i) If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

(ii) For investments in bonds that are traded over the counter, if any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is treated low.

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter into bankruptcy or other financial reorganisation due to financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties of the issuer;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vi. The Group categorized accounts receivable in accordance with credit risk and applied the modified approach using a provision matrix to estimate the expected credit loss.

vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

viii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. As of March 31, 2025, December 31, 2024, March 31 2024, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due	over 180 days past due	Individual	Total
At March 31, 2025							
Expected loss rate	0.01~1%	0.01~0.42%	0.01~0.63%	0.01~45.66%	100%	0.12~4.41%	
Total book value	$ 842,416	$ 27,479	$ 275	$ -	$ 20,936	$ 76,277	$ 967,383
Loss allowance	$ -	$ 7	$ 17	$ -	$ 20,936	$ 22,306	$ 43,266
At December 31, 2024							
Expected loss rate	0.01~1%	0.01~0.42%	0.01~0.63%	0.63~82.96%	100%	0.12~4.41%	
Total book value	$ 962,999	$ 49,551	$ 369	$ 15,136	$ 30,518	$ 10,625	$ 1,069,198
Loss allowance	$ -	$ 35	$ 6	$ 12,558	$ 30,518	$ 149	$ 43,266
At March 31, 2024							
Expected loss rate	0.01~1%	0.01~0.44%	0.01~0.11%	0.01~46.76%	100%	0.12~4.61%	
Total book value	$ 1,006,339	$ 54,135	$ 5,976	$ 3,062	$ 4,628	$ 32,258	$ 1,106,398
Loss allowance	$ -	$ 191	$ 7	$ 1,432	$ 4,628	$ 142	$ 6,400

ix. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2025
	Accounts receivable
At January 1 and March 31,	$ 43,266

	2024
	Accounts receivable
At January 1 and March 31,	$ 6,400

x. Financial assets measured at amortized cost measured by expected credit losses for 12 months are not significant impairment losses recognized for the three-month periods ended March 31, 2025 and 2024.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.

ii. Surplus cash held by the operating entities over and above balance required for working capital management will be appropriately used and invested. The chosen instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

iii. The Group has the following undrawn borrowing facilities:

	March 31, 2025	December 31, 2024	March 31, 2024
Floating rate:			
Expiring within one year	$ 160,000	$ 246,990	$ 210,000
Fixed rate:			
Expiring within one year	3,110,000	2,477,851	2,252,145
	$ 3,270,000	$ 2,724,841	$ 2,462,145

iv. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

Non-derivative financial liabilities	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
March 31, 2025				
Short-term borrowings	$ 500,000	$ -	$ -	$ -
Notes payable	14	-	-	-
Accounts payable (including related parties)	366,683	-	-	-
Other payables (including related parties)	719,514	-	-	-
Lease liabilities	44,429	43,904	126,125	637,889
Bonds payable	1,499,700	-	500,000	-
Guarantee deposits received	-	-	-	8,095

Non-derivative financial liabilities	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
December 31, 2024				
Short-term borrowings	$ 45,159	$ -	$ -	$ -
Accounts payable (including related parties)	427,025	-	-	-
Other payables (including related parties)	747,593	-	-	-
Lease liabilities	38,522	37,840	107,331	600,659
Bonds payable	1,495,970	-	500,000	-
Guarantee deposits received	-	-	-	8,095

Non-derivative financial liabilities	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Over 3 years
March 31, 2024				
Short-term borrowings	$ 479,418	$ -	$ -	$ -
Accounts payable (including related parties)	324,950	-	-	-
Other payables (including related parties)	744,306	-	-	-
Lease liabilities	32,372	32,372	93,781	462,267
Bonds payable	588,800	1,000,000	-	-
Guarantee deposits received	-	-	-	8,095

Derivative financial liabilities

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group has no derivative financial liabilities.

v. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expects the actual cash flow amount will be significantly different.

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in unlisted stocks is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(9).

