EPISIL TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS WITH REPORT OF INDEPENDENT AUDITORS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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. (Formerly EPISIL HOLDING INC.) and Subsidiaries as of September 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30 ,2025 and 2024 and consolidated statements of changes in equity and cash flows for the nine-month periods ended September 30, 2025 and 2024, and notes to the consolidated financial statements (including the 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 September 30, 2025 and 2024, the total assets of such subsidiaries were NT$139 million and NT$142 million respectively, accounting for 1.09% and 0.97% of the consolidated total assets respectively; the total liabilities were NT$5 million and NT$19 million respectively, accounting for 0.14% and 0.40% of the total consolidated liabilities respectively; the total comprehensive profit and loss for the three-month and nine-month periods ended September 30, 2025 and 2024 were NT$10 million, NT$(0.4) million, NT$7 million and NT$7 million respectively, accounting for 5.30%, 0.28%, 1.21% and 2.63% 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 September 30, 2025 and 2024, the investments accounted for under the equity method balances of NT$0 million and NT$200 million respectively, accounting for 0% and 1.37% of the consolidated total assets respectively, the related shares of profit or loss from the associates in the amount of NT$0 million, NT$9 million, NT$41 million and NT$10 million respectively, accounting for 0%, 7.18%, (6.87%) and 3.65% of the consolidated income from continuing operations before income tax for the three-month and nine-month periods ended September 30 ,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 September 30, 2025 and 2024, and the consolidated financial performance for the three-month and nine-month periods ended September 30, 2025 and 2024, and consolidated cash flow for the nine-month periods ended September 30, 2025 and 2024.

Li, Tien-Yi | Hsieh, Chih-Cheng

For and on behalf of PricewaterhouseCoopers, Taiwan
November 6, 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
SEPTEMBER 30, 2025, DECEMBER 31, 2024 and SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	September 30, 2025 AMOUNT	%	December 31, 2024 AMOUNT	%	September 30, 2024 AMOUNT	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 3,661,629	29	$ 5,545,353	40	$ 5,938,030	41
1110	Current financial assets at fair value through profit or loss	6(2)	2,842	-	-	-	-	-
1136	Current financial assets at amortized cost	6(1) and 8	514,231	4	160,000	1	150,000	1
1150	Notes receivable, net	6(4)	3,958	-	9,473	-	6,302	-
1170	Accounts receivable, net	6(4)	871,895	7	888,649	7	930,948	6
1180	Accounts receivable - related parties	7	146,194	1	137,283	1	134,206	1
1200	Other receivables		50,642	-	34,495	-	77,219	1
1210	Other receivables - related parties	7	4,997	-	-	-	-	-
1220	Current income tax assets		38,366	-	6,411	-	5,198	-
130X	Inventories	6(5)	1,097,113	9	1,233,618	9	1,316,905	9
1410	Prepayments		125,004	1	162,614	1	124,234	1
1470	Other current assets		29,214	-	10,628	-	10,179	-
11XX	**Current assets**		6,546,085	51	8,188,524	59	8,693,221	60
	Non-current assets							
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	2,919	-	8,551	-	9,218	-
1535	Non-current financial assets at amortized cost	6(1) and 8	22,407	-	36,348	-	36,328	-
1550	Investments accounted for using equity method	6(6)	-	-	-	-	199,704	1
1600	Property, plant and equipment	6(7)	5,325,495	42	4,796,121	35	4,741,401	33
1755	Right-of-use assets	6(8)	527,142	4	569,420	4	576,923	4
1760	Investment property - net	6(10)	128,245	1	133,156	1	134,230	1
1780	Intangible assets		40,937	1	48,761	-	46,808	-
1840	Deferred income tax assets		137,872	1	131,357	1	137,199	1
1900	Other non-current assets		2,879	-	2,366	-	2,395	-
15XX	**Non-current assets**		6,187,896	49	5,726,080	41	5,884,206	40
1XXX	**Total assets**		$ 12,733,981	100	$ 13,914,604	100	$ 14,577,427	100

EPISIL TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024 and SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars)

			September 30, 2025		December 31, 2024		September 30, 2024	
	Liabilities and Equity	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
	Current liabilities							
2100	Short-term borrowings	6(11)	$ 294,224	3	$ 45,159	-	$ 108,250	1
2130	Current contract liabilities	6(19)	76,093	1	87,857	1	113,399	1
2170	Accounts payable		405,484	3	426,739	3	372,907	3
2180	Accounts payable - related parties	7	717	-	286	-	541	-
2200	Other payables	6(12)	631,521	5	743,278	5	677,048	5
2220	Other payables - related parties	7	20	-	4,315	-	466,705	3
2230	Current income tax liabilities		4,319	-	27,218	-	40,622	-
2280	Current lease liabilities		25,035	-	16,802	-	22,706	-
2320	Long-term liabilities, current portion	6(13)	-	-	1,495,970	11	1,492,250	10
2399	Other current liabilities, others		167,343	1	198,717	2	281,483	2
21XX	**Current liabilities**		1,604,756	13	3,046,341	22	3,575,911	25
	Non-current liabilities							
2530	Corporate bonds payable	6(13)	1,360,975	11	468,868	4	465,960	3
2570	Deferred income tax liabilities		33,723	-	33,723	-	34,868	-
2580	Non-current lease liabilities		531,821	4	578,891	4	579,308	4
2640	Accrued pension liabilities	6(14)	100,022	1	126,994	1	147,261	1
2645	Guarantee deposits received		8,095	-	8,095	-	8,095	-
2670	Other non-current liabilities, others		21,497	-	25,771	-	5,554	-
25XX	**Non-current liabilities**		2,056,133	16	1,242,342	9	1,241,046	8
2XXX	**Total liabilities**		3,660,889	29	4,288,683	31	4,816,957	33
	Equity							
	Equity attributable to owners of the parent							
	Share capital	6(15)						
3110	Share capital - common stock		3,832,227	30	3,832,227	28	3,332,227	26
	Capital surplus	6(16)						
3200	Capital surplus		3,637,411	28	3,538,625	25	3,538,637	25
	Retained earnings	6(17)						
3310	Legal reserve		122,373	1	122,373	1	122,373	1
3320	Special reserve		99,123	1	99,123	1	99,123	1
3350	Unappropriated retained earnings		(548,139)	(4)	26,823	-	172,776	1
	Other equity interest	6(18)						
3400	Other equity interest		(108,909)	(1)	(104,110)	(1)	(101,994)	(1)
31XX	**Equity attributable to owners of the parent**		7,034,086	55	7,515,061	54	7,663,142	53
36XX	Non-controlling interest	4(3)	2,039,006	16	2,110,860	15	2,097,328	14
3XXX	**Total equity**		9,073,092	71	9,625,921	69	9,760,470	67
	Significant commitments and contingencies	9						
	Significant events after the reporting period	11						
3X2X	**Total liabilities and equity**		$ 12,733,981	100	$ 13,914,604	100	$ 14,577,427	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 AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			For the three-month periods ended September 30,				For the nine-month periods ended September 30,			
			2025		2024		2025		2024	
Items		Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19) and 7	$ 1,537,883	100	$ 1,481,805	100	$ 4,200,308	100	$ 4,421,417	100
5000	Operating costs	6(5)(23)(24) and 7	(1,581,966)	(103)	(1,445,367)	(98)	(4,374,922)	(104)	(4,339,426)	(98)
5900	Operating margin		(44,083)	(3)	36,438	2	(174,614)	(4)	81,991	2
	Operating expenses	6(23)(24) and 7								
6100	Selling and marketing expenses		(21,954)	(2)	(20,382)	(1)	(63,598)	(1)	(60,220)	(2)
6200	General and administrative expenses		(94,143)	(6)	(91,589)	(6)	(286,169)	(7)	(278,616)	(6)
6300	Research and development expenses		(51,712)	(3)	(53,757)	(4)	(151,153)	(4)	(183,825)	(4)
6450	Expected credit impairment losses	12(2)	-	-	1,150	-	-	-	(25,850)	(1)
6000	Total operating expenses		(167,809)	(11)	(164,578)	(11)	(500,920)	(12)	(548,511)	(13)
6900	Operating profit (loss)		(211,892)	(14)	(128,140)	(9)	(675,534)	(16)	(466,520)	(11)
	Non-operating income and expenses									
7100	Interest income		15,180	1	11,007	1	55,618	1	37,270	1
7010	Other income	6(20)	10,889	1	10,466	1	30,180	1	29,424	1
7020	Other gains and losses	6(21)	23,489	1	8,256	1	(11,292)	-	236,141	5
7050	Finance costs	6(22)	(12,594)	(1)	(10,669)	(1)	(30,757)	(1)	(29,268)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method	6(6)	-	-	(9,176)	(1)	40,696	1	(9,636)	-
7000	Total non-operating income and expenses		36,964	2	9,884	1	84,445	2	263,931	6
7900	**Profit (Loss) before income tax**		(174,928)	(12)	(118,256)	(8)	(591,089)	(14)	(202,589)	(5)
7950	Income tax expense	6(25)	(4,169)	-	(12,419)	(1)	5,144	-	(60,060)	(1)
8200	**Profit (Loss) for the period**		($ 179,097)	(12)	($ 130,675)	(9)	($ 585,945)	(14)	($ 262,649)	(6)

