FOXSEMICON INTEGRATED TECHNOLOGY INC.

PARENT COMPANY ONLY FINANCIAL

STATEMENTS AND AUDIT REPORT OF

INDEPENDENT ACCOUNTS

FOR THE YEARS ENDED DECEMBER 31,2024 AND 2023

(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, 2024 AND 2023 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, 2024 and 2023, 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, 2024 and 2023, 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 2024 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 31,2024 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, 2024, the balance of revenue amounted to NT$13,061,193 thousand.

The Company has three sales transaction types, including direct shipment from the factory, FOB destination, and hub. For FOB destination and hub, revenue is recognized when goods are shipped to the destination or picked up by customers (when control of the product is transferred). The supporting documents for revenue recognition include receipts from customers (FOB destination), reports or other information provided by hub custodians and inventory movement record of hub. The process of revenue recognition contains numerous manual procedures, which may potentially result in inaccurate timing of revenue recognition.

Since there are numerous daily revenue from hubs and from FOB destination, the transaction amounts prior to and after the balance sheet date are significant to the financial statements, and revenue recognition involves subjective judgment, revenue cutoff 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. Evaluated and tested the Company's internal controls in respect of revenue recognition.
2. Tested sales transactions that took place shortly before and after the balance sheet date, by verifying customers' receipt notes, supporting documents provided by hub custodian, inventory movement records, and costs of goods sold recognized in the correct reporting periods.
3. Confirmed the inventory quantities with hub custodian 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, 2024, the balances of inventories and allowance for valuation loss on inventories amounted to NT$1,037,293 thousand and NT$5,918 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 realizable value. For inventories that are over a certain age and individually identified obsolete or ruined inventory, losses are recognized at net realizable 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.

Auditor's 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 26, 2025

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 2,203,630	11	$ 3,521,365	22
1110	Current financial assets at fair value through profit or loss		326	-	-	-
1136	Current financial assets at amortised cost	6(1)	1,300,000	7	2,570,000	16
1170	Accounts receivable	6(3) and 7	1,462,463	8	561,344	3
1200	Other receivables	7	1,642,166	8	1,255,507	8
130X	Inventory	6(4)	1,031,375	5	537,677	3
1410	Prepayments		29,924	-	22,972	-
11XX	**Current Assets**		7,669,884	39	8,468,865	52
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss		48,505	-	27,550	-
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	97,422	1	189,524	1
1550	Investments accounted for under equity method	6(5)	11,767,417	59	7,482,833	46
1600	Property, plant and equipment	6(6)	135,365	1	122,508	1
1755	Right-of-use assets	6(7)	41,100	-	54,904	-
1760	Investment property	6(8)	50,487	-	49,389	-
1840	Deferred income tax assets	6(22)	2,159	-	1,473	-
1900	Other non-current assets	6(11) and 8	25,312	-	24,748	-
15XX	**Non-current assets**		12,167,767	61	7,952,929	48
1XXX	**Total assets**		$ 19,837,651	100	$ 16,421,794	100

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FOXSEMICON INTEGRATED TECHNOLOGY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current liabilities					
2130	Current contract liabilities		$ 250,754	1	$ 304,003	2
2170	Accounts payable		485,055	2	139,059	1
2180	Accounts payable - related parties	7	2,145,712	11	1,226,548	7
2200	Other payables	6(9) and 7	840,265	4	637,229	4
2230	Current tax liabilities		237,830	1	126,976	1
2280	Current lease liabilities		2,905	-	3,468	-
2320	Long-term liabilities, current portion	6(12)	322,888	2	-	-
2399	Other current liabilities, others	6(10)	210,598	1	303,639	2
21XX	**Current Liabilities**		4,496,007	22	2,740,922	17
	Non-current liabilities					
2530	Corporate bonds payable	6(12)	-	-	1,865,038	11
2570	Deferred income tax liabilities	6(22)	85,575	1	47,413	-
2580	Non-current lease liabilities		47,818	-	61,144	-
2600	Other non-current liabilities	6(5)(10)(11)	804	-	105,037	1
25XX	**Non-current liabilities**		134,197	1	2,078,632	12
2XXX	**Total Liabilities**		4,630,204	23	4,819,554	29
	Equity					
	Share capital	6(13)				
3110	Common stock		1,060,004	5	971,861	6
3130	Certificate of entitlement to new shares from convertible bond		16,245	-	246	-
3140	Advance receipts for share capital		1,692	-	2,286	-
	Capital surplus	6(15)				
3200	Capital surplus		5,715,305	29	4,051,311	25
	Retained earnings	6(16)				
3310	Legal reserve		1,142,209	6	943,255	6
3320	Special reserve		6,336	-	6,336	-
3350	Unappropriated retained earnings		6,927,340	35	5,586,669	34
	Other equity interest					
3400	Other equity interest		338,316	2	40,276	-
3XXX	**Total equity**		15,207,447	77	11,602,240	71
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9				
	Significant Events after the Balance Sheet Date	11				
3X2X	**Total liabilities and equity**		$ 19,837,651	100	$ 16,421,794	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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Year ended December 31			
			2024		2023	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17) and 7	$ 13,061,193	100	$ 10,089,159	100
5000	Operating costs	6(4) and 7	(10,851,671)	(83)	(8,241,865)	(82)
5900	Gross profit from operation		2,209,522	17	1,847,294	18
	Operating expenses	6(20) and 7				
6100	Selling expenses		(250,518)	(2)	(228,899)	(2)
6200	Administrative expenses		(344,565)	(3)	(309,206)	(3)
6300	Research and development expenses		(64,196)	-	(63,295)	(1)
6450	Impairment (loss) gain		(565)	-	48	-
6000	Total operating expenses		(659,844)	(5)	(601,352)	(6)
6900	Net operating income		1,549,678	12	1,245,942	12
	Non-operating income and expenses					
7100	Interest income	6(1)	148,839	1	183,729	2
7010	Other income	6(18) and 7	52,019	-	61,047	-
7020	Other gains and losses	6(19)	164,176	1	(1,770)	-
7050	Finance costs		(11,349)	-	(21,904)	-
7070	Share of profit of associates and joint ventures accounted for using equity method	6(5)	1,162,821	9	868,365	9
7000	Total non-operating revenue and expenses		1,516,506	11	1,089,467	11
7900	**Profit before income tax**		3,066,184	23	2,335,409	23
7950	Income tax expense	6(22)	(453,541)	(3)	(344,941)	(3)
8200	**Profit for the year**		$ 2,612,643	20	$ 1,990,468	20
	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)	$ 4,633	-	($ 925)	-
8316	Unrealized gain on valuation of financial assets at fair value through the comprehensive	6(2)	92,102	1	72,233	1
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		57,645	-	6,249	-
8310	Other comprehensive income that will not be reclassified to profit or loss		154,380	1	77,557	1
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation difference of foreign operations		239,959	2	(71,890)	(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		3,943	-	(1,309)	-
8360	Other comprehensive income that will be reclassified to profit or loss		243,902	2	(73,199)	(1)
8300	**Other comprehensive income for the year**		$ 398,282	3	$ 4,358	-
8500	**Total comprehensive income for the year**		$ 3,010,925	23	$ 1,994,826	20
	Basic earnings per share	6(23)				
9750	Total basic earnings per share		$	25.22	$	20.48
9850	Total diluted earnings per share		$	22.70	$	18.22