C. Financial instruments not measured at fair value

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable and other payables are approximate to their fair values.

	March 31, 2025			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 1,971,494	$ -	$ 1,976,800	$ -

	December 31, 2024			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 1,964,838	$ -	$ 1,960,502	$ -

	March 31, 2024			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 1,573,776	$ -	$ 1,569,994	$ -

(b) The methods and assumptions of fair value estimate are as follows:

Bonds payable: The fair value of the convertible bonds issued by the Group was estimated by the Binomial-Tree approach to convertible bonds.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

March 31, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				

Unlisted stocks	$ -	$ -	$ 7,243	$ 7,243

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Unlisted stocks	$ -	$ -	$ 8,551	$ 8,551

March 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Unlisted stocks	$ -	$ -	$ 14,570	$ 14,570

(b)The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Foreign exchange forward contracts are usually valued based on the current forward exchange rate.

v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. As a result, the estimate generated by valuation model will be slightly adjusted based on additional inputs, such as model risk and liquidity risk. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the three-month periods ended March 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the three-month periods ended March 31, 2025 and 2024:

	Level 3
	Equity instruments
January 1, 2025	$ 8,551
Unrealized gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	(1,308)
March 31, 2025	$ 7,243

	Level 3
	Equity instruments
January 1, 2024	$ 14,842
Unrealized gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	(272)
March 31, 2024	$ 14,570

G. For the three-month periods ended March 31, 2025 and 2024, there was no transfer into or out from Level 3.

H. Group treasury is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at March 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 7,243	Market comparable companies	Price to book ratio multiple; Discount for lack of marketability	Price to book ratio: 2.03~6.72. Discount for lack of marketability:0.10~0.26.	The higher the multiple, the higher the fair value. The higher the discount for lack of marketability, the lower the fair value.

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 8,551	Market comparable companies	Price to book ratio multiple; Discount for lack of marketability	Price to book ratio: 2.90~3.54. Discount for lack of marketability:0.10~0.26.	The higher the multiple, the higher the fair value. The higher the discount for lack of marketability, the lower the fair value.

	Fair value at March 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 14,570	Market comparable companies	Price to book ratio multiple; Discount for lack of marketability	Price to book ratio: 2.57~3.46. Discount for lack of marketability:0.10~0.26.	The higher the multiple, the higher the fair value. The higher the discount for lack of marketability, the lower the fair value.

J. The Group has assessed the valuation models and assumptions carefully used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

			March 31, 2025			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	$ -	$ -	$ 72	($ 72)

			December 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	$ -	$ -	$ 86	($ 86)

			March 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	$ -	$ -	$ 146	($ 146)

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 2.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 3.

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

J. Significant inter-company transactions during the reporting period: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Please refer to Note 7.

14. Segment Information

(1) General information

The Group operates business only in a single industry. The chief operating decision-maker, who assesses performance and allocates resources of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Segment Information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the three-month periods ended March 31, 2025	For the three-month periods ended March 31, 2024
Revenue from external customers	$ 1,277,317	$ 1,457,563
Inter-company revenue	$ -	$ -
Segment (loss) income	($ 209,225)	($ 81,562)
Segment assets	$ 13,972,712	$ 11,739,306

(3) Reconciliation for segment income (loss)

None.

Episil Technologies Inc. and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2025