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EPISIL TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			For the three-month periods ended September 30,				For the nine-month periods ended September 30,			
			2025		2024		2025		2024	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
	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(3)	($ 1,631)	-	($ 600)	-	($ 5,632)	-	($ 5,624)	-
8320	Affiliated entity of using equity method and other comprehensive income of joint venture-not reclassified to income statement items		-	-	1,738	-	-	-	1,738	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		(1,631)	-	1,138	-	(5,632)	-	(3,886)	-
	Components of other comprehensive income that may be subsequently reclassified to profit or loss									
8361	Exchange differences on translation of foreign operations		1,237	-	1,418	-	752	-	872	-
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		-	-	343	-	-	-	2,000	-
8360	Components of other comprehensive income (loss) that may be reclassified to profit or loss		1,237	-	1,761	-	752	-	2,872	-
8300	**Other comprehensive (loss) income, net**		($ 394)	-	$ 2,899	-	($ 4,880)	-	($ 1,014)	-
8500	**Total other comprehensive income for the period**		($ 179,491)	(12)	($ 127,776)	(9)	($ 590,825)	(14)	($ 263,663)	(6)
	Profit, attributable to:									
8610	Owners of the parent		($ 184,893)	(12)	($ 149,848)	(10)	($ 574,962)	(14)	($ 362,126)	(8)
8620	Non-controlling interest		5,796	-	19,173	1	(10,983)	-	99,477	2
	Total		($ 179,097)	(12)	($ 130,675)	(9)	($ 585,945)	(14)	($ 262,649)	(6)
	Comprehensive income attributable to:									
8710	Owners of the parent		($ 185,304)	(12)	($ 147,446)	(10)	($ 579,761)	(14)	($ 363,259)	(8)
8720	Non-controlling interest		5,813	-	19,670	1	(11,064)	-	99,596	2
	Total		($ 179,491)	(12)	($ 127,776)	(9)	($ 590,825)	(14)	($ 263,663)	(6)
	Basic (loss) earnings per share	6(26)								
9750	Basic (loss) earnings per share (in dollars)		($ 0.48)		($ 0.44)		($ 1.50)		($ 1.08)	
	Diluted (loss) earnings per share	6(26)								
9850	Diluted (loss) earnings per share (in dollars)		($ 0.48)		($ 0.44)		($ 1.50)		($ 1.08)	

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 nine-month ended March 31,2024		-	-	-	-	(362,126)	-	-	(362,126)	99,477	(262,649)
Other comprehensive income (loss)	6(18)	-	-	-	-	1,738	2,753	(5,624)	(1,133)	119	(1,014)
Total comprehensive income (loss)		-	-	-	-	(360,388)	2,753	(5,624)	(363,259)	99,596	(263,663)
Appropriation of 2023 earnings											
Legal reserve		-	-	8,224	-	(8,224)	-	-	-	-	-
Special reserve reversed		-	-	-	(2,692)	2,692	-	-	-	-	-
Changes in ownership interest in subsidiaries	6(16)	-	20,841	-	-	-	-	-	20,841	15,179	36,020
Changes in ownership interest in associates	6(16)	-	(1,103)	-	-	-	-	-	(1,103)	-	(1,103)
Cash capital increase	6(16)	500,000	1,980,000	-	-	-	-	-	2,480,000	-	2,480,000
Conversion of convertible bonds	6(15) (16)	70	431	-	-	-	-	-	501	-	501
Cash dividends claim by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	(60,789)	(60,789)
Balance at September 30, 2024		$3,832,227	$3,538,637	$ 122,373	$ 99,123	$ 172,776	($ 3,456)	($ 98,538)	$7,663,142	$2,097,328	$9,760,470
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 nine-month ended September 30,2025		-	-	-	-	(574,962)	-	-	(574,962)	(10,983)	(585,945)
Other comprehensive income (loss)	6(18)	-	-	-	-	-	833	(5,632)	(4,799)	(81)	(4,880)
Total comprehensive income (loss)		-	-	-	-	(574,962)	833	(5,632)	(579,761)	(11,064)	(590,825)
Convertible bonds issuing	6(16)	-	98,786	-	-	-	-	-	98,786	-	98,786
Cash dividends claim by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	(60,790)	(60,790)
Balance at September 30, 2025		$3,832,227	$3,637,411	$ 122,373	$ 99,123	($ 548,139)	($ 4,072)	($ 104,837)	$7,034,086	$2,039,006	$9,073,092

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

EPISIL TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	For the nine-month periods ended September 30, 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 591,089)	($ 202,589)
Adjustments			
Adjustments to reconcile (profit) loss			
Expected credit impairment losses		-	25,850
Depreciation expense	6(23)	608,206	526,765
Amortization expense	6(23)	9,827	8,574
Gain on disposal of property, plant and equipment	6(21)	(717)	(223,169)
Share of profit of associates accounted for using equity method	6(6)	(40,696)	9,636
Gain on financial assets (liabilities) at fair value through profit or loss	6(21)	(11.000)	-
Finance costs	6(22)	28.882	23.560
Interest income		(55.618)	(37.270)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets (liabilities) at fair value through profit or loss		8,158	-
Notes receivable		5,515	(1,558)
Accounts receivable		16,754	186,109
Accounts receivable - related parties		(8,911)	(130,600)
Other receivables		(11,289)	(29,522)
Other receivables - related parties		(4.997)	-
Inventories		136,505	276.636
Prepayments		35.777	10.689
Other current assets		(18,586)	1,285
Changes in operating liabilities			
Contract liabilities		(11,764)	(43,605)
Accounts payable		(21,212)	18,951
Accounts payable - related parties		388	(1,357)
Other payables		(71,616)	(72,715)
Other payables - related parties		(4,295)	(34,536)
Other current liabilities		(31,374)	(11,244)
Other non-current liabilities		(4,274)	(53,723)
Accrued pension liabilities		(26,972)	(19,024)
Cash (outflow) inflow generated from operations		(64,398)	227,143
Dividends received		8,568	-
Interest received		51,095	35,929
Interest paid		(27,884)	(17,785)
Income taxes paid		(54,393)	(78,155)
Net cash flows from operating activities		(87,012)	167,132