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Capital				Retained Earnings			Other equity interest		
	Notes	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	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
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	6(16)										
Legal reserve		-	-	-	-	229,858	-	(229,858)	-	-	-
Cash dividends		-	-	-	-	-	-	(1,339,609)	-	-	(1,339,609)
Conversion of convertible bonds	6(15)	6	246	-	3,853	-	-	-	-	-	4,105
Executive employee stock options	6(15)	3,934	-	(302)	39,814	-	-	-	-	-	43,446
Share-based payment (include subsidiaries)	6(15)	-	-	-	68,086	-	-	-	-	-	68,086
Changes in equity of associates and joint ventures accounted for using equity method	6(15)	-	-	-	229	-	-	-	-	-	229
Balance at December 31,2023		$ 971,861	$ 246	$ 2,286	$ 4,051,311	$ 943,255	$ 6,336	$ 5,586,669	($ 58,452)	$ 98,728	$ 11,602,240
2024											
Balance at January 1, 2024		$ 971,861	$ 246	$ 2,286	$ 4,051,311	$ 943,255	$ 6,336	$ 5,586,669	($ 58,452)	$ 98,728	$ 11,602,240
Profit for the year		-	-	-	-	-	-	2,612,643	-	-	2,612,643
Other comprehensive income for the year		-	-	-	-	-	-	4,633	243,902	149,747	398,282
Total comprehensive income		-	-	-	-	-	-	2,617,276	243,902	149,747	3,010,925
Appropriations of 2023 earnings	6(16)										
Legal reserve		-	-	-	-	198,954	-	(198,954)	-	-	-
Cash dividends		-	-	-	-	-	-	(1,173,260)	-	-	(1,173,260)
Conversion of convertible bonds	6(15)	77,439	15,999	-	1,458,254	-	-	-	-	-	1,551,692
Executive employee stock options	6(15)	10,704	-	(594)	146,127	-	-	-	-	-	156,237
Share-based payment (Include subsidiaries)	6(14)(15)	-	-	-	59,761	-	-	-	-	-	59,761
Disposal of equity instruments at fair value through other comprehensive income	6(2)	-	-	-	-	-	-	95,609	-	(95,609)	-
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	(148)	-	-	-	-	-	(148)
Balance at December 31,2024		$ 1,060,004	$ 16,245	$ 1,692	$ 5,715,305	$ 1,142,209	$ 6,336	$ 6,927,340	$ 185,450	$ 152,866	$ 15,207,447

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 3,066,184	$ 2,335,409
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including investment property and right-of-use assets)	6(6)(7)(8)	32,416	31,920
Additional provision recognized	6(10)	9,835	2,560
Interest expense		11,349	21,904
Amortization expense	6(20)	2,410	1,397
Loss on financial assets at fair value through profit or less	6(19)	(661)	(1,527)
Expected credit losses recognized (reversal)		565	(48)
Share-based payments	6(14)	43,518	48,774
Share of gain of subsidiaries associates and joint ventures accounted for using equity method	6(5)	(1,162,821)	(868,366)
Reversal of payables benefit	6(18)	(20,554)	(3,880)
Interest income		(148,839)	(183,729)
Dividends income	6(2)	(3,251)	(4,023)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets and liabilities at fair value through profit or loss, mandatorily		(40)	(315)
Accounts receivable net		(889,281)	235,677
Other receivable		(882)	(965,402)
Inventories		(493,698)	6,858
Prepayment		(6,952)	532
Changes in operating liabilities			
Accounts payable		1,285,714	(651,425)
Other payable		(85,073)	(23,407)
Other current liabilities		(51,879)	306,909
Defined benefit plans asset		11	-
Accrued pension liabilities		-	(925)
Cash inflow generated from operations		1,588,071	288,893
Income taxes paid		(305,319)	(503,749)
Net cash flows from (used in) operating activities		1,282,752	(214,856)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		148,839	183,729
Proceeds from disposal of property, plan and equipment	6(6)	23	70
Increase in other non-current assets		(226)	(6,349)
(Increase) decrease receivables arose from purchasing materials on behalf of others		(440,089)	722,793
Acquisition of property, plant and equipment	6(24)	(46,582)	(19,841)
Acquisition of Investments accounted for using equity method	6(5)	(2,929,692)	(1,477,338)
Receivables from other related parties decrease		127,585	527,938
Dividends received	6(5)	198,500	32,023
Acquisition of financial assets at fair value through profit or loss		(21,145)	(14,404)
Acquisition of financial assets at amortized cost		(3,250,000)	(5,443,680)
Disposal of financial assets at amortized cost		4,520,000	3,773,680
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(2)	113,510	-
Net cash flows used in investing activities		(1,579,277)	(1,721,379)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of cash dividends	6(16)	(1,173,260)	(1,339,609)
Payments of lease liabilities		(2,906)	(3,387)
Interest paid		(1,281)	(1,601)
Executive employee stock options		156,237	43,446
Net cash flows used in financing activities		(1,021,210)	(1,301,151)
Net decrease in cash and cash equivalents		(1,317,735)	(3,237,386)
Cash and cash equivalents at beginning of year		3,521,365	6,758,751
Cash and cash equivalents at end of year		$ 2,203,630	$ 3,521,365

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, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

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 device.

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

These parent company only financial statements were authorized for issuance by the Board of Directors on February 26, 2025.

3. Application of New Standards, Amendments and Interpretations

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

New standards, interpretations and amendments endorsed by FSC and became 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.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

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

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

A. Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

The IASB issued the amendments to:

Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognized during that reporting period.

B. IFRS 18, 'Presentation and disclosure in financial statements'

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

4. Summary of 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 of the Company have been prepared 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 retranslated 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 realised 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) Liabilities arising mainly from trading activities;

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

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(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 equivalent.

(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 service.

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)－lease receivables/ 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 percent 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 statement.

(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 recognize.

(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. Pensions

(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 earning.

C. Employees' compensation and directors' and supervisors' 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) <u>Share-based payment - employees' bonus and compensation</u>

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 nonvesting 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) <u>Income tax</u>

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 utilized. 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 Group'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, 2024, information on the carrying amount of inventories is provided in Note6(4).

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Petty cash and cash on hand	$ 524	$ 1,190
Checking accounts and demand deposits	1,612,886	1,067,395
Cash equivalents		
Time deposits	590,220	2,452,780
	$ 2,203,630	$ 3,521,365

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, 2024 and 2023, time deposits maturing in excess of three months were not in conformity with cash and cash equivalents as defined, amounting to $1,300,000 and $2,570,000, respectively, and which were reclassified to "financial assets carried at amortized cost - current". Recognizes the profit or loss in interest amounting to $54,315 and $110,990.

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

Items	December 31, 2024	December 31, 2023
Non-current items:		
Equity instruments		
Listed stocks	$ 97,422	$ 189,524

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

C. The details of financial assets measured at fair value through other comprehensive profit and loss recognized in profit and loss and comprehensive profit and loss are as follows:

	2024	2023
Equity instruments at fair value through other comprehensive income		
Fair value recognized in other comprehensive income	$ 92,102	$ 72,233
Cumulated gains reclassified to retained earnings due to derecognition	$ 95,609	$ -
Dividend income recognized in profit or loss		
Held at end of period	$ 3,251	$ 4,023

For information on financial assets measured at fair value through other comprehensive gains and losses, please refer to table 3.

(3) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable	$ 1,463,195	$ 561,511
Less: Allowance for uncollectible accounts	(732)	(167)
	$ 1,462,463	$ 561,344

A. As of December 31, 2024, December 31 2023 and January 1,2023, accounts receivable were all from contracts with customers. And as of January 1, 2023, the balance of receivables from contracts with customers amounted to $798,466.

