FOXSEMICON INTEGRATED TECHNOLOGY INC.

PARENT COMPANY ONLY FINANCIAL

STATEMENTS AND AUDIT REPORT OF

INDEPENDENT ACCOUNTANTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(STOCK CODE 3413)

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

FOXSEMICON INTEGRATED TECHNOLOGY INC.

DECEMBER 31, 2023 AND 2022 PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Foxsemicon Integrated Technology Inc.

Opinion

We have audited the accompanying parent company only balance sheets of Foxsemicon Integrated Technology Inc. and subsidiaries (the "Company") as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, parent company only statements of changes in equity and parent company only statements 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 Foxsemicon Integrated Technology Inc. as of December 31, 2023 and 2022, and its parent company only financial performance and 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 Auditing Standards in the Republic of China. Our responsibilities under those standards are further described in the Auditor's 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 Norm of Professional Ethics for Certified Public Accountant of 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 judgment, were of most significance in our audit of the Company's 2023 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 parent company only financial statements of the year ended December 31,2023 are stated as follows:

Sales revenue cut-off

Description

Please refer to Note 4(30) for accounting policy on revenue recognition, Note 5(1) for critical judgement on revenue recognition, and Note 6(17) for details of revenue. For the year ended December 31, 2023, the balance of revenue amounted to NT$ 10,089,159 thousand.

Among the Company's transaction types, warehouse sales revenue is recognized when customers accept the goods (when control of the product is transferred). Since all of the Company's warehouses are located in the United States or Singapore, the controls of those are more difficult than the direct shipment. Therefore, sale revenue is recognized based on the report provided by warehouse custodians. The process of revenue recognition contains numerous manual procedures, and it would potentially result in inaccurate timing of revenue recognition and the discrepancy between physical inventory quantities in the warehouses and quantities in accounting records. Since there are numerous daily revenue from warehouses and the transaction amounts prior to and after the balance sheet date are significant to the financial statements, cut-off of sales revenue from distribution warehouse has been identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed and tested the appropriateness of internal controls over cut-off of hub sales revenue for a specific period prior to and after the balance sheet date, and performing cut-off testing, by verifying supporting documents provided by hub custodians, inventory movement records, and checked that costs of goods sold was recognized in the correct reporting periods.
2. Confirmed the inventory quantities with warehouse custodians and agreed the results to accounting records.

Evaluation of inventories

Description

Please refer to Note 4(13) for description of accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(4) for details of inventories. As of December 31, 2023, the balances of inventories and allowance for valuation loss on inventories amounted to NT$540,169 thousand and NT$2,492 thousand respectively.

The Company is primarily engaged in manufacture and sales of semiconductors and automation equipment and components. As technology changes rapidly, the life cycles of electronic products are short, prices are easily influenced by fluctuation in market price, there is higher risk of incurring inventory valuation losses or obsolescence. The Company measures inventories sold at the lower of cost and net realisable value. For inventories that are over a certain age and individually identified obsolete or ruined inventory, losses are recognized at net realisable value.

The Company's allowance for inventory valuation losses mainly arises from individually identified obsolete or ruined inventory, and since the value of inventories is significant, inventory types are various, the individual identification of inventory usually involves human judgement and the valuation contains uncertainty. Thus, we identified the valuation of allowance for valuation loss on inventories as one of key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Ascertained whether the policies and procedures on allowance for inventory valuation losses were reasonable and consistently applied in all the periods.
2. Verified the appropriateness of the system logic in calculating the ageing of inventories, and confirmed the information in the reports is consistent with the relevant policies.
3. Assessed the reasonableness of separately identified obsolete and damaged inventories and verified against information obtained during the stock count.
4. For net realizable value of inventories over normal age and those individually identified obsolete and damaged inventory, we discussed with the management, obtained supporting documents and reviewed the calculation of inventory loss.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is 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 an auditor's 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 Auditing Standards in 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 Auditing Standards in the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 control.
2. Obtain an understanding of internal control 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 control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control 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 auditors' 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.

Hsu, Sheng-Chung　　　　　　　　Wu, Jen-Chieh

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 29, 2024

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

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

FOXSEMICON INTEGRATED TECHNOLOGY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 3,521,365	22	$ 6,758,751	42
1136	Current financial assets at amortised cost	6(1)	2,570,000	16	900,000	6
1170	Accounts receivable	6(3)	561,344	3	798,251	5
1200	Other receivables	7	1,255,507	8	1,654,905	10
130X	Inventory	6(4)	537,677	3	544,535	3
1410	Prepayments		22,972	-	23,504	-
11XX	**Current Assets**		8,468,865	52	10,679,946	66
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss		27,550	-	12,956	-
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	189,524	1	117,291	1
1550	Investments accounted for using equity method	6(5)	7,482,833	46	5,212,538	32
1600	Property, plant and equipment	6(6)	122,508	1	122,723	1
1755	Right-of-use assets	6(7)	54,904	-	58,393	-
1760	Investment property	6(8)	49,389	-	57,643	-
1840	Deferred income tax assets	6(22)	1,473	-	1,385	-
1900	Other non-current assets	6(11) and 8	24,748	-	18,710	-
15XX	**Non-current assets**		7,952,929	48	5,601,639	34
1XXX	**Total assets**		$ 16,421,794	100	$ 16,281,585	100

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FOXSEMICON INTEGRATED TECHNOLOGY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2120	Current financial liabilities at fair value through profit or loss	12(3)	$ -	-	$ 1,336	-
2130	Current contract liabilities		304,003	2	176	-
2170	Accounts payable		139,059	1	282,558	2
2180	Accounts payable - related parties	7	1,226,548	7	1,738,354	11
2200	Other payables	6(9) and 7	637,229	4	774,924	5
2230	Current tax liabilities		126,976	1	294,272	2
2280	Current lease liabilities		3,468	-	3,387	-
2320	Long-term liabilities, current portion	6(12)	-	-	1,848,938	11
2399	Other current liabilities, others	6(10)	303,639	2	89,528	-
21XX	**Total current Liabilities**		2,740,922	17	5,033,473	31
	Non-current liabilities					
2530	Bonds payable	6(12)	1,865,038	11	-	-
2570	Deferred income tax liabilities	6(22)	47,413	-	38,837	-
2580	Non-current lease liabilities		61,144	-	64,611	-
2600	Other non-current liabilities	6(5)(10)(11)	105,037	1	313,507	2
25XX	**Non-current liabilities**		2,078,632	12	416,955	2
2XXX	**Total Liabilities**		4,819,554	29	5,450,428	33
	Equity					
	Share capital	6(13)				
3110	Common stock		971,861	6	967,921	6
3130	Certificate of entitlement to new shares from convertible bond		246	-	-	-
3140	Advance receipts for share capital		2,286	-	2,588	-
	Capital surplus	6(15)				
3200	Capital surplus		4,051,311	25	3,939,329	25
	Retained earnings	6(16)				
3310	Legal reserve		943,255	6	713,397	4
3320	Special reserve		6,336	-	6,336	-
3350	Unappropriated retained earnings		5,586,669	34	5,166,593	32
	Other equity interest					
3400	Other equity interest		40,276	-	34,993	-
3XXX	**Total equity**		11,602,240	71	10,831,157	67
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9				
	Significant Events after the Balance Sheet Date	11				
3X2X	**Total liabilities and equity**		$ 16,421,794	100	$ 16,281,585	100

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

FOXSEMICON INTEGRATED TECHNOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars except for earning per share amounts)

	Items	Notes	2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
4000	Operating revenue	6(17) and 7	$ 10,089,159	100	$ 12,055,139	100
5000	Operating costs	6(4) and 7	(8,241,865)	(82)	(9,619,283)	(80)
5900	Gross profit from operations		1,847,294	18	2,435,856	20
	Operating expenses	6(20) and 7				
6100	Selling expenses		(228,899)	(2)	(286,784)	(2)
6200	Administrative expenses		(309,206)	(3)	(332,482)	(3)
6300	Research and development expenses		(63,295)	(1)	(62,463)	(1)
6450	Impairment (loss) gain		48	-	207	-
6000	Total operating expenses		(601,352)	(6)	(681,522)	(6)
6900	Net operating income		1,245,942	12	1,754,334	14
	Non-operating income and expenses					
7100	Interest income		183,729	2	81,320	1
7010	Other income	6(18) and 7	61,047	-	85,209	1
7020	Other gains and losses	6(19)	(1,770)	-	18,810	-
7050	Finance costs		(21,904)	-	(21,721)	-
7070	Share of profitof associates and joint ventures accounted for using equity method	6(5)	868,365	9	798,008	6
7000	Total non-operating revenue and expenses		1,089,467	11	961,626	8
7900	**Profit (loss) before income tax**		2,335,409	23	2,715,960	22
7950	Income tax benefit	6(22)	(344,941)	(3)	(396,206)	(3)
8200	**Profit for the year**		$ 1,990,468	20	$ 2,319,754	19
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit plan	6(11)	($ 925)	-	$ 8,356	-
8316	Unrealised loss on valuation of financial assets at fair value through other comprehensive income	6(2)	72,233	1	(26,250)	-
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		6,249	-	(69,299)	(1)
8310	Other comprehensive income that will not be reclassified to profit or loss		77,557	1	(87,193)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation difference of foreign		(71,890)	(1)	74,492	1
8380	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(1,309)	-	86	-
8360	Other comprehensive loss that will be reclassified to		(73,199)	(1)	74,578	1
8300	**Other comprehensive income for the year**		$ 4,358	-	($ 12,615)	-
8500	**Total comprehensive income for the year**		$ 1,994,826	20	$ 2,307,139	19
	Basic earnings per share	6(23)				
9750	Total basic earnings per share		$ 20.48		$ 24.64	
9850	Total diluted earnings per share		$ 18.22		$ 21.96	

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

FOXSEMICON INTEGRATED TECHNOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital				Retained Earnings			Other equity interest		
		Share capital - common stock	Certificate of entitlement to new shares from convertible bond	Advance receipts for share capital	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	Total equity
2022											
Balance at January 1, 2022		$ 878,008	$ -	$ 1,056	$ 2,093,841	$ 558,372	$ 6,336	$ 3,863,061	($ 59,831)	$ 115,795	$ 7,456,638
Profit for the year		-	-	-	-	-	-	2,319,754	-	-	2,319,754
Other comprehensive income for the year		-	-	-	-	-	-	8,356	74,578	(95,549)	(12,615)
Total comprehensive income		-	-	-	-	-	-	2,328,110	74,578	(95,549)	2,307,139
Appropriations of 2021 earnings	6(16)										
Legal reserve		-	-	-	-	155,025	-	(155,025)	-	-	-
Cash dividends		-	-	-	-	-	-	(840,021)	-	-	(840,021)
Issuance of shares	6(13)	81,172	-	-	1,625,238	-	-	-	-	-	1,706,410
Conversion of convertible bonds	6(15)	3,769	-	-	64,847	-	-	-	-	-	68,616
Executive employee stock options	6(15)	4,972	-	1,532	86,947	-	-	-	-	-	93,451
Share-based payment (includ subsidiaries)	6(15)	-	-	-	67,760	-	-	-	-	-	67,760
Difference between consideration and carrying amount of subsidiaries acquired		-	-	-	696	-	-	(29,532)	-	-	(28,836)
Balance at December 31, 2022		$ 967,921	$ -	$ 2,588	$ 3,939,329	$ 713,397	$ 6,336	$ 5,166,593	$ 14,747	$ 20,246	$ 10,831,157
2023											
Balance at January 1,2023		$ 967,921	$ -	$ 2,588	$ 3,939,329	$ 713,397	$ 6,336	$ 5,166,593	$ 14,747	$ 20,246	$ 10,831,157
Profit for the year		-	-	-	-	-	-	1,990,468	-	-	1,990,468
Other comprehensive income for the year		-	-	-	-	-	-	(925)	(73,199)	78,482	4,358
Total comprehensive income		-	-	-	-	-	-	1,989,543	(73,199)	78,482	1,994,826
Appropriations of 2022 earnings											
Legal reserve		-	-	-	-	229,858	-	(229,858)	-	-	-
Cash dividends		-	-	-	-	-	-	(1,339,609)	-	-	(1,339,609)
Conversion of convertible bonds		6	246	-	3,853	-	-	-	-	-	4,105
Executive employee stock options		3,934	-	(302)	39,814	-	-	-	-	-	43,446
Share-based payment (includ subsidiaries)		-	-	-	68,086	-	-	-	-	-	68,086
Changes in equity of associates and joint ventures accounted for		-	-	-	229	-	-	-	-	-	229
Balance at December 31,2022		$ 971,861	$ 246	$ 2,286	$ 4,051,311	$ 943,255	$ 6,336	$ 5,586,669	($ 58,452)	$ 98,728	$ 11,602,240

