

Stock Code : 3707

EPISIL

EPISIL TECHNOLOGIES INC

(Formerly EPISIL HOLDING INC.)

2023 Annual General Meeting

Meeting Handbook

Date of meeting: Wednesday, June 14, 2023, 9:00 a.m. By: Meeting of Entity Shareholders

Meeting place: No. 17, Innovation 1st Road, Hsinchu Science Park

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2023 Annual General Shareholders' Meeting

MEETING AGENDA

Meeting Type: On-site Shareholders' Meeting

Time of Meeting: June 14, 2023 (Wednesday) at 9:00 am

Location of Meeting: No.17 Innovation Rd.1, Science Park, Hsinchu

1. Meeting Commencement Announcement

2. Chairperson's Address

3. Report Items

- (1) Report the business of 2022
- (2) Audit Committee's review report
- (3) Report on the 2022 employee and directors compensation distributions.
- (4) Report on the 2022 earnings distribution.
- (5) The status of private placement
- (6) Improve the implementation report of the business plan

4. Ratification Items

- (1) To approve 2022 Business Report and Financial Statements.
- (2) To approve the proposal for distribution of 2022 earnings.

5. Discussion Items

- (1) Discussion of amendments to the Company's "Articles of Incorporation."
- (2) Discussion of amendments to the Company's "Rules and Procedures of Shareholders' Meeting"
- (3) Discussion of amendments to the Company's "Procedures for Asset Acquisition & Disposal"
- (4) To propose the issuance plan of private placement for common shares

6. Election Items

(1) Director Elections.

7. Other Motions

(1) To approve the lifting of director of non-competition
restrictions

8. Extraordinary Motions

9. Meeting Adjournment

REPORT ITEMS

Item 1:

2022 Business Report

Description:

1. Please refer to Attachment 1 (pages 13-14) for the Business Report.

Item 2:

Audit Committee' s review report

Description:

1. Please refer to Attachment 2 (page 15) for the Audit Committee' s Review Report

Item 3:

Report on the 2022 employee and directors compensation distributions.

Description:

1. According to Article 20-1 of the company' s articles of association, the company should allocate no less than 5% as employee remuneration and no more than 2% as director' s remuneration according to the current year' s profit situation
2. The company plans to distribute NT\$72,175,418 in cash for employees and NT\$9,021,927 for directors

Item 4:

Report on the 2022 Earnings distribution:

Description:

1. Inaccordance with Article 20 of the articles of association, the board of directors is authorized to present more than two-thirds of the directors and the resolution of more than half of the directors to distribute all or part of the dividends

and bonus in the form of cash and report to the shareholders' meeting.

2. It is planned to allocate NT\$333,203,470 in cash dividends for shareholders, and distribute NT\$1 per share. The ex-dividend base date, distribution date and other related matters of cash dividends shall be determined separately by the authorized chairman. When distributing cash dividends, the total amount of dividends distributed to individual shareholders is calculated based on NT dollar. If the cash dividend is less than NT\$1, it will be converted into other income of the company. If the company subsequently has the right to participate in changes in the number of shares distributed, which affects the distribution rate per share of shareholders, the chairman of the board of directors is authorized to handle it with full authority.

Item 5:

The status of private placement:

Description:

1. According to the resolution of AGM on June 17, 2022 and Article 43-6 of Securities Exchange Act, new shares within the issuance of 50,000,000 shares will be expired on June 16, 2023. Rejection will be conducted from the expiration date.

Item 6:

Improve the implementation report of the business plan:

Description:

1. In accordance with the provisions of the FSC on May 28, 2021 approved by the Company to raise and issue securities to Attachment 5.

RATIFICATION ITEMS

Proposal 1:

To approve 2022 Business Report and Financial Statements

(Proposed by the Board of Directors)

Description:

1. The 2022 Business Report and the Financial Statements have been approved by the Board of Directors and have been reviewed by the Audit Committee. Please refer to Attachments 1、3 and 4 documents mentioned above Shareholders.
2. Adoption is respectively requested.

Resolution:

Proposal 2:

To approve the proposal for distribution of 2022 earnings.

(Proposed by the Board of Directors)

Description:

1. The Company's 2022 annual surplus distribution table is as follows.

EPISIL TECHNOLOGIES INC (Formerly EPISIL HOLDING INC.)
2022 Profit Distribution Table

Item	Amount
Beginning retained earnings	65,199,376
Add: Profit for the year	820,995,379
Add: actuarial losses on defined benefit plans	16,934,000
Less: Legal reserve	(83,792,938)
Less: Special surplus reserves are proposed	(29,675,356)
Distributable net profit	789,660,461
Cash Dividends to Shareholders (\$1 per share)	(333,203,470)
Unappropriated retained earnings	456,456,991

Note: As of December 31, 2022, 333,203,470 shares were outstanding

2. Adoption is respectively requested.

Resolution:

DISCUSSION ITEMS

Proposal 1:

Discussion of amendments to the Company' s "Articles of Incorporation." Please Discuss. (Proposed by the Board of Directors)

Description:

1. The Articles of Incorporation Amendment Comparison Table can be found in Attachment 6(page 40)

Resolution:

Proposal 2:

Discussion of amendments to the Company' s "Rules and Procedures of Shareholders' Meeting" Please Discuss. (Proposed by the Board of Directors)

Description:

1. See Attachment 7(page 41) for the comparison table of revisions to the rules of procedure of the shareholders' meeting

Resolution:

Proposal 3:

Discussion of amendments to the Company' s "Procedures for Asset Acquisition & Disposal" Please Discuss. (Proposed by the Board of Directors)

Description:

1. The proposed amendments to the Company' s "Procedures for Asset Acquisition & Disposal" are shown in a comparison table on Attachment 8 (pages 45-54).

Resolution:

Proposal 4:

TO Propose the issuance plan of private placement for common shares (Proposed by the Board of Directors)

Description:

1. In response to the company' s future development and enrichment of

working capital, the company plans to issue common shares within the range of 50 million shares by private placement of cash. This private offering of common shares may be conducted once or in batches (no more than three times at most) within one year from the date of the resolution of the ordinary meeting of shareholders. In this case, the basis and rationality of setting the private placement price, the necessary reasons for handling the private placement, the selection method of specific person, etc. Please refer to Attachment 9.

2. The board of directors shall be authorized to handle all matters not covered in this issue of new shares, and any necessary amendment due to changes in laws and regulations, opinions of the competent authority or changes in the objective environment.

Resolution:

ELECTION ITEMS

Proposal 1:

Director Elections. (Proposed by the Board of Directors)

Description:

1. The term of office of the third session of directors (including independent directors) of the company will expire on June 10, 2023. It is proposed to submit a comprehensive re-election to the 2023 ordinary shareholders meeting. Nine directors will be re-elected this time (three of them are independent directors). New directors will be elected from the ordinary shareholders meeting After taking office, the term of office is from June 14, 2023 to June 13, 2026, and the term is three years
2. According to Article 12 of the company's articles of association, the election of directors (including independent directors) adopts a candidate nomination system. The list of candidates is as follows for reference, and the election matters are handled in accordance with the company's "Regulations Governing the Election of Directors and Independent Directors "

Type	Account numbers or ID	Name	Education	experience	Number of shares held
Director	57718	Sincere Holding Company Representative : JH Shyu	Master's degree in chemical engineering , National Cheng Kung University	Chairman of Episil Technologies Inc	16, 294, 539
Director	57718	Sincere Holding Company Representative : Shu, Chin-Yung	Master's degree in Institute of EO Engineering from National Chiao Tung University.	Chairman of HERMES TESTING SOLUTIONS INC	16, 294, 539
Director	2	Hermes-Epitek Corporation Representative : Shen, Hsiao-Lien	NCTU EMBA	Director of EPISIL TECHNOLOGIES, INC.	18, 160, 870
Director	2	Hermes-Epitek Corporation Representative :	Academic degree in Solid State	Director of EPISIL TECHNOLOGIES, INC.	18, 160, 870

		Chen, Hsi-Hsin	Physics from University of Texas, USA		
Director	475	Vision Holdings Ltd. Representative : Su, Chien-Chi	Academic degree in Materials Science and Engineering from National Cheng Kung University	Hermes-Epitek Corporation Manager	1,771,450
Director	475	Vision Holdings Ltd. Representative : Fan, Gui Rong	Master's degree in MBA, University of Leicester	Director of EPISIL TECHNOLOGIES, INC.	1,771,450
Independent Director	D1205XXXXX	Jhih-Da Yan	Academic degree in Department of Public Finance from National Chengchi University	Associate Professor, Department of Finance and Taxation, National Taichung University of Science and Technology	0
Independent Director	E1217XXXXX	Zong-Si Ke	Master's degree in Management of Technology from National Chiao Tung University.	EXOJET TECHNOLOGY CORPORATION General Manager	0
Independent Director	A1237XXXXX	Mao-Song Deng	Master's degree in business Administration from National Taiwan University.	General Manager, Etron Technology, Inc.	0

Election results:

OTHER MOTIONS

Proposal 1:

To approve the lifting of director of non-competition restrictions.

(Proposed by the Board of Directors)

Description:

1. According to Article 209 of the Company Law: “A director shall explain the important content of his actions to the shareholders’ meeting and obtain their permission for actions that fall within the company’s business scope for himself or others. “
2. The company’s new directors may concurrently serve as directors or managers of other companies within the company’s business scope. In order to leverage their expertise and relevant experience, it is proposed to submit to the shareholders’ meeting for approval to lift the company’s new directors’ competition restrictions. The contents of concurrent directorship are explained as follows, and are submitted for discussion.

Title	Name	Other Position
Director	SINCERE HOLDING COMPANY.	Corporate Chairman of SYNASPIRE CORP. Corporate Chairman of Heron Neutron Medical Corp. Corporate Chairman of NanoClean Materials Co., LTD. Director of GIGA SOLAR MATERIALS CORPORATION Director of ProMOS Technologies Inc.
	Representative : JH Shyu	Legal Representative Chairman of Episil-Precision Inc. Legal Representative Chairman of Wellknown Holdings Ltd. Legal Representative Charman and President of Taiwan Hi-Tech Corp. Independent director of Ultra Chip, Inc. Independent director of Upi Semiconductor
	Representative : Shu, Chin-Yung	Legal Representative Director of Huntertex Corp. Legal Representative Director of SHINYU LIGHT CO., LTD.

		<p>Chairman of HonSean-JY Company Limited.</p> <p>Chairman of JadeYale-CY Company Limited.</p> <p>Chairman of GeoThings Inc.</p> <p>Director of Hermes-Epitek Corporation</p> <p>Director of Advanced Ion Beam Technology, Inc.</p> <p>Legal Representative Director of GIGA SOLAR MATERIALS CORPORATION</p> <p>Legal Representative Director of ProMOS Technologies Inc.</p>
Director	HERMES-EPITEK CORPORATION	<p>Corporate Chairman of Herm Investment Co., Ltd.</p> <p>Corporate Chairman of Hermes Advanced Therapy Systems Corp.</p>
	Representative : Chen, Hsi-Hsin	<p>Legal Representative Director of EPISIL-PRECISION INC.</p> <p>Chairman of of Advanced Ion Beam Technology, Inc.</p> <p>Director of ENERGIC TECHNOLOGIES CORPORATION</p>
	Representative : Shen, Hsiao-Lien	<p>Director of ENERGIC TECHNOLOGIES CORPORATION</p>
Director	VISION HOLDINGS LTD.	<p>Legal Representative Director of EXCELLENCE OPTOELECTRONICS INC.</p> <p>Legal Representative Director of EPILEDS TECHNOLOGIES, INC.</p>
	Representative : Fan, Gui Rong	<p>Legal Representative Director of EPISIL-PRECISION INC.</p> <p>Legal Representative Chairman of Hi-Tech Semi-Conductor (ChangShu) Co., LTD</p>
Independent Director	Jhieh-Da Yan	<p>Independent Director of Advanced Lithium Electrochemistry Co., Ltd</p> <p>Independent director of Prolight Opto Technology Corporation.</p>
Independent Director	Zong-Si Ke	<p>Director of M31 Technology Corporation</p> <p>Chief Strategy Officer of ANANAVI TECHNOLOGY CORPORATION</p>
Independent Director	Mao-Song Deng	<p>Director and Presiden of Etron Technology, Inc</p> <p>Chairman/ Presiden of Eever Technology, Inc.</p> <p>Legal Representative Chairman of Eys3d Microelectronics, Co.</p>

	<p>Supervisor of Decloak technology</p> <p>Director of Great Team Backend Foundry, Inc.</p> <p>Director of Etron Technology America, Inc.</p> <p>Director of eCapture Ltd. Co.</p> <p>Director of eCapture Co., Limited</p> <p>Director of Insignis Technology, Inc.</p> <p>Director of Insignis Technology Corporation</p> <p>Director of Anzon Technology, Inc.</p> <p>Director of eEver Technology Limited</p> <p>Director of eYs3D Microelectronics, Inc.</p> <p>Director of AiYs3D Technology, Inc.</p> <p>Director of Invention and Collaboration Laboratory Pte. Ltd.</p> <p>President of Invention and Collaboration Laboratory Pte. Ltd.</p>
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Resolution:

Extraordinary Motions
Meeting Adjourned

ATTACHMENTS
EPISIL TECHNOLOGIES INC
(Formerly EPISIL HOLDING INC.)
Attachment 1:2022 Annual Business Report

2022 is a year for the explosive growth for EPISIL. With the efforts on the proactive promotion of maximizing the efficiency of capacity, focusing on process optimization and import high-margin products, and As all employees are committed to implementing the company's development policy, striving to promote the improvement of process technology and strengthening manufacturing capabilities, the company's product structure and gross profit margin have improved significantly. In 2023, we will continue to work hard on this solid foundation to meet the rapidly increasing needs of customers in the power electronics market, and make every effort to expand the business scale of gallium nitride (GaN) and silicon carbide (SiC) related products, so as to master semiconductor green energy and We will seek business opportunities in the automotive market and expand our market share in the field of professional power components and energy components. The management team will adhere to the above-mentioned business principles, commit to the continuous improvement of the quality system, the improvement of production efficiency and cost control, and show a good presentation of revenue and profitability.

2022 Business Performance :

Implementation and Results of 2022 Business Plan:

Consolidated revenue amount to NT\$8.879 billion in 2022. By referring to 2021, grew by more than 22.1% and increase of NT\$1.61 billion. In profit and loss, the net profit after tax was NT\$1.106 billion, compared with the net profit of NT\$387 million in 2021, increased 185%.

Operating Performance in 2022

Consolidated financial results :

Unit ; NT\$ thousands (Except EPS: NT\$)

Item	2022Y	2021Y
Operating Revenue	8,879,881	7,269,400
Gross Profit(Gross loss)	1,735,994	989,923
Profit after tax(Net loss)	1,106,087	387,479
Earnings Per Share (Deficit)	2.47	0.73

Research and Developments Status

1. Continue to have stable mass production, enhance the capacity and competitive process: Mainly to complete the development of FRED and FRMOS, while TVS and ATV have progressed into mass production. We will continue to develop new process and explore the application of the technology.
2. WBG components: 4-inch and 6-inch SiC SBD and MOSFET products have entered mass production; at the same time, a new generation of 6-inch SiC technology with higher performance and smaller size has also been developed and introduced to customers for trial production. Gallium Nitride GaN-HEMT product strategy: At present, the customer's new-generation G6 product development has entered small-scale mass production, gradually replacing the previous generation of products, which can reduce the chip area by half.
3. Strengthen execution and focus on niche products, accelerate their revenue ratio and increase gross profit margin.