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

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

(4) Inventories

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 326,418	($ 172)	$ 326,246
Work in progress	151,261	(334)	150,927
Finished goods	559,614	(5,412)	554,202
	$ 1,037,293	($ 5,918)	$ 1,031,375

	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

The cost of inventories recognized as expense for the year:

	Years ended December 31	
	2024	2023
Cost of goods sold	$ 10,846,404	$ 8,242,918
Loss on decline in market value	3,890	577
Sales of scraps	(8,458)	(4,189)
Others	9,835	2,559
	$ 10,851,671	$ 8,241,865

(5) Investments accounted for using equity method

1. The investment details for using equity method:

	December 31, 2024	December 31, 2023
Subsidiary：		
FOXSEMICON INTEGRATED TECHNOLOGY INC	$ 5,827,651	$ 4,443,184
UniEQ Integrated Technology Co., Ltd.	4,367,581	1,427,688
FOX AUTOMATION TECHNOLOGY INC.	1,198,120	1,022,053
Foxsemicon Innovations Holding Inc.	92,097	341,317
Kainova Technology Inc.	92,121	69,492
Frontier Integrated Global Solutions, Inc.	45,165	50,072
FOXSEMICON LLC.	34,732	32,322
UNIEQ TECHNOLOGY PTE. LTD	391	-
Associates：		
Lydus Medical Ltd	75,303	77,818
Corporate Venture Capital Alliance Innovation Fund	34,256	18,887
	$ 11,767,417	$ 7,482,833

(a) The Board of Directors approved the establishment of subsidiary UniEQ Integrated Technology CO., Ltd., on November 10, 2023. The investment amount was THB 2.98 billion and THB 1.6 billion in 2024 and 2023.

(b) The Company's subsidiary Frontier Integrated Global Solutions, Inc. allocated cash dividends $26,265 and $28,000 respectively in 2024 and 2023.

(c) The Company's subsidiary FOX AUTOMATION TECHNOLOGY INC. allocated cash dividends $170,000 in 2024.

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

	Years ended December 31	
	2024	2023
Subsidiary：		
FOXSEMICON INTEGRATED TECHNOLOGY INC	$ 1,086,134	$ 724,260
FOX AUTOMATION TECHNOLOGY INC.	336,325	206,870
Frontier Integrated Global Solutions, Inc.	20,768	28,399
Kainova Technology Inc.	16,159	27,851
FOXSEMICON LLC.	216	(48)
UNIEQ TECHNOLOGY PTE. LTD	(564)	-
UniEQ Integrated Technology Co., Ltd.	(15,876)	(23,393)
Foxsemicon Innovations Holding Inc.	(266,899)	(86,746)
Associates：		
Lydus Medical Ltd	(6,310)	(6,364)
Corporate Venture Capital Alliance Innovation Fund	(7,132)	(2,464)
	$ 1,162,821	$ 868,365

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, 2024.

(6) Property, plant and equipment

	Buildings and structures	Machinery and equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
January 1,2024					
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
2024					
January 1	$ 80,321	$ 1,364	$ 35,998	$ 4,825	$ 122,508
Additions	-	1,694	14,051	28,020	43,765
Disposals	-	-	(23)	-	(23)
Transfers	(4,278)	-	32,652	(32,652)	(4,278)
Reclassifications	-	-	-	(193)	(193)
Depreciation	(5,114)	(363)	(20,937)	-	(26,414)
December 31	$ 70,929	$ 2,695	$ 61,741	$ -	$ 135,365
December 31					
Cost	$ 158,468	$ 122,329	$ 316,881	$ -	$ 597,678
Accumulated depreciation	(87,539)	(119,634)	(255,140)	-	(462,313)
	$ 70,929	$ 2,695	$ 61,741	$ -	$ 135,365

	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

(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, 2024	December 31, 2023
	Carrying amount	Carrying amount
Land	$ 41,000	$ 54,904

	Years ended December 31	
	2024	2023
	Depreciation charge	Depreciation charge
Land	$ 2,822	$ 3,489

C. For the years ended December 31, 2024 and 2023, there was no additions to right-of-use assets.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31, 2024	Years ended December 31, 2023
Items affecting profit or loss		
Interest expense on lease liabilities	$ 1,281	$ 1,601
Expense on short-term lease contracts	2,188	1,783

E. For the years ended December 31, 2024 and 2023, the Company's total cash outflow for leases were $6,375 and $6,771, respectively.

(8) Investment property

	Buildings and structures 2024	Buildings and structures 2023
At January 1		
Cost	$ 108,544	$ 119,156
Accumulated depreciation	(59,155)	(61,513)
	$ 49,389	$ 57,643
January 1	$ 49,389	$ 57,643
Transfer (out) in	4,278	(4,854)
Depreciation	(3,180)	(3,400)
December 31	$ 50,487	$ 49,389
At December 31		
Cost	$ 118,441	$ 108,544
Accumulated depreciation	(67,954)	(59,155)
	$ 50,487	$ 49,389

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

	Year ended December 31, 2024	Year ended December 31, 2023
Rental income from investment property	$ 22,229	$ 23,381
Direct operating expenses arising from the investment property that generated rental income during the year	$ 3,180	$ 3,400

B. The fair value of the investment property held by the Company as December 31, 2024 and 2023 were $ 177,416 and $162,590, 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) Otherts payables

	December 31, 2024	December 31, 2023
Employee benefit payable	$ 318,607	$ 234,102
Payable for purchased materials on behalf	243,227	169,169
Processing fees payable	94,193	38,608
Salary and bonus payable	60,667	77,261
Others	123,571	118,089
	$ 840,265	$ 637,229

(10) Other current liabilities

	December 31, 2024	December 31, 2023
Supplemental loan	$ 156,353	$ 260,588
Provisions	24,935	15,100
Others	29,310	27,951
	$ 210,598	$ 303,639

A. 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 returned in accordance with the contracts, except the parts on December 31 2023 amounting to $104,235 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.

B. The information of provisions is as follows:

	Provisions for warranty
	2024
Balance at January 1	$ 15,100
Additional provisions recognized	24,935
Reversed during the year	(15,100)
Balance at December 31	$ 24,935

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) Pensions

A. (a) The Company has a defined benefit and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension 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 contribute 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")

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	$ 36,510	$ 36,976
Fair value of plan assets	(45,382)	(41,226)
Net defined benefit assets	($ 8,872)	($ 4,250)

(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
2024			
At January 1	$ 36,976	$ 41,226	($ 4,250)
Current service cost	63	-	63
Interest cost	443	-	443
Interest income	-	495	(495)
	37,482	41,721	(4,239)
Remeasurements:			
Return on plan assets	-	3,661	(3,661)
Change in financial assumptions	(1,126)	-	(1,126)
Experience adjustments	154	-	154
	(972)	3,661	(4,633)
At December 31	$ 36,510	$ 45,382	($ 8,872)

	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)

(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 authorized 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, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	Year ended December 31,	
	December 31, 2024	December 31, 2023
Discount rate	1.60%	1.20%
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, 2024				
Effect on present value of defined benefit obligation	($ 679)	$ 698	$ 594	($ 582)

	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)

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, 2025 amount to $0.

(g) As of December 31, 2024, the weighted average duration of that retirement plan is 8 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, 2024 and 2023, were $14,304 and $11,379, respectively.