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of March 31, 2024				
Securities held by	Marketable securities （Note 1）	Relationship with the securities issuer（Note 2）	General ledger account	Number of shares (in thousands)	Book value（Note 3)	Ownership (%)	Fair value	Footnote （Note 4)
Episil-Precision Inc.	Dah Chung Bills Fiance Corp.-common shares	None	Financial assets at fair value through other comprehensive income-non-current	1,164	$ 17	0.00%	$ 17	
Wei Nuo Investment Inc.	Sequoia Microelectronics Corporation - common shares	None	Financial assets at fair value through other comprehensive income-non-current	127,500	-	4.36%	-	
Wei Nuo Investment Inc.	Chipmast Technology Co., Ltd.- common shares	None	Financial assets at fair value through other comprehensive income-non-current	298,760	-	6.16%	-	
Wei Nuo Investment Inc.	Energic Technologies Corporation - common shares	None	Financial assets at fair value through other comprehensive income-non-current	1,000,000	3,132	4.50%	3,132	
Wei Nuo Investment Inc.	CT Micro International Corp. - common shares	None	Financial assets at fair value through other comprehensive income-non-current	11,147,890	3,791	8.01%	-	
Wei Nuo Investment Inc.	Geo Things Inc.-common shares	None	Financial assets at fair value through other comprehensive income-non-current	125,000	303	2.60%	303	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS9. "Financial instruments".
Note 2: Leave the column blank if the issuer of marketable securities is non-related party.
Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.
Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Episil Technologies Inc. and Subsidiaries

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

For the three-month period ended March 31, 2025

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Episil-Precision Inc.	Precision Silicon Japan Co., Ltd.	Subsidiary	(Sales)	(168,204)	13.17%	90-180 days after monthly billings	-	Gerneral terms	139,933	15.14%	

Note 1 : Processing and returning materials provided by customers (related parties) were excluded from purchase/sales.

Episil Technologies Inc. and Subsidiaries

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

March 31, 2025

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship	Balance of accounts receivables of related parties （Note1）	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Episil-Precision Inc.	Precision Silicon Japan Co., Ltd.	Subsidiary	139,933	4.86	10,401	received in subsequent period	-	-

Note 1: Please rely on the accounts receivable, bills, other receivables... etc.

Episil Technologies Inc. and Subsidiaries

Significant inter-company transactions during the reporting period

For the three-month period ended March 31, 2025

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	consolidated total operating revenues or total assets (Note 3)
0	Episil Technologies Inc.	Episil-Precision Inc.	1	Operating revenue	$ 1,317	Gerneral terms	0.10%
0	Episil Technologies Inc.	Episil-Precision Inc.	1	Service revenue	2,478	Gerneral terms	0.19%
0	Episil Technologies Inc.	Episil-Precision Inc.	1	Operating costs	45,129	Gerneral terms	3.53%
0	Episil Technologies Inc.	Episil-Precision Inc.	1	Processing fee	31,820	Gerneral terms	2.49%
0	Episil Technologies Inc.	Episil-Precision Inc.	1	Other receivables	88,428	30~90 days after monthly billings	0.63%
0	Episil Technologies Inc.	Episil-Precision Inc.	1	Accounts payable	60,566	30~90 days after monthly billings	0.43%
0	Episil Technologies Inc.	Episil-Precision Inc.	1	Other payable	51,195	30~90 days after monthly billings	0.37%
0	Episil Technologies Inc.	Episil Technologies Inc.(SHANGHAI)	1	Operating revenue	2,331	Gerneral terms	0.18%
0	Episil Technologies Inc.	Precision Silicon Japan Co., Ltd.	1	Operating revenue	9,842	Gerneral terms	0.77%
0	Episil Technologies Inc.	Precision Silicon Japan Co., Ltd.	1	Accounts receivable	8,630	30~90 days after monthly billings	0.06%
1	Episil-Precision Inc.	Precision Silicon Japan Co., Ltd.	3	Operating revenue	29,979	Gerneral terms	2.35%
1	Episil-Precision Inc.	Precision Silicon Japan Co., Ltd.	3	Accounts receivable	42,566	90~180 days after monthly billings	0.30%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

Note 3: Percentage of total consolidated revenues or total assets is calculated using the total consolidated assets at the end of the year when the subject of transaction is an asset/liability, and is calculated by total consolidated revenues during the year when the subject of transaction is a revenue/expense.

Note 4: Only transaction amount that exceeds $1 million will be disclosed, otherwise will not be disclosed.