Future Outlooks:

According to the 2023 market outlook released by WSTS, the global semiconductor market will decline by 4.1%, reaching a scale of US\$557 billion. According to market research, the global market size of compound power semiconductors is estimated to be about US\$1 billion in 2020, and is expected to expand at a compound annual growth rate of 34.6% during the forecast period, reaching US\$10 billion in 2026. For Hanlei Technology, the demand for automobiles, green energy and energy-saving products is rising steadily, driving the demand for compound components to heat up. This layout will cater to the market growth opportunity. The company's 4-inch SiC production line and the existing 6-inch SiC production line are both at full capacity. In order to meet customer needs, the 6-inch SiC production line will expand new production capacity this year. It is the first foundry in Taiwan to take the lead in expanding SiC production capacity. Due to geopolitical relations, Hanlei Technology has an excellent advantage in the development of global customer sources. It has continued to invest heavily in compound semiconductors, which are more profitable. At present, it has obtained the A-level certification of the VDA6.3 quality system, and continues to develop related automotive electronic products and customers. In the future, we will strive to create value for customers, shareholders and all employees.

Chairman: JH Shyu

President : Can-Wun Liou

EPISIL TECHNOLOGIES INC
(Formerly EPISIL HOLDING INC.)
Attachment 2: Audit Committee' s Review Report

The Board of Directors has prepared and submitted to us the Company' s 2022 Business Report, Financial Statements, and proposal for earnings distribution. Financial Statements were audited by PricewaterhouseCoopers (PwC), Taiwan. and they issued an audited report accordingly. We, as the Audit Committee of the Company, have reviewed the Business Report, Financial Statements, and proposal for earnings distribution and do not find any discrepancies. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Submit to

2023Annual Meeting of Shareholders,
EPISIL TECHNOLOGIES INC.
(Formerly EPISIL HOLDING INC.)

Chairman of the Audit Committee: Jhih-Da Yan

Date: March 7,2023

Attachment 3: INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of Episil Technologies Inc. (Formerly EPISIL HOLDING INC.) and subsidiaries (the “Group”) as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Inventory valuation

Description

Please refer to Note 4(13) for description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(4) for description of inventory and allowance for inventory valuation losses. As of December 31, 2022 inventory and allowance for inventory valuation losses amounted to NT\$1,959,259 thousand and NT\$119,481 thousand, respectively.

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

How our audit addressed the matter

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

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

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Episil Technologies Inc. as at and for the years ended December 31, 2022 and 2021.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparations of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations,

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

Hsieh, Chih-Cheng

Lin, Yu-Kuan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 7, 2023

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

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

EPISIL TECHNOLOGIES INC. (Formerly EPISIL HOLDING INC.) AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 4,734,214	37	\$ 2,401,367	24
1136	Current financial assets at amortised cost	6(1)	-	-	400,000	4
1150	Notes receivable, net	6(3)	44,420	-	66,875	1
1170	Accounts receivable, net	6(3)	1,350,757	11	1,520,630	16
1180	Accounts receivable - related parties	7	310	-	-	-
1200	Other receivables		58,145	1	33,558	-
1210	Other receivables - related parties	7	-	-	196	-
1220	Current income tax assets		888	-	476	-
130X	Inventories	6(4)	1,839,778	14	1,455,166	15
1410	Prepayments		162,746	1	119,512	1
1470	Other current assets		11,952	-	13,449	-
11XX	Current assets		<u>8,203,210</u>	<u>64</u>	<u>6,011,229</u>	<u>61</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	10,782	-	40,486	-
1535	Non-current financial assets at amortised cost	6(1) and 8	198,591	2	62,526	1
1550	Investments accounted for using equity method	6(5)	187,436	1	185,501	2
1600	Property, plant and equipment	6(6) and 8	3,439,130	27	2,690,844	27
1755	Right-of-use assets	6(7)	477,517	4	493,323	5
1760	Investment property - net	6(9)	141,751	1	150,385	2
1780	Intangible assets	6(10)	57,025	-	46,917	-
1840	Deferred income tax assets	6(28)	131,228	1	133,146	1
1900	Other non-current assets	7	1,836	-	66,354	1
15XX	Non-current assets		<u>4,645,296</u>	<u>36</u>	<u>3,869,482</u>	<u>39</u>
1XXX	Total assets		<u>\$ 12,848,506</u>	<u>100</u>	<u>\$ 9,880,711</u>	<u>100</u>

(Continued)

EPISIL TECHNOLOGIES INC. (Formerly EPISIL HOLDING INC.) AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(11)	\$ 178,624	2	\$ 663,793	7
2130	Current contract liabilities	6(21)	330,389	3	272,432	3
2170	Accounts payable	6(12)	553,853	4	635,864	6
2180	Accounts payable - related parties	7	1,074	-	27	-
2200	Other payables	6(13)	1,103,601	9	604,547	6
2220	Other payables - related parties	7	31,663	-	22,581	-
2230	Current income tax liabilities		121,876	1	96,408	1
2280	Current lease liabilities		21,282	-	21,434	-
2320	Long-term borrowings, current portion	6(14)	-	-	46,878	1
2399	Other current liabilities, others		167,032	1	94,552	1
21XX	Current liabilities		<u>2,509,394</u>	<u>20</u>	<u>2,458,516</u>	<u>25</u>
	Non-current liabilities					
2527	Non-current contract liabilities	6(21)	77,065	1	95,297	1
2530	Corporate bonds payable	6(14)	1,555,791	12	112,703	1
2570	Deferred income tax liabilities	6(28)	36,148	-	36,549	-
2580	Non-current lease liabilities		474,969	4	486,633	5
2640	Accrued pension liabilities	6(15)	189,577	1	256,169	3
2645	Guarantee deposits received		16,907	-	47,413	1
2670	Other non-current liabilities, others		-	-	18,067	-
25XX	Non-current liabilities		<u>2,350,457</u>	<u>18</u>	<u>1,052,831</u>	<u>11</u>
2XXX	Total liabilities		<u>4,859,851</u>	<u>38</u>	<u>3,511,347</u>	<u>36</u>
	Equity					
	Equity attributable to owners of the parent					
	Share capital	6(17)				
3110	Share capital - common stock		3,332,035	26	3,306,664	34
	Capital surplus	6(18)				
3200	Capital surplus		1,538,222	12	955,567	9
	Retained earnings	6(19)				
3310	Legal reserve		30,356	-	7,120	-
3320	Special reserve		72,140	1	43,947	1
3350	Unappropriated retained earnings		903,127	7	232,359	2
	Other equity interest	6(20)				
3400	Other equity interest		(101,816)	(1)	(72,140)	(1)
31XX	Equity attributable to owners of the parent		<u>5,774,064</u>	<u>45</u>	<u>4,473,517</u>	<u>45</u>
36XX	Non-controlling interest		<u>2,214,591</u>	<u>17</u>	<u>1,895,847</u>	<u>19</u>
3XXX	Total equity		<u>7,988,655</u>	<u>62</u>	<u>6,369,364</u>	<u>64</u>
	Significant commitments and contingencies	9				
	Significant events after the reporting period	11				
3X2X	Total liabilities and equity		<u>\$ 12,848,506</u>	<u>100</u>	<u>\$ 9,880,711</u>	<u>100</u>

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

EPISIL TECHNOLOGIES INC. (Formerly EPISIL HOLDING INC.) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(21) and 7	\$ 8,879,881	100	\$ 7,269,400	100
5000	Operating costs	6(4)(26)(27) and 7	(7,143,887)	(81)	(6,279,477)	(86)
5900	Operating margin		<u>1,735,994</u>	<u>19</u>	<u>989,923</u>	<u>14</u>
	Operating expenses	6(26)(27) and 7				
6100	Selling and marketing expenses		(107,148)	(1)	(91,537)	(1)
6200	General and administrative expenses		(382,102)	(4)	(288,363)	(4)
6300	Research and development expenses		(144,188)	(2)	(124,353)	(2)
6000	Total operating expenses		(633,438)	(7)	(504,253)	(7)
6900	Operating profit		<u>1,102,556</u>	<u>12</u>	<u>485,670</u>	<u>7</u>
	Non-operating income and expenses					
7100	Interest income	6(22)	22,791	-	6,131	-
7010	Other income	6(23)	41,135	-	39,277	-
7020	Other gains and losses	6(24)	150,406	2	(14,767)	-
7050	Finance costs	6(25)	(32,696)	-	(29,412)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(5)	<u>2,346</u>	<u>-</u>	<u>1,098</u>	<u>-</u>
7000	Total non-operating income and expenses		<u>183,982</u>	<u>2</u>	<u>2,327</u>	<u>-</u>
7900	Profit before income tax		<u>1,286,538</u>	<u>14</u>	<u>487,997</u>	<u>7</u>
7950	Income tax expense	6(28)	(180,451)	(2)	(100,518)	(2)
8200	Profit for the year		<u>\$ 1,106,087</u>	<u>12</u>	<u>\$ 387,479</u>	<u>5</u>

(Continued)

EPISIL TECHNOLOGIES INC. (Formerly EPISIL HOLDING INC.) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

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

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income (loss), net						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Gains (losses) on remeasurements of defined benefit plans	6(15)	\$ 21,721	-	(\$ 334)	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(2)	(31,204)	-	3,835	-
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		5	-	(83)	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		(9,478)	-	3,418	-
Components of other comprehensive income that may be subsequently reclassified to profit or loss						
8361	Exchange differences on translation of foreign operations		391	-	(1,555)	-
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		1,037	-	(577)	-
8360	Components of other comprehensive income (loss) that may be reclassified to profit or loss		1,428	-	(2,132)	-
8300	Other comprehensive (loss) income, net		<u>(\$ 8,050)</u>	<u>-</u>	<u>\$ 1,286</u>	<u>-</u>
8500	Total other comprehensive income for the year		<u>\$ 1,098,037</u>	<u>12</u>	<u>\$ 388,765</u>	<u>5</u>
Profit, attributable to:						
8610	Owners of the parent		\$ 820,995	9	\$ 232,035	3
8620	Non-controlling interest		285,092	3	155,444	2
	Total		<u>\$ 1,106,087</u>	<u>12</u>	<u>\$ 387,479</u>	<u>5</u>
Comprehensive income attributable to:						
8710	Owners of the parent		\$ 808,254	9	\$ 234,619	3
8720	Non-controlling interest		289,783	3	154,146	2
	Total		<u>\$ 1,098,037</u>	<u>12</u>	<u>\$ 388,765</u>	<u>5</u>
9750	Basic earnings per share	6(29)				
	Basic earnings per share (in dollars)		\$	2.47	\$	0.73
9850	Diluted earnings per share	6(29)				
	Diluted earnings per share (in dollars)		\$	2.44	\$	0.73

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

EPISIL TECHNOLOGIES INC. (Formerly EPISIL HOLDING INC.) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent												
	Notes	Retained Earnings					Other equity interest				Total	Non-controlling interest	Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficits)	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income					
2021													
Balance at January 1, 2021		\$ 3,121,877	\$ 550,158	\$ 7,120	\$ 43,947	(\$ 516,091)	(\$ 4,793)	(\$ 69,605)	\$ 3,132,613	\$ 1,625,248	\$ 4,757,861		
Profit for the year		-	-	-	-	232,035	-	-	232,035	155,444	387,479		
Other comprehensive income (loss)		-	-	-	-	326	(1,577)	3,835	2,584	(1,298)	1,286		
Total comprehensive income (loss)		-	-	-	-	232,361	(1,577)	3,835	234,619	154,146	388,765		
Capital surplus used to offset accumulated deficits	6(18)(19)	-	(516,089)	-	-	516,089	-	-	-	-	-		
Changes in ownership interest in subsidiaries	6(18)	-	108,907	-	-	-	-	-	108,907	148,253	257,160		
Cash capital increased by cash	6(17)(18)	60,000	321,294	-	-	-	-	-	381,294	-	381,294		
Share-based payments-cash capital increased by cash reserved for subscription by employees	6(16)	-	5,617	-	-	-	-	-	5,617	13	5,630		
Conversion of convertible bonds	6(17)(18)	124,787	471,076	-	-	-	-	-	595,863	-	595,863		
Issuance of corporate bonds	6(18)	-	14,895	-	-	-	-	-	14,895	-	14,895		
Difference between equity price and book value of the merger of subsidiaries	6(18)	-	(291)	-	-	-	-	-	(291)	(3,278)	(3,569)		
Cash dividends paid by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	(28,535)	(28,535)		
Balance at December 31, 2021		<u>\$ 3,306,664</u>	<u>\$ 955,567</u>	<u>\$ 7,120</u>	<u>\$ 43,947</u>	<u>\$ 232,359</u>	<u>(\$ 6,370)</u>	<u>(\$ 65,770)</u>	<u>\$ 4,473,517</u>	<u>\$ 1,895,847</u>	<u>\$ 6,369,364</u>		
2022													
Balance at January 1, 2022		\$ 3,306,664	\$ 955,567	\$ 7,120	\$ 43,947	\$ 232,359	(\$ 6,370)	(\$ 65,770)	\$ 4,473,517	\$ 1,895,847	\$ 6,369,364		
Profit for the year		-	-	-	-	820,995	-	-	820,995	285,092	1,106,087		
Other comprehensive income (loss)		-	-	-	-	16,935	1,528	(31,204)	(12,741)	4,691	(8,050)		
Total comprehensive income (loss)		-	-	-	-	837,930	1,528	(31,204)	808,254	289,783	1,098,037		
Appropriation of 2021 earnings	6(19)	-	-	-	-	-	-	-	-	-	-		
Legal reserve		-	-	23,236	-	(23,236)	-	-	-	-	-		
Special reserve		-	-	-	28,193	(28,193)	-	-	-	-	-		
Cash dividends		-	-	-	-	(115,733)	-	-	(115,733)	-	(115,733)		
Changes in ownership interest in subsidiaries	6(18)	-	31,312	-	-	-	-	-	31,312	37,414	68,726		
Cash capital increased by cash	6(17)(18)	22,000	184,186	-	-	-	-	-	206,186	-	206,186		
Share-based payments-cash capital increased by cash reserved for subscription by employees	6(16)	-	5,338	-	-	-	-	-	5,338	2,082	7,420		
Conversion of convertible bonds	6(17)(18)	3,371	21,017	-	-	-	-	-	24,388	-	24,388		
Issuance of corporate bonds	6(18)	-	267,416	-	-	-	-	-	267,416	-	267,416		
Cash contributed by non-controlling interests in subsidiaries' capital	6(30)	-	73,386	-	-	-	-	-	73,386	132,894	206,280		
Cash dividends paid by a subsidiary to non-controlling interests		-	-	-	-	-	-	-	-	(143,429)	(143,429)		
Balance at December 31, 2022		<u>\$ 3,332,035</u>	<u>\$ 1,538,222</u>	<u>\$ 30,356</u>	<u>\$ 72,140</u>	<u>\$ 903,127</u>	<u>(\$ 4,842)</u>	<u>(\$ 96,974)</u>	<u>\$ 5,774,064</u>	<u>\$ 2,214,591</u>	<u>\$ 7,988,655</u>		