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

FOXSEMICON INTEGRATED TECHNOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 2,335,409	$ 2,715,960
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including investment property and right-of-use assets)	6(6)(7)(8)	31,920	36,225
Additional provision recognized (reversal)	6(10)	2,560	7,243
Interest expense		21,904	21,721
Amortization expense	6(20)	1,397	883
(Gain) Loss on financial assets at fair value through profit or less	6(19)	(1,527)	12,753
Expected credit losses recognized		(48)	(207)
Share-based payments	6(14)	48,774	49,221
Share of gain of subsidiaries associates and joint ventures accounted	6(5)	(868,366)	(798,008)
Reversal of payables benefit	6(18)	(3,880)	(1,120)
Interest income		(183,729)	(81,320)
Dividends income	6(18)	(4,023)	(8,499)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets mandatorily measured at fair		(315)	(351)
Accounts receivable net		235,677	690,568
Other receivable		(965,402)	(60,963)
Inventories		6,858	(18,497)
Prepayment		532	767
Changes in operating liabilities			
Accounts payable		(651,425)	76,233
Other payable		(23,407)	139,803
Other current liabilities		306,909	(26,754)
Accrued pension liabilities		(925)	(837)
Cash inflow generated from operations		288,893	2,754,821
Income taxes paid		(503,749)	(304,109)
Net cash flows (used in) from operating activities		(214,856)	2,450,712
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		183,729	81,320
Proceeds from disposal of property, plan and equipment	6(6)	70	1,514
Increase in other non-current assets		(6,349)	(6,366)
Increase receivables arose from purchasing materials on behalf of others		722,793	(381,366)
Acquisition of property, plant and equipment	6(24)	(19,841)	(16,653)
Acquisition of Investments accounted for using equity method		(1,477,338)	(670,699)
Receivables from other related parties decrease		527,938	-
Dividends received		32,023	35,499
Acquisition of financial assets at amortized cost		(1,670,000)	660,640
Acquisition of financial assets at fair value		(14,404)	(6,843)
Acquisition of financial assets at fair value through other comprehensive		-	(49,170)
Net cash flows used in investing activities		(1,721,379)	(352,124)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash dividends paid	6(16)	(1,339,609)	(840,021)
Payments of lease liabilities		(3,387)	(3,138)
Interest paid		(1,601)	(1,609)
Inssuance of common stock	6(13)	-	1,706,410
Repayments of supplemental loan		-	(58,949)
Executive employee stock options		43,446	93,451
Net cash flows (used in) from financing activities		(1,301,151)	896,144
Net (decrease) increase in cash and cash equivalents		(3,237,386)	2,994,732
Cash and cash equivalents at beginning of year		6,758,751	3,764,019
Cash and cash equivalents at end of year		$ 3,521,365	$ 6,758,751

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

FOXSEMICON INTEGRATED TECHNOLOGY INC.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

(1) Foxsemicon Integrated Technology Inc. (the "Company") was incorporated as company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on April 26, 2001, and in accordance with the "Act for Establishment and Administration of Science Parks", the investment in the science park was approved in April 2003. The company was listed on the Taiwan Stock Exchange Corporation (the "TSEC") in July 28, 2015.

(2) The Company is primarily engaged in research, development, design, manufacturing and sales of subsystems and system integration of semiconductor equipment, subsystems and system integration of TFT-LCD, nano equipment, LED lighting, LED display product and other application product, photoelectric, communication wafer materials and medical devices.

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

These parent company only financial statements were authorized for issuance by the Board of Directors on February 29, 2024.

3. Application of New Standards, Amendments and Interpretations

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

New standards, interpretations and amendments endorsed by FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current Liabilities with Covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The financial statements are the first financial statements prepared by the Company in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

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

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and financial asset at fair value through profit or loss.

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

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

(3) Foreign currency translation

A. The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional and presentation currency.

B. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

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

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value. The changes in fair value were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortized cost

A. Financial assets at amortized cost are those that meet all of the following criteria:
   (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
   (b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The Company initially measures accounts and notes receivable at fair value and subsequently recognizes the amortized interest income over the period of circulation using the effective interest method and the impairment loss. A gain or loss is recognized in profit or loss.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortized cost including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Leasing arrangements (lessor)－operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes loan costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(14) Investments accounted for using equity method / associates

A. Subsidiary is an entity where the Company has the right to dominate its finance and operation policies (includes special purpose entity), normally the Company owns more than 50 percent of the voting rights directly or indirectly in that entity. Subsidiaries are accounted for under the equity method in the Company's parent company only financial statements.

B. Unrealized gains or losses resulted from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.

C. After acquisition of subsidiaries, the Company recognizes proportionately for the share of profit and loss and other comprehensive incomes in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss from a subsidiary exceeds the carrying amount of Company's interests in that subsidiary, the Company continues to recognize its shares in the subsidiary's loss proportionately.

D. Changes in a parent’s ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 per cent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

G. The Company's share of its investments' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

I. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

K. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

M. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

N. The Company accounts for its interest in a joint venture using equity method. Unrealized profits and losses arising from the transactions between the Company and its joint venture are eliminated to the extent of the Company’s interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, all such losses shall be recognized immediately. When the Company’s share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

O. According to “Rules Governing the Preparations of Financial Statements by Securities Issuers”, 'profit for the year' and 'other comprehensive income for the year' reported in an entity's parent company only statement of comprehensive income, shall equal to 'profit for the year' and 'other comprehensive income' attributable to owners of the parent reported in that entity's statement of comprehensive income. Total equity reported in an entity's parent company only financial statements, shall be equal to the equity attributable to owners of parent reported in that entity's financial statements.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Loan costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Property, plant and equipment are measured at cost model subsequently. Land is not depreciated. Other property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets’ residual values and useful lives differ from previous estimates or the patterns of consumption of the assets’ future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’, from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures: 25~35 year(s)

Machinery and equipment: 5~10 year(s)

Other equipment: 3~8 year(s)

(16) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental loan interest rate. Lease payments are comprised of the Fixed payments. The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 35 years.

(18) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(19) Loans

Loans comprise long-term and short-term bank loans. Loans are recognized initially at fair value, net of transaction costs incurred. Loans are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the loans using the effective interest method.

(20) Notes and accounts payable

Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities. The Company initially measures notes and accounts payable at fair value and subsequently measured at amortized cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(22) Convertible bonds payable

Convertible bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company' s common shares by exchanging a fixed amount of cash for a fixed number of common shares). The Company classifies the bonds payable upon issuance as a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

A. The embedded call options and put options are recognized initially at net fair value as 'financial assets or financial liabilities at fair value through profit or losses. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognized as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or losses.'

B. The host contracts of bonds is initially recognized at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortized in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

C. The embedded conversion options which meet the definition of an equity instrument are initially recognized in 'capital surplus—share options' at the residual amount of total issue price less bonds payable as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

E. When bondholders exercise conversion options, the liability component of the bonds shall be remeasured on the conversion date. The book value of common shares issued due to the conversion shall be based on the adjusted book value of the abovementioned liability component plus the book value of capital surplus - share options.

(23) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged, cancelled or expires.

(24) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realized the asset and settle the liability simultaneously.

(25) Provisions

Provisions (including warranties) are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and are recognized as expenses in the period in which the employees render service.

B. Pension

(a)Defined contribution plan

For defined contribution plans, the Company has no legal or constructive obligation to make additional contributions after a fixed amount is contributed to a public or privately managed and independent pension fund. The contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b)Defined benefit plan

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(27) Share-based payment - employees' bonus and compensation

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

(28) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realized the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realized the asset and settle the liability simultaneously.

F. Tax incentives arising from research and development expenditures were accounted for using income tax credits.

(29) Dividends

Dividends are recorded in the Company' s financial statements in the period in which they are resolved by the Company' s shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(30) Revenue recognition

A. The Company manufactures and sells related products of semi-conductor equipment. Sales are recognized when control of the products has transferred, being when the products are delivered to the buyer, the buyer has full discretion over the price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

B. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

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

The preparation of these financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below.

(1) Critical judgements in applying the Company's accounting policies

Revenue recognition

The Company determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Company is a principal) or to arrange for the other party to provide those goods or services (i.e. the Company is an agent) based on the transaction model and its economic substance. The Company is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Company recognizes revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Company is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Company recognizes revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Company controls the good or service before it is provided to a customer include the following:

A. The Company is primarily responsible for the provision of goods or services;

B. The Company assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.

C. The Company has discretion in establishing prices for the goods or services.

(2) Critical accounting estimates and assumptions

The Company makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, information on the carrying amount of inventories is provided in Note6(4).

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Petty cash and cash on hand	$ 1,190	$ 202
Checking accounts and demand deposits	1,067,395	1,900,696
Cash equivalents		
Time deposits	2,452,780	4,857,853
	$ 3,521,365	$ 6,758,751

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

B. The time deposits above mature within three months and subject to an insignificant risk of changes in value. Additionally, as of December 31, 2023 and 2022, time deposits maturing in excess of three months were not in conformity with cash and cash equivalents as defined, amounting to $2,570,000 and $900,000, respectively, and which were reclassified to "financial assets carried at amortized cost - current". Recognizes the profit or loss in interest amounting to $110,990 and $52,747.

C. Information about cash and cash equivalents that were pledged to others as collateral were classified as other non-current assets by the liquidity, please refer to Note 8.

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

	December 31, 2023	December 31, 2022
Non-current items：		
Equity instruments		
Listed stocks	$ 189,524	$ 117,291

A. The Company has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.

B. The Company recognized other comprehensive profit of $72,233 and loss $26,250 for fair value change for the years ended December 31, 2023 and 2022, respectively. Dividend income from equity instruments recognized in profit or loss and still held at the end of the period were $4,023 and $4,361, respectively; the Company had no dividend income from equity instruments excluded during the period

C. The Company doesn’t have financial assets measured at fair value through other comprehensive income pledged to others.

(3) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	$ 561,511	$ 798,466
Less: Allowance for uncollectible accounts	(167)	(215)
	$ 561,344	$ 798,251

A. The Company did not hold any collateral on its accounts.

B. As of December 31, 2023, December 31 2022 and January 1,2022, accounts receivable were all from contracts with customers. And as of January 1, 2022, the balance of receivables from contracts with customers amounted to $1,489,034.