EPISIL TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	For the nine-month periods ended September 30, 2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortized cost		($ 500,625)	($ 5,887)
Disposal of financial assets at amortized cost		160,000	17,820
Acquisition of investments accounted for using equity method	6(6)	-	(17,840)
Reduction of capital and return of share capital for the invested company using the equity method		32,128	-
Acquisition of property, plant and equipment	6(27)	(1,137,566)	(716,515)
Proceeds from disposal of property, plant and equipment		1,550	310,471
Acquisition of intangible assets		(2,003)	(3,560)
Increase in refundable deposits		(513)	(187)
Net cash flows used in investing activities		(1,447,029)	(415,698)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	6(28)	3,581,081	895,691
Repayments of short-term borrowings	6(28)	(3,332,016)	(1,054,391)
Payments of lease liabilities	6(28)	(18,415)	(17,441)
Cash Capital Increase	6(15)	-	2,480,000
Corporate Bonds Issuing	6(13) (28)	991,666	499,755
Repayment of corporate bonds	6(13) (28)	(1,512,685)	(88,600)
Cash Dividends Distribution to Non-Controlling Interests		(60,790)	(60,789)
Net cash flows from financing activities		(351,159)	2,654,225
Effect of exchange rate changes		1,476	865
Net increase (decrease) in cash and cash equivalents		(1,883,724)	2,406,524
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)	$ 3,661,629	$ 5,938,030

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 NINE-MONTH PERIODS ENDED SEPTEMBER 30, 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 September 30, 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 November 6, 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 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financialinstruments'	January 1, 2026
Amendments to IFRS 21, 'Lack of convertibility'	January 1, 2025

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 IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
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
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

(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
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 18, 'Presentation and disclosure in financial statements'	January 1, 2027(Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

Note：The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

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 (%) September 30, 2025	Ownership (%) December 31, 2024	Ownership (%) September 30, 2024	Note
Episil Technologies Inc.	Episil-Precision Inc.	Semiconductor industry	57.86	57.86	57.86	
Episil Technologies 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 September 30, 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 September 30, 2025, December 31, 2024 and September 30, 2024, the non-controlling interests amounted to $2,039,006, $2,110,860 and $2,097,328, respectively. The information on non-controlling interests and respective subsidiary is as follows:

		Non-controlling interests September 30, 2025		Non-controlling interests December 31, 2024		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)	Description
Espisil-Precicion Inc.	Taiwan	$ 2,039,006	42.14%	$ 2,110,860	42.14%	

		Non-controlling interests September 30, 2024		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Description
Espisil-Precicion Inc.	Taiwan	$ 2,097,328	42.14%	

Balance sheets

	Episil-Precision Inc. and its subsidiary		
	September 30, 2025	December 31, 2024	September 30, 2024
Current assets	$ 3,712,364	$ 4,424,395	$ 4,819,333
Non-current assets	3,004,092	2,986,820	2,994,700
Current liabilities	(905,376)	(1,411,418)	(1,860,747)
Non-current liabilities	(924,153)	(942,340)	(927,944)
Total net assets	$ 4,886,927	$ 5,057,457	$ 5,025,342

Statements of comprehensive income

	Episil-Precision Inc. and its subsidiary	
	For the three-month periods ended September 30,	
	2025	2024
Revenue	$ 975,240	$ 1,054,584
Profit before income tax	17,197	57,156
Income tax expense	(3,441)	(11,656)
Profit for the period	13,756	45,500
Other comprehensive income, net of tax	36	1,176
Total comprehensive income for the period	$ 13,792	$ 46,676
Comprehensive income attributable to non-controlling interests	$ 5,813	$ 19,670
Dividends paid to non-controlling interests	$ 60,790	$ 60,789

	Episil-Precision Inc. and its subsidiary	
	For the nine-month periods ended September 30,	
	2025	2024
Revenue	$ 2,826,900	$ 3,132,603
Profit before income tax	(32,573)	295,361
Income tax expense	6,511	(59,297)
Profit for the period	(26,062)	236,064
Other comprehensive income, net of tax	(197)	283
Total comprehensive income for the period	($ 26,259)	$ 236,347
Comprehensive income attributable to non-controlling interests	($ 11,064)	$ 99,596
Dividends paid to non-controlling interests	$ 60,790	$ 60,789

Statements of cash flows

	Episil-Precision Inc. and its subsidiary	
	For the nine-month periods ended September 30,	
	2025	2024
Net cash provided by operating activities	$ 292,922	$ 599,425
Net cash used in investing activities	(322,360)	(49,452)
Net cash provided by financing activities	(514,522)	188,980
Effect of exchange rates	(197)	283
(Decrease)Increase in cash and cash equivalents	(544,157)	739,236
Cash and cash equivalents at beginning of period	2,638,148	2,284,089
Cash and cash equivalents at end of period	$ 2,093,991	$ 3,023,325

(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 September 30, 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

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand and revolving funds	$ 496	$ 520	$ 534
Checking accounts and demand deposits	616,830	519,879	837,902
Time deposits	1,993,303	3,064,354	2,508,594
Cash equivalents	1,051,000	1,960,600	2,591,000
	$ 3,661,629	$ 5,545,353	$ 5,938,030

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 profit or loss

Items	September 30, 2025
Current items:	
Financial assets mandatorily measured at fair value through profit or loss	
Hybrid instruments-Convertible bonds	$ 2,842

The Group's financial assets measured at fair value through profit or loss for the periods for the three-month periods and nine-month ended September 30, 2025 and 2024, recognized in profit or loss amounted to $11,000, $0, $11,000, and $0, respectively.

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

Items	September 30, 2025	December 31, 2024	September 30, 2024
Non-current items:			
Unlisted stocks	$ 107,756	$ 107,756	$ 107,756
Valuation adjustment	(104,837)	(99,205)	(98,538)
	$ 2,919	$ 8,551	$ 9,218

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 $2,919, $8,551 and $9,218 as of September 30, 2025, December 31, 2024 and September 30, 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 September 30,	
	2025	2024
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	($ 1,631)	($ 600)

	For the nine-month periods ended September 30,	
	2025	2024
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	($ 5,632)	($ 5,624)

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

(4) Notes and accounts receivable

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	$ 3,958	$ 9,473	$ 6,302
Accounts receivable	$ 910,988	$ 931,915	$ 963,198
Accounts receivable-Related Parties	146,194	137,283	134,206
Less: Loss allowance	(39,093)	(43,266)	(32,250)
	$ 1,018,089	$ 1,025,932	$ 1,065,154

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

	September 30, 2025		December 31, 2024	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 1,010,245	$ 3,958	$ 972,459	$ 9,473
Up to 30 days	19,417	-	50,716	-
31 to 90 days	11,489	-	369	-
91 to 180 days	1,289	-	15,136	-
Over 180 days	14,742	-	30,518	-
	$ 1,057,182	$ 3,958	$ 1,069,198	$ 9,473

	September 30, 2024	
	Accounts receivable	Notes receivable
Not past due	$ 1,002,751	$ 6,302
Up to 30 days	47,155	-
31 to 90 days	12,698	-
91 to 180 days	7,161	-
Over 180 days	27,639	-
	$ 1,097,404	$ 6,302

The above ageing analysis was based on past due date.

B. As of September 30, 2025, December 31, 2024 and September 30, 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 September 30, 2025, December 31, 2024 and September 30, 2024, collaterals held by the Group as security for accounts receivable amounted to $1,000, $1,000 and $1,000, respectively.