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

EPISIL TECHNOLOGIES INC. (Formerly EPISIL HOLDING INC.) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,286,538	\$ 487,997
Adjustments			
Adjustments to reconcile (profit) loss			
Depreciation expense	6(26)	637,240	640,520
Amortisation expense	6(10)(26)	9,042	8,503
Gain on disposal of property, plant and equipment	6(24)	(81,378)	-
Share of profit of associates accounted for using equity method	6(5)	(2,346)	(1,098)
Loss on disposal of investments accounted for using equity method		78	-
Finance costs	6(25)	26,601	26,710
Interest income	6(22)	(22,791)	(6,131)
Dividend income	6(23)	(1)	(1)
Share-based payments	6(16)	7,420	5,630
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		22,455	31,366
Accounts receivable		169,873	(299,525)
Accounts receivable - related parties		(310)	-
Other receivables		(23,939)	(9,429)
Other receivables - related parties		196	186
Inventories		(384,612)	(173,972)
Prepayments		(43,234)	(9,739)
Other current assets		1,497	(5,586)
Changes in operating liabilities			
Contract liabilities		39,725	120,228
Accounts payable		(82,011)	71,979
Accounts payable - related parties		1,047	(108)
Other payables		296,488	96,373
Other payables - related parties		9,082	1,259
Other current liabilities		72,480	25,275
Other non-current liabilities		(18,067)	18,067
Accrued pension liabilities		(44,873)	(36,866)
Cash inflow generated from operations		1,876,200	991,638
Interest received		22,143	5,965
Dividends received		1	1
Interest paid		(19,915)	(21,049)
Income taxes (paid) received		(153,484)	44,277
Net cash flows from operating activities		1,724,945	1,020,832

(Continued)

EPISIL TECHNOLOGIES INC. (Formerly EPISIL HOLDING INC.) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 429,100)	(\$ 705,194)
Disposal of financial assets at amortised cost		693,035	326,397
Acquisition of financial assets at fair value through other comprehensive income	6(5)	(1,500)	(5,776)
Proceeds from disposal of investments accounted for using equity method		1,375	-
Acquisition of property, plant and equipment	6(30)	(1,143,353)	(317,403)
Proceeds from disposal of property, plant and equipment		81,512	-
Acquisition of intangible assets	6(10)	(18,865)	(11,755)
Decrease in refundable deposits		64,518	179
Net cash flows used in investing activities		<u>(752,378)</u>	<u>(713,552)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(32)	1,709,868	3,314,779
Repayments of short-term borrowings	6(32)	(2,195,037)	(3,395,895)
Repayments of long-term borrowings	6(32)	-	(333,323)
Decrease in refundable deposits received	6(32)	(30,506)	(7,523)
Payments of lease liabilities	6(32)	(22,104)	(21,291)
Issuance of corporate bonds	6(32)	1,745,060	601,770
Cash capital increased		206,186	381,294
Cash contributed by non-controlling interests in subsidiaries' capital		206,280	-
Repayments of corporate bonds		(300)	-
Cash dividends paid		(115,733)	-
Cash dividends paid by a subsidiary to non-controlling interests		(143,429)	(28,535)
Net cash flows from financing activities		<u>1,360,285</u>	<u>511,276</u>
Effect of exchange rate changes		<u>(5)</u>	<u>408</u>
Net increase in cash and cash equivalents		2,332,847	818,964
Cash and cash equivalents at beginning of year	6(1)	<u>2,401,367</u>	<u>1,582,403</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 4,734,214</u>	<u>\$ 2,401,367</u>

Attachment 4: INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying parent company only balance sheets of Episil Technologies Inc. (Formerly EPISIL HOLDING INC.the “Company”) as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Inventory valuation

Description

Please refer to Note 4(11) for description of accounting policy on inventory valuation. Please refer to Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation. Please refer to Note 6(3) for description of inventory and allowance for inventory valuation losses.

The Company and its subsidiary (recognised in investments accounted for using equity method), Episil-Precision Inc. are primarily engaged in research and development, manufacture and sales of epitaxial and silicon wafer, mixed-signal integrated circuit and linear integrated circuit. The industry is characterised by rapidly evolving technology and is easily affected by fluctuation in market price, there is a higher risk of incurring inventory valuation losses or having individually obsolete inventory. The Company and Episil-Precision Inc.'s inventories are measured at the lower of cost and net realisable value, and the calculation of the net realisable value used in obsolete inventories or inventories which are over a certain period involves subjective judgement. Since abovementioned inventories and allowance for inventory valuation losses are significant to the parent company only financial statements, we identified the Company and Episil-Precision Inc.'s allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

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

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

inventory valuation losses to assess the reasonableness of allowance for inventory valuation losses.

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

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

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

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

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

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

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

7. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

8. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
11. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

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

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

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

Hsieh, Chih-Cheng

Lin, Yu-Kuan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 7, 2023

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

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

EPISIL TECHNOLOGIES INC. (Formerly EPISIL HOLDING INC.)
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,749,040	21	\$ 655,892	11
1150	Notes receivable, net	6(2)	27,324	-	27,752	-
1170	Accounts receivable, net	6(2)	317,780	4	370,999	6
1180	Accounts receivable - related parties	6(2) and 7	7,035	-	46,195	1
1200	Other receivables		30,237	-	13,148	-
1210	Other receivables - related parties	7	5,028	-	16,187	-
1220	Current income tax assets		871	-	449	-
130X	Inventories	6(3)	892,702	10	586,706	10
1410	Prepayments		68,003	1	62,066	1
1470	Other current assets		2,186	-	7,563	-
11XX	Current Assets		<u>3,100,206</u>	<u>36</u>	<u>1,786,957</u>	<u>29</u>
Non-current assets						
1535	Non-current financial assets at amortised cost	6(1) and 8	185,026	2	54,668	1
1550	Investments accounted for using equity method	6(4)	3,344,756	40	2,987,730	48
1600	Property, plant and equipment	6(5)	1,410,184	17	870,512	14
1755	Right-of-use assets	6(6)	338,626	4	359,360	6
1760	Investment property, net	6(8)	1,968	-	2,070	-
1780	Intangible assets	6(9)	23,180	-	12,344	-
1840	Deferred income tax assets	6(27)	99,133	1	99,133	2
1900	Other non-current assets		726	-	218	-
15XX	Non-current assets		<u>5,403,599</u>	<u>64</u>	<u>4,386,035</u>	<u>71</u>
1XXX	Total assets		<u>\$ 8,503,805</u>	<u>100</u>	<u>\$ 6,172,992</u>	<u>100</u>

(Continued)

EPISIL TECHNOLOGIES INC. (Formerly EPISIL HOLDING INC.)
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current liabilities						
2100	Short-term borrowings	6(10)	\$ -	-	\$ 217,510	4
2130	Current contract liabilities	6(20)	207,250	2	125,525	2
2170	Accounts payable	6(11)	134,702	2	152,750	3
2180	Accounts payable - related parties	7	181,084	2	152,760	2
2200	Other payables	6(12)	481,478	6	250,230	4
2220	Other payables - related parties	7	35,805	-	51,106	1
2280	Current lease liabilities		18,490	-	18,734	-
2399	Other current liabilities		144,602	2	74,557	1
21XX	Current Liabilities		<u>1,203,411</u>	<u>14</u>	<u>1,043,172</u>	<u>17</u>
Non-current liabilities						
2530	Corporate bonds payable	6(13)	1,071,621	13	112,703	2
2580	Non-current lease liabilities		332,470	4	350,376	6
2640	Accrued pension liabilities	6(14)	122,239	1	175,157	3
2670	Other non-current liabilities, others		-	-	18,067	-
25XX	Non-current liabilities		<u>1,526,330</u>	<u>18</u>	<u>656,303</u>	<u>11</u>
2XXX	Total Liabilities		<u>2,729,741</u>	<u>32</u>	<u>1,699,475</u>	<u>28</u>
Equity						
Share capital						
3110	Share capital - common stock	6(16)	3,332,035	39	3,306,664	53
Capital surplus						
3200	Capital surplus	6(17)	1,538,222	18	955,567	15
Retained earnings						
3310	Legal reserve	6(18)	30,356	-	7,120	-
3320	Special reserve		72,140	1	43,947	1
3350	Unappropriated retained earnings		903,127	11	232,359	4
Other equity interest						
3400	Other equity interest	6(19)	(101,816)	(1)	(72,140)	(1)
3XXX	Total equity		<u>5,774,064</u>	<u>68</u>	<u>4,473,517</u>	<u>72</u>
Significant commitments and contingencies						
Significant events after the reporting period						
3X2X	Total liabilities and equity		<u>\$ 8,503,805</u>	<u>100</u>	<u>\$ 6,172,992</u>	<u>100</u>

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

EPISIL TECHNOLOGIES INC. (Formerly EPISIL HOLDING INC.)
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Year ended December 31					
Items		Notes	2022		2021		
			AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(20) and 7	\$ 3,659,842	100	\$ 2,697,074	100	
5000	Operating costs	6(3)(25)(26) and 7	(3,042,461)	(83)	(2,438,749)	(90)	
5900	Operating margin		<u>617,381</u>	<u>17</u>	<u>258,325</u>	<u>10</u>	
	Operating expenses	6(25)(26) and 7					
6100	Selling and marketing expenses		(45,154)	(1)	(36,226)	(1)	
6200	General and administrative expenses		(194,257)	(6)	(146,850)	(6)	
6300	Research and development expenses		(74,097)	(2)	(55,833)	(2)	
6000	Total operating expenses (losses)		<u>(313,508)</u>	<u>(9)</u>	<u>(238,909)</u>	<u>(9)</u>	
6900	Operating profit		<u>303,873</u>	<u>8</u>	<u>19,416</u>	<u>1</u>	
	Non-operating income and expenses						
7100	Interest income	6(21)	8,077	-	742	-	
7010	Other income	6(22)	5,908	-	8,591	-	
7020	Other gains and losses	6(23)	108,871	3	(8,044)	-	
7050	Finance costs	6(24)	(13,601)	-	(18,265)	(1)	
7070	Share of profit of associates and joint ventures accounted for using equity method	6(4)	<u>407,867</u>	<u>11</u>	<u>229,595</u>	<u>9</u>	
7000	Total non-operating income and expenses		<u>517,122</u>	<u>14</u>	<u>212,619</u>	<u>8</u>	
7900	Profit before income tax		<u>820,995</u>	<u>22</u>	<u>232,035</u>	<u>9</u>	
7950	Income tax expense	6(27)	-	-	-	-	
8000	Profit for the year from continuing operations		<u>820,995</u>	<u>22</u>	<u>232,035</u>	<u>9</u>	
8200	Profit for the year		<u>\$ 820,995</u>	<u>22</u>	<u>\$ 232,035</u>	<u>9</u>	
	Other comprehensive income (loss), net						
	Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Gains (losses) on remeasurements of defined benefit plans	6(14)	\$ 10,352	-	\$ 1,457	-	
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(4)	<u>(24,621)</u>	<u>-</u>	<u>2,704</u>	<u>-</u>	
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		<u>(14,269)</u>	<u>-</u>	<u>4,161</u>	<u>-</u>	
	Components of other comprehensive income that may be subsequently reclassified to profit or loss						
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that may be reclassified to profit or loss	6(4)	<u>1,528</u>	<u>-</u>	<u>(1,577)</u>	<u>-</u>	
8360	Components of other comprehensive income (loss) that may be subsequently reclassified to profit or loss		<u>1,528</u>	<u>-</u>	<u>(1,577)</u>	<u>-</u>	
8300	Other comprehensive (loss) income for the year		<u>(\$ 12,741)</u>	<u>-</u>	<u>\$ 2,584</u>	<u>-</u>	
8500	Total comprehensive income for the year		<u>\$ 808,254</u>	<u>22</u>	<u>\$ 234,619</u>	<u>9</u>	
	Basic earnings per share	6(28)					
9750	Basic earnings per share (in dollars)		<u>\$ 2.47</u>		<u>\$ 0.73</u>		
	Diluted earnings per share	6(28)					
9850	Diluted earnings per share (in dollars)		<u>\$ 2.44</u>		<u>\$ 0.73</u>		

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

EPISIL TECHNOLOGIES INC. (Formerly EPISIL HOLDING INC.)
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings			Other equity interest			Equity attributable to former owner of business combination under common control	Total equity	
		Share capital - common stock	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Total unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations			Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income
2021										
Balance at January 1, 2021		\$ 3,121,877	\$ 550,158	\$ 7,120	\$ 43,947	(\$ 516,091)	(\$ 4,793)	(\$ 69,605)	\$ 2,932	\$ 3,135,545
Profit for the year		-	-	-	-	232,035	-	-	-	232,035
Other comprehensive income (loss)		-	-	-	-	326	(1,577)	3,835	-	2,584
Total comprehensive income (loss)		-	-	-	-	232,361	(1,577)	3,835	-	234,619
Capital surplus used to offset accumulated deficits	6(17)	-	(516,089)	-	-	516,089	-	-	-	-
Changes in ownership interest in subsidiaries	6(17)	-	108,907	-	-	-	-	-	-	108,907
Cash capital increased by cash	6(16)(17)	60,000	321,294	-	-	-	-	-	-	381,294
Share-based payments-cash capital increased by cash reserved for subscription by employees	6(17)	-	5,617	-	-	-	-	-	13	5,630
Conversion of convertible bonds	6(16)(17)	124,787	471,076	-	-	-	-	-	-	595,863
Issuance of corporate bonds	6(17)	-	14,895	-	-	-	-	-	-	14,895
Difference between equity price and book value of the merger of subsidiaries	6(17)	-	(291)	-	-	-	-	-	(2,945)	(3,236)
Balance at December 31, 2021		\$ 3,306,664	\$ 955,567	\$ 7,120	\$ 43,947	\$ 232,359	(\$ 6,370)	(\$ 65,770)	\$ -	\$ 4,473,517
2022										
Balance at January 1, 2022		\$ 3,306,664	\$ 955,567	\$ 7,120	\$ 43,947	\$ 232,359	(\$ 6,370)	(\$ 65,770)	\$ -	\$ 4,473,517
Profit for the year		-	-	-	-	820,995	-	-	-	820,995
Other comprehensive income (loss)		-	-	-	-	16,935	1,528	(31,204)	-	(12,741)
Total comprehensive income (loss)		-	-	-	-	837,930	1,528	(31,204)	-	808,254
Appropriation of 2021 earnings	6(18)	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	23,236	-	(23,236)	-	-	-	-
Special reserve		-	-	-	28,193	(28,193)	-	-	-	-
Cash dividends		-	-	-	-	(115,733)	-	-	-	(115,733)
Changes in ownership interest in subsidiaries	6(17)	-	34,230	-	-	-	-	-	-	34,230
Cash capital increased by cash	6(16)(17)	22,000	184,186	-	-	-	-	-	-	206,186
Share-based payments-cash capital increased by cash reserved for subscription by employees	6(17)	-	2,420	-	-	-	-	-	-	2,420
Conversion of convertible bonds	6(16)(17)	3,371	21,017	-	-	-	-	-	-	24,388
Issuance of corporate bonds	6(17)	-	267,416	-	-	-	-	-	-	267,416
Cash contributed by non-controlling interests in subsidiaries' capital	6(17)	-	73,386	-	-	-	-	-	-	73,386
Balance at December 31, 2022		\$ 3,332,035	\$ 1,538,222	\$ 30,356	\$ 72,140	\$ 903,127	(\$ 4,842)	(\$ 96,974)	\$ -	\$ 5,774,064