C. Information relating to credit risk is provided in Note 12(2).

(4) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 105,007	($ 71)	$ 104,936
Work in progress	86,534	(130)	86,404
Finished goods	348,628	(2,291)	346,337
	$ 540,169	($ 2,492)	$ 537,677

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 133,767	($ 1,576)	$ 132,191
Work in progress	55,700	(16)	55,684
Finished goods	357,115	(455)	356,660
	$ 546,582	($ 2,047)	$ 544,535

The cost of inventories recognized as expense for the year:

	Years ended December 31,	
	2023	2022
Cost of goods sold	$ 8,242,918	$ 9,615,033
Loss on decline in market value	577	616
Sales of scraps	(4,189)	(7,801)
Others	2,559	11,435
	$ 8,241,865	$ 9,619,283

(5) Investments accounted for using equity method

1. The investment details for using equity method:

	December 31, 2023	December 31, 2022
Subsidiary：		
FOXSEMICON INTEGRATED TECHNOLOGY INC.	$ 4,443,184	$ 3,789,642
UniEQ Integrated Technology Co., Ltd.	1,427,688	-
FOX AUTOMATION TECHNOLOGY INC.	1,022,053	804,238
Foxsemicon Innovations Holding Inc.	341,317	426,837
Kainova Technology Inc.	69,492	34,222
Frontier Integrated Global Solutions, Inc.	50,072	48,846
FOXSEMICON LLC.	32,322	32,370
Associates：		
Lydus Medical Ltd.	77,818	55,032
Corporate Venture Capital Alliance Innovation Fund	18,887	21,351
	$ 7,482,833	$ 5,212,538

(a) The Board of Directors approved the establishment of subsidiary UniEQ Integrated Technology CO., Ltd., on November 10, 2023. The investment amount was THB 1.6 billion, and the effective date was November 13, 2023.

(b) The Company's subsidiary Frontier Integrated Global Solutions, Inc. allocated cash dividends $28,000 and $27,000 respectively in 2023 and 2022.

2. Share of profit (loss) for using equity method：

	Years ended December 31,	
Investee	2023	2022
Subsidiary：		
FOXSEMICON INTEGRATED TECHNOLOGY INC.	724,260	454,086
FOX AUTOMATION TECHNOLOGY INC.	206,870	324,017
Frontier Integrated Global Solutions, Inc.	28,399	30,860
Kainova Technology Inc.	27,851	28,493
FOXSEMICON LLC.	(48)	28
UniEQ Integrated Technology Co., Ltd	(23,393)	-
Foxsemicon Innovations Holding Inc.	(86,746)	(32,811)
Associates:		
Corporate Venture Capital Alliance Innovation Fund	(2,464)	(1,149)
Lydus Medical Ltd.	(6,364)	(5,516)
	$ 868,365	$ 798,008

3. Details of the Company’s subsidiaries are provided in Note 4(3) of the Company’s consolidated financial statements as of and for the year ended December 31, 2023.

(6) Property, plant and equipment

	Buildings and structures	Machinery and equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
January 1, 2023					
Cost	$ 151,654	$ 120,635	$ 264,011	$ 5,490	$ 541,790
Accumulated depreciation	(77,722)	(118,759)	(222,586)	-	(419,067)
	$ 73,932	$ 1,876	$ 41,425	$ 5,490	$ 122,723
2023					
January 1	$ 73,932	$ 1,876	$ 41,425	$ 5,490	$ 122,723
Additions	610	-	9,329	10,093	20,032
Disposals	-	-	(70)	-	(70)
Transfers	10,344	-	5,268	(10,758)	4,854
Depreciation	(4,565)	(512)	(19,954)	-	(25,031)
December 31	$ 80,321	$ 1,364	$ 35,998	$ 4,825	$ 122,508
December 31					
Cost	$ 168,366	$ 120,635	$ 278,098	$ 4,825	$ 571,924
Accumulated depreciation	(88,045)	(119,271)	(242,100)	-	(449,416)
	$ 80,321	$ 1,364	$ 35,998	$ 4,825	$ 122,508

	Buildings and structures	Machinery and equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
January 1, 2022					
Cost	$ 150,868	$ 120,471	$ 246,229	$ 11,120	$ 528,688
Accumulated depreciation	(73,547)	(119,491)	(202,285)	-	(395,323)
	$ 77,321	$ 980	$ 43,944	$ 11,120	$ 133,365
2022					
January 1	$ 77,321	$ 980	$ 43,944	$ 11,120	$ 133,365
Additions	1,100	1,748	10,075	7,636	20,559
Disposals	-	(519)	(995)	-	(1,514)
Transfers	(158)	-	13,266	(13,266)	(158)
Depreciation	(4,331)	(333)	(24,865)	-	(29,529)
December 31	$ 73,932	$ 1,876	$ 41,425	$ 5,490	$ 122,723
December 31					
Cost	$ 151,654	$ 120,635	$ 264,011	$ 5,490	$ 541,790
Accumulated depreciation	(77,722)	(118,759)	(222,586)	-	(419,067)
	$ 73,932	$ 1,876	$ 41,425	$ 5,490	$ 122,723

(7) Leasing arrangements－lessee

A. The Company leases various assets including land, buildings and structures. Rental contracts are typically made for periods of 35 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for loan purposes.

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

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Land	$ 54,904	$ 58,393

	Years ended December 31,	
	2023	2022
	Depreciation charge	Depreciation charge
Land	$ 3,489	$ 3,274

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets was $0 and $16,942.

D. Information on profit or loss in relation to lease contracts is as follows:

	Years ended December 31,	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 1,601	$ 1,585
Expense on short-term lease contracts	1,783	1,892

E. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were $6,771 and $6,615, respectively.

(8) Investment property

	Buildings and structures	
	2023	2022
At January 1		
Cost	$ 119,156	$ 118,842
Accumulated depreciation	(61,513)	(57,935)
	$ 57,643	$ 60,907
January 1	$ 57,643	$ 60,907
Transfer (out) in	(4,854)	158
Depreciation	(3,400)	(3,422)
December 31	$ 49,389	$ 57,643
At December 31		
Cost	$ 108,544	$ 119,156
Accumulated depreciation	(59,155)	(61,513)
	$ 49,389	$ 57,643

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Years ended December 31,	
	2023	2022
Rental income from investment property	$ 23,381	$ 23,911
Direct operating expenses arising from the investment property that generated rental income during the year	$ 3,400	$ 3,422

B. The fair value of the investment property held by the Company as December 31, 2023 and 2022 were $162,590 and $178,486, respectively, which were based on the valuation of market prices estimated using comparison approach which is categorized within Level 3 in the fair value hierarchy.

(9) Other payables

	December 31, 2023	December 31, 2022
Payable for purchased materials on behalf	169,169	282,180
Employee benefit payable	234,102	180,743
Salary and bonus payable	77,261	103,273
Processing fees payable	38,608	73,497
Others	118,089	135,231
	$ 637,229	$ 774,924

(10) Other current liabilities

	December 31, 2023	December 31, 2022
Supplemental loan	$ 260,588	$ 52,118
Provisions	15,100	12,540
Others	27,951	24,870
	$ 303,639	$ 89,528

A. Information of contract liabilities is provided in Note 6(17).

B. The Company entered into supplemental capacity addendum contracts with its customers. The Company received the deposits in advanced and reserves certain capacity to the customers. The loan would be wrote-off in accordance with the contracts, except the parts on December 31 2023 and 2022 amounting to $104,235 and $312,705 due more than one year are classified as "other non-current liabilities". Besides, the amount of estimated volume discounts in the contracts has been recognized as refund liabilities.

C. The information of provisions is as follows:

	Provisions for warranty
	2023
Balance at January 1	$ 12,540
Additional provisions recognized	2,788
Reversed during the year	(228)
Balance at December 31	$ 15,100

The provisions of the Company is related to the sales of the semi-conductor and automatic equipment. Provisions are estimated based on the information of the historical warranty data of the products.

(11) Pension

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

(b) The amounts recognized in the balance sheet are as follows: (shown as " Other non-current (assets)liabilities")

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	$ 36,976	$ 36,122
Fair value of plan assets	(41,226)	(41,017)
Net defined benefit assets	($ 4,250)	($ 4,895)

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2023			
At January 1	$ 36,122	$ 41,017	($ 4,895)
Interest cost	470	-	470
Interest income	-	533	(533)
	36,592	41,550	(4,958)
Remeasurements:			
Return on plan assets	-	156	(156)
Change in financial assumptions	307	-	307
Experience adjustments	774	-	774
	1,081	156	925
Pension fund contribution	-	217	(217)
Pension paid	(697)	(697)	-
At December 31	$ 36,976	$ 41,226	($ 4,250)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2022			
At January 1	$ 41,358	$ 37,061	$ 4,297
Current service cost	78	-	78
Interest cost	290	-	290
Interest income	-	259	(259)
	41,726	37,320	4,406
Remeasurements:			
Return on plan assets	-	2,752	(2,752)
Change in financial assumptions	(2,026)	-	(2,026)
Experience adjustments	(3,578)	-	(3,578)
	(5,604)	2,752	(8,356)
Pension fund contribution	-	945	(945)
At December 31	$ 36,122	$ 41,017	($ 4,895)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that Fund and therefore, the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Years ended December 31	
	December 31, 2023	December 31, 2022
Discount rate	1.20%	1.30%
Future salary increases	3.50%	3.50%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Sensitivity analysis of the effect on present value of defined benefit obligation due from the changes of main actuarial assumptions was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 760)	$ 783	$ 672	($ 658)

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	($ 801)	$ 826	$ 717	($ 701)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method utilised in sensitivity analysis is the same as the method utilised in calculating net pension liability on the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis were consistent with previous period.

(f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2024 amount to $63.

(g) As of December 31, 2023, the weighted average duration of that retirement plan is 9 years.

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

(b) The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022, were $11,379 and $10,413, respectively.

(12) Bonds payable

	December 31, 2023	December 31, 2022
Bonds payable	$ 1,903,700	$ 1,908,000
Less: Discount on bonds payable	(38,662)	(59,062)
	$ 1,865,038	$ 1,848,938
Less: One year or current portion of long-term liabilities	-	(1,848,938)
	$ 1,865,038	$ -

A. The issuance of domestic convertible bonds by the Company

(a) The terms of the second unsecured convertible bonds issued by the Company are as follows:

i.The Company issued $2,000,000, which the amount of fundraising is $2,010,000 and the par rate is 0%, second domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature five years from the issue date November 16, 2020 to November 16, 2025 and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on November 16, 2020.

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

iii.The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price was NTD 196.9 per share upon issuance. The Company adjusted the conversion price to NTD 171 per share as the terms of the bonds on July 9, 2023.

iv.Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

v.The bondholders may request the Company to repurchase the convertible bonds at face value when the bonds are issued for three years.

vi.The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to $158,325 were separated from the liability component and were recognized in 'capital surplus-share options' in accordance with IAS 32. The call options and put options embedded in bonds payable were separated from their host contracts and were recognized in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation ranged between 1.1122% and1.5518%.