Episil Technologies Inc. and Subsidiaries

Information on investees

For the three-month period ended March 31, 2025

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Note 1 and 2)	Location	Main business activities	Initial investment amount: Balance as of March 31, 2025	Initial investment amount: Balance as of December 31, 2025	Shares held as of March 31, 2025: Number of shares	Shares held as of March 31, 2025: Ownership (%)	Shares held as of March 31, 2025: Book value	Net profit (loss) of the investee for the three-month period ended March 31, 2025 (Note 2(2))	Investment income (loss) recognized by the Company for the three-month period ended March 31, 2025 (Note 2(3))	Footnote
Episil Technologies Inc.	Wei Nuo Investment Inc.	Taiwan	Gerneral investment	$ 250,000	$ 250,000	15,000,000	100.00%	$ 87,322	($ 860)	($ 860)	
Episil Technologies Inc.	Episil-Precision Inc.	Taiwan	Semiconductor industry	2,001,343	2,001,343	166,961,680	57.86%	2,850,865	2,834	1,718	
Episil Technologies Inc.	Taiwan Hi-Tech Corp.	Taiwan	Semiconductor industry	31,795	201,020	170,933	37.49%	-	268	-	
Wei Nuo Investment Inc.	Wellknown Holding Company Ltd.	Samoa	Investment service of various	4,837	4,837	150,000	100.00%	3,894	(485)	(485)	
Wei Nuo Investment Inc.	Taiwan Hi-Tech Corp.	Taiwan	Semiconductor industry	333	17,296	35,260	7.73%	-	268	-	
Episil-Precision Inc.	Precision Silicon Japan Co., Ltd.	Japan	Sales of epitaxy and silicon wafers	2,740	2,740	200	100.00%	11,477	(574)	(574)	

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1) The columns of ‘Investee’, ‘Location’, ‘Main business activities’, Initial investment amount’ and ‘Shares held as at March 31, 2025’ should fill orderly in the Company’s (public company’s) information on investees and every directly or indirectly controlled investee’s investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the ‘footnote’ column.

(2) The ‘Net profit (loss) of the investee for the three-month period ended March 31, 2025’ column should fill in amount of net profit (loss) of the investee for this period.

(3) The ‘Investment income (loss) recognised by the Company for the three-month periods ended March 31, 2025’ column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary’s net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Episil Technologies Inc. and Subsidiaries

Information on investments in Mainland China

For the three-month period ended March 31, 2025

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2025	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2025: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the three-month period ended March 31, 2025: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Net income of investee for the three-period ended March 31, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the three-month period ended March 31, 2025 (Note 2(2)C)	Book value of investments in Mainland China as of March 31, 2025	Accumulated amount of investment income remitted back to Taiwan as of March 31, 2025	Footnote
Episil Technologies Inc. (SHANGHAI)	Trading business	$ 4,598	2	$ 4,598	$ -	$ -	$ 4,598	($ 511)	100.00%	($ 511)	$ 3,818	$ 48,199	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of March 31, 2025	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Episil Technologies Inc.(SHANGHAI)	$ 4,598	$ 4,598	$ 4,382,260

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China. (Episil Technologies Inc. (SHANGHAI) was invested by Wellknown Holding Company Ltd. (location: Samoa).

(3) Others

Note 2: In the 'Investment income (loss) recognised by the Company for the three-month period ended March 31, 2025' column:

(1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A.The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B.The financial statements that are audited and attested by R.O.C. parent company’s CPA.

C. The financial statements were not audited by independent accountants.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Episil Technologies Inc. and Subsidiaries

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

For the three-month period ended March 31, 2025

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at March 31, 2025	%	Balance at March 31, 2025	Purpose	Maximum balance during the three-month period ended March 31, 2025	Balance at March 31, 2025	Interest rate	Interest during the three-month period ended March 31, 2025	Others
Episil Technologies Inc.(SHANGHAI)	$ (2,331)	0.18%	$ -	-	($ 273)	0.00%	$ -	-	$ -	$ -	-	$ -	