D. As of September 30, 2025, December 31, 2024 and September 30, 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 $3,958, $9,473 and $6,302, $1,018,089, $1,025,932 and $1,065,154, respectively.

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

(5) Inventories

	September 30, 2025		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 386,744	($ 151,061)	$ 235,683
Supplies	614,433	(132,531)	481,902
Work in progress	249,246	(9,062)	240,184
Finished goods	157,125	(17,781)	139,344
	$ 1,407,548	($ 310,435)	$ 1,097,113

	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

	September 30, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 540,278	($ 114,692)	$ 425,586
Supplies	648,707	(69,858)	578,849
Work in progress	207,524	(5,235)	202,289
Finished goods	126,830	(16,649)	110,181
	$ 1,523,339	($ 206,434)	$ 1,316,905

The cost of inventories recognized as expense for the period:

	For the three-month periods ended September 30,	
	2025	2024
Cost of goods sold	$ 1,190,130	$ 1,052,038
Unamortized manufacturing expenses	343,142	392,914
Reversal of inventory valuation loss	48,656	307
Inventory scrapped	38	108
	$ 1,581,966	$ 1,445,367

	For the nine-month periods ended September 30,	
	2025	2024
Cost of goods sold	$ 3,113,538	$ 3,116,888
Unamortized manufacturing expenses	1,193,282	1,192,705
Reversal of inventory valuation loss	67,814	28,304
Inventory scrapped	288	1,529
	$ 4,374,922	$ 4,339,426

(6) Investments accounted for using equity method

	2025	2024
At January 1	$ -	$ 188,865
Addition of investments accounted for using equity method	-	17,840
Decrease in investments accounted for using the equity method	40,696	-
Share of profit or loss of investments accounted for using equity method	(40,696)	(9,636)
Changes in capital surplus	-	(1,103)
Other equity interest	-	3,738
At September 30	$ -	$ 199,704

	September 30, 2025	December 31, 2024	September 30, 2024
Associates			
Taiwan Hi-Tech Corp.	$ -	$ -	$ 199,704

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 September 30,	
	2025	2024
Profit from continuing operations	$ -	($ 9,176)
Other comprehensive income (loss), net of tax	-	2,081
Total comprehensive income	$ -	($ 7,095)

	For the nine-month periods ended September 30,	
	2025	2024
Profit from continuing operations	$ -	($ 9,636)
Other comprehensive income (loss), net of tax	-	3,738
Total comprehensive income	$ -	($ 5,898)

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. Taiwan High-Tech Co. was approved for dissolution on January 8, 2025, and is currently undergoing liquidation procedures.

(7) 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	71,171	89,053	4,300	-	947,845	1,112,369
Disposals	(670)	(163)	-	-	-	(833)
Reclassifications	208,485	561,043	3,840	1	(772,373)	996
Depreciation expenses	(175,065)	(390,120)	(15,957)	(2,016)	-	(583,158)
At September 30	$ 1,944,367	$ 2,292,916	$ 36,284	$ 2,463	$ 1,049,465	$ 5,325,495
At September 30						
Cost	$ 5,912,459	$ 10,424,197	$ 134,640	$ 127,886	$ 1,049,465	$ 17,648,647
Accumulated depreciation	(3,591,800)	(7,879,891)	(98,356)	(125,422)	-	(11,695,469)
Accumulated impairment	(376,292)	(251,390)	-	(1)	-	(627,683)
	$ 1,944,367	$ 2,292,916	$ 36,284	$ 2,463	$ 1,049,465	$ 5,325,495

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	486,968	142,983	7,456	1,395	551,244	1,190,046
Disposals	-	(87,302)	-	-	-	(87,302)
Reclassifications	84,372	635,359	-	-	(719,731)	-
Depreciation expenses	(127,475)	(359,823)	(14,118)	(1,903)	-	(503,319)
At September 30	$ 1,734,781	$ 1,604,591	$ 49,062	5,175	$ 1,347,792	$ 4,741,401
At September 30						
Cost	$ 5,481,988	$ 9,340,342	$ 127,246	$ 120,569	$ 1,347,792	$ 16,417,937
Accumulated depreciation	(3,370,915)	(7,481,794)	(78,184)	(123,232)	-	(11,054,125)
Accumulated impairment	(376,292)	(253,957)	-	(1)	-	(630,250)
	$ 1,734,781	$ 1,604,591	$ 49,062	($ 2,664)	$ 1,347,792	$ 4,733,562

A. For the three-month and nine-month periods ended September 30, 2025 and 2024, the amounts capitalized were $3,812, $1,771, $9,158 and $9,896, respectively, and the ranges of the interest rates for such capitalization were 1.93%~3.05%, 2.49%~5.74%, 0.43%~3.05% and 0.06%~6.79%, respectively.

B. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group has no property, plant and equipment pledged to others as collateral.

(8) 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:

	September 30, 2025	December 31, 2024	September 30, 2024
	Book value	Book value	Book value
Land	$ 488,688	$ 533,218	$ 539,011
Buildings and structures	36,049	36,202	37,912
Machinery and equipment	2,405	-	-
	$ 527,142	$ 569,420	$ 576,923

	For the three-month periods ended September 30,	
	2025	2024
	Depreciation expenses	Depreciation expenses
Land	$ 5,458	$ 5,342
Buildings and structures	1,677	1,710
Machinery and equipment	176	-
	$ 7,311	$ 7,052

	For the nine-month periods ended September 30,	
	2025	2024
	Depreciation expenses	Depreciation expenses
Land	$ 16,375	$ 15,020
Buildings and structures	5,072	5,195
Machinery and equipment	411	-
	$ 21,858	$ 20,215

D. For the three-month and nine-month periods ended September 30, 2025 and 2024, the additions to right-of-use assets were $5,089, $133,527, $7,904 and $151,680, respectively.

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

	For the three-month periods ended September 30,	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	$ 3,336	$ 2,957
Expense on short-term lease agreements	$ 1,110	$ 1,165

	For the nine-month periods ended September 30,	
	2025	2024
Items affecting profit or loss		
Interest expense on lease liabilities	$ 10,062	$ 7,993
Expense on short-term lease agreements	$ 2,702	$ 2,828

F. For the nine-month periods ended September 30, 2025 and 2024, the Group's total cash outflow for leases were $31,179 and $28,262, 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.

(9) 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 nine-month periods ended September 30, 2025 and 2024 are as follows:

	For the three-month periods ended September 30,	
	2025	2024
Rental revenue	$ 8,542	$ 8,690

	For the nine-month periods ended September 30,	
	2025	2024
Rental revenue	$ 26,098	$ 26,093

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

	September 30, 2025	December 31, 2024
2025	$ 6,834	$ 34,063
2026	8,270	24,663
2027	251	1,451
2028	251	1, 451
2029	147	1,347
Over 2030	-	12,750
	$ 15,753	$ 75,725

	September 30, 2024
2024	$ 8,516
2025	34,063
2026	24,663
2027	1,451
2028	1,451
2029	1,347
Over 2030	12,750
	$ 84,241

(10) 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
Reclassification	(1,721)	-
Depreciation expenses	(3,190)	(3,232)
At September 30	$ 128,245	$ 134,230
At September 30		
Cost	$ 173,428	$ 173,428
Accumulated depreciation and impairment	(45,183)	(39,198)
	$ 128,245	$ 134,230

A. Rental revenue from investment property.

	For the three-month periods ended September 30,	
	2025	2024
Rental revenue from investment property	$ 8,186	$ 8,484
Direct operating expenses arising from the investment property that generated rental revenue during the period	$ 2,162	$ 3,455

	For the nine-month periods ended September 30,	
	2025	2024
Rental revenue from investment property	$ 25,072	$ 25,451

Direct operating expenses arising from the investment property that generated rental revenue during the period	$ 6,280	$ 7,531

B. The fair value of the investment property held by the Group as of September 30, 2025, December 31, 2024 and September 30, 2024, was $172,981, $170,183 and $203,764, respectively. Valuations were made using the income approach which is categorized within Level 3 in the fair value hierarchy. Key assumptions are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Discount rate	10.65%	9.98% ~11.76%	10.09% ~11.48%
Annual rent (net income)	$ 29,027	$ 29,759	$ 29,754
Duration	10 years	10 years	10 years

C. The Group has no interest capitalization for the nine-month periods ended September 30, 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 September 30, 2025, December 31, 2024 and September 30, 2024, the Group has no investment property pledged to others as collateral.