C. The conversion of domestic convertible bonds by the Company:

For the years ended December 31, 2023 and 2022, the $100 and $72,000 of the Company's second unsecured domestic convertible bonds had been converted into 1 and 377 thousands shares of common stocks, and have been completed the registered. And as of December 31, 2023, holders of convertible bonds with a face value of $4,200 exercised the conversion right and obtained 24,559 units of certificate of entitlement to new shares from convertible bond (each unit can be exchanged for one outstanding share of the Company.) The registration has not been completed up till December 31, 2023.

(13) Share capital

A. As of December 31, 2023, the Company's authorized capital was $1,500,000, consisting of 150,000 thousand shares of ordinary share (including 8,500 thousand shares reserved for employee share options), and the paid-in capital was $971,861 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

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

	2023	2022
At January 1	96,792	87,801
Executive employee stock options	393	497
Inssuance of shares - Private placement	-	8,117
Conversion of convertible bonds	1	377
At December 31	97,186	96,792

B. To increase the Company's working capital, the stockholders at their annual stockholders' meeting on December 30, 2021 adopted a resolution to raise additional cash through private placement with the effective date set on April 26, 2022. The number of shares to be issued through the private placement is 8,117 thousand shares at a subscription price of $210.22 (in dollars) per share. The amount of capital raised through the private placement was $1,706,410 which had been registered. Pursuant to the Securities and Exchange Act, the ordinary shares raised through the private placement are subject to certain transfer restrictions and cannot be listed on the stock exchange until three years after they have been issued and have been offered publicly. Other than these restrictions, the rights and obligations of the ordinary shares raised through the private placement are the same as other issued ordinary shares.

(14) Share-based payment

A. For the years ended December 31, 2023 and 2022, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (thousand shares)	Contract period	Vesting conditions
Employee share options	2017.12.27	1,000	5 years	Description (1)
Employee share options	2019.09.27	1,000	5 years	Description (1)
Employee share options	2020.10.30	1,000	5 years	Description (1)
Employee share options	2021.08.09	1,500	5 years	Description (1)
Employee share options	2022.07.08	1,500	5 years	Description (1)

Employees receive 20% after 2 years of service, 60% after 3 years of service, and 100% after 4 years of service.

B. Details of the share-based payment arrangements are as follows:

	2023		2022	
	No. of options (thousand shares)	Weighted-average exercise price (in dollars)	No. of options (thousand shares)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	4,910	$ 179.5	4,060	$ 178.3
Options exercised	(363)	119.4	(650)	168.3
Options given	1,100	104.5	1,500	178.0
Options overdue	(197)	156.8	-	-
Options outstanding at December 31	5,450	184.3	4,910	179.5
Options exercisable at December 31	1,249	107.0	710	131.7

Note: Some of the exercised stock options have not been registered, so those are shown as "Advance receipts for share capital".

C. The Company issued common stock for years ended December 31, 2023 and 2022 amounting to 134,600 and 391,600 shares because employees exercised their stock options under the stock option plan. The registration for the shares mentioned. The registration for the shares mentioned 228,600 and 258,800 shares have not been completed in December 31, 2023 and 2022.

D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date shares)	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (%)	Expected option life (year)	Expected dividends (%)	Risk-free interest rate (%)	Fair value per unit
Employee share options	2017.12.27	$ 198.5	198.5	47.84%	3.5~4.5 year(s)	-	0.58~ 0.64%	69.9~ 78.8
Employee share options	2019.09.27	115.5	115.5	44.51~ 46.91%	3.5~4.5 year(s)	-	0.57~ 0.60%	38.07~ 45
Employee share options	2020.10.30	173	173	46.48~ 49.21%	3.5~4.5 year(s)	-	0.22~ 0.23%	61.8~ 65.95
Employee share options	2021.08.09	229	229	45.82~ 47.45%	3.5~4.5 year(s)	-	0.23~ 0.29%	79.12~ 90.95
Employee share options	2022.07.08	178	178	44.45~ 45.87%	3.5~4.5 year(s)	-	0.96~ 1.02%	59.43~ 69.03

E. The Company's compensation cost and capital surplus arising from share-based payment transaction amounted to $48,774and $49,221, For the years ended December 31, 2023 and 2022, respectively.

(15) Capital surplus

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

	2023				
	Share premium	Options	Employee stock options	Others	Total
At January 1	$3,693,366	$ 107,541	$ 128,200	$10,222	$ 3,939,329
Share-based payment transactions	-	-	48,774	-	48,774
Share-based payment transactions-subsidiary	-	-	19,312	-	19,312
Employee stock options exercised	54,161	-	(14,347)	-	39,814
Conversion of convertible bonds	4,097	(244)	-	-	3,853
Difference between consideration and carring amount of subsidiaries acquired	-	-	-	229	229
Employee stock options overdue	-	-	(12,798)	12,798	-
At December 31	$3,751,624	$ 107,297	$ 169,141	$23,249	$ 4,051,311

	2022				
	Share premium	Options	Employee stock options	Others	Total
At January 1	$1,877,491	$ 111,630	$ 95,194	$ 9,526	$ 2,093,841
Issuance of common stock	1,625,238	-	-	-	1,625,238
Share-based payment transactions	-	-	49,221	-	49,221
Share-based payment transactions-subsidiary	-	-	18,539	-	18,539
Employee stock options exercised	121,701	-	(34,754)	-	86,947
Conversion of convertible bonds	68,936	(4,089)	-	-	64,847
Difference between consideration and carrying amount of subsidiaries acquired	-	-	-	696	696
At December 31	$3,693,366	$ 107,541	$ 128,200	$10,222	$ 3,939,329

(16) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses (including adjusted undistributed earnings), and then the 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. At least, special reserve shall be appropriated or reversed according to the relevant regulations. The remainder, along with the accumulated unappropriated earnings in the prior year, shall be appropriated to shareholders as dividends, proposed the distribution plan by the Board of Directors and resolved by the shareholders at their meeting.

B. In accordance with the Company Act, the resolution, for all or part of distributable dividends and bonus, capital surplus or legal reserve distributed in cash, will be adopted if more than 2/3 of the directors attend the Board of Directors' meeting and more than 1/2 of the directors present agree to the resolution. This will then be reported to the shareholders' meeting. The regulation which requires approval by the shareholders is not applicable for the above.

C. The Company's dividend policy shall takes into account current and future investment environment, capital needs, domestic and foreign competition, and capital budget, etc. along with shareholders' interests and the long-term financial plans. The accumulated distributable earnings are appropriated as dividends or bonuses to shareholders, of which the distributable earnings during the current year shall account for at least 15% The dividends and bonuses can be distributed in the form of cash or shares and cash dividend shall account for at least 10% of the total dividends and bonuses distributed.

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

E. The appropriations of 2022 earnings as proposed by the Board of Directors on May 30, 2023 and the appropriation of 2021 earnings as resolved by the shareholders' meetings on May 27, 2022 are as follows:

	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 229,858		$ 155,025	
Cash dividends	1,339,609	$ 13.8	840,021	$ 8.7
	$ 1,569,467		$ 995,046	

F. The appropriation of 2023 earnings as proposed by the Board of Directors on February 29, 2024 is as follows:

	2023	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 198,954	
Cash dividends	1,173,260	$ 12.0
	$ 1,372,214	

The appropriation mentioned above of 2023 earnings has not been resolved by the shareholders as of February 29, 2024.

Information about the appropriations of earnings as proposed by the Board of Directors and resolved by the shareholders can be demanded in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(17) Operating revenue

	Years ended December 31,	
	2023	2022
Revenue from contracts with customers	$ 10,089,159	$ 12,055,139

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods over time and at a point in time. Disaggregation of revenue for the years ended December 31, 2023 and 2022 is as follows:

Years ended December 31, 2023	America	China	Taiwan	Others	Total
Revenue from external customer contracts recognized at a point in time	$ 9,291,541	$246,260	$203,385	$347,973	$ 10,089,159

Years ended December 31, 2022	America	China	Taiwan	Others	Total
Revenue from external customer contracts recognized at a point in time	$10,892,241	$279,840	$508,971	$374,087	$ 12,055,139

B. Contract assets and liabilities

(a) Contract liabilities were advance sales receipts. As of December 31, 2023 and 2022, contract liabilities were all from contracts with customers. And as of January 1, 2022, the balance of contract liabilities amounted to $44,999, respectively. Please refer to Note 7 for details of information on related parties.

(b) Revenue recognized that was included in the contract liability balance at the beginning of years ended December 31, 2023 and 2022 were $176 and $24,061 respectively.

(18) Other income

	Years ended December 31,	
	2023	2022
Rent income	23,381	23,911
Dividends income	4,023	8,499
Gains on write-off of payable	3,880	1,120
Other income, others	29,763	51,679
	$ 61,047	$ 85,209

(19) Other gains and losses

	Years ended December 31,	
	2023	2022
Profit (losses) on financial assets at fair value through profit or loss (Note)	$ 1,842	($ 12,753)
Net foreign exchange (loss) gain	(625)	34,986
Other gains and losses	(2,987)	(3,423)
	($ 1,770)	$ 18,810

Note: The credit risk of financial assets at fair value through profit or loss is adjusted for the valuation of operating options and convertible bond redemption rights and resale rights. Please refer to Note 12 (2).

(20) Expenses by nature

Additional disclosures related to operating costs and operating expenses are as follows:

	Years ended December 31,			
	2023		2022	
Employee benefit expense	$	534,968	$	511,933
Depreciation expense (Note)		28,520		32,803
Amortisation expense		1,397		883
	$	564,885	$	545,619

Note: Depreciation expense includes provision for property, plant and equipment and right-of-use assets.

(21) Employee benefit expense

	Years ended December 31,			
Nature	2023		2022	
Wages and salaries	$	425,299	$	401,847
Employee stock options		48,774		49,221
Labour and health insurance fees		26,452		23,943
Pension costs		11,316		10,522
Director's emolument		12,674		13,582
Other personnel expenses		10,453		12,818
	$	534,968	$	511,933

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, if any, shall be distributed as employees' compensation and directors' remuneration after it is resolved by the Board of Directors and reported to the shareholders. The ratio shall be 3%~8% for employees' compensation and shall not be higher than 0.5% for directors' and supervisors' remuneration.

B. For the years ended December 31, 2023 and 2022, employees compensation was accrued at $139,500 and $125,239, respectively; while directors' remuneration was accrued at $11,370 and $12,251, respectively.