(12) Bonds payable

	December 31, 2024	December 31, 2023
Bonds payable	$ 326,000	$ 1,903,700
Less: Discount on bonds payable	(3,112)	(38,662)
	$ 322,888	$ 1,865,038
Less: One year or current portion of long-term liabilities	(322,888)	-
	$ -	$ 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 164.66 per share as the terms of the bonds on July 1, 2024.

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, 2024 and 2023, holders of Company's second domestic unsecured convertible bonds with a par value of $1,577,700 exercised their conversion rights and obtained 9,343,808 bond conversion rights certificates (each unit can be exchanged for 1 tradable share of the company). As of the change registration still have 1,624,527 bond not been completed on December 31, 2024. For the years ended December 31, 2024 and 2023, the holders of the company's second unsecured domestic convertible bonds, face value $1,577,700 and $4,300, exercised the conversion right and obtained 9,343,808 and 25,143 units of certificate of entitlement to new share from convertible bond (each unit can be exchanged for one outstanding share of the company). The registration were still 1,624,527 and 24,559 units has not completed till December 31, 2024 and 2023.

(13) Share capital

A. As of December 31, 2024, 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 $1,060,004 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:

	2024	2023
At January 1	97,186	96,792
Conversion of convertible bonds	7,744	1
Employee stock options exercised	1,070	393
At December 31	106,000	97,186

(14) Share-based payment

A. For the years ended December 31, 2024 and 2023, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (thousand shares)	Contract period	Vesting conditions
Employee stock options	2019.09.27	1000	5 years	Note
Employee stock options	2020.10.30	1000	5 years	Note
Employee stock options	2021.08.09	1500	5 years	Note
Employee stock options	2022.07.08	1500	5 years	Note
Employee stock options	2024.07.22	1500	5 years	Note

Note: 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:

	2024		2023	
	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	4,350	$ 185.6	4,910	$ 179.5
Options exercised	(1,011)	154.5	(363)	119.4
Options given	1,500	317.0	-	-
Options overdue	(435)	155.0	(197)	156.8
Options outstanding at December 31	4,404	240.5	4,350	185.6
Options exercisable at December 31	1,103	218.0	1,249	163.0

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 amounting to 841,800 and 134,600 shares because employees exercised their stock options under the stock option plan for the years ended December 31, 2024 and 2023. The registration for the shares mentioned 169,160 and 228,600 shares has not been completed as of December 31, 2024 and 2023.

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	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	2019.9.27	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	2021.8.9	229	229	47.45~45.82%	3.5~4.5 year(s)	-	0.23~0.29%	79.12~90.95
Employee share options	2022.7.8	178	178	44.45~45.87%	3.5~4.5 year(s)	-	0.96~1.02%	59.43~69.03
Employee share options	2024.7.22	317	317	35.65~39.15%	3.5~4.5 year(s)	-	1.46~1.51%	89.01~109.46

E. The Company’s compensation cost and capital surplus arising from share-based payment transaction amounted to $43,518 and $48,774, For the years ended December 31, 2024 and 2023, 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 paidin capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2024				
	Share premium	Options	Employee stock options	Others	Total
At January 1	$ 3,751,624	$ 107,297	$ 169,141	$ 23,249	$4,051,311
Share-based payment transactions	-	-	43,518	-	43,518
Share-based payment transactions-subsidiary	-	-	16,243	-	16,243
Employee stock options exercised	200,338	-	(54,211)	-	146,127
Conversion of convertible bonds	1,547,868	(89,614)	-	-	1,458,254
Changes in equity of associates and joint ventures accounted	-	-	-	(148)	(148)
At December 31	$ 5,499,830	$ 17,683	$ 174,691	$ 23,101	$5,715,305

	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

(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 appropriation of earnings for 2023 and 2022 have been resolved by the shareholders' meeting on May 27, 2024 and May 30, 2023, respectively, as follows:

	2023		2022	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 198,954		$ 229,858	
Cash dividends	1,173,260	$ 11.3	1,339,609	$ 13.8
	$ 1,372,214		$ 1,569,467	

(1) The appropriation of 2023 and 2022 earnings mentioned above is not difference to the propose from the Board of Directors in February 2024 and 2023.

(2) The cash dividends $1,173,260 proposed by the Board of Directors on February 29, 2024 has fully paid as of the reporting date.

F. The appropriation of 2024 earnings as proposed by the Board of Directors on February 26, 2025 is as follows:

	2024	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 271,289	
Cash dividends	1,564,135	$ 14.5
	$ 1,835,424	

(17) Operating revenue

	Years ended December 31,	
	2024	2023
Revenue from contracts with customers	$ 13,061,193	$ 10,089,159

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, 2024 and 2023 is as follows:

Years ended December 31, 2024	America	China	Taiwan	Others	Total
Revenue from external customer contracts recognized at a point in time	$ 12,143,400	$ 284,730	$ 250,899	$382,164	$13,061,193

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

B. Contract assets and liabilities

The Group has recognized the following revenue-related contract assets and liabilities:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities:			
Advance sales receipts	$ 250,754	$ 304,003	$ 176

(a) Contract liabilities were advance sales receipts. As of December 31, 2024, December 31,2023, and January 1, 2023, contract liabilities were all from contracts with customers.

(b) Revenue recognized that was included in the contract liability balance at the beginning of years ended December 31, 2024 and 2023 were $61,873 and $176 respectively.

(18) Other income

	Years ended December 31,	
	2024	2023
Rent income	$ 22,229	$ 23,381
Gains on write-off of past due payable	20,554	3,880
Other income, others	9,236	33,786
	$ 52,019	$ 61,047

(19) Other gains and losses

	Years ended December 31,	
	2024	2023
Net foreign exchange gains (losses)	$ 166,655	($ 625)
Gains (losses) on financial assets at fair value through profit or loss (Note)	701	1,842
Other gains and losses	(3,180)	(2,987)
	$ 164,176	($ 1,770)

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,	
	2024	2023
Employee benefit expense	$ 618,206	$ 534,968
Depreciation expense (Note)	29,236	28,520
Amortisation expense	2,410	1,397
	$ 649,852	$ 564,885

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

(21) Employee benefit expense

	Years ended December 31,	
Nature	2024	2023
Wages and salaries	$ 497,867	$ 425,299
Employee stock options	43,518	48,774
Labour and health insurance fees	30,942	26,452
Pension costs	14,315	11,316
Director's emolument	16,076	12,674
Other personnel expenses	15,488	10,453
	$ 618,206	$ 534,968

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, 2024 and 2023, employees compensation was accrued at $179,106 and $139,500, respectively; while directors' remuneration was accrued at $14,786 and $11,370, respectively.