(11) Short-term borrowings

Type of borrowings	September 30, 2025	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 294,224	1.9%～2.275%	Pledged fixed deposit

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

Type of borrowings	September 30, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 108,250	5.50%～5.83%	None

(12) Other payable

	September 30, 2025	December 31, 2024	September 30, 2024
Accrued expenses-expendables	$ 203,383	$ 230,687	$ 185,697
Payables for equipment	109,453	143,808	139,068
Accrued expenses-bonus	111,549	149,981	126,561
Employees' compensation and directors' remuneration payable	-	31,440	29,184
Accrued expenses-others	207,136	187,362	196,538
	$ 631,521	$ 743,278	$ 677,048

(13) Bonds payable

	September 30, 2025	December 31, 2024	September 30, 2024
The Company's fourth secured convertible bonds	$ -	$ 1,000,000	$ 1,000,000
The Company's fifth secured convertible bonds	1,000,000	-	-
Episil-Precision Inc.'s fourth unsecured convertible bonds	-	500,000	500,000
Episil-Precision Inc.'s fifth unsecured convertible bonds	486,700	500,000	500,000
	1,486,700	2,000,000	2,000,000
Less: Bonds payable converted	-	(300)	(300)
Less: Discount on bonds payable	(125,725)	(34,862)	(41,490)
	1,360,975	1,964,838	1,958,210
Less: Current portion	-	(1,495,970)	(1,492,250)
	$ 1,360,975	$ 468,868	$ 465,960

A. 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, 2023 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) This convertible bond will mature on April 7, 2025, and will cease trading on the over-the-counter market on April 8, 2025. None of the convertible bonds have been converted, and on April 21, 2025, the convertible bonds worth $1,000,000 will be repaid to the creditors.

B. The issuance terms of the Company’s fifth 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 5-year period of issuance and a circulation period from August 20, 2025 to August 20, 2030 and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on August 20, 2025.

(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 August 12, 2025. 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 $40.1 (in dollars) in either 1,3 or 5 business days before the effective date (effective date is excluded) by convertible premium rate of 105.3% (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.

(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 $98,786 were separated from the liability component and were recognised in “Capital surplus-warrants” in accordance with IAS 32.

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, 2023 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) The convertible corporate bond will mature on March 29, 2025, and will be delisted from the Over-the-Counter Market on March 31, 2025. The face value of this convertible corporate bond, amounting to $300, has been converted to 3,000 common shares, and on April 15, 2025, an amount of $499,700 will be repaid to the creditor.

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.

(f) In the third quarter of 2025, the Group purchased the fifth corporate bond of Episil-Precision Inc. for $12,985, regarded as the redemption of the corporate bond.

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

(14) 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 and nine-month periods ended September 30, 2025 and 2024 were $507, $566, $1,520 and $1,685, respectively.

(c) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2026 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 and nine-month periods ended September 30, 2025 and 2024 were $15,897, $15,927, $54,006 and $47,401, respectively.

(15) Share capital

A. The Company was established by former Episil Technologies Inc. through a share swap on October 1, 2014. As of September 30, 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
Cash Capital Increase-Private Placement	-	50,000
Conversion of convertible bonds	-	7
Shares issued at September 30	383,223	383,223
Shares outstanding at September 30	383,223	383,223

On September 10, 2024, our company passed a board resolution to increase capital in cash by privately issuing 50,000,000 common shares with a par value of NT$10 per share to Vanguard International Semiconductor Corporation. The record date for the capital increase is September 24, 2024, and the date of registration of the change is October 9, 2024.

(16) 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
Issuance of convertible bonds	-	-	-	98,786	-	98,786
Conversion of convertible bonds	-	-	-	(267,416)	267,416	-
At January 1/ September 30	$ 2,714,961	$ 527,676	($ 1,413)	$ 116,077	$ 280,110	$ 3,637,411

	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
Changes in ownership interest in subsidiaries	-	17,462	-	3,379	-	20,841
Changes in ownership interest in associates	-	-	(1,103)	-	-	(1,103
Conversion of convertible bonds	443	-	-	(12)	-	431
Repayments of convertible bonds	-	-	-	(2,200)	2,200	-
Cash Capital Increase-Private Placement	1,980,000	-	-	-	-	1,980,000
At September 30	$ 2,714,961	$ 524,298	($ 1,402)	$ 288,086	$ 12,694	$ 3,538,637

(17) 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 June 11, 2025 and June 14, 2024, the shareholders' meeting resolved the appropriation of earnings for the years ended December 31, 2024 and 2023, the Company did not plan to distribute earnings.

(18) 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	(5,632)	833	(5,624)	753)
–Associates	-	-	-	2,000
At September 30	($ 104,837)	($ 4,072)	($ 98,538)	($ 3,456)

(19) Operating revenue

	For the three-month periods ended September 30,	
	2025	2024
Revenue from contracts with customers	$ 1,537,883	$ 1,481,805

	For the nine-month periods ended September 30,	
	2025	2024
Revenue from contracts with customers	$ 4,200,308	$ 4,421,417

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 September 30, 2025	Silicon wafers	IC	Others	Total
Revenue from external customer contracts	$ 887,788	$ 626,836	$ 23,259	$ 1,537,883
Timing of revenue recognition				
At a point in time	$ 887,788	$ 626,836	$ 23,259	$ 1,537,883

For the three-month periods ended September 30, 2024	Silicon wafers	IC	Others	Total
Revenue from external customer contracts	$ 974,158	$ 498,742	$ 8,905	$ 1,481,805
Timing of revenue recognition				
At a point in time	$ 974,158	$ 498,742	$ 8,905	$ 1,481,805

For the nine-month periods ended September 30, 2025	Silicon wafers	IC	Others	Total
Revenue from external customer contracts	$ 2,565,583	$ 1,536,726	$ 97,999	$ 4,200,308
Timing of revenue recognition				
At a point in time	$ 2,565,583	$ 1,536,726	$ 97,999	$ 4,200,308

For the nine-month periods ended September 30, 2024	Silicon wafers	IC	Others	Total
Revenue from external customer contracts	$ 2,891,458	$ 1,489,079	$ 40,880	$ 4,421,417
Timing of revenue recognition				
At a point in time	$ 2,891,458	$ 1,489,079	$ 40,880	$ 4,421,417

B. Contract liabilities

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

	September 30, 2025	December 31, 2024	September 30, 2024	January 1, 2024
Contract liabilities:				
Contract liabilities – advance sales receipts	$ 76,093	$ 87,857	$ 113,399	$ 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 September 30,	
	2025	2024
Revenue recognized that was included in the contract liabilities balance at the beginning of the period	$ 5,922	$ 8,385

	For the nine-month periods ended September 30,	
	2025	2024
Revenue recognized that was included in the contract liabilities balance at the beginning of the period	$ 52,372	$ 103,107