C. Employees' compensation and directors' and supervisors' remuneration of 2023 and 2022 as resolved by the Board of Directors on February 29, 2024 and February 24, 2023 were agreed with those amounts recognized in the 2023 and 2022 financial statements and will be distributed in cash.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors can be demanded in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax expense

A. Components of income tax expense:

	Years ended December 31, 2023	Years ended December 31, 2022
Current tax:		
Current tax on profits for the year	$ 297,039	$ 383,887
Tax on undistributed surplus earnings	37,932	27,760
Prior year income tax (overestimation) underestimation	1,482	(18,497)
Total current tax	336,453	393,150
Deferred tax:		
Origination and reversal of temporary differences	8,488	3,056
Income tax expense	$ 344,941	$ 396,206

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31, 2023	Years ended December 31, 2022
Tax calculated based on profit before tax and statutory tax rate	$ 467,082	$ 543,193
Effect from items disallowed by tax regulation	(155,966)	(150,485)
Tax on undistributed surplus earnings	37,932	27,760
Prior year income tax underestimation	1,482	(18,497)
Temporary differences not recognized as deferred tax assets	(5,589)	(5,765)
Income tax expense	$ 344,941	$ 396,206

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2023		
	January 1	Recognized in profit or loss	December 31
Temporary differences:			
－Deferred tax assets:			
Allowance for inventory valuation	$ 409	$ 88	$ 497
Impairment loss on investments accounted for using the equity method	976	-	976
	$ 1,385	$ 88	$ 1,473
－Deferred tax liabilities:			
Unrealized exchange gain	(2,174)	632	(1,542)
Recognized investment profit or loss which is adopting equity method	(36,663)	(9,208)	(45,871)
	($ 38,837)	($ 8,576)	($ 47,413)

	2022		
	January 1	Recognized in profit or loss	December 31
Temporary differences:			
－Deferred tax assets:			
Unrealized exchange loss	3,115	(3,115)	-
Allowance for inventory valuation	$ 287	$ 122	$ 409
Impairment loss on investments accounted for using the equity method	976	-	976
	$ 4,378	($ 2,993)	$ 1,385
－Deferred tax liabilities:			
Unrealized exchange gain	-	(2,174)	(2,174)
Recognized investment profit or loss which is adopting equity method	(38,774)	2,111	(36,663)
	($ 38,774)	($ 63)	($ 38,837)

D. The amounts of deductible temporary differences that were not recognized as deferred tax assets are as follows:

	Years ended December 31,	
	2023	2022
Amount of allowance for bad debts in excess of the limit for tax purpose	$ 55,105	$ 36,889
Loss on investments accounted for using the equity method	4,115	31,849
Others	42,183	42,392
	$ 101,403	$ 111,130

E. The Company’s income tax returns through 2020 have been assessed and approved by the Tax Authority.

(23) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,990,468	97,192	$ 20.48
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,990,468	97,192	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	16,251	11,158	
Employee stock options	-	1,036	
Employees' compensation	-	755	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 2,006,719	110,141	$ 18.22

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,319,754	94,141	$ 24.64
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,319,754	94,141	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	16,090	10,408	
Employee stock options	-	1,053	
Employees' compensation	-	761	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 2,335,844	106,363	$ 21.96

(24) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31, 2023	Years ended December 31, 2022
Purchase of property, plant and equipment	$ 20,032	$ 20,559
Add: Opening balance of payable on equipment	7,133	2,439
Add: Ending balance of prepaid on equipment	1,874	788
Less: Ending balance of payable on equipment	(8,410)	(7,133)
Less: Opening balance of prepaid on equipment	(788)	-
Cash paid during the period	$ 19,841	$ 16,653

(25) Changes in liabilities from financing activities

	Lease liabilities	Bonds payable (Including current portion)	Liabilities from financing activities-gross
At January 1, 2023	$ 67,998	$ 1,848,938	$ 1,916,936
Changes in cash flow from financing activities	(3,387)	-	(3,387)
Changes in other non-cash items	-	16,100	16,100
At December 31, 2023	$ 64,611	$ 1,865,038	$ 1,929,649

	Lease liabilities	Bonds payable (Including current portion)	Liabilities from financing activities-gross
At January 1, 2022	$ 54,194	$ 1,897,858	$ 1,952,052
Changes in cash flow from financing activities	(4,723)	-	(4,723)
Changes in other non-cash items	18,527	(48,920)	(30,393)
At December 31, 2022	$ 67,998	$ 1,848,938	$ 1,916,936

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Hon Hai Precision Industry Co., Ltd. and its subsidiaries (Hon Hai and subsidiaries)	Company with significant influence over the Company
Foxconn Technology Co., Ltd and its subsidiaries (Foxconn Technology and subsidiaries)	Other related parties
General Interface Solution (GIS) Holding Limited and its subsidiaries (GIS and subsidiaries)	Other related parties
FOX AUTOMATION TECHNOLOGY INC.(FATI)	Subsidiaries of the Company
Frontier Integrated Global Solutions, Inc.	Subsidiaries of the Company
Kainova Technology Inc. (Kainova)	Subsidiaries of the Company
FOXSEMICON INTEGRATED TECHNOLOGY INC.	Subsidiaries of the Company
Foxsemicon LLC.	Subsidiaries of the Company
Success Praise Corporation (Success)	Subsidiaries of the Company
Foxsemicon Integrated Technology (Shanghai) Inc.(FSM)	Subsidiaries of the Company
Foxsemicon Integrated Technology (Kunshan) Inc.(FUYAO)	Subsidiaries of the Company
Shanghai EnvoFox Integrated Technology Limit Inc.	Subsidiaries of the Company
Foxsemicon Innovations Holding Inc.	Subsidiaries of the Company
Foxsemicon Technology, LLC(FTL)	Subsidiaries of the Company
UniEQ Integrated Technology Co., Ltd.	Subsidiaries of the Company

(2) Significant related party transactions

A. Sales

	Years ended December 31,	
	2023	2022
Sales of goods:		
-Subsidiaries	$ 4,217	$ 323,602

There are no similar transactions for reference for the price of the Company’s sales of goods to related parties. The collection term to related parties is 30~45 days after the invoice date.

B. Purchases

	Years ended December 31,	
	December 31, 2023	December 31, 2022
Purchases of goods and services:		
–Subsidiaries		
Success	$ 5,366,113	$ 6,631,493
FUYAO	2,263,002	2,503,488
Othres	37,469	9,631
	$ 7,666,584	$ 9,144,612

There are no similar transactions for reference for the purchases. The transaction terms were determined in accordance with mutual agreements. The payment term to related parties is 30~45 days after the invoice date.

C. Manufacturing expenses

	Years ended December 31, 2023	Years ended December 31, 2022
Subsidiaries	$ 2,308	$ 17,383

Some portions of product of the Company were entrusted to produce to FATI and Kainova. Manufacturing expenses arise mainly from the professional service fees which are calculated based on the salaries and personnel costs of the manufacturing services provided by subsidiaries.

D. Operating expenses

	Years ended December 31, 2023	Years ended December 31, 2022
Foxsemicon LLC.	$ 145,495	$ 129,401

The Company entrusted FOXSEMICON LLC to execute its logistics operations. Warehouse management expanse is calculated based on rental and management service happened actually, executived on behalf by FOXSEMICON LLC.

E. Accounts receivable

	December 31, 2023	December 31, 2022
Subsidiaries	$ 4,133	$ 82,811

The receivables from related parties arise mainly from sale transactions. The receivables are due 30~45 days after the date of sales.

F. Other receivables from related parties

	December 31, 2023	December 31, 2022
Other receivables from related parties:		
– Subsidiaries		
FUYAO	$ 641,219	$ 854,356
FSM	549,919	595,221
Others	61,441	201,277
– The group that has significant influence over the Company	2,641	3,224
	$ 1,255,220	$ 1,654,078

The other receivables abovementioned from subsidiaries arise mainly from accrued receivables for raw materials purchased on behalf and loans of the subsidiaries. As of December 31, 2023 and 2022, the amount of purchases on behalf of the subsidiaries amounted to $615,230 and $1,449,034 respectively.

G. Accounts payable

	December 31, 2023	December 31, 2022
Accounts payable:		
– Subsidiaries		
Success	$ 853,469	$ 1,228,792
FUYAO	345,106	506,302
Others	27,973	3,260
	$ 1,226,548	$ 1,738,354

The payables to related parties arise mainly from purchase and are due 30 to 45 days after the date of purchase.

H. Other payables

	December 31, 2023	December 31, 2022
Others payable:		
Subsidiaries	$ 16,052	$ 10,077
Others	34	-
	$ 16,086	$ 10,077

Other payables arise mainly from professional service fees, and the expense happended which executed logistics operations on behalf such as rental and management service.

I. Disposal of property, plant and equipment

	Year ended December 31, 2023		Year ended December 31, 2022	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
Subsidiaries	$ 70	$ -	$ 68	$ -
Others	-	-	1,446	-
	$ 70	$ -	$ 1,514	$ -

J. Acquisition of financial assets

			Year ended December 31, 2022
	Accounts	No. of sharess (share in thousands)	Consideration
FATI	Investments accounted for using equity method	3,025	$ 121,448

K. Lease transactions－lessee

For the years ended December 31, 2023 and 2022, the Company recognized related parties' rent income based on the operating lease agreement, which does not include variable lease payments. Details of rent income are as follows:

	Years ended December 31, 2023	Years ended December 31, 2022
Rent income:		
– Subsidiaries	$ 7,841	$ 7,841
– The group that has significant influence over the Company	4,164	4,139
– Other related parties	11,376	11,931
	$ 23,381	$ 23,911

The rental which the Company leased plants to related parties were determined based on the mutual agreement. The Company collected rents monthly based on the agreement.

L. Endorsements and guarantees provided to related parties

(a) Loans to related parties:

(i) Outstanding balance:

	December 31, 2023	December 31, 2022
FUYAO	$ 552,780	$ 767,750
FSM	-	312,968
	$ 552,780	$ 1,080,718

(ii) Interest expense

	Year ended December 31, 2023	Year ended December 31, 2022
FUYAO	$ 19,000	$ 10,562
FSM	4,558	-
	$ 23,558	$ 10,562

The conditions for lending to affiliated enterprises are that the funds must be repaid monthly within 2 years after the loan is made, and the interest in 2023 and 2022 shall be charged at an annual interest rate of 2.70%~2.80%.

M. Endorsements and guarantees provided to related parties

	Years ended December 31, 2023		Years ended December 31, 2022	
Provision of endorsements and guarantees:				
– Subsidiaries				
FTL	$	192,859	$	-
FATI		-		1,816,000
Kainova		-		100,000
	$	192,859	$	1,916,000

N. Key management compensation

	Years ended December 31, 2023		Years ended December 31, 2022	
Salaries and other short-term employee benefits	$	64,266	$	43,591
Post-employment benefits		540		472
	$	64,806	$	44,063

8. Pledged Assets

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

Pledged asset	Purpose	Book value December 31, 2023		Book value December 31, 2022	
Time deposits (Shown as Other non-current assets)	Customs guarantee	$	8,915	$	4,988
Time deposits (Shown as Other non-current assets)	Guarantee of Science Park Bureau		1,902		1,894
		$	10,817	$	6,882

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

Except for the recognized provision, the Company was not expected any material liabilities that could arise from the contingent liabilities.

(2) Commitments

i.Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2023		December 31, 2022	
Property, plant and equipment	$	38,330	$	7,357
Investments accounted for using equity method		-		30,710
	$	38,330	$	38,067

ii.Details of the endorsements and guarantees provided by the Company for assisting related parties to apply for bank credit lines are provided in Note13(1).

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

The Board of Directors have approved the proposal for the appropriation of earnings in 2023 on February 29, 2024, as described in Note6(16).

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide the maximum returns for shareholders and to positively reduce the gearing ratio and the cost of capital.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair valuethrough profit or loss	$ 27,550	$ 12,956
Financial assets at fair value through other comprehensive income	189,524	117,291
Financial assets at amortized cost (Note)	7,908,216	10,111,907
	$ 8,125,290	$ 10,242,154
Financial liabilities		
Financial liabilities atamortized cost (Note)	$ 3,867,874	$ 2,795,836
Lease liability	64,612	67,998
	$ 3,932,486	$ 2,863,834

Note: Financial assets at amortized cost included cash and cash equivalents, current financial assets at amortized cost, accounts receivable and other receivables; and financial liabilities at amortized cost included long-term and short-term loans, accounts payable, other payables, long-term liabilities-current portion and bonds payable.

B. Financial risk management policies

(a) Categories of risk

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.