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

EPISIL TECHNOLOGIES INC. (Formerly EPISIL HOLDING INC.)
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 820,995	\$ 232,035
Adjustments			
Adjustments to reconcile (profit) loss			
Depreciation expense	6(25)	191,684	181,996
Amortisation expense	6(25)	5,181	4,984
Gains on disposal of property, plant and equipment	6(23)	(81,378)	-
Share of profit of associates accounted for using equity method	6(4)	(407,867)	(229,595)
Finance costs	6(24)	7,677	15,656
Interest income	6(21)	(8,077)	(742)
Share-based payments	6(15)	2,420	5,630
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		428	(425)
Accounts receivable		53,219	(82,928)
Accounts receivable - related parties		39,160	21,920
Other receivables		(16,680)	5,615
Other receivables - related parties		11,159	-
Inventories		(305,996)	(120,717)
Prepayments		(6,359)	(21,500)
Other current assets		5,377	(5,950)
Changes in operating liabilities			
Contract liabilities		81,725	101,026
Accounts payable		(18,048)	19,033
Accounts payable - related parties		28,324	69,041
Other payables		195,387	(2,512)
Other payables - related parties		(15,301)	9,096
Other current liabilities		70,045	18,316
Other non-current liabilities		(18,067)	18,067
Accrued pension liabilities		(42,566)	(21,884)
Cash inflow generated from operations		592,442	216,162
Dividends received	6(4)	197,823	41,476
Interest received		7,668	737
Interest paid		(7,592)	(15,971)
Net cash flows from operating activities		<u>790,341</u>	<u>242,404</u>

(Continued)

EPISIL TECHNOLOGIES INC. (Formerly EPISIL HOLDING INC.)
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortised cost		(\$ 153,116)	(\$ 184,937)
Disposal of financial assets at amortised cost		22,758	206,237
Acquisition of ownership interests in subsidiaries	6(4)	(62,458)	(50,000)
Acquisition of property, plant and equipment	6(29)	(667,797)	(142,533)
Proceeds from disposal of property, plant and equipment		81,512	-
Acquisition of intangible assets	6(9)	(16,017)	(10,088)
(Increase)decrease in refundable deposits		(508)	97
Net cash flows used in investing activities		(795,626)	(181,224)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(30)	297,928	1,530,904
Repayments of short-term borrowings	6(30)	(515,438)	(1,709,235)
Repayments of long-term borrowings	6(30)	-	(333,323)
Payments of lease liabilities	6(30)	(18,808)	(18,660)
Issuance of corporate bonds	6(30)	1,244,298	601,770
Cash capital increased		206,186	381,294
Cash dividends paid	6(18)	(115,733)	-
Net cash flows from financing activities		1,098,433	452,750
Net increase in cash and cash equivalents		1,093,148	513,930
Cash and cash equivalents at beginning of year		655,892	141,962
Cash and cash equivalents at end of year		\$ 1,749,040	\$ 655,892

EPISIL TECHNOLOGIES INC
(Formerly EPISIL HOLDING INC.)

Attachment 5: Improve the implementation report of the business plan

1. Evaluation basis: According to the Financial Supervisory Commission's approval of the company's offering and issuance of securities on May 28, 2021, it is necessary to report to the board of directors on a quarterly basis to explain the implementation of sound business plans.

2. The company's sound business plan: to improve capacity utilization, eliminate idle capacity, continue to reduce production costs, improve yield and quality in an all-round way, and control related operating expenses frugally.

3. The implementation of the company's sound business plan for 2022 is as follows:

Project \ Year	2022			
	Actual number	Budget number	The number of differences	Fulfillment rate
Operating revenue	8,880	6,711	2,169	132%
Operating costs	7,144	6,032	1,112	118%
Gross profit from operation	1,736	678	1,058	256%
Gross margin	19%	10%		
operating expenses	633	453	180	140%
Operating profit	1,103	225	878	490%
non-operating income and expenses	184	5	179	3680%
Profit before income tax	1,287	230	1,057	560%

4. Explanation of achieving the operating plan: The Operating revenue, Gross profit from operation and Profit before income tax of 2022 have all reached the operating plan, and the sound operation plan is in line with the implementation progress.

Episil Technologies Inc

Attachment 6: Articles of Incorporation Amendment Comparison Table

Article	Before Amendments	After Amendments	Description
8	Shareholders' associations and temporary meetings are often held at least once a year, and they are held within six months after the end of each accounting year. The temporary will be convened in accordance with the relevant laws and regulations.	Shareholders' associations and temporary meetings are often held at least once a year, and they are held within six months after the end of each accounting year. The temporary will be convened in accordance with the relevant laws and regulations. <u>When the company convened a shareholders' meeting, it can be handled in a video conference or other announcements by the central authority.</u>	Cooperate with the provisions of Article 172 of the Company Law to add the second item.
2	These Articles of Incorporation were enacted on June 6, 2014. The first amendment was made on June 8, 2016. The second amendment was made on June 12, 2019. The third amendment was made on August 20, 2021.	These Articles of Incorporation were enacted on June 6, 2014. The first amendment was made on June 8, 2016. The second amendment was made on June 12, 2019. The third amendment was made on August 20, 2021. <u>Fourth amendment on June 14, 2023.</u>	New revision date

Episil Technologies Inc

Attachment 7: Amendments to the Company’ s “Rules and Procedures of Shareholders’ Meeting” Comparison Table

Article	Before Amendments	After Amendments	Description
2	<p>The attending shareholders shall hand in attendance cards in lieu of signing on the attendance book.</p> <p>The number of shares of the attending shareholders in the meeting shall be calculated based on the attendance cards handed in and electronic voting records.</p>	<p>The attending shareholders shall hand in attendance cards in lieu of signing on the attendance book.</p> <p>The number of shares of the attending shareholders in the meeting shall be calculated based on the attendance cards handed in, <u>shares of video conference and paper/electronic voting records.</u></p>	<p>In order to use video conferences to hold a common meeting of shareholders, it is planned to increase the relevant provisions of the video shareholders’ meeting.</p>
3	<p>The place where the shareholders’ meeting should be held at the location of the company or the convenience of the shareholders’ meeting and the place suitable for the shareholders’ meeting. The start time of the meeting shall not be as early as 9 am or 3 pm.</p>	<p>The place where the shareholders’ meeting should be held at the location of the company or <u>convenience for shareholders to attend</u> and the place suitable for the shareholders’ meeting. The start time of the meeting shall not be as early as 9 am or 3 pm. .</p> <p><u>When the company holds a video-conference shareholders meeting, it is not subject to the restriction on the venue of the preceding paragraph.</u></p>	
5	<p>The process of the Meeting shall be taperecorded or videotaped and these tapes shall be preserved for at least one year.</p>	<p>The shareholders’ meeting <u>shall recording and recording the shareholders’ registration process, the meeting process, and the voting process of the shareholders from the time of acceptance of the shareholders’ report, and keep it for at least one year. However, those who filed a lawsuit by the company’s lawsuit in Article 189 shall be preserved until the end of the litigation.</u></p> <p><u>The shareholders’ meeting was held by the video conference, and the company should record and save the registered, registered, registered,</u></p>	

Article	Before Amendments	After Amendments	Description
		<u>questioning, questioning,</u> <u>voting, and company ticket</u> <u>results of the shareholders.</u> <u>Preserve it properly.</u>	
11	<p>When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder' s number(or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.</p> <p>Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.</p> <p>If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.44</p> <p>Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.</p> <p>If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each</p>	<p>When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder' s number(or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.</p> <p>Unless otherwise permitted by the chairman, each shareholder shall not, for each discussion item, speak more than two times (each time not exceeding 5 minutes). In case the speech of any shareholder violates the above provision or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.</p> <p>If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.44</p> <p>Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.</p> <p>If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each</p>	

Article	Before Amendments	After Amendments	Description
	<p>discussion item. After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.</p>	<p>discussion item. After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond. <u>The shareholders' meeting was held by the video conference and the shareholders involved in the video of the video. Before the chairman announced the meeting, before the announcement, the video conference platform of the shareholders meeting asked questions in text. The number of questions for each bill must not exceed twice. Two hundred words are limited to the provisions of the first to 5th paragraph.</u></p>	
13	<p>The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s). The result of voting shall be announced at the Meeting and placed on record.</p>	<p>The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s). <u>The voting operation of the shareholders' meeting or election proposal shall be disclosed at the shareholders' venue, and after the voting is completed, the voting results shall be announced on the spot, including the number of statistics, which will be recorded.</u></p>	<p>Modify the text description of the motion voting.</p>
14	<p>Except otherwise specified in the Company Law of the Republic of China or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after</p>	<p>Except otherwise specified in the Company Law of the Republic of China or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority of the votes represented by the shareholders present at the Meeting. <u>After the voting, the total number of voting rights of the chairman or the designated personnel of the chairman or its designated</u></p>	<p>Modify the voting method and add the relevant provisions of the video shareholders' meeting.</p>

Article	Before Amendments	After Amendments	Description
	solicitation by the chairman.	<p>personnel shall vote by the <u>shareholders one by one.</u> <u>The company convened a shareholder meeting video conference to participate in the shareholders who participated in the video. After the chairman announced the meeting, the voting of various bill voting and electoral mobility through the video conference platform should be performed. It is deemed to abstain.</u> <u>The shareholders' meeting was held at the video conference.</u> <u>After the chairman announced the vote, it was a one -time ticket, and the results of the voting and election should be announced.</u></p>	
19	The Rules were formulated on June 06, 2014	<p>The Rules were formulated on June 06, 2014 <u>The first amendment on June 14, 2023.</u></p>	New revision date

Episil Technologies Inc

Attachment 8: Amendments to the Company's "Procedures for Asset Acquisition & Disposal" Comparison Table

Article	Before Amendments	After Amendments	Description
8	<p>Standards for Announcement and Reporting</p> <p>If the company acquires or disposes of assets under any of the following circumstances, an announcement shall be made within two days from the day when the fact occurs in accordance with the prescribed format according to the nature:</p> <p>1. Acquiring or disposing of real estate or its right-to-use assets from related parties, or acquiring or disposing of other assets other than real estate or its right-to-use assets with related parties, and the transaction amount reaches 20% of the company's paid-in capital and 100% of its total assets. Ten percent or more than NT\$300 million. However, this does not apply to the purchase and sale of domestic government bonds or bonds subject to repurchase or repurchase conditions, and the purchase or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Carry out merger, division, acquisition or transfer of shares.</p> <p>3. The losses from derivative commodity transactions reach the upper limit of all or individual contract losses stipulated in the handling procedures.</p> <p>4. The type of asset acquired or disposed of is equipment for business use, and the transaction partner is not a</p>	<p>Standards for Announcement and Reporting</p> <p>If the company acquires or disposes of assets under any of the following circumstances, an announcement shall be made within two days from the day when the fact occurs in accordance with the prescribed format according to the nature:</p> <p>1. Acquiring or disposing of real estate or its right-to-use assets from related parties, or acquiring or disposing of other assets other than real estate or its right-to-use assets with related parties, and the transaction amount reaches 20% of the company's paid-in capital and 100% of its total assets. Ten percent or more than NT\$300 million. However, this does not apply to the purchase and sale of domestic government bonds or bonds subject to repurchase or repurchase conditions, and the purchase or repurchase of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Carry out merger, division, acquisition or transfer of shares.</p> <p>3. The losses from derivative commodity transactions reach the upper limit of all or individual contract losses stipulated in the handling procedures.</p> <p>4. The type of asset acquired or disposed of is equipment for business use, and the transaction partner is not a related party, and the transaction amount meets one of the following requirements: (1) Public offering companies whose paid-in capital is less than</p>	<p>Cooperate with law revision</p> <p>The company is converted into an industrial company and deletes investment as a professional project</p>

Article	Before Amendments	After Amendments	Description
	<p>related party, and the transaction amount meets one of the following requirements:</p> <p>(1) Public offering companies whose paid-in capital is less than NT\$10 billion, and whose transaction amount exceeds NT\$500 million.</p> <p>(2) Public offering companies with a paid-in capital of NT\$10 billion or more, and a transaction amount of NT\$1 billion or more.</p> <p>5. The real estate is acquired by self-construction, rented land commissioned construction, joint construction of subdivided houses, joint construction sharing, and joint construction and subsale, and the transaction object is not a related party, and the transaction amount expected to be invested by the company exceeds NT\$500 million..</p> <p>6. Asset transactions other than those mentioned in the preceding five paragraphs, disposition of creditor's rights by financial institutions, or investment in the mainland region, where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more. However, the following circumstances are not limited to this:</p> <p>(1) Buying and selling domestic government bonds.</p> <p>(2) Specializing in investment, buying and selling securities on domestic and overseas stock exchanges or business offices of securities firms, or subscribing and issuing ordinary corporate bonds and</p>	<p>NT\$10 billion, and whose transaction amount exceeds NT\$500 million.</p> <p>(2) Public offering companies with a paid-in capital of NT\$10 billion or more, and a transaction amount of NT\$1 billion or more.</p> <p>5. The real estate is acquired by self-construction, rented land commissioned construction, joint construction of subdivided houses, joint construction sharing, and joint construction and subsale, and the transaction object is not a related party, and the transaction amount expected to be invested by the company exceeds NT\$500 million..</p> <p>6. Asset transactions other than those mentioned in the preceding five paragraphs, disposition of creditor's rights by financial institutions, or investment in the mainland region, where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more. However, the following circumstances are not limited to this:</p> <p>(1) Buying and selling domestic government bonds <u>or foreign government bonds with a credit rating not lower than my country's sovereign rating.</u></p> <p>(2) Buying and selling bonds subject to buy-back and sell-back conditions, and purchasing or buying back money market funds issued by domestic securities investment trust enterprises.</p> <p>The transaction amount referred to in the preceding paragraph shall be calculated in the following manner:</p> <p>1. The amount of each transaction.</p> <p>2. Accumulated transaction amount</p>	