(20) Other income

	For the three-month periods ended September 30,	
	2025	2024
Rental revenue	$ 8,542	$ 8,690
Other income, others	2,347	1,776
	$ 10,889	$ 10,466

	For the nine-month periods ended September 30,	
	2025	2024
Rental revenue	$ 26,098	$ 26,093
Other income, others	4,082	3,331
	$ 30,180	$ 29,424

(21) Other gains and losses

	For the three-month periods ended September 30,	
	2025	2024
Gains on disposals of property, plant and equipment	$ -	$ 24,502
Net currency exchange (losses) gains	13,697	(15,010)
Gains on financial liabilities measured at fair value through profit or loss	11,000	-
Depreciation on investment property	(1,049)	(1,074)
Other losses	(159)	(162)
	$ 23,489	$ 8,256

	For the nine-month periods ended September 30,	
	2025	2024
Gains on disposals of property, plant and equipment	$ 717	$ 223,169
Net currency exchange gains	(19,141)	16,345
Gains on financial liabilities measured at fair value through profit or loss	11,000	-
Depreciation on investment property	(3,190)	(3,231)
Other losses	(678)	(142)
	($ 11,292)	$ 236,141

(22) Finance costs

	For the three-month periods ended September 30,	
	2025	2024
Interest expense:		
Banking borrowings	$ 6,691	$ 2,140
Bonds payable	6,342	5,638
Lease liabilities	3,336	2,957
Less : The amount of capitalization of assets that meet the requirements	(3,812)	(1,771)
Other finance expenses	37	1,705
	$ 12,594	$ 10,669

	For the nine-month periods ended September 30,	
	2025	2024
Interest expense:		
Banking borrowings	$ 12,036	$ 12,106
Bonds payable	15,942	13,357
Lease liabilities	10,062	7,993
Less : The amount of capitalization of assets that meet the requirements	(9,158)	(9,896)
Other finance expenses	1,875	5,708
	$ 30,757	$ 29,268

(23) Expenses by nature

	For the three-month periods ended September 30,	
	2025	2024
Employee benefit expense	$ 437,273	$ 414,172
Depreciation expenses	212,690	179,429
Amortization expenses on intangible assets	3,195	2,725

	For the nine-month periods ended September 30,	
	2025	2024
Employee benefit expense	$ 1,321,441	$ 1,264,617
Depreciation expenses	608,206	526,765
Amortization expenses on intangible assets	9,827	8,574

(24) Employee benefit expense

	For the three-month periods ended September 30,	
	2025	2024
Wages and salaries	$ 360,057	$ 337,964
Labor and health insurance fees	32,690	31,917
Pension costs	16,403	16,493
Other personnel expenses	28,123	27,798
	$ 437,273	$ 414,172

	For the nine-month periods ended September 30,	
	2025	2024
Wages and salaries	$ 1,075,264	$ 1,027,733
Labor and health insurance fees	99,618	96,009
Pension costs	55,526	49,086
Other personnel expenses	91,033	91,789
	$ 1,321,441	$ 1,264,617

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 and nine-month periods ended September 30, 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".

(25) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the three-month periods ended September 30, 2025	For the three-month periods ended September 30, 2024
Current tax:		
Current tax on profits for the period	$ 731	$ 12,419
Total current tax	731	12,419
Deferred tax:		
Origination and reversal of temporary differences	3,438	-
Total deferred tax	3,438	-
Income tax expense	$ 4,169	$ 12,419

	For the nine-month periods ended September 30, 2025	For the nine-month periods ended September 30, 2024
Current tax:		
Current tax on profits for the period	$ 1,371	$ 60,060
Total current tax	1,371	60,060
Deferred tax:		
Origination and reversal of temporary differences	(6,515)	-
Total deferred tax	(6,515)	-
Income tax expense	($ 5,144)	$ 60,060

(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.

(26) Earning earnings per share

	For the three-month periods ended September 30,2025		
	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	($ 184,893)	383,223	($ 0.48)

	For the three-month periods ended September 30,2024		
	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	($ 149,848)	337,027	($ 0.44)

	For the nine-month periods ended September 30,2025		
	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	($ 574,962)	383,223	($ 1.50)

	For the nine-month periods ended September 30,2024		
	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	($ 362,126)	334,496	($ 1.08)

For the three-month and nine-month periods ended September 30, 2024, the Company's issued convertible bonds had anti-dilutive effect, thus, they were not included in the calculation of diluted earnings per share.

(27) Supplemental cash flow information

A. Investing activities with partial cash payments

	For the nine-month periods ended September 30,	
	2025	2024
Acquisition of property, plant and equipment	$ 1,112,369	$ 1,190,046
Add: Beginning balance of payables on equipment	143,808	147,933
Less: Ending balance of payables on equipment	(109,453)	(139,068)
Less: Ending balance of payables on equipment-related parties	-	(472,500)
Less: Capitalization of interests	(9,158)	(9,896)
Cash paid during the period	$ 1,137,566	$ 716,515

B. Financing activities with no cash flow effects:

	For the nine-month periods ended September 30,	
	2025	2024
Convertible bonds being converted to capital stocks	$ -	$ 500

(28) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Bonds payable	Guarantee deposits-received	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	249,065	(18,145)	(521,019)	-	(290,099)
Interest paid	-	(10,062)	-	-	(10,062)
Interest expense	-	10,062	15,942	-	26,0004
Cash dividends claimed	-	-	-	-	-
Issued bonds-Addition Pain-in Capital-Employee stock option	-	-	(98,786)	-	(98,786)
Changes in other non-cash items	-	(20,692)	-	-	(20,692)
At September 30	$ 294,224	$ 556,856	$ 1,360,975	$ 8,095	$ 2,220,150

	Short-term borrowings	Lease liabilities	Bonds payable	Guarantee deposits-received	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	(158,700)	(17,441)	411,155	-	235,014
Interest paid	-	(7,993)	-	-	(7,993)
Interest expense	-	7,993	328	-	8,321
Option exercised	-	-	(800)	-	(800)
Discount on bonds payable	-	-	4	-	4
Issued bonds-Addition Pain-in Capital-Employee stock option	-	-	(35,724)	-	(35,724)
Changes in other non-cash items	-	150,568	13,030	-	163,598
At September 30	$ 108,250	$ 602,014	$ 1,958,210	$ 8,095	$$ 2,676,569

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 September 30,	
	2025	2024
Sales of goods:		
-Other related parties	$ 2,349	$ 3,150
Entity with significant influence to the group	198,640	61,190
	$ 200,989	$ 64,340

	For the nine-month periods ended September 30,	
	2025	2024
Sales of goods:		
-Other related parties	$ 7,027	$ 7,549
Entity with significant influence to the group	559,042	61,190
	$ 566,069	$ 68,739

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 September 30,	
	2025	2024
Purchases of goods:		
-Other related parties	$ 630	$ 349
Entity with significant influence to the group	198	146
	$ 828	$ 495

	For the nine-month periods ended September 30,	
	2025	2024
Purchases of goods:		
-Other related parties	$ 2,167	$ 5,894
Entity with significant influence to the group	569	146
	$ 2,736	$ 6,040

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

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts receivable:			
-Other related parties	$ 964	$ 581	$ 956
Entity with significant influence to the group	145,230	136,702	133,250
	$ 146,194	$ 137,283	$ 134,206
Other receivable:			
-Other related parties	$ 4,997	$ -	$ -

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

	September 30, 2025	December 31, 2024	September 30, 2024
Accounts payable:			
-Other related parties	$ 512	$ 83	$ 359
Entity with significant influence to the group	205	203	182
	$ 717	$ 286	$ 541
Other receivables:			
-Associates	$ -	$ 4,315	$ 466,508
-Other related parties	20	-	197
	$ 20	$ 4,315	$ 466,705
	$ 737	$ 4,601	$ 467,246