(b) Objectives of management

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

<u>Foreign exchange risk</u>

i. Nature

The Company operates internationally and is exposed to foreign exchange risk arising from various currencies, primarily with respect to the USD. Foreign exchange rate risk arises from recognized assets and liabilities.

ii. Management

Management has set up a policy to require Company companies to manage their foreign exchange risk against their functional currency. The Company companies are required to hedge their entire foreign exchange risk exposure with the Company treasury.

iii. Degree

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

	December 31, 2023				
				Sensitivity analysis	
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$ 122,270	30.71	$ 3,754,912	1%	$ 37,549
Non-monetary items					
USD:NTD	156,218	30.71	$ 4,797,455		
Financial liabilities					
Monetary items					
USD:NTD	63,815	30.71	1,959,759	1%	19,598

	December 31, 2022				
				Sensitivity analysis	
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$ 194,861	30.71	$ 5,984,181	1%	$ 59,842
Non-monetary items					
USD:NTD	138,775	30.71	$ 4,261,780		
Financial liabilities					
Monetary items					
USD:NTD	71,132	30.71	2,184,464	1%	21,845

iv. The total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, amounted to ($ 625) and $34,986, respectively.

Price risk

i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

ii. The Company's investments in equity securities comprise domestic listed stocks which are classified as investments in financial assets at fair value through other comprehensive income. The prices of equity securities would change due to the change of the future value of investee companies. However, the fluctuation in prices is not expected to have significant influence over the value of investee companies.

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from short-term loans. Loans issued at fixed rates expose the Company to fair value interest rate risk. The Company has no significant interest rate based on the assessment.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost and at fair value through profit or loss. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

ii. The Company adopts industrial characteristics and past experience, the default occurs when the contract payments are past due over 90 days.

iii. Under IFRS 9 which the Company adopts, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

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

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

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

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

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

v. The ageing analysis of receivables (including related parties) is as follows:

	December 31, 2023	December 31, 2022
Not past due	$ 554,246	$ 688,065
Up to 90 days	1,658	110,401
91 to 180 days	5,085	-
181 to 270 days	522	-
	$ 561,511	$ 798,466

The above ageing analysis was based on past due date.

vi. The Company's accounts receivable from related parties mainly arise from sales to the Company's subsidiaries, which are included in the Company's financial statements, and there is no doubtful of perform or repayment. Therefore, the allowance for loss is measured based on the 12-month expected credit losses amount, and as of December 31, 2023 and 2022, there were no allowances for uncollectible accounts held against receivables from related parties.

vii. Other receivables (including related parties):

The Company's other receivables mainly arise from accrued receivables for raw materials purchased on behalf of subsidiaries, loans and overdue receivables, and there is no doubtful of perform or repayment. Therefore, the allowance for loss is measured based on the 12-month expected credit losses amount. As of December 31, 2023 and 2022, there is no relevant allowance loss for other receivables.

viii. The Company classifies customers' accounts receivable in accordance with credit rating. The Company applies the modified approach using the loss rate methodology or provision matrix to estimate the expected credit loss. The Company used the market forecastability of SEMI and The Basel Committee on Banking Supervision to adjust historical and timely information to assess the default possibility of notes receivable and accounts receivable. On December 31, 2023 and 2022, loss allowance estimated by the provision matrix or loss rate methodology is as follows:

December 31, 2023	Group 1	Group 2	Total
Expected loss rate	0.03%	0.03%	
Total book value	$ 554,616	$ 6,895	$ 561,511
Loss allowance	($ 166)	($ 1)	($ 167)

December 31, 2022	Group 1	Group 2	Total
Expected loss rate	0.03%	0.03%	
Total book value	$ 702,769	$ 95,697	$ 798,466
Loss allowance	($ 211)	($ 4)	($ 215)

Company 1: Standard Poor's, Fitch's, or Moody's rating of A-level, or rated as A-level in accordance with the Company's credit rating for those that do not have external credit ratings.

Company 2: Rated as other than A in accordance with the Company's credit rating for those that have no external credit ratings.

ix. Movements in relation to the Company applying the modified approach to provide loss allowance for receivables (including related parties) are as follows:

	December 31, 2023	December 31, 2022
At January 1	$ 215	$ 422
Reversal of impairment loss	(48)	(207)
At December 31	$ 167	$ 215

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

(c) Liquidity risk

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

ii. The Company's non-derivative financial liabilities are analysed into relevant maturity Companyings based on the remaining period at the balance sheet date to the contractual maturity date.

Except for those listed in the table below, as of December 31, 2021 and 2020, the maturity date of the Company's non-derivative financial liabilities (including accounts payable, other payables and guarantees of production capacity) were less than 360 days:

December 31, 2023	Less than 1 year	Between 1 and 3 years	Over 3 years
Non-derivative financial liabilities:			
Bonds payable (Note)	$ -	$ 1,903,700	$ -
Lease liability	4,988	9,977	63,047
Capacity guarantee	260,588	104,235	-

December 31, 2022	Less than 1 year	Between 1 and 3 years	Over 3 years
Non-derivative financial liabilities:			
Bonds payable (Note)	$ 1,908,000	$ -	$ -
Lease liability	4,988	9,977	68,035
Capacity guarantee	52,118	312,705	-

Note：The reason of transfer of bonds payable to current liabilities is the bondholders can request the company to buy the bonds back after three years of issuance. Please refer to Note 6 (12).

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in derivative instruments is included in Level 2.

Level 3:Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market and investment property is included in Level 3.

B. Fair value information of investment property evaluated at cost is provided in Note 6(8)

C. The carrying amounts of the Company's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortized cost, accounts receivable (including due from related parties), other receivables (including due from related parties), accounts payable, other payables and bonds payable (including current portion)) are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2023 and 2022 are as follows:

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

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ -	$ -	$ 27,360	$ 27,360
Derivative instruments	-	190	-	190
Financial assets at fair value through other comprehensive income				
Equity securities	189,524	-	-	189,524
	$ 189,524	$ 190	$ 27,360	$ 217,074

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ -	$ -	$ 12,956	$ 12,956
Financial assets at fair value through other comprehensive income				
Equity securities	117,291	-	-	117,291
	$ 117,291	$ -	$ 12,956	$ 130,247
Liability				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	$ 1,336	$ -	$ 1,336

(b) The Company's financial assets at fair value through other comprehensive income on December 31, 2023 and 2022 are financial assets included in Level 1, in order to obtain listed stocks, the Company uses closing price as their fair values.

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

E. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	2023	2022
At January 1	$ 12,956	$ 6,113
Acquired in the period	14,404	6,843
At December 31	$ 27,360	$ 12,956

G. For the year ended December 31, 2023, there was no transfer into or out from Level 3.

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

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Private equity fund investment	$ 27,360	Net asset value	Not applicable	Not applicable	Not applicable

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Private equity fund investment	$ 12,956	Net asset value	Not applicable	Not applicable	Not applicable

(4) Other matters

The Company's information systems were attacked by cyber hackers on January, 2024. The information department has actived the relevant defense mechanism and recovery operations, and cooperated with technical experts from external information security companies to test and ensure information security. There is no significant impact to the Company’s financial and business based on the Company’s assessment.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital: Please refer to table 4.

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

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

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(19).

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: The Company provided purchases and sales to an investee company in the Mainland Area, Foxsemicon Integrated Technology (Shanghai) Inc., through SUCCESS PRAISE CORPORATION. The transactions have been fully written-off in the financial statements. Please refer to Note 13 for the significant transactions of purchases, sales, receivables and payables between the Company and investee companies in the Mainland Area.

(4) Major shareholders information

Major shareholders information: Please refer to Note 9.

Foxsemicon Integrated Technology Inc.

Loans to others

Years ended December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the nine month period ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
0	Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	Other receivables due from related parties	Y	$ 767,750	$ 552,780	$ 580,860	2.80%	Business transactions	$ 2,263,002	-	$ -	-	$ -	$ 2,320,448	$ 6,961,344	Notes 1 and 2
0	Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	Other receivables due from related parties	Y	307,217	-	-	2.70%	Short-term financing	-	Business operation	-	-	-	$ 4,060,784	$ 4,640,896	Notes 4

Note 1: For the companies who have business relationship with the Company, ceiling on total loans to others shall not exceed 60% of the net assets value of the Company.

Note 2: For the companies who have business relationship with the Company, financial limit on loans granted to a single party shall not exceed the amount of business transactions occurred between the creditor and borrower. The amount of business transactions means the higher between the actual sales and the actual purchases in the last year or in the following year and shall not exceed 20% of the net assets value of the Company.

Note 3: The total loans between the foreign companies which the parent company holds 100% of the voting rights directly or indirectly should not exceed 100% of the parent company's net assets; the loans to a singal party shall not exceed 50% of the parent company's net assets.

Note 4: The total loans which the companies who have short-term financing with the parent company should not exceed 40% of the parent company's net assets; the loans to a singal party shall not exceed 35% of the parent company's net assets.

Note 5: The net assets referred to above are based on the latest audited or reviewed financial statements.

Foxsemicon Integrated Technology Inc.

Provision of endorsements and guarantees to others

Years ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Endorser/guarantor	Party being endorsed/ guaranteed: Company name	Party being endorsed/ guaranteed: Relationship with the endorser/guarantor	Limit on endorsements/guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the Endorser/guarantor company	Ceiling on total amount of endorsements/ guarantees provided	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements /guarantees to the party in Mainland China	Footnote
0	Foxsemicon Integrated Technology Inc.	Foxsemicon Technology, LLC.	Note 1	$ 5,801,120	$ 192,859	$ 192,859	$ 176,736	-	1.66	$ 11,602,240	Y	N	N	Note 2
0	Foxsemicon Integrated Technology Inc.	FOX AUTOMATION TECHNOLOGY INC.	Note 1	5,801,120	1,360,000	-	1,233,339	-	11.72	11,602,240	Y	N	N	Note 2
0	Foxsemicon Integrated Technology Inc.	FOX AUTOMATION TECHNOLOGY INC.	Note 1	5,801,120	456,000	-	264,517	-	3.93	11,602,240	Y	N	N	Note 2
0	Foxsemicon Integrated Technology Inc.	Kainova Technology Inc.	Note 1	5,801,120	100,000	-	-	-	0.86	$ 11,602,240	Y	N	N	Note 2

Note 1: A subsidiary that the Company and subsidiaries directly or indirectly held more than 50% equity interets of common shares.

Note 2: The ceiling on total amount of endorsements/guarantees provided to others by the Company is the Company's net assets in the latest financial statement which was reviewed or audited by independent accountant.
Limit on total endorsements/guarantees provided for a single party is 50% of the Company's net assets in the latest financial statement which was reviewed or audited by independent accountant.

Note 3: Limit on endorsements and guarantees to a company of which the Company directly or indirectly holds 100%, should not exceed 10% of the company's net assets in the latest financial statement which was reviewed or audited by independent accountant.
Limit on endorsements and guarantees to a single party shall not exceed 80% of the company's net assets.

Foxsemicon Integrated Technology Inc.