Article	Before Amendments	After Amendments	Description
	<p>general financial bonds that do not involve equity in the domestic primary market, or securities firms Underwriting business needs, acting as counseling for emerging companies and recommending securities firms to subscribe for securities in accordance with the regulations of the Republic of China Securities-OTC Trading Center.</p> <p>(三)</p> <p>(3) Buying and selling bonds subject to buy-back and sell-back conditions, and purchasing or buying back money market funds issued by domestic securities investment trust enterprises.</p> <p>The transaction amount referred to in the preceding paragraph shall be calculated in the following manner:</p> <ol style="list-style-type: none"> 1. The amount of each transaction. 2. Accumulated transaction amount of acquisition or disposal of the same nature target with the same counterparty within one year. 3. Accumulated acquisition or disposal within one year (acquisition and disposal are accumulated respectively) of the same development plan real estate or its right-to-use assets. 4. The accumulated amount of the same securities acquired or disposed of within one year (acquisition and disposal are accumulated separately). <p>The term “within one year” mentioned in the preceding paragraph is based on the date of the actual occurrence of</p>	<p>of acquisition or disposal of the same nature target with the same counterparty within one year.</p> <ol style="list-style-type: none"> 3. Accumulated acquisition or disposal within one year (acquisition and disposal are accumulated respectively) of the same development plan real estate or its right-to-use assets. 4. The accumulated amount of the same securities acquired or disposed of within one year (acquisition and disposal are accumulated separately). <p>The term “within one year” mentioned in the preceding paragraph is based on the date of the actual occurrence of this transaction, and one year is retroactively calculated, and the part that has been announced in accordance with the standards for the acquisition or disposal of assets by public companies is exempted from being counted.</p> <p>The company shall enter the status of derivatives transactions of the company and its subsidiaries that are not domestic public offering companies as of the end of the previous month into the information reporting website in accordance with the prescribed format on a monthly basis before the tenth day of each month.</p> <p>If there are errors or omissions in the announcement of the items that should be announced by the company according to the regulations, if there are errors or omissions that need to be corrected, it shall re-announce and report all the items within two days from the day when it is known.</p> <p>When the company acquires or disposes of assets, it shall keep</p>	

Article	Before Amendments	After Amendments	Description
	<p>this transaction, and one year is retroactively calculated, and the part that has been announced in accordance with the standards for the acquisition or disposal of assets by public companies is exempted from being counted. The company shall enter the status of derivatives transactions of the company and its subsidiaries that are not domestic public offering companies as of the end of the previous month into the information reporting website in accordance with the prescribed format on a monthly basis before the tenth day of each month.</p> <p>If there are errors or omissions in the announcement of the items that should be announced by the company according to the regulations, if there are errors or omissions that need to be corrected, it shall re-announce and report all the items within two days from the day when it is known.</p> <p>When the company acquires or disposes of assets, it shall keep relevant contracts, meeting minutes, reference books, valuation reports, and opinions from accountants, lawyers, or securities underwriters at the company, and keep them for at least five years unless otherwise stipulated by other laws.</p>	<p>relevant contracts, meeting minutes, reference books, valuation reports, and opinions from accountants, lawyers, or securities underwriters at the company, and keep them for at least five years unless otherwise stipulated by other laws.</p>	
10	<p>When the company acquires or disposes of real estate, equipment or its right-to-use assets, except for transactions with domestic government</p>	<p>When the company acquires or disposes of real estate, equipment or its right-to-use assets, except for transactions with domestic government agencies, self-</p>	<p>Cooperate with law revision</p>

Article	Before Amendments	After Amendments	Description
	<p>agencies, self-construction, leased land commissioned construction, or acquisition and disposal of equipment for business use or its right-to-use assets, the transaction amount reaches If the company's paid-in capital is 20% or NT\$300 million or more, it shall obtain a valuation report issued by a professional appraiser before the fact occurs, and shall meet the following requirements:</p> <p>1. When a fixed price, a specific price or a special price must be used as the reference basis for the transaction price due to special reasons, the transaction should be submitted to the board of directors for approval; if there is a subsequent change in the transaction conditions, the same applies.</p> <p>2. If the transaction amount exceeds NT\$1 billion, at least two professional appraisers should be invited for valuation.</p> <p>3. The valuation results of professional appraisers fall under any of the following circumstances, except that the valuation results of acquired assets are all higher than the transaction amount, or the valuation results of disposed assets are all lower than the transaction amount, accountants should be consulted according to the regulations issued by the Accounting Research and Development Foundation Auditing Standards Bulletin No. 20, and express specific opinions on</p>	<p>construction, leased land commissioned construction, or acquisition and disposal of equipment for business use or its right-to-use assets, the transaction amount reaches If the company's paid-in capital is 20% or NT\$300 million or more, it shall obtain a valuation report issued by a professional appraiser before the fact occurs, and shall meet the following requirements:</p> <p>1. When a fixed price, a specific price or a special price must be used as the reference basis for the transaction price due to special reasons, the transaction should be submitted to the board of directors for approval; if there is a subsequent change in the transaction conditions, the same applies.</p> <p>2. If the transaction amount exceeds NT\$1 billion, at least two professional appraisers should be invited for valuation.</p> <p>3. The valuation results of professional appraisers fall under any of the following circumstances, except that the valuation results of acquired assets are all higher than the transaction amount, or the valuation results of disposed assets are all lower than the transaction amount, an accountant should be consulted to clarify the reasons for the difference and the transaction price Concrete comments on permissibility:</p> <p>(1) The difference between the valuation result and the transaction amount is more than 20% of the transaction amount.</p> <p>(2) The difference between the valuation results of two or more professional appraisers amounts to</p>	

Article	Before Amendments	After Amendments	Description
	<p>the reasons for the differences and the fairness of transaction prices:</p> <p>(1) The difference between the valuation result and the transaction amount is more than 20% of the transaction amount.</p> <p>(2) The difference between the valuation results of two or more professional appraisers amounts to more than 10% of the transaction amount.</p>	<p>more than 10% of the transaction amount.</p> <p>4. The date of the report issued by the professional appraiser and the date of establishment of the contract shall not exceed three months. However, if it applies to the current value announced in the same period and it has not been more than six months, the original professional appraiser may issue a letter of opinion.</p>	
12	<p>Where the company acquires or disposes of intangible assets or its right-to-use assets or membership card transactions amounting to 20% of the company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, Accountants should be consulted to express their opinions on the rationality of the transaction price before the transaction occurs, and accountants should follow the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation.</p>	<p>If the company acquires or disposes of intangible assets or its right-to-use assets or membership card transactions amounting to 20% of the company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, An accountant should be consulted to express an opinion on the rationality of the transaction price before the fact occurs.</p>	<p>Cooperate with law revision Delete the text related to compliance with the audit bulletin</p>
14	<p>For valuation reports or opinions from accountants, lawyers, or securities underwriters obtained by the Company, the professional appraiser and its appraisers, accountants, lawyers, or securities underwriters shall meet the following requirements:</p> <p>1. Has not been sentenced to a fixed-term imprisonment of more than one year for violation of this Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, Commercial</p>	<p>For valuation reports or opinions from accountants, lawyers, or securities underwriters obtained by the Company, the professional appraiser and its appraisers, accountants, lawyers, or securities underwriters shall meet the following requirements:</p> <p>1. Has never been sentenced to fixed-term imprisonment of more than one year for violation of the <u>Securities Exchange Law</u>, Company Law, Banking Law, Insurance Law, Financial Holding Company Law, Commercial Accounting Law, or fraud, breach of trust,</p>	<p>Cooperate with law revision</p>

Article	Before Amendments	After Amendments	Description
	<p>Accounting Act, or fraud, breach of trust, embezzlement, forgery of documents, or crimes in business Sure.</p> <p>However, this restriction does not apply to those who have been executed, the probation period has expired, or three years have elapsed since the pardon.</p> <p>2. Circumstances in which the party to the transaction must not be a related party or have a substantial related party.</p> <p>3. If the company should obtain valuation reports from two or more professional appraisers, different professional appraisers or appraisers shall not be related or have substantial relationship with each other.</p> <p>The personnel in the preceding paragraph shall handle the following matters when issuing valuation reports or opinions:</p> <p>1. Before undertaking a case, one should carefully evaluate one's own professional ability, practical experience and independence.</p> <p>2. When reviewing a case, proper planning and implementation of the appropriate operating procedures should be made to form conclusions and issue reports or opinions based on them; and the procedures executed, data collected and conclusions should be detailed in the case working papers.</p> <p>3. The completeness, correctness, and rationality of the data sources, parameters, and information used should be evaluated item by item, so as</p>	<p>embezzlement, forgery of documents, or crimes in business</p> <p>Declare OK. However, this restriction does not apply to those who have been executed, the probation period has expired, or three years have elapsed since the pardon.</p> <p>2. Circumstances in which the party to the transaction must not be a related party or have a substantial related party.</p> <p>3. If the company should obtain valuation reports from two or more professional appraisers, different professional appraisers or appraisers shall not be related or have substantial relationship with each other.</p> <p>The personnel in the preceding paragraph shall handle the following matters when issuing valuation reports or opinions:</p> <p>1. Before undertaking a case, one should carefully evaluate one's own professional ability, practical experience and independence.</p> <p>2. When <u>enforcing</u> a case, proper planning and execution of appropriate operating procedures should be made to form conclusions and issue reports or opinions based on them; and the executed procedures, collected data, and conclusions should be detailed in the case work papers.</p> <p>3. The <u>appropriateness</u> and rationality of the data sources, parameters, and information used shall be evaluated item by item, so as to serve as the basis for issuing valuation reports or opinions.</p> <p>4. Statements should include matters such as the professionalism and independence</p>	

Article	Before Amendments	After Amendments	Description
	<p>to serve as the basis for issuing valuation reports or opinions.</p> <p>4. Statements should include matters such as the professionalism and independence of the relevant personnel, the reasonableness and correctness of the information used after evaluation, and compliance with relevant laws and regulations.</p>	<p>of the relevant personnel, the assessment that the information used is <u>appropriate</u> and reasonable, and compliance with relevant laws and regulations.</p>	
16	<p>The company acquires or disposes of real estate or its right-to-use assets from related parties, or acquires or disposes other assets other than real estate or its right-to-use assets with related parties, and the transaction amount reaches 20% of the company's paid-in capital or 10% of total assets or NT\$300 million or more, except for buying and selling domestic government bonds, bonds subject to repurchase or repurchase conditions, subscription or redemption of domestic money market funds, the following materials shall be submitted to the board of directors for approval , to sign a transaction contract and make payment:</p> <ol style="list-style-type: none"> 1. The purpose, necessity, and expected benefits of acquiring or disposing of assets. 2. Reasons for selecting related parties as transaction partners. 3. Acquisition of real estate or right-of-use assets from related parties, and relevant information on assessing the rationality of the predetermined transaction 	<p>The company acquires or disposes of real estate or its right-to-use assets from related parties, or acquires or disposes other assets other than real estate or its right-to-use assets with related parties, and the transaction amount reaches 20% of the company's paid-in capital or 10% of total assets or NT\$300 million or more, except for buying and selling domestic government bonds, bonds subject to repurchase or repurchase conditions, subscription or redemption of domestic money market funds, the following materials shall be submitted to the board of directors for approval , to sign a transaction contract and make payment:</p> <ol style="list-style-type: none"> 1. The purpose, necessity, and expected benefits of acquiring or disposing of assets. 2. Reasons for selecting related parties as transaction partners. 3. Acquisition of real estate or right-of-use assets from related parties, and relevant information on assessing the rationality of the predetermined transaction conditions in accordance with regulations. 4. Matters such as the date and price of the original acquisition 	Cooperate with law revision

Article	Before Amendments	After Amendments	Description
	<p>conditions in accordance with regulations.</p> <p>4. Matters such as the date and price of the original acquisition by the related party, the transaction partner and its relationship with the company and the related party.</p> <p>5. A cash receipt and expenditure forecast statement for each month in the coming year, which is expected to start from the contracting month, and evaluate the necessity of the transaction and the rationality of the use of funds.</p> <p>6. The appraisal report issued by a professional appraiser obtained in accordance with the provisions of the preceding article, or the opinion of an accountant.</p> <p>7. Restrictive conditions and other important agreed matters of this transaction.</p> <p>The calculation of the transaction amount in the preceding paragraph shall be in accordance with the second paragraph of Article 8, and the term "within one year" is based on the date when the transaction actually occurred, and is calculated retroactively for one year.</p> <p>Parts that have been submitted to the board of directors for approval in accordance with the "Guidelines for the Treatment of Assets Acquisition or Disposal by Public Issue Companies" are exempted from being included again.</p> <p>If there are independent directors, the opinions of independent directors shall be</p>	<p>by the related party, the transaction partner and its relationship with the company and the related party.</p> <p>5. A cash receipt and expenditure forecast statement for each month in the coming year, which is expected to start from the contracting month, and evaluate the necessity of the transaction and the rationality of the use of funds.</p> <p>6. The appraisal report issued by a professional appraiser obtained in accordance with the provisions of the preceding article, or the opinion of an accountant.</p> <p>7. Restrictive conditions and other important agreed matters of this transaction. <u>The company or its subsidiary that is not a domestic public offering company has the first transaction, and the transaction amount reaches more than 10% of the company's total assets. The company shall sign the transaction contract and make the payment after submitting the materials listed in item 1 to the general meeting of shareholders for approval. However, this does not apply to transactions between the company and its subsidiaries, or between its subsidiaries.</u></p> <p>The calculation of the transaction amount in <u>Paragraph 1 and the preceding Paragraph</u> shall be in accordance with Paragraph 2 of Article 8, and the term "within one year" refers to the date when the actual transaction occurred as the basis, and is retroactively calculated for one year. Parts that have been submitted to the <u>shareholders' meeting and the board of directors for approval in</u></p>	

Article	Before Amendments	After Amendments	Description
	<p>fully considered when submitting to the board of directors for discussion according to the first paragraph. If independent directors have objections or reserved opinions, they shall be stated in the minutes of the board meeting.</p> <p>If there is an audit committee, matters that should be recognized by the audit committee in accordance with the provisions of item 1 should first be approved by more than half of all members of the audit committee, and submitted to the board of directors for resolution. Items 4 and 5 of the Article.</p>	<p>accordance with the standards for the treatment of assets acquired or disposed of by public companies are exempted from being included again.</p> <p>If there are independent directors, the opinions of independent directors shall be fully considered when submitting to the board of directors for discussion according to the first paragraph. If independent directors have objections or reserved opinions, they shall be stated in the minutes of the board meeting.</p> <p>If there is an audit committee, matters that should be recognized by the audit committee in accordance with the provisions of item 1 should first be approved by more than half of all members of the audit committee, and submitted to the board of directors for resolution. Items 4 and 5 of the Article.</p>	
26	<p>The Rules were formulated on June 06, 2014</p> <p>The first amendment was made on June 22, 2017.</p> <p>The second amendment was made on June 12, 2019.</p>	<p>The Rules were formulated on June 06, 2014</p> <p>The first amendment was made on June 22, 2017.</p> <p>The second amendment was made on June 12, 2019.</p> <p><u>The third amendment on June 14, 2023.</u></p>	New revision date

Attachment 9: The Important Content of Private Placement

(1) Amount of financing

In response to the company's future development and enrichment of working capital, the company plans to issue common shares within the range of 50 million shares by private placement of cash. This private offering of common shares may be conducted once or in batches (no more than three times at most) within one year from the date of the resolution of the ordinary meeting of shareholders.