C. Employees' compensation and directors' and supervisors' remuneration of 2024 and 2023 as resolved by the Board of Directors on February 26, 2025 and February 29, 2024 were agreed with those amounts recognized in the 2024 and 2023 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, 2024	Years ended December 31, 2023
Current tax:		
Current tax on profits for the year	$ 369,764	$ 297,039
Tax on undistributed surplus earnings	30,867	37,932
Prior year income tax underestimation	15,434	1,482
Total current tax	416,065	336,453
Deferred tax:		
Origination and reversal of temporary differences	37,476	8,488
Income tax expense	$ 453,541	$ 344,941

B. Reconciliation between income tax expense and accounting profit

	2024	2023
Tax calculated based on profit before tax and statutory tax rate	$ 613,849	$ 467,082
Effect from items disallowed by tax regulation	(203,725)	(155,966)
Tax on undistributed surplus earnings	30,867	37,932
Prior year income tax underestimation	15,434	1,482
Temporary differences not recognized as deferred tax assets	(2,884)	(5,589)
Income tax expense	$ 453,541	$ 344,941

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

	2024		
	January 1	Recognized in profit or loss	December 31
Temporary differences:			
—Deferred tax assets:			
Allowance for inventory valuation	$ 497	$ 686	$ 1,183
Impairment loss on investments accounted for using the equity method	$ 976	$ -	$ 976
	$ 1,473	$ 686	$ 2,159
—Deferred tax liabilities:			
Unrealised exchange gain	($ 1,542)	($ 11,580)	($ 13,122)
Recognized investment profit or loss which is adopting equity method	(45,871)	(26,582)	(72,453)
	($ 47,413)	($ 38,162)	($ 85,575)

	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:			
Unrealised 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)

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

	Years ended December 31,	
	2024	2023
Amount of allowance for bad debts in excess, of the limit for tax purpose	$ 36,382	$ 55,105
Loss on investments accounted for using the equity method	-	4,115
Others	41,733	42,183
	$ 78,115	$ 101,403

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

(23) Earnings per share

	Year ended December 31, 2024		
	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	$ 2,612,643	103,607	$ 25.22
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	2,612,643	103,607	
Assumed conversion of all dilutive potential ordinary shares			
Convertible bonds	16,446	9,441	
Employee stock options	-	2,144	
Employees' compensation	-	644	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 2,629,089	115,836	$ 22.70

	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

(24) Supplemental cash flow information

A. Investing activities with partial cash payments

	Years ended December 31, 2024	2023
Purchase of property, plant and equipment	$ 43,765	$ 20,032
Add: Opening balance of payable on equipment	8,410	7,133
Add: Ending balance of prepaid on equipment	-	1,874
Less: Ending balance of payable on equipment	(3,719)	(8,410)
Less: Opening balance of prepaid on equipment	(1,874)	(788)
Cash paid during the period	$ 46,582	$ 19,841

(25) Changes in liabilities from financing activities

	Lease liabilities	Bonds payable (Including current portion)	Liabilities from financing activities-gross
At January 1, 2024	$ 64,611	$ 1,865,038	$ 1,929,649
Changes in cash flow from financing activities	(2,906)	-	(2,906)
Changes in other non-cash items	(10,982)	(1,542,150)	(1,553,132)
At December 31, 2024	$ 50,723	$ 322,888	$ 373,611

	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

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Hon Hai Precision Industry Co., Ltd. and its subsidiaries (Hon Hai and subsidiaries)	Company with significant influence over the Company
General Interface Solution (GIS) Holding Limited and its subsidiaries (GIS and subsidiaries)	Other related parties
Corporate Venture Capital Alliance Innovation Fund	Affiliated company
Lydus Medical Ltd	Affiliated company
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
UNIEQ TECHNOLOGY PTE. LTD.	Subsidiaries of the Company

(2) Significant related party transactions

A. Sales

	Years ended December 31,	
	2024	2023
Sales of goods:		
-Subsidiaries	$ -	$ 4,217
Sales of services:		
-Subsidiaries	$ 30,517	$ -

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, 2024	Years ended December 31, 2023
Purchases of goods:		
-Subsidiaries		
Success	$ 6,601,972	$ 5,366,113
FUYAO	2,619,157	2,263,002
Others	49,111	37,469
	$ 9,270,240	$ 7,666,584

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, 2024	Years ended December 31, 2023
Subsidiaries	$ 10,447	$ 2,308

Some portions of product of the Company were entrusted to produce to FATI. Manufacturing expenses arise mainly from the rental expenses for providing factory premises to subsidiary and processing costs.

D. Operating expenses

	Years ended December 31, 2024	Years ended December 31, 2023
Foxsemicon LLC.	$ 147,767	$ 145,495
Subsidiaries	149	-
	$ 147,916	$ 145,495

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, 2024	December 31, 2023
Subsidiaries	$ -	$ 4,133

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

	Year ended December 31, 2024	Year ended December 31, 2023
Other receivables from related parties:		
– Subsidiaries		
FSM	$ 973,561	$ 549,919
FUYAO	601,862	641,219
Success	45,335	50,158
Others	17,175	11,283
– The group that has significant influence over the Company	3,063	2,641
	$ 1,640,996	$ 1,255,220

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, 2024 and 2023, the amount of purchases on behalf of the subsidiaries amounted to $1,129,377 and $615,230 respectively.

G. Accounts payable

	December 31, 2024	December 31, 2023
Accounts payable:		
– Subsidiaries		
Success	$ 1,546,528	$ 853,469
FUYAO	575,195	345,106
Others	23,989	27,973
	$ 2,145,712	$ 1,226,548

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, 2024	December 31, 2023
Others payable:		
Subsidiaries	$ 12,821	$ 16,052
Others	1,246	34
	$ 14,067	$ 16,086

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, 2024		Year ended December 31, 2023	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
Subsidiaries	$ 23	$ -	$ 70	$ -

J. Acquisition of financial assets

	Accounts	No. of shares (share in thousands)	Year ended December 31, 2024 Consideration
UniEQ Integrated Technology Co., Ltd	Investments accounted for using equity method	29,820	$ 2,906,248
UNIEQ TECHNOLOGY PTE. LTD.	"	30	944
Corporate Venture Capital Alliance Innovation Fund	"	2,250	22,500
			$ 2,929,692

	Accounts	No. of shares (share in thousands)	Year ended December 31, 2023 Consideration
UniEQ Integrated Technology Co., Ltd	Investments accounted for using equity method	16,000	$ 1,447,108
Lydus Medical Ltd.	"	139	30,230
			$ 1,477,338

K. Lease transactions－lessee

For the years ended December 31, 2024 and 2023, 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, 2024	Years ended December 31, 2023
Rent income:		
– Subsidiaries	$ 7,784	$ 7,841
– The group that has significant influence over the Company	4,653	4,164
– Other related parties	9,792	11,376
	$ 22,229	$ 23,381

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. Loans to /from related parties

(a) Loans to related parties:

(i) Outstanding balance:

	December 31, 2024	December 31, 2023
FUYAO	$ 426,270	$ 552,780

(ii) Interest income

	Year ended December 31, 2024	Year ended December 31, 2023
FUYAO	$ 14,252	$ 19,000
FSM	-	4,558
	$ 14,252	$ 23,558

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 2024 and 2023 shall be charged at an annual interest rate of 2.80%

J. Endorsements and guarantees provided to related parties

	Years ended December 31,	
	2024	2023
Provision of endorsements and guarantees:		
– Subsidiaries		
FTL	$ 205,921	$ 192,859

K. Key management compensation

	Years ended December 31,	
	2024	2023
Salaries and other short-term employee benefits	$ 61,041	$ 64,266
Post-employment benefits	621	540
	$ 61,662	$ 64,806

8. Pledged Assets

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

Pledged asset	Purpose	Book value December 31, 2024	Book value December 31, 2023
Time deposits (Shown as Other non-current assets)	Customs guarantee	$ 6,106	$ 8,915
Time deposits (Shown as Other non-current assets)	Guarantee of Science Park Bureau	1,947	1,902
		$ 8,053	$ 10,817

9. Significant Contingent Liabilities and Unrecognized 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, 2024	December 31, 2023
Property, plant and equipment	$ 5,477	$ 38,330

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 2024 on February 26, 2023, 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, 2024	December 31, 2023
Financial assets		
Financial assets at fair value through profit or loss	$ 48,831	$ 27,550
Financial assets at fair value through other comprehensive income	97,422	189,524
Financial assets at amortized cost (Note)	6,608,259	7,908,216
	$ 6,754,512	$ 8,125,290