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

Years ended December 31, 2023

Table 3

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

				As of December 31, 2023				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Foxsemicon Integrated Technology Inc.	Common stock of Advanced Optoelectronic Technology, Inc.	None.	Financial asset measured at fair value through other comprehensive income-non-current	3,672,000	$ 108,691	2.54	$ 108,691	
Foxsemicon Integrated Technology Inc.	Common stock of ChenFull Precision Co. Ltd	None.	Financial asset measured at fair value through other comprehensive income-non-current	745,000	80,833	1.26	80,833	
Foxsemicon Integrated Technology Inc.	Partnership of AVITIC FUND	None.	Financial assets at fair value through profit or loss - non-current	-	27,360	8.00	27,360	
MINDTECH CORPORATION	Common stock of SuperbVue Solutions Inc.	None.	Financial asset measured at fair value through other comprehensive income-non-current	12,250,000	11,131	10.03	11,131	Note
MINDTECH CORPORATION	Common stock of Pollux Technologies, Inc.	None.	Financial asset measured at fair value through other comprehensive income-non-current	7,350,000	49,296	11.60	49,296	Note
MINDTECH CORPORATION	Common stock of Linyange Semiconductor, Inc.	None.	Financial asset measured at fair value through other comprehensive	4,900,000	26,503	10.03	26,503	Note
Foxsemicon Integrated Technology (Shanghai) Inc.	MEMS CORE Co., Ltd.	None.	Financial assets at fair value through profit or loss - non-current	137,754	15,983	18.00	15,983	

Note:The shareholding ratio above is agreed upon in the investment contract and the article of association of those companies. However, it is still in the period of capital injection.

Foxsemicon Integrated Technology Inc.

Securities acquired or sold at costs, or prices at least NT$300 million or 20% of the paid-in capital during this period

Years ended December 31, 2023

Table 4

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(除特別註明者外)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Transaction currency	Balance as at December 31, 2023 Number of shares	Balance as at December 31, 2023 Amount	Buy Number of shares	Buy Amount	Disposal Number of shares	Disposal Selling price	Disposal Book value (Note 5)	Disposal Gain (loss) on disposal	As of December 31, 2023 Number of shares	As of December 31, 2023 Amount
Foxsemicon Integrated Technology Inc.	UniEQ Integrated Technology Co., Ltd.	Note 1	UniEQ Integrated Technology Co., Ltd.	Note 2	USD	-	$ -	16,000,000	USD 45,768 thousand	-	$ -	$ -	$ -	16,000,000	USD 45,768 thousand
Foxsemicon Integrated Technology (Shanghai) Inc.	Jinan Fujie Industrial Investment Fund Partnership (limited partnership)"	Note 3	Jinan Fujie Industrial Investment Fund Partnership (limited partnership)"	-	RMB	Note 4	RMB 49,714 thousand			Note 4	RMB 89,012 thousand	RMB 89,012 thousand	-		

Note 1: Code of general ledger account is "investments accounted for under equity method".
Note 2: A subsidiary directly owned by the Company with 100% ownership.
Note 3: Code of general ledger account is "financial assets at fair value through profit or loss".
Note 4: The Company is a limited company and has no shares.
Note 5: The book value of financial assets at fair value through profit or loss is the amount evaluated at fair value, including the gain and loss of fair value evaluation.

Foxsemicon Integrated Technology Inc.

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

Years ended December 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Foxsemicon Integrated Technology Inc.	SUCCESS PRAISE CORPORATION	Subsidiaries	Purchases	$ 5,366,113	68	60 days from the invoice date	Note 1	No significant difference	($ 853,469)	(62)	
Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	Subsidiaries	Purchases	2,263,002	29	60 days from the invoice date	Note 1	No significant difference	(345,106)	(25)	
Foxsemicon Integrated Technology (Shanghai) Inc.	SUCCESS PRAISE CORPORATION	Affiliated company	Sale	5,855,383	92	45 days from the invoice date	Note 1	No significant difference	1,013,151	80	
Foxsemicon Integrated Technology (Shanghai) Inc.	Frontier Integrated Global Solutions, Inc.	Affiliated company	Sale	177,838	3	45 days from the invoice date	Note 1	No significant difference	56,533	4	
Foxsemicon Integrated Technology (Kunshan) Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	Affiliated company	Sale	790,960	25	45 days from the invoice date	Note 1	No significant difference	178,154	33	
SUCCESS PRAISE CORPORATION	Frontier Integrated Global Solutions, Inc.	Affiliated company	Sale	409,444	7	45 days from the invoice date	Note 1	No significant difference	77,236	8	

Note 1: If there are no similar transactions, the prices and terms were determined in accordance with mutual agreements. Otherwise, the transaction terms were similar to general transaction terms.
Note 2: Opposite related party transaction is not disclosed.

Foxsemicon Integrated Technology Inc.

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

Years ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023			Turnover rate	Overdue receivables			Amount collected subsequent to the balance sheet date		Creditor Counterparty doubtful	
								Amount	Action taken				
Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology	Subsidiaries	$	549,919	Note	Not applicable	$	75,609	Positive	$	71,004	$	-
Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology	Subsidiaries		641,219	Note	Not applicable		425	Positive		120		-
SUCCESS PRAISE CORPORATION	Foxsemicon Integrated Technology Inc.	Ultimate parent		853,469		5.2		-	-		-		-
Foxsemicon Integrated Technology (Shanghai) Inc.	SUCCESS PRAISE CORPORATION	Affiliated company		1,013,151		5.6		137,428	Subsequent collection		137,428		-
Foxsemicon Integrated Technology (Kunshan) Inc.	Foxsemicon Integrated Technology Inc.	Ultimate parent		345,106		5.4		91,960	Subsequent collection		56,762		-
Foxsemicon Integrated Technology (Kunshan) Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	Parent company		178,154		3.6		160	Subsequent collection		160		-

Note: Receivables arose from purchasing materials on behalf of others and financing inter-related party. Financing inter-related please refer to Note 13(1).

Foxsemicon Integrated Technology Inc.

Significant inter-company transactions during the reporting periods

Years ended December 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction (Note 4) General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Foxsemicon Integrated Technology Inc.	SUCCESS PRAISE CORPORATION	(1)	Purchases	$ 5,366,113	45 days from the invoice date	41
0	Foxsemicon Integrated Technology Inc.	SUCCESS PRAISE CORPORATION	(1)	Accounts payable	853,469	45 days from the invoice date	4
0	Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	(1)	Other receivable	549,919	45 days from the invoice date	3
0	Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	(1)	Purchases	2,263,002	45 days from the invoice date	17
0	Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	(1)	Accounts payable	345,106	45 days from the invoice date	2
0	Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	(1)	Other receivable	641,219	45 days from the invoice date	3
1	Foxsemicon Integrated Technology (Shanghai) Inc.	SUCCESS PRAISE CORPORATION	(3)	Sales	5,855,383	45 days from the invoice date	45
1	Foxsemicon Integrated Technology (Shanghai) Inc.	SUCCESS PRAISE CORPORATION	(3)	Accounts receivable	1,013,151	45 days from the invoice date	5
1	Foxsemicon Integrated Technology (Shanghai) Inc.	Frontier Integrated Global Solutions, Inc.	(3)	Sales	177,838	45 days from the invoice date	1
2	Foxsemicon Intgrated Technology(Kunshan) Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	(2)	Sales	790,960	45 days from the invoice date	6
2	Foxsemicon Intgrated Technology(Kunshan) Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	(2)	Accounts receivable	178,154	45 days from the invoice date	1
3	SUCCESS PRAISE CORPORATION	Frontier Integrated Global Solutions, Inc.	(3)	Sales	409,444	45 days from the invoice date	3

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to:

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: The disclosures are related parties reaching $100 million or 20% of paid-in capital or more only, otherwise are not disclosed.

Note 4: Percentage of total consolidated revenues or total assets is calculated using the total consolidated assets at the end of the year when the subject of transaction is an asset/liability, and is calculated by total consolidated revenues during the year when the subject of transaction is a revenue/expense. However, the transactions were eliminated when preparing the consolidated financial statements.

Foxsemicon Integrated Technology Inc.

Information on investees

Years ended December 31, 2023

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net income of investee as of December 31, 2023	recognised by the Company for the nine month period ended	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value			
Foxsemicon Integrated Technology Inc.	FOXSEMICON INTEGRATED TECHNOLOGY INC.	Samoa	Reinvestment and holding company	$ 1,253,890	$ 1,253,890	40,474,913	100	$ 4,443,184	$ 724,260	$ 724,260	
Foxsemicon Integrated Technology Inc.	Foxsemicon Innovations Holding Inc.	US	Reinvestment and holding company	451,191	451,191	15,000,000	100	341,317	(86,746)	(86,746)	
Foxsemicon Integrated Technology	FOXSEMICON LLC.	US	Exports/Imports	1,751	1,751	50,000	100	32,322	(48)	(48)	
Foxsemicon Integrated Technology Inc.	UNIEQ TECHOLOGY PTE.LTD	Singapore	Reinvestment and holding company	1	-	1	100	-	-	-	Note 1
Foxsemicon Integrated Technology Inc.	FOX AUTOMATION TECHNOLOGY INC.	Taiwan	Manufacturing of machinery and equipment and electronic parts	312,573	312,573	20,000,000	100	1,022,053	206,870	206,870	
Foxsemicon Integrated Technology Inc.	Frontier Integrated Global Solutions, Inc.	Taiwan	Manufacturing of machinery and equipment and electronic parts	5,000	5,000	500,000	100	50,072	28,399	28,399	
Foxsemicon Integrated Technology Inc.	Kainova Technology Inc.	Taiwan	Manufacturing of machinery and equipment and electronic parts	55,000	55,000	5,500,000	100	69,492	27,851	27,851	
Foxsemicon Integrated Technology Inc.	Lydus Medical Ltd.	Israel	Research, design and sale of medical machinery	89,790	59,560	416,310	16.21	77,818	(41,305)	(6,364)	Note 1
Foxsemicon Integrated Technology Inc.	SMART BREAST CORPORATION	US	Manufacturing of medical machinery	17,643	17,643	7,890,640	17.62	-	(21,595)	-	
Foxsemicon Integrated Technology Inc.	Corporate Venture Capital Alliance Innovation Fund	Taiwan	Reinvestment and holding company	22,500	22,500	2,250,000	25	18,887	(9,854)	(2,464)	
Foxsemicon Integrated Technology Inc.	UniEQ Integrated Technology Co., Ltd.	Thiland	Manufacturing of machinery and equipment and electronic parts	1,447,108	-	16,000,000	100	1,427,688	(23,393)	(23,393)	
FOXSEMICON INTEGRATED TECHNOLOGY INC.	MINDTECH CORPORATION	Samoa	Reinvestment and holding company	2,395,380	2,395,380	34,977,541	100	4,341,933	711,513	711,513	
FOXSEMICON INTEGRATED TECHNOLOGY INC.	SUCCESS PRISE CORPORATION	Samoa	Reinvestment and holding company	116,698	116,698	3,800,000	100	101,242	12,747	12,747	
Foxsemicon Innovations Holding Inc.	Foxsemicon Technology, LLC	US	Research and Development and manufacturing of machinery and equipment and electronic parts	459,115	459,115	Note 2	100	340,788	(85,724)	(84,724)	

Note 1:The Company started to recognize gain or loss of associates and joint ventures accounted for using equity method in the month of acquisition

Note 2: The company is a limited company and has no shares issued.

Foxsemicon Integrated Technology Inc.

Information on investments in Mainland China

Years ended December 31, 2023

Table 9

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital (Note 1)	Investment method (Note 2)	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the years ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the years ended December 31, 2023 (Note 3)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Foxsemicon Integrated Technology (Shanghai) Inc.	Production and sales of electronic special equipment, test instruments, and industrial molds	$ 2,395,380	2	$ 2,395,380	$ -	$ -	$ 2,395,380	$ 707,175	100	$ 707,175	$ 4,269,248	$ -	
Kaivaco Technology Nanjing Inc.	Production and sales of electronic special equipment, test instruments, and industrial molds	6,117	1	6,117	-	-	6,117	117	100	117	6,541	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Foxsemicon Integrated Technology Inc.	2,395,380	3,346,513	Note 4
Kainova Technology Inc.	6,117	6,603	80,000

Note 1: The amounts in the table are shown in New Taiwan Dollars. Transactions denominated in foreign currencies are translated into New Taiwan Dollars at the spot exchange rates at the balance sheet date.