(2) The basis and rationality of Pricing:

1.The closing price of common stock shall be calculated by one, three or five business days prior to the pricing date, and the simple arithmetic average shall be deducted from the ex right and interest distribution of free allotment. Add back the stock price after capital reduction and anti ex right, or the simple arithmetic average of the closing price of common stock 30 business days before the pricing date, deducting the ex right and interest distribution of free allotment, and add back the stock price after capital reduction and anti ex right. The higher of the two benchmark prices is the reference price, and the actual issue price shall not be less than 80% of the reference price.

2.Considering the strict restrictions on the time, object and quantity of the transfer of private placement securities, and the fact that it is not allowed to negotiate for listing within three years, and that the liquidity is poor, it is reasonable to set the price of private placement according to the precautions of public offering companies in handling private placement securities.

3.After the actual pricing date is approved by the regular meeting of shareholders, the board of directors shall be authorized to fix it at more than 80% of the reference price according to the current market situation.

(3) Necessary reasons for private placement:

1.Reasons for not adopting public offering: considering the timeliness, convenience and issue cost of the raised capital, it is proposed to issue new shares by means of cash capital increase through private placement.

2.Use of funds and expected benefits: depending on the market and the situation of negotiating with specific people, the company will handle the matter in one or more times (no more than 3 times at most). The funds raised by private placement in each time will be used to enrich the working capital or repay the bank loan to strengthen the financial structure. Each private placement is expected to enhance the competitiveness of the company, enhance operational efficiency and strengthen the financial structure, which will be beneficial to shareholders' equity.

(4) According to article 43-6 of the securities and exchange law, private placement is adopted to increase capital in cash, excluding the preemptive right of the original shareholders and employees.

(5) How to choose a specific person:

Limited to strategic investors who meet the qualification requirements stipulated in Article 43-6,1 of the Securities and Exchange Act and can assist the Company in improving the quality of its technology, improving efficiency, expanding its market, etc. The purpose, necessity and expected benefits of a strategic investor who meets the conditions for pre-disclosure is to assist the Company in achieving the benefits of the disclosure through the technology, knowledge or channels of such strategic investors in response to the long-term development needs of the Company. Matters relating to the negotiation of specific persons are

proposed to the General Meeting of Shareholders to authorize the Board of Directors to do so.

- (6) The rights and obligations of this private placement of new shares are the same as those of the common shares issued by the company. However, according to the provisions of the securities and exchange law, the common shares of this private placement shall not be freely transferred within three years after delivery. After three years of delivery, the company plans to apply to the competent authority for OTC trading in accordance with the relevant provisions of the securities and exchange law.
- (7) It is proposed to request the regular meeting of shareholders to authorize the board of directors to handle the actual issuance conditions, planned projects, estimated progress and expected possible benefits of the domestic current add-on through private placement in accordance with the operating conditions of the company at that time and the maximization of shareholders' equity.

APPENDICES

Appendix 1: Articles of Incorporation

EPISIL TECHNOLOGIES INC
(Formerly EPISIL HOLDING INC.)
Articles of Incorporation

Chapter 1. General Provisions

Article 1 The Company shall be incorporated in accordance with the Company Act and the requirements of relevant acts, and its name is 漢磊科技股份有限公司 in Chinese, EPISIL TECHNOLOGIES INC. in English.

Article 2 The business operated by the Company:

- I. CC01080 electronic components manufacturing industry
- II. I501010 product design industry
- III. IZ99990 Other industrial and commercial services (testing of linear integrated circuits and hybrid integrated circuits)
- IV. I199990 Other Consulting Services (Consulting Services for Application Consulting Services and Semiconductor Impurity Distribution Research)
- V. F401010 International Trade Industry

i、

- (i) Manufacture and sales of crystalline silicon chips.
- (ii) Leijing application consulting services.
- (iii) Consulting services for semiconductor impurity distribution research.
- (iv) Linear integrated circuit manufacturing services and testing.
- (v) Manufacture and testing of mixed integrated circuits (Mixed Mode IC).

The research and development, design, manufacture, sales, promotion, and after-sales service of the above projects and their application products.

ii、 Research and development of the following process technologies to engage in 6-inch silicon wafer foundry services:

- (i) Trench Power MOSFET and insulated gate dual-carrier transistor (IGBT) process
- (ii) 2.0.5um below the dual load process. (Bipolar)
- (iii) Bipolar complementary gold-oxygen semiconductor process below 3.0.5um (Bicmos)
- (iv) High power integrated circuit process (Bipolar, CMOS, Diffusion; BCD).

Article 2-1 The company's reinvestment is not subject to the restriction that the total amount of reinvestment shall not exceed 40% of the paid in capital as stipulated in the company law. Matters relating to reinvestment shall be handled by resolution of the board of directors.

Article 2-2 The Company may act as a guarantor as required.

Article 3 The company is headquartered in Hsinchu, Taiwan. If necessary, it may set up branches at home and abroad after the resolution of the board of directors and the approval of the competent authority.

Article 4 Public notices by the Company shall be made in accordance with Article 28 of the Company Act.

Chapter 2. Shares

Article 5 The total capital stock of the Company shall be in the amount of NTD5,000,000,000, divided into 500,000,000 shares, at NTD10 par value, and authorized the Board to issue in batches.

In the first paragraph, NT \$500 million will be reserved for the issuance of employee stock warrants, with a total of 50 million shares of NT \$10 per share, which may be issued in installments in accordance with the resolution of the board of directors.

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

The company's employee stock option certificates are issued to the target, which may include employees of the controlling or subordinate companies who meet certain conditions

When the company issues new shares, the employees who purchase the shares may include employees of the controlling or subordinate companies who meet certain conditions

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

Article 5-1 An employee stock option certificate issued by the

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

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

Article 6 The share certificate of the company issued shall all be name bearing and shall be affixed with the seals or signatures by the directors representing of the company, and shall be duly authenticated pursuant to the law. Printing hard copy share certificates is not always necessary, but all shares issued should be registered in Taiwan Depository & Clearing Corporation.

Article 7 The changes recorded in the register of shareholders shall cease within 60 days before the ordinary meeting of shareholders, 30 days before the extraordinary meeting of shareholders, or 5 days before the base date of the company's resolution to distribute dividends, dividends or other benefits.

Section 3. Shareholders Meetings

Article 8 Shareholders meetings shall be of two types, general meetings and special meetings. General meetings shall be convened once a year, within six months from the end of each fiscal year in accordance with law. Special meetings shall be convened in accordance with the law, whenever necessary.

Article 9 If a shareholder is unable to attend the shareholders' meeting for some reason, he may issue a power of attorney issued by the company to specify the scope of authorization and entrust an agent to attend. In addition to the provisions of article 177 of the company law, the rules for the use of power of attorney by public companies to attend shareholders' meetings promulgated by the competent authority shall apply.

- Article 10 Shareholders of the company have one voting right per share.
- Article 11 Unless otherwise stipulated by relevant laws and regulations, resolutions of the shareholders' meeting shall be made in person or by proxy on behalf of more than half of the total number of shares issued and with the consent of more than half of the voting rights of the shareholders.
However, shares without voting rights shall not be counted as the total number of shares issued.

Section 4. Directors and audit committee

- Article 12 The company shall have seven to nine directors, who shall be elected by the board of shareholders from among the persons with capacity. The number of directors mentioned above shall include at least two independent directors, and shall not be less than one fifth of the number of directors. The directors of the company adopt the system of nomination of candidates in accordance with regulations. The audit committee shall exercise its functions and powers in accordance with Article 14-4 of the securities and exchange law and relevant laws and regulations.
- Article 13 Board meeting shall be organized by directors. When chairman election is held, there shall be over two thirds (2/3) of directors in presence, and over half of the directors in presence vote for the chairman elected. The chairman is the representative of the Company.
- Article 14 The board of directors shall be convened by the chairman of the board of directors at least once a quarter.
Unless otherwise provided by law, a resolution of the board of directors shall be made with the consent of more than half of the directors present.
- Article 15 When the chairman of the board of directors asks for leave or is unable to exercise his powers for some reason, his agent shall act in accordance with Article 208 of the company law.
A director shall attend the meeting of the board of directors in person. If a director is unable to attend the meeting for some reason, he may entrust another director to act as his agent. The agent mentioned in the preceding paragraph shall be limited to one person.
A meeting of the board of directors may be held by

video conference. If a director participates in the meeting by video conference, he shall be deemed to be present in person.

Article 16 The compensation to chairman and directors is authorized to board meeting to decide based on the involvement and contribution to the operation and benchmarks in the industries as a reference.

Article 17 The company may take out liability insurance for directors and managers

Section 5. Agent

Article 18 The Company may have a president. Appointment, removal, and remuneration of the president shall be handled in accordance with Article 29 of the Company Act.

Section 6. Accounting

Article 19 After the end of each fiscal year, the Board of Directors shall have the following documents prepared and submit the same for recognition at the annual general shareholders meeting in accordance with statutory procedures.

1. The business report.
2. The financial statements.
3. The proposal for distribution of earnings or making up loss.

Article 20 The company authorizes the board of directors to present more than two-thirds of the directors and the resolution of more than half of the directors to distribute all or part of the dividends and bonus in the form of cash and report to the shareholders' meeting, which is not applicable to the provisions of the relevant shareholders' meeting resolution. The company authorizes the board of directors to present more than two-thirds of the directors and the resolution of more than half of the directors to distribute all or part of the dividends and bonus in the form of cash and report to the shareholders' meeting, which is not applicable to the provisions of the relevant shareholders' meeting resolution. The company is a high-tech enterprise with stable development. Considering the environment and growth stage of the company, the company's future capital demand and long-term financial planning, and meeting the shareholders' demand for cash inflow, if the company has a surplus after the annual accounts, the cash dividends and dividends paid each year shall

not be less than 10% of the total cash dividends and stock dividends and the dividends paid this year.

Article20-1

The company shall pay not less than one ten thousandth of the profits of the current year to its employees and allocate not more than two percent of the directors' remuneration. However, if the company still has accumulated losses, it shall make up for them.

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

The profit status of the current year referred to in paragraph 1 refers to the profit of the current year before deducting the remuneration of employees and directors.

The distribution of employees' and directors' remuneration shall be made by resolution of the board of directors with more than two-thirds of the directors present and with the consent of more than half of the directors present, and shall be reported to the shareholders' meeting

Article20-2

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

Section 7. Supplementary Provisions

Article 21

In case of any matters not covered herein, the Company Act shall govern.

Article 22

These Articles of Incorporation were enacted on June 6, 2014.

The first amendment was made on June 8, 2016.

The second amendment was made on June 12, 2019.

The third amendment was made on August 20, 2021.

Appendix 2: Rules and Procedures of Shareholders' Meeting

EPISIL TECHNOLOGIES INC

(Formerly EPISIL HOLDING INC.)

Rules and Procedures of Shareholders' Meeting

Article1 The shareholders' meeting of the company shall be conducted in accordance with these rules. Matters not stipulated in these rules shall be handled in accordance with relevant laws and regulations.

Article2 Attending shareholders should submit attendance cards to sign in.
The number of shares attended is calculated according to the attendance card submitted.

Article3 The place where the shareholders' meeting is held shall be the location of the company or a place that is convenient for the shareholders' meeting to attend and is suitable for holding the shareholders' meeting. Meetings should start no earlier than 9:00 am or later than 3:00 pm.

Article4 The company may designate lawyers, accountants or relevant personnel appointed by it to attend the shareholders' meeting. The staff handling the shareholders' meeting should wear identification cards or armbands.

Article5 The process of the shareholders' meeting shall be audio or video-recorded throughout, and shall be kept for at least one year.

If the shareholders' meeting is convened by the board of directors, the chairman shall be the chairman. If the chairman is on leave or unable to exercise his powers for some reason, the vice-chairman or other directors shall act as proxy in accordance with the provisions of Article 208 of the Company Law of the Republic of China.

If the shareholders' meeting is convened by a person other than the board of directors who has the right to convene, the chairman of the meeting shall be the convener.

Article6 If the shareholders' meeting is convened by the board of directors, the chairman shall be the chairman. If the chairman is on leave or unable to exercise his powers for some reason, the vice-chairman or other directors shall act as proxy in accordance with the provisions of Article 208 of the

Company Law of the Republic of China.

If the shareholders' meeting is convened by a person other than the board of directors who has the right to convene, the chairman of the meeting shall be the convener serve as it.

Article7 When the meeting time has expired, the chairman shall announce the opening of the meeting immediately. However, if shareholders representing more than half of the total issued shares are not present, the chairman may announce the postponement of the meeting. The number of postponements shall be limited to two times, and the total delay shall not exceed one Hour. If two delays are still insufficient and there are shareholders representing more than one-third of the total issued shares present, it may be a false resolution in accordance with Article 175, Paragraph 1 of the Company Law. The execution of this dummy resolution shall be handled in accordance with the relevant provisions of the Company Law.

Before the end of the current meeting, if the number of shares represented by the attending shareholders reaches more than half of the total number of issued shares, the chairman may resubmit the false resolution made to the general meeting for voting in accordance with Article 174 of the Company Law.

Article8 If the shareholders' meeting is convened by the board of directors, the agenda shall be determined by the board of directors, and the meeting shall be conducted in accordance with the scheduled agenda, which shall not be changed without a resolution of the shareholders' meeting.

If the shareholders' meeting is convened by a person other than the board of directors who has the right to convene, the provisions of the preceding paragraph shall apply *mutatis mutandis*.

Before the conclusion of the agenda (including temporary motions) scheduled in the first two items, the chairman shall not adjourn the meeting without a resolution. After the meeting is adjourned, shareholders are not allowed to elect another chairman to continue the meeting at the original location or find another place. However, if the chairman violates the rules of procedure and announces the adjournment of the meeting, the meeting may continue with the

consent of more than half of the voting rights of the present shareholders to elect one person as the chairman.

Article9 Shareholders present have the obligation to observe the rules of the meeting, obey resolutions, and maintain order in the meeting place.

Article10 When a legal person is entrusted to attend the shareholders' meeting, the legal person may only designate one representative to attend.

Article11 When presenting shareholders make a speech, they must first fill in a speech note to specify the gist of the speech, shareholder account number (or attendance card number) and account name, and the chairman will determine the order of their speeches.

Each shareholder's speech on the same proposal shall not exceed two times without the consent of the chairman, and each time shall not exceed five minutes. If a shareholder's speech violates this provision or exceeds the scope of the topic, the chairman may stop the shareholder from speaking. Shareholders attending the meeting who only put forward speech slips but did not make a speech shall be deemed as having not made a speech. If the content of the speech is inconsistent with the record of the speech, the content of the speech shall prevail. When a shareholder present speaks, other shareholders are not allowed to interfere with the speech unless the chairman and the shareholder who speaks agree, and the chairman should stop the violation.