	December 31, 2024	December 31, 2023
Financial liabilities		
Financial liabilities atamortized cost (Note)	$ 3,793,920	$ 3,867,874
Lease liability	50,723	64,612
	$ 3,844,643	$ 3,932,486

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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, 2024				
				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	$ 160,177	32.79	$5,252,204	1%	$ 52,222
Non-monetary items					
USD:NTD	181,594	32.79	5,954,467		
Financial liabilities					
Monetary items					
USD:NTD	91,009	32.79	2,984,185	1%	29,842

	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

vii. 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, 2024 and 2023, amounted to $166,655 and ($ 625), 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, 2024	December 31, 2023
Not past due	$ 1,388,765	$ 554,246
Up to 90 days	74,430	1,658
91 to 180 days	-	5,085
181 to 270 days	-	522
	$ 1,463,195	$ 561,511

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023, loss allowance estimated by the provision matrix or loss rate methodology is as follows:

December 31, 2024	Group 1	Group 2	Total
Expected loss rate	0.05%	0.05%	
Total book value	$ 1,458,460	$ 4,735	$ 1,463,195
Loss allowance	($ 730)	($ 2)	($ 732)

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)

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, 2024	December 31, 2023
At January 1	$ 167	$ 215
Reversal of impairment gain (loss)	565	(48)
At December 31	$ 732	$ 167

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 analyzed into relevant maturity Companying's 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, 2024 and 2023, 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, 2024	Less than 1 year	Between 1 and 3 years	Over 3 years
Non-derivative financial liabilities:			
Bonds payable	$ 326,000	$ -	$ -
Lease liability	4,091	8,182	48,351
Capacity guarantee	156,353	-	-

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

(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, 2024 and 2023 are as follows:

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

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ -	$ -	$ 48,505	$ 48,505
Derivative instruments	-	326	-	326
Financial assets at fair value through other comprehensive income				
Equity securities	97,422	-	-	97,422
	$ 97,422	$ 326	$ 48,505	$ 146,253

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

(b) The Company's financial assets at fair value through other comprehensive income on December 31, 2024 and 2023 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, 2024 and 2023, 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, 2024 and 2023:

	2024	2023
At January 1	$ 27,360	$ 12,956
Acquired in the period	21,145	14,404
At December 31	$ 48,505	$ 27,360

G. For the year ended December 31, 2024, 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 31,2024	Valuation technique	Significant unoberservable input	Range (weighted average)	Relationship of inputs to fair value
Private equity fund investment	$ 48,505	Net asset value	Not applicable	Not applicable	Not applicable

	Fair value at December 31,2023	Valuation technique	Significant unoberservable 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

(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: table 5.

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 6.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 7

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 8.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 9.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 10.

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 table 11.

Foxsemicon Integrated Technology Inc.

Loans to others

Years ended December 31, 2024

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 ended December 31, 2024	Balance at December 31, 2024	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	$ 819,750	$ 426,270	$ 426,270	2.80%	Business transactions	$ 2,619,157	-	$ -	-	$ -	$ 3,041,489	$ 9,124,468	Notes 1 and 2

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, 2024

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, 2024	Outstanding endorsement/ guarantee amount at December 31, 2024	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	$ 7,603,724	205,921	205,921	158,507	-	1.35	15,207,447	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, 2024

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2024				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Foxsemicon Integrated Technology Inc.	Common stock of Advanced Optoelectronic Technology, Inc.	None.	Financial asset measured at fair value through other comprehensive income-non-current	167,000	$ 3,925	0.12	$ 3,925	
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	93,497	1.26	93,497	
Foxsemicon Integrated Technology Inc.	Partnership of AVITIC FUND	None.	Financial assets at fair value through profit or loss - non-current	-	48,505	8.00	48,505	
MINDTECH CORPORATION	Common stock of SuperbVue Solutions Inc.	None.	Financial asset measured at fair value through other comprehensive income-non-current	12,250,000	25,234	10.03	25,234	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	54,940	11.60	56,940	Note
MINDTECH CORPORATION	Common stock of Linyange Semiconductor, Inc.	None.	Financial asset measured at fair value through other comprehensive income	4,900,000	141,308	10.03	141,308	Note
Foxsemicon Integrated Technology (Shanghai) Inc.	MEMS CORE Co., Ltd.	None.	Financial asset measured at fair value through other comprehensive income-non-current	137,745	17,588	18.00	17,588	

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, 2024

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Transaction currency	Balance as at January 31, 2024		Buy		Disposal				As of December 31, 2024	
						Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value (Note 5)	Gain (loss) on disposal	Number of shares	Amount
Foxsemicon Integrated Technology Inc.	UniEQ Integrated Technology Co., Ltd	Note 1	UniEQ Integrated Technology Co., Ltd	Note 2	THB	16,000,000	THB 1,600,000 thousands	29,819,999	THB 2,982,000 thousand	-	$ -	$ -	$ -	45,819,999	THB 4,582,000 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

Foxsemicon Integrated Technology Inc.
Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more
Years ended December 31, 2024

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event (Note 1)	Currency	Transaction amount (Note 2)	Payment amount	Counterparty	Relationship with the counterparty	Footnote	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below: Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
UniEQ Integrated Technology Co., Ltd.	Unfinished Construction	November 10, 2023	THB	$ 3,257,032	$ 566,062	Acter Technology Co. Ltd. 、 TY Lin Engineering Consultants Co., Ltd. 、 Provincial Electricity Authority Phan Thong District 、 RHLB (Siam) Ltd. 、 AMATA U CO., LTD.	None.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Price comparison and negotiation	Operation requirement	None.
UniEQ Integrated Technology Co., Ltd.	Unfinished Construction	November 10, 2023	THB	515,200.00	409,421	Hongru Engineering Co., Ltd., 、 HUACHENG ENGINEERING CO., LTD.	None.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Price comparison and negotiation	Operation requirement	None.

Note 1: A forecast transaction information in the capital budget approved by the Board of Directors, and the actual transaction referred to the order of UniEQ Integrated Technology Co., Ltd.

Note 2: An actual contracted amount of UniEQ Integrated Technology Co., Ltd.

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, 2024

Table 6

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	$ 6,601,972	61	45 days from the invoice date	Note 1	No significant difference	($ 1,546,528)	(56)	
Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	Subsidiaries	Purchases	2,619,157	24	45 days from the invoice date	Note 1	No significant difference	(575,195)	(21)	
Foxsemicon Integrated Technology (Shanghai) Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	Subsidiaries	Sale	236,876	3	45 days from the invoice date	Note 1	No significant difference	124,663	7	
Foxsemicon Integrated Technology (Shanghai) Inc.	SUCCESS PRAISE CORPORATION	Affiliated company	Sale	6,968,560	90	45 days from the invoice date	Note 1	No significant difference	1,531,814	85	
Foxsemicon Integrated Technology (Shanghai) Inc.	Frontier Integrated Global Solutions, Inc.	Affiliated company	Sale	317,591	4	45 days from the invoice date	Note 1	No significant difference	64,419	4	
Foxsemicon Integrated Technology (Kunshan) Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	Affiliated company	Sale	1,010,926	27	45 days from the invoice date	Note 1	No significant difference	278,882	30	
SUCCESS PRAISE CORPORATION	Frontier Integrated Global Solutions, Inc.	Affiliated company	Sale	195,069	3	45 days from the invoice date	Note 1	No significant difference	20	-	

Note 1: Unless there are 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, 2024