Note 2: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

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

(2)Invested in Mainland China thorugh the thrid party, FOXSEMICON INTERGRATED TECHNOLOGY INC.

(3)Others

Note 3:Investment income (loss) recognition is based on financial statements that are audited or reviewed by R.O.C. parent company's CPA.

Note 4: Pursuant to the amended ‘Guidelines Governing the Review of Investment or Technical Cooperation in the Mainland Area’ dated on August 29, 2008, as the Company has obtained the certificate of being qualified for operating headquarters, issued by the Industrial Development Bureau, MOEA, the ceiling amount of the investment in Mainland China is not applicable to the Company.

Note 5:The Company reinvested in Mainland China investees, Foxsemicon Integrated Technology (Kunshan) Inc. and Shanghai EnvoFox integrated technology limit inc. through the investing business in Mainland China investee, which were not required to file an application to the Investment Commission of Ministry of Economic Affairs (MOEA).However, the investing business in Mainland China is a controlling company and shall apply the reinvestment to the Investment Commission of Ministry of Economic Affairs (MOEA).

Foxsemicon Integrated Technology Inc.

Major shareholders information

December 31, 2023

Table 10

Name of major shareholders	Shares	
	Number of shares held (shares)	Ownership (%)
Applied Materials Taiwan	8,117,258	8.33
Hyield Venture Capital Co.,Ltd.	6,953,272	7.13

Note: The major shareholders' information was derived from the data using the Company issued common shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference of calculation basis.

Foxsemicon Integrated Technology Inc.
SUMMARY OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Summary 1

Items	Description					Amount
Cash and Cash on hand						$ 1,190
Bank deposits						
Demand deposits						80,581
Foreign currency deposits	USD	32,133	thousands	Exchange rate	30.71	986,811
	others					3
Cash equivalents						
Time deposits	USD	18,000	thousands	Exchange rate	30.71	552,780
	NTD	1,900,000	thousands	Exchange rate	1.00	1,900,000
						$ 3,521,365

Foxsemicon Integrated Technology Inc.
STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST -CURRENT
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Summary 2

Name	Description	Shares / Units	Face Value	Total Amount	Interest Rate	Carrying Amount	Accumulated Impairment	Note
Time deposit	NTD	0	$ -	$ 2,570,000	1.35%~1.58%	$ 2,570,000	$ -	
				$ 2,570,000		$ 2,570,000	$ -	

Foxsemicon Integrated Technology Inc.
SUMMARY OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Summary 3

Items	Description	Amount	Remark
Accounts receivable			
Client A		$ 485,455	
Others		76,056	Balance of individual customers is under 5% of this account's balance.
		561,511	
Less：Allowance for doubtful accounts		(167)	
		$ 561,344	

Foxsemicon Integrated Technology Inc.
STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Summary 4

Item	Description	Amount		Note
		Cost	Market price	
Raw materials		$ 105,007	$ 108,586	Net realizable value is market price.
Work in progress		86,534	86,534	〃
Finished goods		348,628	380,634	〃
		$ 540,169	$ 575,754	
Less：Allowance for inventory valuation loss		(2,492)		
		$ 537,677		

Foxsemicon Integrated Technology Inc.
MOVEMENT SUMMARY OF INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Summary 5

	As of January 1, 2023		Additions (Note 1)		Deductions (Note 2)		As of December 31, 2023			Market value or net equiry value		
Company name	In thoundsand share	Amount	In thoundsand share	Amount	In thoundsand share	Amount	In thoundsand share	Ownership (%)	Amount	Unit price	Total price	Pledged as collateral
FOXSEMICONINTEGRATED TECHNOLOGY INC.	40,475	$ 3,789,642	-	$ 730,509	-	($76,967)	40,475	100	$ 4,443,184	$ -	$ 4,443,184	None
FOXSEMICON LLC.	50	32,370	-	-	-	(48)	50	100	32,322	-	32,322	〃
FOX AUTOMATION TECHNOLOGY INC.	20,000	804,238	-	217,815	-	0	20,000	100	1,022,053	-	1,022,053	〃
Frontier Integrated Global Solutions, Inc.	500	48,846	-	28,399	-	(27,173)	500	100	50,072	-	50,072	〃
Kainova Technology Inc.	5,500	34,222	-	35,392	-	(122)	5,500	100	69,492	-	69,492	〃
Foxsemicon Innovations Holding Inc.	15,000	426,837	-	1,226	-	(86,746)	15,000	100	341,317	-	341,317	〃
UniEQ Integrated Technology Co., Ltd	-	-	16,000	1,451,081	-	(23,393)	16,000	100	1,427,688	-	1,427,688	〃
Lydus Medical Ltd.	278	55,032	139	30,458	-	(7,672)	417	16	77,818	-	77,818	〃
Corporate Venture Capital Alliance Innovation Fund	2,250	21,351	-	-	-	(2,464)	2,250	25	18,887	-	18,887	〃
SMART BREAST CORPORATION	7,891	-	-	-	-	-	7,891	-	-	-	-	〃
		5,212,538		$ 2,494,880		(224,585)			7,482,833		$ 7,482,833	
The credit balance of long-term equity investments recorded as other non-current liabilities		-							-			
		$ 5,212,538							$ 7,482,833			

Note 1: The increase in the current year includes accquirment of investments accounted for using the equity method, investment income accounted for using the equity method and the share-based payment of the parent company's employee stock option gave to employees of subsidiaries.
Note 2: The decrease in the current year includes loss on investments accounted for using the equity method, cash dividends received and exchange differences on translation of foreign financial statements.
Note 3: The recognition of investment income for the year has been adjusted for unrealized gain or loss with the investee company

Foxsemicon Integrated Technology Inc.
STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Summary 6

Name of securities	Trustee	Issuance Date	Interest Payment Date	Coupon Rate	Amount: Total Issuance Amount	Amount: Repayment Paid	Amount: Conversion amount	Amount: Ending Balance	Amount: Unamortized Premiums (Discounts)	Amount: Carrying Amount	Repayment Term	Collateral	Note
Second domestic unsecured convertible bonds	Bank SinoPac	109.11.16	-	0.00%	$ 2,000,000	-	$ 96,300	$ 1,903,700	(38,662)	1,865,038	Note	None	

Note: Except for the portions converted into the Company's common stock, redeemed by the Company in advance and sold back by the holders of bonds in advance, the Company redeems based on face value at maturity.

Foxsemicon Integrated Technology Inc.
SUMMARY OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Summary 7

Items	Quantity		Amount	Remark
Semiconductor equipment and system assembling	22,184	SET	$ 6,358,677	
Key components	705,386	PIECES	3,361,363	
Others			377,781	
Subtotal			10,097,821	
Less:Sales returns and discounts			(8,662)	
Total			$ 10,089,159	

Foxsemicon Integrated Technology Inc.
SUMMARY OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Summary 8

Items	Amount
Raw materials - begining of period	$ 133,767
Add: Raw materials - purchase	355,781
Surplus or loss on raw materials	(2)
Raw materials - scrapped	(41)
Less: Reclassified to expenses	(1,848)
Raw materials - ending of period	(105,007)
Material consumed	382,650
Direct labor	6,051
Manufacturing overheads	293,232
Manufacturing costs	681,933
Add: Work in process - begining of period	55,700
Less: Reclassified to expenses	(486)
Work in process - ending of period	(86,534)
Cost of finished goods	650,613
Add: Finished goods - begining of period	357,115
Ffinished goods purchase	7,584,363
Less: Finished goods - ending of period	(348,628)
Finished goods - scrapped	(91)
Reclassified to expenses	(456)
Production and sales cost	8,242,916
Add: After - sales service cost	2,559
Loss on inventory	2
Loss on decline in market value	577
Less: Sales of scraps	(4,189)
	$ 8,241,865

Foxsemicon Integrated Technology Inc.
SUMMARY OF MANUFACTURING OVERHEADS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Summary 9

Items	Description	Amount	Remark
Wages and salaries		$ 120,185	
Processing fee		114,421	
Others		58,626	None of other financial accounts contained within individually has a balance exceeding 5% of the value of this financial account.
Total		$ 293,232	

Foxsemicon Integrated Technology Inc.
SUMMARY OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Summary 10

Items	Description	Amount	Remark
Storage fee		$ 145,495	
Wages and salaries		$ 65,410	
Others		17,994	None of other financial accounts contained within individually has a balance exceeding 5% of the value of this financial account.
Total		$ 228,899	

Foxsemicon Integrated Technology Inc.
SUMMARY OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Summary 11

Items	Description	Amount	Remark
Wages and salaries		$ 218,725	
Depreciation expense		23,726	
Others		66,755	None of other financial accounts contained within individually has a balance exceeding 5% of the value of this financial account.
Total		$ 309,206	

Foxsemicon Integrated Technology Inc.
SUMMARY OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Summary 12

Items	Description	Amount	Remark
Wages and salaries		$ 51,563	
Business trip		2,927	
Others		8,805	None of other financial accounts contained within individually has a balance exceeding 5% of the value of this financial account.
Total		$ 63,295	

Foxsemicon Integrated Technology Inc.
SUMMARY OF EMPLOYEE BENEFITS EXPENSES, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Summary 13

By nature	Year ended December 31, 2023			Year ended December 31, 2022		
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Non-operating Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefits expenses (Note)						
Wages and salaries	$ 146,025	$ 328,048	$ 474,073	$ 118,461	$ 332,607	$ 451,068
Labor and health insurance fees	10,450	16,002	26,452	9,418	14,525	23,943
Pension costs	3,666	7,650	11,316	3,035	7,487	10,522
Remuneration to directors	-	12,674	12,674	-	13,582	13,582
Others personnel expense	4,657	5,796	10,453	5,470	7,348	12,818
	$ 164,798	$ 370,170	$ 534,968	$ 136,384	$ 375,549	$ 511,933
Depreciation	$ 2,786	$ 25,734	$ 28,520	$ 2,145	$ 30,658	$ 32,803
Amortisation	$ 201	$ 1,196	$ 1,397	$ 181	$ 702	$ 883

Note A: As of December 31, 2023 and 2022, the Company had 328 and 292 employees, including 6 and 6 non-employee directors, respectively.

B. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information:

(a) Average employee benefit expense in current year was $1,622. Average employee benefit expense in previous year was $1,742.

(b) Average employee salaries in current year was $1,472. Average employee salaries in previous year was $1,577.

(c) Adjustment of average employee salaries was (6.66%)

(d) The Company has set up the audit committee, so it has no supervisors'remuneration

(e) Directors' and managers' remuneration policy is set and periodically reviewed by the remuneration committee. The directors' and managers' performance evaluations and salaries structures are determined based on the Company's operating strategy and overall operating performance, and considered the general payment levels of the industry, contribution and achievement to their position and a proposal is submitted by the remuneration committee then implemented after being approved by the Board of Directors.
The Company's remuneration policy for employees considerded a payment standard by referring to the general levels of the industry and overall economy.
Bonus is evaluated based on the Company's overall operating performance, personal performance and presonal contribution.