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. Property Transaction

(a) Disposal of property, plant and equipment

	For the three-month periods ended September 30,2025	
	Disposal proceeds	Gain (loss) on disposal
- Other related parties	$ -	$ -

	For the nine-month periods ended September 30,2025	
	Disposal proceeds	Gain (loss) on disposal
- Other related parties	$ 1,550	$ 1,388

(b) Reception of property, plant and equipment

	For the three-month periods ended September 30,	
	2025	2024
Associates	$ -	$ 451,440

	For the nine-month periods ended September 30,	
	2025	2024
Associates	$ -	$ 451,440

F. Others

	For the three-month periods ended September 30,	
	2025	2024
Testing fee:	-	223
-Associates		
Other fee:		
- Other related parties	649	-
	$ 649	$ 223

	For the nine-month periods ended September 30,	
	2025	2024
Testing fee:	-	61,607
-Associates		
Other fee:		
- Other related parties	649	-
	$ 649	$ 61,607

(3) Key management personnel compensation

	For the three-month periods ended September 30,	
	2025	2024
Salaries and other short-term employee benefits	$ 23,546	$ 23,826
Post-employment benefits	386	389
	$ 23,932	$ 24,215

	For the nine-month periods ended September 30,	
	2025	2024
Salaries and other short-term employee benefits	$ 62,953	$ 66,349
Post-employment benefits	1,153	1,154
	$ 64,106	$ 67,503

8. Pledged Assets

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

	Book value			
Pledged asset	September 30, 2025	December 31, 2024	September 30, 2024	Purpose
Pledged time deposits (shown as "Non-Current financial assets at amortized cost")	$ 22,407	$ 36,348	$ 36,328	Customs deposits and guarantee deposits for leases
Pledged time deposits (shown as "Current financial assets at amortized cost")	14,231	-	-	Guarantee deposits for leases
Pledged time deposits (shown as "Non-current financial assets at amortized cost")	-	150,000	150,000	Guarantee for convertible bonds
	$ 36,638	$ 186,348	$ 186,328	

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:

	September 30, 2025	December 31, 2024	September 30, 2024
Property, plant and equipment	$ 1,039,058	$ 629,404	$ 699,385

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.

	September 30, 2025	December 31, 2024	September 30, 2024
Production capacity guarantee agreement (Shown as "Other current liabilities, others")	$ 10,459	$ 10,459	$ 10,459

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

	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets			
Financial assets at fair value through profit or loss	$ 2,842	$ -	$ -
Financial assets at fair value through other comprehensive income	2,919	8,551	9,218
Financial assets at amortized cost			
Cash and cash equivalents	3,661,629	5,545,353	5,938,030
Financial assets at amortized cost	536,638	196,348	186,328
Notes receivable	3,958	9,473	6,302
Accounts receivable (including related parties)	1,018,089	1,025,932	1,065,155
Other receivables (including related parties)	55,639	34,495	77,219
Refundable guarantee deposits	2,879	2,366	2,395
	$ 5,284,593	$ 6,822,518	$ 7,284,647

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial liabilities</u>			
Financial liabilities at amortized cost			
Short-term borrowings	$ 294,224	$ 45,159	$ 108,250
Accounts payable (including related parties)	406,201	427,025	373,448
Other payables (including related parties)	631,541	747,593	1,143,753
Bonds payable (including current portion)	1,360,975	1,964,838	1,958,210
Guarantee deposits received	8,095	8,095	8,095
	$ 2,701,036	$ 3,192,710	$ 3,591,756
Lease liabilities	$ 556,856	$ 595,693	$ 602,014

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:

	September 30, 2025		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 30,247	30.463	$ 921,413
JPY:NTD	66,594	0.2061	13,725
RMB:NTD	8,357	4.272	35,703
Non-monetary items: None.			
Financial liabilities			
Monetary items			
USD:NTD	$ 13,674	30.463	$ 416,545
JPY:NTD	10,146	0.2061	2,091
RMB:NTD	15,095	4.272	64,485
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	32.7940	$ 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	32.7940	$ 306,952
JPY:NTD	78,956	0.2102	16,597
RMB:NTD	16,509	4.4780	73,927

Non-monetary items: None.

	September 30, 2024		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 28,058	31.66	$ 888,250
JPY:NTD	56,611	0.2228	12,613
RMB:NTD	11,793	4.5230	53,339
Non-monetary items: None.			
Financial liabilities			
Monetary items			
USD:NTD	$ 12,316	31.66	$ 389,897
JPY:NTD	127,107	0.2228	28,319
RMB:NTD	12,155	4.5230	54,978
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 and nine-month periods ended September 30, 2025 and 2024, amounted to $13,697, ($15,010), ($19,141) and $16,345, respectively.

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

	September 30, 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%	$ 9,214	$ -
JPY:NTD	1%	137	-
RMB:NTD	1%	357	-
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 4,165)	$ -
JPY:NTD	1%	(21)	-
RMB:NTD	1%	(645)	-

	September 30, 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%	$ 8,883	$ -
JPY:NTD	1%	126	
RMB:NTD	1%	533	-
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 3,899)	$ -
JPY:NTD	1%	(283)	-
RMB:NTD	1%	(550)	-

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 $29 and $92, respectively, as a result of the price change on equity investment at fair value through other comprehensive income for the nine-month periods ended September 30, 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 nine-month periods ended September 30, 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 nine-month periods ended September 30, 2025 and 2024, would have increased/decreased by $441 and $108, 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 September 30, 2025, December 31, 2024, September 30 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 September 30, 2025							
Expected loss rate	0.01~1%	0.01~0.42%	0.01~0.63%	0.01~45.66%	100%	0.12%~40.72%	
Total book value	$ 950,933	$ 19,207	$ 11,489	$ 1,289	$ 14,742	$ 59,522	$ 1,057,182
Loss allowance	$ -	$ 62	$ 673	$ 609	$ 14,742	$ 23,007	$ 39,093
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 September 30, 2024							
Expected loss rate	0.01~1%	0.01~0.42%	0.01%~6.30%	0.01%~44.66%	100%	0.12~4.41%	
Total book value	$ 1,000,034	$ 45,762	$ 12,698	$ 7,161	$ 27,639	$ 4,110	$ 1,097,404
Loss allowance	$ -	$ 461	$ 799	$ 3,198	$ 27,639	$ 153	$ 32,250

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	43,266
Amounts written off due to being unrecoverable	(4,173)
At September 30	$ 39,093

	2024
	Accounts receivable
At January 1	$ 6,400
Provision for impairment	25,850
At September 30	$ 32,250

x. Financial assets measured at amortized cost measured by expected credit losses for 12 months are not significant impairment losses recognized for the nine-month periods ended September 30, 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:

	September 30, 2025	December 31, 2024	September 30, 2024
Floating rate:			
Expiring within one year	$ 90,000	$ 246,990	$ 246,990
Fixed rate:			
Expiring within one year	3,385,776	2,477,851	2,414,760
	$ 3,475,776	$ 2,724,841	$ 2,661,750

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
September 30, 2025				
Short-term borrowings	$ 306,156	$ -	$ -	$ -
Accounts payable (including related parties)	406,201	-	-	-
Other payables (including related parties)	631,541	-	-	-
Lease liabilities	37,562	37,517	103,506	558,947
Bonds payable	-	486,700	-	1,000,000
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	$ 69,725	$ -	$ -	$ -
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
September 30, 2024				
Short-term borrowings	$ 120,356	$ -	$ -	$ -
Accounts payable (including related parties)	373,448	-	-	-
Other payables (including related parties)	1,143,753	-	-	-
Lease liabilities	38,815	37,840	108,618	609,196
Bonds payable	1,492,250	-	500,000	-
Guarantee deposits received	-	-	-	8,095

Derivative financial liabilities

As of September 30, 2025, December 31, 2024 and September 30, 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.