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2024		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for Creditor Counterparty doubtful accounts
						Amount	Action taken		
Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	Subsidiaries	$ 973,561	Note	Not applicable	$ 436,176	Subsequent collection	$ 384,087	$ -
Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	Subsidiaries	601,862	Note	Not applicable	56,810	Subsequent collection	43,663	-
Foxsemicon Integrated Technology (Shanghai) Inc.	SUCCESS PRAISE CORPORATION	Affiliated company	1,531,814		5.5	716,440	Subsequent collection	716,440	-
Foxsemicon Integrated Technology (Shanghai) Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	Subsidiaries	124,663		2.8	-	-	-	-
Foxsemicon Integrated Technology (Kunshan) Inc.	Foxsemicon Integrated Technology Inc.	Ultimate parent	575,195		5.7	139,186	Subsequent collection	122,723	-
Foxsemicon Integrated Technology (Kunshan) Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	Parent company	278,882		4.4	38,403	Subsequent collection	38,403	-
SUCCESS PRAISE CORPORATION	Foxsemicon Integrated Technology Inc.	Ultimate parent	1,546,526		5.6	-	-	-	-

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, 2024

Table 8

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	$ 6,601,972	45 days from the invoice date	40
0	Foxsemicon Integrated Technology Inc.	SUCCESS PRAISE CORPORATION	(1)	Accounts payable	1,546,528	45 days from the invoice date	7
0	Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	(1)	Other receivable	973,561	45 days from the invoice date	4
0	Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	(1)	Purchases	2,619,157	45 days from the invoice date	16
0	Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	(1)	Accounts payable	575,195	45 days from the invoice date	2
0	Foxsemicon Integrated Technology Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	(1)	Other receivable	601,862	45 days from the invoice date	3
1	Foxsemicon Integrated Technology (Shanghai) Inc.	SUCCESS PRAISE CORPORATION	(3)	Sales	6,968,560	45 days from the invoice date	42
1	Foxsemicon Integrated Technology (Shanghai) Inc.	SUCCESS PRAISE CORPORATION	(3)	Accounts receivable	1,531,814	45 days from the invoice date	7
1	Foxsemicon Integrated Technology (Shanghai) Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	(1)	Sales	236,876	45 days from the invoice date	1
1	Foxsemicon Integrated Technology (Shanghai) Inc.	Foxsemicon Integrated Technology (Kunshan) Inc.	(1)	Accounts receivable	124,663	45 days from the invoice date	1
1	Foxsemicon Integrated Technology (Shanghai) Inc.	Frontier Integrated Global Solutions, Inc.	(3)	Sales	317,591	45 days from the invoice date	2
2	Foxsemicon Integrated Technology (Kunshan) Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	(2)	Sales	1,010,926	45 days from the invoice date	6
2	Foxsemicon Integrated Technology (Kunshan) Inc.	Foxsemicon Integrated Technology (Shanghai) Inc.	(2)	Accounts receivable	278,882	45 days from the invoice date	1
3	SUCCESS PRAISE CORPORATION	Frontier Integrated Global Solutions, Inc.	(3)	Sales	195,069	45 days from the invoice date	1

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, 2024

Table 9

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2024	Initial investment amount: Balance as at December 31, 2023	Shares held as at December 31, 2024: Number of shares	Shares held as at December 31, 2024: Ownership (%)	Shares held as at December 31, 2024: Book value	Net income of investee as of December 31, 2024	Investment income (loss) recognized by the Company for the year ended December 31, 2024	Footnote
Foxsemicon Integrated Technology Inc.	FOXSEMICON INTEGRATED TECHNOLOGY INC.(SAMOA)	Samoa	Reinvestment and holding company	$ 1,253,890	$ 1,253,890	40,474,913	100	$ 5,827,651	$ 1,086,134	$ 1,086,134	
Foxsemicon Integrated Technology Inc.	Foxsemicon Innovations Holding Inc.	US	Reinvestment and holding company	451,191	451,191	15,000,000	100	92,097	(266,899)	(266,899)	
Foxsemicon Integrated Technology Inc.	FOXSEMICON LLC.	US	Exports/Imports Logistics	1,751	1,751	50,000	100	34,732	216	216	
Foxsemicon Integrated Technology Inc.	UNIEQ TECHOLOGY PTE.LTD	Singapore	Reinvestment and holding company	944	1	30,000	100	391	(564)	(564)	
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	1,198,120	336,325	336,325	
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	45,165	20,768	20,768	
Foxsemicon Integrated Technology Inc.	Kainova Technology Inc.	Taiwan	Manufacturing of machinery and equipment and electronic parts	55,000	55,000	5,500,000	100	92,121	16,159	16,159	
Foxsemicon Integrated Technology Inc.	Lydus Medical Ltd.	Israel	Research, design and sale of medical machinery	89,790	89,790	416,310	16.21	75,303	(37,362)	(6,310)	
Foxsemicon Integrated Technology Inc.	SMART BREAST CORPORATION	US	Manufacturing of medical machinery	17,643	17,643	7,890,640	17.62	-	(13,355)	-	
Foxsemicon Integrated Technology Inc.	Corporate Venture Capital Alliance Innovation Fund	Taiwan	Reinvestment and holding company	45,000	22,500	4,500,000	21.43	34,256	(33,281)	(7,132)	
Foxsemicon Integrated Technology Inc.	UniEQ Integrated Technology Co., Ltd.	Thailand	Manufacturing of machinery and equipment and electronic parts	4,353,356	1,447,108	45,819,999	100	4,367,581	(15,876)	(15,876)	
FOXSEMICON INTEGRATED TECHNOLOGY INC.(SAMOA)	MINDTECH CORPORATION	Samoa	Reinvestment and holding company	2,557,620	2,395,380	34,977,541	100	5,713,677	1,080,391	1,080,391	
FOXSEMICON INTEGRATED TECHNOLOGY INC.(SAMOA)	SUCCESS PRISE CORPORATION	Samoa	Reinvestment and holding company	124,602	116,698	3,800,000	100	113,961	5,740	5,740	
Foxsemicon Innovations Holding Inc.	Foxsemicon Technology, LLC	US	Research and Development and manufacturing of machinery and equipment and electronic parts	490,211	459,115	Note 2	100	92,001	(266,441)	(266,441)	
Kainova Technology Inc	Kainova Technology USA, LLC.	US	Research and Development and manufacturing of	13,116	-	400,000	100	10,878	(2,192)	(2,192)	Note 1
UNIEQ TECHNOLOGY PTE. LTD.	UNIEQ EQUIPMENT MANUFACTURING PRIVATE LIMITED	Inida	Research and Development and manufacturing of machinery and equipment and electronic parts	384	-	100,000	100	189	(195)	(195)	Note 1

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, 2024

Table 10

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, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee as of December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2024(Note 3)	Book value of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	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	$ 2,557,620	2	$ 2,557,620	$ -	$ -	$ 2,557,620	$ 1,081,227	100	$ 1,081,227	$ 5,506,310	$ -	
Kaivaco Technology Nanjing Inc.	Production and sales of electronic special equipment, test instruments, and industrial molds	6,331	1	6,331	-	-	6,331	174	100	174	6,945	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	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.	2,557,620	3,573,174	Note 4
Kainova Technology Inc.	6,331	7,050	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

Years ended December 31, 2024

Table 11

Name of major shareholders	Shares	
	Number of shares held (shares)	Ownership (%)
Applied Materials Taiwan	8,117,258	7.53
Hyield Venture Capital Co.,Ltd.	6,953,272	6.45

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
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Summary 1