When a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one person may speak on the same proposal.

After attending shareholders' speeches, the chairman may reply in person or by designating relevant personnel.

Article12 When the chairman deems that the discussion of the proposal has reached a level that can be voted on, he may announce the suspension of the discussion and put it to the vote.

Article13 The scrutiny and counting personnel for voting on proposals shall be designated by the chairman, but the scrutiny personnel shall have the status of shareholders. The voting results shall be reported on the spot and recorded.

Article14 Unless otherwise stipulated by the company law or the company's articles of

association, the voting on the proposal shall be passed with the consent of more than half of the voting rights of the shareholders present. If there is no objection after consultation by the chairman, it shall be deemed to be passed, and its effect is the same as voting by poll.

Article15 When the meeting is in progress, the chairman may announce a break at a discretionary time. If an irresistible event occurs, the chairman may rule to temporarily suspend the meeting, and announce the time for the continuation of the meeting as the case may be, or waive the notice within five days after the resolution of the shareholders' meeting. Announcement to continue the meeting.

Article16 When there is an amendment or alternative to the same proposal, the chairman shall determine the order of voting with the original proposal. If one of the proposals has been passed, the other proposals shall be deemed to be rejected, and there is no need to vote again.

Article17 The chairman may direct pickets or security personnel to assist in maintaining order at the venue. When pickets or security personnel are present to help maintain order, they should wear armbands with the words "Pickets".

Article18 These rules shall come into force after being passed by the shareholders' meeting, and the same shall apply when they are revised.

Article19 These rules were established on June 6, 2014.

Appendix 3: Procedures for Asset Acquisition & Disposal

EPISIL TECHNOLOGIES INC

(Formerly EPISIL HOLDING INC.)

Procedures for Asset Acquisition & Disposal

Article 1 Purpose

In order to protect investment and implement information disclosure, the company's acquisition or disposal of assets should be handled in accordance with this procedure.

Article 2 Basis

This processing procedure is handled in accordance with Article 36-1 of the Securities Exchange Law and the "Guidelines for Handling Assets Acquisition or Disposal of Publicly Issued Companies".

Article 3 The scope of application of assets referred to in this procedure

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities of commutation funds, depositary receipts, subscription (put) warrants, beneficiary securities, and asset-backed securities.
2. Real estate (including land, buildings and buildings, investment real estate) and plant and equipment.
3. Membership card.
4. Intangible assets such as patents, copyrights, trademarks, franchises, etc.
5. Right-of-Use Assets
6. Creditor's rights of financial institutions (including receivables, foreign exchange purchases and discounts, loans, and collections).
7. Derivative commodities.
8. Assets acquired or disposed of through legal merger, division, acquisition, or transfer of shares.
9. Other important assets.

Article 4 Evaluation procedure

1. When acquiring or disposing of securities that are not traded in a centralized trading market or a securities firm's business premises, the net value per share, profitability, future development potential, market interest

rate, bond coupon rate, debtor' s creditworthiness, and transaction price at that time shall be considered. Of.

2. Acquisition or disposal of securities that have been traded in the centralized trading market or the business offices of securities firms shall be determined according to the current equity or bond prices.

3. To acquire or dispose of other assets mentioned in the preceding two paragraphs, choose one of the methods of price inquiry, price comparison, price negotiation or public bidding, and should refer to the announced current value, assessed current value, actual transaction price of adjacent real estate, etc. This procedure stipulates that the reporting standards shall be announced, and the valuation report of a professional valuer shall be referred to.

Article 5 Asset Acquisition or Disposal Procedures

1. To acquire or dispose of assets, the undertaking unit shall, after assessing the reasons for the proposed acquisition or disposal, the subject matter, the counterparty to the transaction, the transfer price, the conditions for receipt and payment, and the price reference basis, etc., submit a petition to the responsible unit for adjudication, and the management shall Departmental implementation, related matters are handled in accordance with the relevant operating regulations of the company' s internal control system and this handling procedure.

2. The company' s executive unit for long-term and short-term securities investment is the management center, and the executive unit for real estate, equipment or assets with the right to use them is the user department and related responsible units. Other assets that are not securities investment, real estate, equipment or their right-to-use assets shall be evaluated by the relevant execution unit.

3. The acquisition or disposal of relevant assets shall be carried out in accordance with the relevant provisions of the company' s internal control system. If a major violation is found, the relevant personnel shall be punished according to the violation.

Article6 Approval authority

1. Negotiable securities: Authorize the general manager to conduct transactions within the quota stipulated in Article 7 of these handling procedures. If the transaction amount meets the standards for announcement and reporting in Article 8, acquire or dispose of stocks that are not traded in centralized trading markets or OTC trading centers As well as corporate bonds and privately placed securities, they should be approved by the board of directors before proceeding.
2. The acquisition or disposal of real estate or its right-to-use assets from related parties, or other assets other than real estate or its right-to-use assets with related parties, shall be handled in accordance with the provisions of Article 16 of these procedures.
3. Merger, division, acquisition or transfer of shares: it shall be handled in accordance with the relevant provisions of this procedure.
4. Others: It shall be handled in accordance with the operating procedures stipulated in the internal control system and the authority for verification and approval. If the transaction amount reaches the announcement and declaration standard in Article 8, other than the acquisition or disposal of equipment for business use or assets with the right to use it, the other shall first Approved by the resolution of the board of directors.

Article7 Investment amount

1. When the company and its subsidiaries purchase real estate, equipment or right-of-use assets not for business use, the total investment shall not exceed 20% of the net value in their latest financial statements.
2. The total amount of securities invested by the company shall not exceed 200% of the company's net value, and the limit for obtaining individual securities shall not exceed 100% of the company's net value, unless approved by the board of directors.

Article8 Standards for Announcement and Reporting

If the company acquires or disposes of assets under any of the following circumstances, an announcement shall be made within two days from the day when

the fact occurs in accordance with the prescribed format according to the nature:

1. Acquiring or disposing of real estate or its right-to-use assets from related parties, or acquiring or disposing of other assets other than real estate or its right-to-use assets with related parties, and the transaction amount reaches 20% of the company's paid-in capital and 100% of its total assets. Ten percent or more than NT\$300 million. However, this does not apply to the purchase and sale of domestic government bonds or bonds subject to repurchase or repurchase conditions, and the purchase or repurchase of money market funds issued by domestic securities investment trust enterprises.
2. Carry out merger, division, acquisition or transfer of shares.
3. The losses from derivative commodity transactions reach the upper limit of all or individual contract losses stipulated in the handling procedures.
4. The type of asset acquired or disposed of is equipment for business use, and the transaction partner is not a related party, and the transaction amount meets one of the following requirements:
 - (1) Public offering companies whose paid-in capital is less than NT\$10 billion, and whose transaction amount exceeds NT\$500 million.
 - (2) Public offering companies with a paid-in capital of NT\$10 billion or more, and a transaction amount of NT\$1 billion or more.
5. The real estate is acquired by self-construction, rented land commissioned construction, joint construction of subdivided houses, joint construction sharing, and joint construction and sub-sales, and the transaction object is not a related party, and the company's estimated investment transaction amount reaches NT\$5 more than 100 million yuan.
6. Asset transactions other than those mentioned in the preceding five paragraphs, disposition of creditor's rights by financial institutions, or investment in the mainland region, where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more. However, the following circumstances are not limited to this:
 - (1) Buying and selling domestic government bonds.

(2) Specializing in investment, buying and selling securities on domestic and overseas stock exchanges or business offices of securities firms, or subscribing and issuing ordinary corporate bonds and general financial bonds that do not involve equity in the domestic primary market, or securities firms Underwriting business needs, acting as counseling for emerging companies and recommending securities firms to subscribe for securities in accordance with the regulations of the Republic of China Securities OTC Trading Center.

(3) Buying and selling bonds subject to buy-back or sell-back conditions, and purchasing or buying back money market funds issued by domestic securities investment trust enterprises.

The transaction amount referred to in the preceding paragraph shall be calculated in the following manner:

1. The amount of each transaction.
2. Accumulated transaction amount of acquisition or disposal of the same nature target with the same counterparty within one year.
3. Accumulated acquisition or disposal within one year (acquisition and disposal are accumulated respectively) of the same development plan real estate or its right-to-use assets.
4. The accumulated amount of the same securities acquired or disposed of within one year (acquisition and disposal are accumulated separately).

The term “within one year” mentioned in the preceding paragraph is based on the date of the actual occurrence of this transaction, and one year is retroactively calculated, and the part that has been announced in accordance with the standards for the acquisition or disposal of assets by public companies is exempted from being counted.

The company shall enter the status of derivatives transactions of the company and its subsidiaries that are not domestic public offering companies as of the end of the previous month into the information reporting website in accordance with the prescribed format on a monthly basis before the tenth day of each month.

If there are errors or omissions in the announcement of the items that should

be announced by the company according to the regulations, if there are errors or omissions that need to be corrected, it shall re-announce and report all the items within two days from the day when it is known.

When the company acquires or disposes of assets, it shall keep relevant contracts, meeting minutes, reference books, valuation reports, and opinions from accountants, lawyers, or securities underwriters at the company, and keep them for at least five years unless otherwise stipulated by other laws.

Article 9 Time limit for announcement and declaration

After the company announces and declares a transaction in accordance with the provisions of the preceding article, if one of the following circumstances occurs, it shall complete the announcement and declaration within two days from the day when the fact occurs:

1. There are changes, terminations, or rescissions in the relevant contracts signed for the original transaction.
2. The merger, division, acquisition or transfer of shares has not been completed according to the scheduled schedule in the contract.
3. The content of the original announcement has changed.

Article 10 When the company acquires or disposes of real estate, equipment or its right-to-use assets, except for transactions with domestic government agencies, self-construction, leased land commissioned construction, or acquisition and disposal of equipment for business use or its right-to-use assets, the transaction amount reaches If the company's paid-in capital is 20% or NT\$300 million or more, it shall obtain a valuation report issued by a professional appraiser before the fact occurs, and shall meet the following requirements:

1. When a fixed price, a specific price or a special price must be used as the reference basis for the transaction price due to special reasons, the transaction should be submitted to the board of directors for approval; if there is a subsequent change in the transaction conditions, the same applies.
2. If the transaction amount exceeds NT\$1 billion, at least two professional appraisers should be invited for valuation.
3. The valuation results of professional appraisers fall under any of the

following circumstances, except that the valuation results of acquired assets are all higher than the transaction amount, or the valuation results of disposed assets are all lower than the transaction amount, an accountant should be consulted in accordance with the accounting research of the Republic of China The Auditing Standards Bulletin No. 20 issued by the Development Foundation (hereinafter referred to as the Accounting Research and Development Foundation) provides specific opinions on the reasons for the differences and the fairness of the transaction price:

(1) The difference between the valuation result and the transaction amount is more than 20% of the transaction amount.

(2) The difference between the valuation results of two or more professional appraisers amounts to more than 10% of the transaction amount.

4. The date of the report issued by the professional appraiser and the date of establishment of the contract shall not exceed three months. However, if it applies to the current value announced in the same period and it has not been more than six months, the original professional appraiser may issue a letter of opinion.

Article 11. When the company acquires or disposes of securities, it shall obtain the most recent financial statement of the company with the target that has been audited and certified by an accountant or reviewed as a reference for evaluating the transaction price before the fact occurs, and the transaction amount shall reach 20% of the company's paid-in capital. or NT\$300 million or more, an accountant should be consulted to express an opinion on the rationality of the transaction price before the fact occurs. However, this restriction shall not apply if the securities are publicly quoted in an active market or otherwise stipulated by the Financial Supervisory Commission.

Article 12 If the company acquires or disposes of intangible assets or its right-to-use assets or membership card transactions amounting to 20% of the company's paid-in capital or NT\$300 million or more, except for transactions with domestic government agencies, it shall A few days ago, I asked an accountant

to express his opinion on the rationality of the transaction price, and the accountant should handle it in accordance with the Auditing Standards Bulletin No. 20 issued by the Accounting Research and Development Foundation.

Article 12-1 The calculation of the transaction amount in the preceding three articles shall be handled in accordance with the provisions of Article 30, Item 2, of the Standards for the Acquisition or Disposal of Assets by Public Offering Companies, and the term "within one year" is calculated retroactively based on the date when the transaction actually occurred. For one year, the part of the valuation report or accountant's opinion issued by a professional valuer who has obtained a professional valuer in accordance with the provisions of this standard is exempted from being counted again.

Article 13 Where the company acquires or disposes of assets through court auction procedures, the certification documents issued by the court may be substituted for the valuation report or accountant's opinion.

Article 14 For valuation reports or opinions from accountants, lawyers, or securities underwriters obtained by the Company, the professional appraiser and its appraisers, accountants, lawyers, or securities underwriters shall meet the following requirements:

1. Has not been sentenced to a fixed-term imprisonment of more than one year for violation of this Act, Company Act, Banking Act, Insurance Act, Financial Holding Company Act, Commercial Accounting Act, or fraud, breach of trust, embezzlement, forgery of documents, or crimes in business Sure. However, this restriction does not apply to those who have been executed, the probation period has expired, or three years have elapsed since the pardon.
2. Circumstances in which the party to the transaction must not be a related party or have a substantial related party.
3. If the company should obtain valuation reports from two or more professional appraisers, different professional appraisers or appraisers shall not be related or have substantial relationship with each other.

The personnel in the preceding paragraph shall handle the following matters when issuing valuation reports or opinions:

1. Before undertaking a case, one should carefully evaluate one's own professional ability, practical experience and independence.
2. When reviewing a case, proper planning and implementation of the appropriate operating procedures should be made to form conclusions and issue reports or opinions based on them; and the procedures executed, data collected and conclusions should be detailed in the case working papers.
3. The completeness, correctness, and rationality of the data sources, parameters, and information used should be evaluated item by item, so as to serve as the basis for issuing valuation reports or opinions.
4. Statements should include matters such as the professionalism and independence of the relevant personnel, the reasonableness and correctness of the information used after evaluation, and compliance with relevant laws and regulations.

Article 15 When the company acquires or disposes of assets with related parties, in addition to going through relevant resolution procedures and assessing the rationality of the transaction conditions in accordance with the regulations, if the transaction amount reaches more than 10% of the company's total assets, professional valuation should also be obtained in accordance with the provisions of the previous section. Valuation report or accountant's opinion. The calculation of the transaction amount in the preceding paragraph shall be handled in accordance with the provisions of Article 12-1.

When judging whether the transaction object is a related party, in addition to paying attention to its legal form, the substantive relationship should also be considered.