	September 30, 2025			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 1,360,975	$ -	$ 1,365,009	$ -

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

	September 30, 2024			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 1,958,210	$ -	$ 1,960,502	$ -

(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:

September 30, 2025	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Hybrid Instruments - Convertible Bonds	$ -	$ -	$ 2,842	$ 2,842
Financial assets at fair value through other comprehensive income				
Unlisted stocks	$ -	$ -	$ 2,919	$ 2,919

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

September 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Unlisted stocks	$ -	$ -	$ 9,218	$ 9,218

(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 nine-month periods ended September 30, 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 nine-month periods ended September 30, 2025 and 2024:

	Level 3
	Equity instruments
January 1, 2025	$ 8,551
Gains or losses recognized in profit or loss	11,000
Unrealized gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	(5,632)
Issue	(8,158)
September 30, 2025	$ 5,761

	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	(5,624)
September 30, 2024	$ 9,218

G. For the nine-month periods ended September 30, 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 September 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 2,919	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.
Hybrid Instrument - Convertible Bonds	2,842	Binary Tree Evaluation Model	Risk-free rate	1.26%	The higher the risk-free rate, the lower the fair value.
			Stock price	59.3	The higher the stock price, the higher the fair value.
			Volatility	56.28%	The higher the volatility, the higher 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 September 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 9,218	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.

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:

			September 30, 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%	$ -	$ -	$ 29	($ 29)
Hybrid instrument	Risk-free rate	±1%	28	(28)	-	-
			$ 28	($ 28)	$ 29	($ 29)

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

	Input	Change	September 30, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±1%	$ -	$ -	$ 92	($ 92)

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. 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.

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

F. 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: Please refer to table 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 nine-month periods ended September 30,	
	2025	2024
Revenue from external customers	$ 4,200,308	$ 4,421,417
Inter-company revenue	$ -	$ -
Segment (loss) income	($ 585,945)	($ 262,649)
Segment assets	$ 12,733,981	$ 14,577,427

(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)

September 30, 2025

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities（Note 1）	Relationship with the securities issuer（Note 2）	General ledger account	As of September 30, 2024				Footnote（Note 4)
				Number of shares (in thousands)	Book value（Note 3)	Ownership (%)	Fair value	
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	2,650	4.50%	1,795	
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	1,655	8.01%	951	
Wei Nuo Investment Inc.	Geo Things Inc.-common shares	None	Financial assets at fair value through other comprehensive income-non-current	125,000	228	2.60%	156	

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 nine-month period ended September 30, 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 Technologies Inc.	Episil-Precision Inc.	Subsidiary	Purchases	162,691	10.29%	30-90 days after monthly billings	-	Gerneral terms	(77,489)	19.08%	Note1
Episil-Precision Inc.	Vanguard International Semiconductor Corporation	Entity with significant influence to the group	(Sales)	(559,042)	13.31%	90-180 days after monthly billings	-	Gerneral terms	145,230	14.26%	

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

September 30, 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	Overdue receivables Action taken	Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
Episil-Precision Inc.	Vanguard International Semiconductor Corporation	Entity with significant influence to the group	145,230	4.96	-	received in subsequent period	-	-
Episil-Precision Inc.	Episil Technologies Inc.	Parent Company	119,192	3.15	29,733	received in subsequent period	34,632	-

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 nine-month period ended September 30, 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	$ 5,201	Gerneral terms	0.12%
0	Episil Technologies Inc.	Episil-Precision Inc.	1	Operating costs	162,691	Gerneral terms	3.87%
0	Episil Technologies Inc.	Episil-Precision Inc.	1	Processing fee	91,955	Gerneral terms	2.19%
0	Episil Technologies Inc.	Episil-Precision Inc.	1	Other receivables	6,928	30~90 days after monthly billings	0.05%
0	Episil Technologies Inc.	Episil-Precision Inc.	1	Accounts payable	77,489	30~90 days after monthly billings	0.61%
0	Episil Technologies Inc.	Episil-Precision Inc.	1	Other payable	52,383	30~90 days after monthly billings	0.41%
0	Episil Technologies Inc.	Episil Technologies Inc.(SHANGHAI)	1	Operating revenue	2,901	Gerneral terms	0.07%
0	Episil Technologies Inc.	Precision Silicon Japan Co., Ltd.	1	Operating revenue	10,824	Gerneral terms	0.26%
1	Episil-Precision Inc.	Precision Silicon Japan Co., Ltd.	3	Operating revenue	91,962	Gerneral terms	2.19%
1	Episil-Precision Inc.	Precision Silicon Japan Co., Ltd.	3	Accounts receivable	44,141	90~180 days after monthly billings	0.35%

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 nine-month period ended September 30, 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 September 30, 2025	Initial investment amount: Balance as of December 31, 2025	Shares held as of September 30, 2025: Number of shares	Shares held as of September 30, 2025: Ownership (%)	Shares held as of September 30, 2025: Book value	Net profit (loss) of the investee for the nine-month period ended 2025 (Note 2(2))	Investment income (loss) recognized by the Company for the nine-month period ended 2025 (Note 2(3))	Footnote
Episil Technologies Inc.	Wei Nuo Investment Inc.	Taiwan	Gerneral investment	$ 250,000	$ 250,000	15,000,000	100.00%	$ 87,493	$ 3,300	$ 3,300	
Episil Technologies Inc.	Episil-Precision Inc.	Taiwan	Semiconductor industry	2,001,343	2,001,343	166,961,680	57.86%	2,833,789	(26,062)	(14,866)	
Episil Technologies Inc.	Taiwan Hi-Tech Corp.	Taiwan	Semiconductor industry	31,795	201,020	170,933	37.49%	-	468	33,737	
Wei Nuo Investment Inc.	Wellknown Holding Company Ltd.	Samoa	Investment service of various	4,837	4,837	150,000	100.00%	2,402	(1,756)	(1,756)	
Wei Nuo Investment Inc.	Taiwan Hi-Tech Corp.	Taiwan	Semiconductor industry	333	17,296	35,260	7.73%	-	468	6,959	
Episil-Precision Inc.	Precision Silicon Japan Co., Ltd.	Japan	Sales of epitaxy and silicon wafers	2,740	2,740	200	100.00%	-	(1,050)	(1,050)	

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 September 30, 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 nine-month period ended September 30, 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 nine-month periods ended September 30, 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 nine-month period ended September 30, 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 nine-month period ended September 30, 2025 — Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2025	Net income of investee for the nine-period ended September 30, 2025	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2025 (Note 2(2)C)	Book value of investments in Mainland China as of September 30, 2025	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2025	Footnote
Episil Technologies Inc. (SHANGHAI)	Trading business	$ 4,598	2	$ 4,598	$ -	$ -	$ 4,598	($ 1,750)	100.00%	($ 1,750)	$ 2,332	$ 48,199	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 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	$ 4,220,452

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 nine-month period ended September 30, 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 nine-month period ended September 30, 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 September 30, 2025	%	Balance at September 30, 2025	Purpose	Maximum balance during the nine-month period ended September 30, 2025	Balance at September 30, 2025	Interest rate	Interest during the nine-month period ended September 30, 2025	Others
Episil Technologies Inc.(SHANGHAI)	$ (2,901)	0.07%	$ -	-	$ -	0.00%	$ -	-	$ -	$ -	-	$ -	