Items	Description					Amount
Cash and Cash on hand						$ 524
Bank deposits						
Demand deposits						400,035
Foreign currency deposits	USD	36,989	thousands	Exchange rate	32.79	1,212,851
Cash equivalents						
Time deposits	USD	18,000	thousands	Exchange rate	32.79	590,220
						$ 2,203,630

FOXSEMICON INTEGRATED TECHNOLOGY INC.
STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST -CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(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	-	$ -	$ 1,300,000	1.62%-1.71%	$ 1,300,000	$ -	
				$ 1,300,000		$ 1,300,000	$ -	

FOXSEMICON INTEGRATED TECHNOLOGY INC.
SUMMARY OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Summary 3

Items	Description	Amount	Note
Accounts receivable			
Client A		$ 1,206,652	
Client B		159,723	
Others		96,820	Balance of individual customers is under 5% of this account's balance.
		$ 1,463,195	
Less：Allowance for doubtful accounts		(732)	
		$ 1,462,463	

FOXSEMICON INTEGRATED TECHNOLOGY INC.
STATEMENT OF INVENTORIES
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Summary 4

Item	Description	Amount		Note
		Cost	Market price	
Raw materials		$ 326,418	$ 326,348	Net realizable value is market price.
Work in progress		151,261	151,261	〃
Finished goods		559,614	595,763	〃
		$ 1,037,293	$ 1,073,372	
Less：Allowance for inventory valuation loss		(5,918)		
		$ 1,031,375		

FOXSEMICON INTEGRATED TECHNOLOGY INC.
MOVEMENT SUMMARY OF INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Summary 5

	As of January 1, 2024		Addition (Note 1)		Decrease (Note 2)		As of December 31, 2024			Market value or net equity 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	$ 4,443,184	-	$ 1,384,467	-	$ -	40,475	-	$ 5,827,651	$ -	$ 5,827,651	None
FOXSEMICON LLC	50	32,322	-	2,410	-	-	50	-	34,732	-	34,732	〃
FOX AUTOMATION TECHNOLOGY INC.	20,000	1,022,053	-	346,067	-	(170,000)	20,000	-	1,198,120	-	1,198,120	〃
Frontier Integrated Global Solutions, Inc.	500	50,072	-	21,358	-	(26,265)	500	-	45,165	-	45,165	〃
Kainova Technology Inc.	5,500	69,492	-	22,629	-	-	5,500	-	92,121	-	92,121	〃
Foxsemicon Innovations Holding Inc.	15,000	341,317	-	17,679	-	(266,899)	15,000	-	92,097	-	92,097	〃
UniEQ Integrated Technology Co., Ltd	16,000	1,427,688	29,820	2,955,769	-	(15,876)	45,820	-	4,367,581	-	4,367,581	〃
UNIEQ TECHNOLOGY PTE. LTD.	-	-	30	955	-	(564)	30	-	391	-	391	〃
Lydus Medical Ltd.	417	77,818	-	3,943	-	(6,458)	417	-	75,303	-	75,303	〃
Corporate Venture Capital Alliance Innovation Fund	2,250	18,887	2,250	22,500	-	(7,131)	4,500	-	34,256	-	34,256	〃
SMART BREAST CORPORATION	7,891	-	-	-	-	-	7,891	-	-	-	-	〃
		$ 7,482,833							$ 11,767,417			

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.
SUMMARY OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Summary 6

Item	Quantity		Amount		Remark
Semiconductor equipment and system assembling	26,401	SET	$	8,818,585	
Key components	735,481	PIECES		3,972,712	
Others				421,017	
Subtotal			$	13,212,314	
Less:Sales returns and allowance			(	151,121)	
Total			$	13,061,193	

FOXSEMICON INTEGRATED TECHNOLOGY INC.
SUMMARY OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Summary 7

Item	Amount
Raw materials - begining of period	$ 105,007
Add: Raw materials - purchase	2,515,833
Raw materials - scrapped	(149)
Less: Reclassified to expenses	(6,563)
Raw materials - ending of period	(326,418)
Material consumed	2,287,710
Direct labor	24,673
Manufacturing overheads	488,186
Manufacturing costs	2,800,569
Add: Work in process - begining of period	86,534
Less: Reclassified to expenses	(572)
Work in process - scrapped	(127)
Work in process - ending of period	(151,261)
Cost of finished goods	2,735,143
Add: Finished goods - begining of period	348,628
Finished goods purchase	8,326,111
Less: Finished goods - ending of period	(559,614)
Finished goods - scrapped	(188)
Reclassified to expenses	(3,676)
Production and sales cost	10,846,404
Add: After - sales service cost	9,835
Loss on decline in market value	3,890
Less: Sales of scraps	(8,458)
	$ 10,851,671

FOXSEMICON INTEGRATED TECHNOLOGY INC.
SUMMARY OF MANUFACTURING OVERHEADS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Summary 8

Item	Description	Amount	Note
Processing cost		$ 194,558	
Wages and salaries		176,772	
Shipping cost		31,291	
Others		85,565	None of other financial accounts contained within individually has a balance exceeding 5% of the value of this financial account.
		$ 488,186	

FOXSEMICON INTEGRATED TECHNOLOGY INC.
SUMMARY OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Summary 9

Item	Description	Amount	Note
Storage fee		$ 147,767	
Wages and salaries		67,914	
Commission expense		13,928	
Others		20,909	None of other financial accounts contained within individually has a balance exceeding 5% of the value of this financial account.
		$ 250,518	

FOXSEMICON INTEGRATED TECHNOLOGY INC.
SUMMARY OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Summary 10

Item	Description	Amount		Note
Wages and salaries		$	235,546	
Depreciation expense			21,180	
Professional service fee			19,449	
Others			68,390	None of other financial accounts contained within individually has a balance exceeding 5% of the value of this financial account.
		$	344,565	

FOXSEMICON INTEGRATED TECHNOLOGY INC.
SUMMARY OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Summary 11

Item	Description	Amount	Note
Wages and salaries		$ 50,795	
Others		13,401	None of other financial accounts contained within individually has a balance exceeding 5% of the value of this financial account.
		$ 64,196	

FOXSEMICON INTEGRATED TECHNOLOGY INC.
SUMMARY OF EMPLOYEE BENEFITS EXPENSES, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Summary 12

	Year ended December 31, 2024			Year ended December 31, 2023		
By nature	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	$ 195,735	$ 345,650	$ 541,385	$ 146,025	$ 328,048	$ 474,073
Labour and health insurance fees	14,041	16,901	30,942	10,450	16,002	26,452
Pension costs	5,710	8,605	14,315	3,666	7,650	11,316
Directors' remuneration	-	16,076	16,076	-	12,674	12,674
Other personnel expenses	7,957	7,531	15,488	4,657	5,796	10,453
	$ 223,443	$ 394,763	$ 618,206	$ 164,798	$ 370,170	$ 534,968
Depreciation Expense	$ 5,954	$ 23,282	$ 29,236	$ 2,786	$ 25,734	$ 28,520
Amortisation Expense	$ 385	$ 2,025	$ 2,410	$ 201	$ 1,196	$ 1,397

Note:

A: As of December 31, 2024 and 2023, the Company had 394 and 328 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 $1,552. Average employee benefit expense in previous year was $1,622.

(b) Average employee salaries in current year was $1,395. Average employee salaries in previous year was $1,472.

(c) Adjustment of average employee salaries was (5.23%)

(e) Directors’ and managers’ remuneration policy is set and periodically reviewed by the remuneration committee. The directors’ and managers’ performance evaluations and salaries 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.