Article 16 The company acquires or disposes of real estate or its right-to-use assets from related parties, or acquires or disposes other assets other than real estate or its right-to-use assets with related parties, and the transaction amount reaches 20% of the company's paid-in capital and 100% of its total assets. For 10 cents or more than NT\$300 million, except for the purchase and sale of domestic government bonds, bonds with repurchase or redemption conditions, purchase or redemption of domestic money market funds, the

following materials shall be submitted to the board of directors for approval before signing Transaction contract and payment:

1. The purpose, necessity, and expected benefits of acquiring or disposing of assets.
2. Reasons for selecting related parties as transaction partners.
3. Acquisition of real estate or right-of-use assets from related parties, and relevant information on assessing the rationality of the predetermined transaction conditions in accordance with regulations.
4. Matters such as the date and price of the original acquisition by the related party, the transaction partner and its relationship with the company and the related party.
5. A cash receipt and expenditure forecast statement for each month in the coming year, which is expected to start from the contracting month, and evaluate the necessity of the transaction and the rationality of the use of funds.
6. The appraisal report issued by a professional appraiser obtained in accordance with the provisions of the preceding article, or the opinion of an accountant.
7. Restrictive conditions and other important agreed matters of this transaction.

The calculation of the transaction amount in the preceding Paragraph shall be in accordance with Paragraph 2 of Article 8, and the term "within one year" shall be based on the date of the actual occurrence of the transaction, retroactively calculated one year in advance, and shall be handled according to the assets acquired or disposed of by the public offering company. The guidelines provide for a partial exemption from recounting that is presented to the board of directors for approval.

If there are independent directors, the opinions of independent directors shall be fully considered when submitting to the board of directors for discussion according to the first paragraph. If independent directors have objections or reserved opinions, they shall be stated in the minutes of the

board meeting.

If there is an audit committee, matters that should be recognized by the audit committee in accordance with the provisions of item 1 should first be approved by more than half of all members of the audit committee, and submitted to the board of directors for resolution. Items 4 and 5 of the Article.

Article17 When the company acquires real estate or its right-to-use assets from related parties, under any of the following circumstances, it shall evaluate the rationality of the transaction cost in accordance with relevant regulations. Except for one of the following circumstances, it shall consult an accountant for review and express specific opinions:

1. The related party has acquired the real estate or its right-to-use assets through inheritance or gift.
2. It has been more than five years since the related party contracted to acquire the real estate or its right-to-use assets from the signing date of this transaction.
3. Signing a joint construction contract with a related party, or acquiring real estate by asking a related party to build a real estate from a land commissioned construction, leased land commissioned construction, etc.
4. The public offering company and its parent company, subsidiaries, or subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, acquire real estate use rights assets for business use.

Article18 When the company acquires real estate or right-of-use assets from related parties, if the evaluation results according to the regulations are all lower than the transaction price, the following matters should be handled:

1. The difference between the transaction price of real estate or its right-to-use assets and the evaluation cost shall be set aside as a special surplus reserve in accordance with regulations, and shall not be distributed or transferred to capital increase and allotment of shares. Investors who use the equity method to evaluate the company's investment, if the company is a public offering company, should also set aside the amount as a special

surplus reserve in accordance with the regulations in accordance with the shareholding ratio.

2. The handling of the first paragraph shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and prospectus.

When the company sets aside the special surplus reserve in accordance with the provisions of the preceding paragraph, the asset purchased at a high price has been recognized as a loss in price or disposed of or appropriate compensation or restoration to the original state, or if there is other evidence to confirm that there is no unreasonable, and the financial supervision and management The special surplus reserve can only be used after the approval of the committee.

When the company acquires real estate or right-of-use assets from related parties, if there is other evidence showing that the transaction is not in compliance with business practices, it shall also follow the provisions of the preceding two paragraphs.

Article19 When the company engages in derivative financial products, it should follow the company's "derivative financial product transaction processing procedures", and should pay attention to risk management and audit matters to implement the internal control system.

Article20 When the company handles mergers, splits, acquisitions, or transfers of shares, it shall appoint accountants, lawyers, or securities underwriters to express their opinions on the rationality of the share exchange ratio, purchase price, or distribution of cash or other property to shareholders before convening a resolution of the board of directors , submitted to the board of directors for discussion and approval. However, the merger of subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, or subsidiaries that directly or indirectly hold 100% of the issued shares or total capital, is exempt from obtaining the reasonableness opinion issued by the preceding expert.

For mergers, divisions, or acquisitions, important agreements and related

matters, a public document addressed to shareholders shall be made before the shareholders' meeting, and shall be delivered to shareholders together with the expert opinion in the preceding paragraph and the meeting notice of the shareholders' meeting to determine whether they agree to the merger, division, or acquisition. References to acquisitions. However, this restriction does not apply to those who are exempted from convening a shareholders' meeting to resolve merger, division, or acquisition matters in accordance with other laws.

In the case of a company participating in a merger, division or acquisition, if the shareholder meeting of either party fails to be convened or resolved due to insufficient attendance, insufficient voting rights, or other legal restrictions, or the resolution is rejected by the shareholders' meeting, the company participating in the merger, division or acquisition shall immediately disclose the Publicly explain the cause of the occurrence, follow-up processing operations and the expected date of the shareholders' meeting.

Article21 Unless otherwise stipulated by other laws or there are special factors that have been reported to the Financial Supervisory Commission for approval in advance, the company shall hold the board of directors and shareholders' meeting on the same day to resolve matters related to merger, division or acquisition:

Companies participating in the share transfer shall hold a board meeting on the same day unless other laws provide otherwise or there are special factors that have been reported to the Financial Supervisory Commission for approval in advance.

Listed companies involved in mergers, splits, acquisitions, or share transfers, or companies whose stocks are traded at the business premises of securities firms, shall make complete written records of the following materials and keep them for five years for inspection.

1. Basic personnel information: including all persons involved in the merger, division, acquisition, or share transfer plan or plan implementation before

the information is disclosed, including their professional titles, names, and ID numbers (or passport numbers for foreigners).

Date of important events: including the date of signing letter of intent or memorandum, entrusting financial or legal advisor, signing contract and board of directors, etc.

2. Important documents and meeting minutes: including mergers, divisions, acquisitions or share transfer plans, letters of intent or memorandums, important contracts, and minutes of board meetings.

Companies involved in mergers, splits, acquisitions, or share transfers that are listed or whose stocks are traded at the business premises of a securities firm shall, within two days from the day when the resolution of the board of directors is passed, submit the materials in subparagraphs 1 and 2 of the preceding paragraph to the Internet in accordance with the prescribed format. The network information system report will be available for reference.

If any of the companies participating in the merger, split, acquisition, or transfer of shares is not a listed company or a company whose shares are traded at a securities firm's business premises, the listed company or its stock traded at a securities firm's business premises shall sign an agreement with it, and comply with the provisions of the third paragraph and The fourth provision shall be handled.

Article22 When the company participates in mergers, splits, acquisitions, or share transfers, the share exchange ratio or purchase price shall not be changed arbitrarily, except in the following circumstances, and shall be stipulated in the merger, split, acquisition, or share transfer contract:

1. Handle cash capital increase, issuance of convertible corporate bonds, gratuitous allotment of shares, issuance of corporate bonds with warrants, special shares with warrants, warrant certificates, and other securities with equity nature.

2. Acts that affect the company's financial business, such as disposing of the company's major assets.

3. The occurrence of major disasters, major technological changes, and other events that affect the company's shareholders' rights or securities prices.
4. Adjustments for the legal repurchase of treasury shares by any party of the company involved in the merger, division, acquisition, or transfer of shares.
5. Changes in the increase or decrease in the number of entities or companies involved in mergers, divisions, acquisitions, or share transfers.
6. Other conditions that have been stipulated in the contract and can be changed, and have been disclosed to the public.

The company's merger, division, acquisition or share transfer contract should specify relevant matters in accordance with regulations to maintain participation

Company's interests.

Article23 Regulations on Acquisition or Disposal of Subsidiary Assets

1. Subsidiaries of the Company shall formulate the "Procedures for Handling Assets Acquisition or Disposal" in accordance with the "Guidelines for the Handling of Assets Acquisition or Disposal by Public Issue Companies."
2. If the subsidiary company is not a domestic public offering company, and the acquisition or disposal of assets reaches the standard for announcement and declaration stipulated in Article 8, the parent company shall handle the announcement and declaration.
3. The term "reaching the company's paid-in capital or total assets requirement" in the subsidiary's announcement and reporting standards refers to the parent company's paid-in capital or total assets.

The so-called subsidiaries refer to the invested companies in which the company directly holds more than 50% of the issued voting shares or each of the invested companies in which the company indirectly holds more than 50% of the issued voting shares through subsidiaries, And so on, or each investee company in which the company holds more than 50% of the issued voting shares directly and indirectly through its subsidiaries, and so on.

Article24 Financial Statement Disclosures

If the company acquires or disposes of assets that meet the reporting standards stipulated in Article 8 of these handling procedures, and the transaction counterparty is a substantial related party, the content of the announcement shall be disclosed in the notes to the financial statements.

Article 25 Implementation date

This procedure is approved by the Audit Committee and the Board of Directors and then submitted to the Shareholders' Meeting for approval. The same is true for amendments.

If there are independent directors, when submitting the acquisition or disposal procedures to the board of directors for discussion in accordance with the provisions of the preceding paragraph, the opinions of each independent director shall be fully considered. If independent directors have objections or reservations, they shall be stated in the minutes of the board meeting.

If there is an audit committee, more than half of all members of the audit committee should agree to formulate or amend the procedures for asset acquisition or disposal, and submit it to the board of directors for resolution.

If the preceding paragraph is not approved by more than half of all members of the audit committee, it may be implemented with the consent of more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board meeting.

If there is an audit committee, major asset or derivative commodity transactions should be approved by more than half of all members of the audit committee and submitted to the board of directors for resolution.

All members of the audit committee and all directors referred to in the preceding paragraph shall be counted by those actually in office.

Article 26 The procedure for acquiring or disposing of assets is set on June 6, 2014.
The first revision was on June 22, 2017.
The second revision was on June 12, 2019.

Appendix 4: Regulations Governing the Election of Directors and Independent Directors

EPISIL TECHNOLOGIES INC (Formerly EPISIL HOLDING INC.)

Regulations Governing the Election of Directors and Independent Directors

Article1 The election of directors of the company shall be conducted in accordance with these Regulations, unless otherwise stipulated by law or the articles of association.

Article2 The directors of the company are elected at the general meeting of shareholders.

The election of directors of the company adopts the cumulative voting method. When electing directors, each share has the same voting rights as the number of directors to be elected. One person may be elected collectively or a number of persons shall be allocated for election.

Article3 The election of directors of the company shall be based on the nomination system of candidates in accordance with Article 192-1 of the Company Law. The shareholders shall elect from the list of candidates, and according to the number of persons stipulated in the articles of association of the company, the person with the most electoral votes representing more voting rights shall be elected as the director.

The qualifications of the company's independent directors shall comply with the "Regulations on the Appointment of Independent Directors of Public Offering Companies and Matters to Be Followed".

Shareholders may exercise their voting rights in writing or electronically, and the method of exercise shall be specified in the shareholder meeting convening notice.

Article4 According to the number of directors stipulated in the company's articles of association, the directors who have obtained the most voting rights shall be elected in turn. If there are two or more people who have the same number of voting rights and exceed the prescribed number, the directors who have the same income rights shall be determined by drawing lots. The chairman shall draw lots on his behalf.

Article 5 The ballots shall be prepared and issued by the board of directors. The board of directors shall prepare ballots equal to the number of directors to be elected. The names of voters shall be replaced by shareholder account numbers or attendance certificate numbers, and the number of voting rights of each shareholder shall be indicated.

Article 6 At the beginning of the election, the chairman shall designate the scrutineers and clerks to perform various related duties.

Article 7 Independent directors and non-independent directors shall be elected together, and the number of elected persons shall be calculated separately. If there are two or more voters who have the same number of voting rights but exceed the prescribed quota, those who have the same number of voting rights will draw lots to decide. If they are not present, the chairman will draw lots on their behalf.

Article 8 If the candidate is a shareholder, the voter must write the account number and name of the candidate on the ballot paper; if the candidate is not a shareholder, the name and identity verification number of the candidate should be filled in, and the natural person of the country should provide the original of the national ID card. Foreign natural persons shall use the original passport as their identification document, and the number of the identification document shall be the identification number of the ballot. If the candidate is a government agency or a legal person, the full title or the name of the representative shall be filled in. If there are several representatives, the name of the representative should be added respectively, and then put into the ticket counter.

Article 9 After the election is put into the ballot box, the scrutineer will open the ballot box.

Article 10 Ballots are invalid if one of the following conditions occurs:

1. Those who do not use the ballot papers stipulated in these Regulations.
2. Blank ballots are put into the ballot box.

3. Two or more candidates are listed on the same ballot paper.
4. Those whose handwriting is illegible and illegible.
5. If the person to be elected is a shareholder, his name does not match what is listed in the shareholder register; if the person to be elected is not a shareholder, his name and identity card number do not match after verification.
6. In addition to the name of the candidate (including the name of the legal person and the name of the representative) and its shareholder account number (the unified number of the ID card), other words are inserted.
7. The name of the candidate filled in is the same as the name of other shareholders, but the shareholder account number (unified ID card number) is not filled in for identification.
8. The person to be elected is not included in the list of candidates for the election of directors.

Article 11 When ballots are in doubt, the poll inspectors shall verify whether they are valid ballots. Invalid ballots shall be marked as invalid and signed and stamped after the ballots are counted.

Article 12 After the counting result is checked by the scrutineer, the sum of the valid and invalid votes is correct, and the valid votes and voting rights are filled in the record sheet respectively, and then the chairman announces the names of the elected candidates.

Article 13 If there are any matters not covered in these regulations, they shall be handled in accordance with the provisions of the Company Law and the Articles of Association of the company.

Article 14 These measures were enacted on June 6, 2014.

First revised on June 22, 2017.

The second revision was on June 12, 2019.

Appendix 5: The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate Return on Investment

The Impact of Stock Dividend Issuance on Business Performance, EPS, and Shareholder Return Rate Return on Investment: Not applicable.

Appendix 6: Shareholdings of Directors and Independent Directors

1. The quorum and number of shares of the current directors of the third session of the company are as follows.

April 16, 2023 as of the 2023 general meeting of shareholders to close the account transfer date

The number of ordinary shares issued by the company is 333,206,198 shares.

All directors shall hold 13,328,247 shares

2. As of April 16, 2023, the closing date of the 2023 general meeting of shareholders, the number of shares held by all directors is as follows, which meets the percentage standards stipulated in Article 26 of the Securities Exchange Law.

Title	Name	Number of shares held	(%)
Director	SINCERE HOLDING COMPANY. Representative : JH Shyu	16,294,539	4.89
Director	SINCERE HOLDING COMPANY. Representative : Shu, Chin-Yung	16,294,539	4.89
Director	HERMES-EPITEK CORPORATION Representative : Chen,Hsi-Hsin	18,160,870	5.45
Director	HERMES-EPITEK CORPORATION Representative : Shen,Hsiao-Lien	18,160,870	5.45
Director	VISION HOLDINGS LTD. Su,Chien-Chi	1,771,450	0.53
Director	HONDER HOLDINGS LTD Representative : Fan,Gui Rong	1,493,663	0.45
Independent Director	Jhieh-Da Yan	0	0.00
Independent Director	Zong-Si Ke	0	0.00
Independent Director	Mao-Song Deng	0	0.00
The number and percentage of shares held by all directors		37,720,522	11.32