

Stock Code: 3413



2023 Shareholders' Meeting

Meeting Handbook

May 30, 2023

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I. Meeting Procedure

Foxsemicon Integrated Technology Inc. Procedure for the 2023 Annual Meeting of Shareholders

I. Chairman's Remarks

II. Report Items

III. Ratification

IV. Discussion

V. Election

VI. Other Motions

VII. Extraordinary Motion

VIII. Adjournment

II. Agenda

Foxsemicon Integrated Technology Inc. Procedure for the 2023 Annual Meeting of Shareholders

Time: 9:00 a.m., May 30, 2023 (Tuesday)

Venue: 2F., No. 16, Kejung Rd., Zhunan Township, Miaoli County 350-53, Taiwan

Method of convening: Physical meeting

Call the Meeting to Order

Chairman's Remarks

I. Report Items:

- (I) 2022 Business Report
- (II) Audit Committee's Review Report on 2022 Financial Statements
- (III) 2022 Distribution of Remuneration to Employee and Directors
- (IV) 2022 Distribution of Cash Dividends
- (V) 2021 Private Placement of Common Shares Processing Status Report
- (VI) Revision of Rules of Procedures for Board Meetings

II. Ratification

- (I) 2022 Business Report and Financial Statements
- (II) 2022 Earnings Distribution

III. Discussion:

- (I) Revision of Procedures of Loans to Others

IV. Election:

Election of all Directors

V. Other Motions:

Releasing of the Prohibition on Directors and their Representatives from Non-competition Restrictions

VI. Extraordinary Motion

VII. Adjournment

Report Items

Proposal 1

Proposal: 2022 Business Report

Description: For the 2022 Business Report please refer to Attachment 1 (p.8)

Proposal 2

Proposal: Audit Committee's Review Report on 2022 Financial Statements

Description: For the Audit Committee's Review Report on 2022 Financial Statements please refer to Attachment 2 (p.11)

Proposal 3

Proposal: 2022 Distribution of Remuneration to Employee and Directors

Description: I. According to the Article 29 of the Company's Articles of Incorporation, if the Company makes profits for the year, it shall set aside 3% to 8% as employee remuneration and less than 0.5% as the director remuneration. This shall be resolved by the Board and reported at the Shareholders' Meeting. However, when the Company has accumulated losses, it shall reserve the amount to make up the losses, then allocate the employee and director remuneration from the remainder according to the ratio mentioned in the preceding paragraph. Employee remuneration can be paid in cash or in shares. Qualified employees of subsidiaries are also included in the payment.

II. The Company operated at a profit of NT\$ 2,853,449,715 (income before tax and distribution of remuneration to employees and Directors) for the year 2022. The Company appropriated 4.39% (NT\$ 125,238,501) as remuneration to employees, and 0.43% (NT\$ 12,251,283) as remuneration to Directors.

Proposal 4

Proposal: 2022 Distribution of Cash Dividends

Description: I. In accordance with the Company's Article 29-1 of the Articles of Incorporation, if dividends and bonuses are to be paid in the form of cash, approval should be passed by at least half of the directors in attendance in a Board meeting attended by no less than two-thirds of all Board members.

II. The Company appropriates NT\$ 1,339,609,415 from 2022 distributable earnings as cash dividends, and distributes at NT\$13.8 per share (rounded down to the whole dollar amounts). The fractional amounts are aggregated and recorded as other income of the Company.

III. Regarding the earnings distribution, the Chairman is authorized to set a separate ex-dividend date, distribution date, and other related matters.

IV. If there are subsequent changes to the share capital that would affect the number of outstanding shares and lead to a change in the percentage of cash dividends, the Board of Directors is given full authority to handle such matters in accordance with the Company Act or other relevant laws and regulations.

Proposal 5

Proposal: 2021 Private Placement of Common Shares Processing Status Report

Description: The details of the utilization and execution of placement of securities are as follows:

Utilization of Funds from Private Placement of Common Shares in 2021

Project	As of end of 2022 Q2			Reasons for ahead or behind schedule and improvement plans
Replenishment of working capital	Amount used	Proposed	1,706,409,977	Fully used by the end of 2022 Q2
		Actual	1,706,409,977	
	% of usage	Proposed	100%	
		Actual	100%	

Proposal 6

Proposal: Revision of Rules and Procedures for Board Meetings

Description: The Company's Rules of Procedures for Board Meetings is partially revised in accordance with Financial-Supervisory-Securities-Corporate-1110383263 issued on August 5, 2022. For the Comparison Table for Before and After Revision of Rules of Procedures for Board Meetings, please refer to Attachment 5 (p.32).

Ratification

Proposal 1 (Proposed by the Board of Directors)

Proposal: 2022 Business Report and Financial Statements

Description: I. The Company's 2022 individual and consolidated financial statements and business report have been approved by resolution at the Board Meeting on and reviewed by the Audit Committee. The CAPs Patrick Hsu and Jackie Feng of PricewaterhouseCoopers, Taiwan have reviewed the individual and consolidated financial statements and have issued an unqualified audit opinion.
II. For the business report, the audit committee's review report, the independent auditors' report and the 2022 Financial statements, please refer to Attachment 1-3 (p.8 - p.30)

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Proposal: 2022 Earnings Distribution

Description: The 2022 earnings distribution have been approved by resolution at the Board Meeting on and reviewed by the Audit Committee. For details, please refer to Attachment 4 (p.31)

Resolution:

Discussion

Proposal 1 (Proposed by the Board of Directors)

Proposal: Revision of Procedures of Loans to Others

Description: The Company's Procedures of Loans to Others is partially revised in accordance with the Company Act and actual operation of the Company. For the Comparison Table for Before and After Revision of Procedures of Loans to Others, please refer to Attachment 6 (p.33).

Resolution:

Election

Proposal: Election of all Directors of the Company

(Proposed by the Board of Directors)

Description: I. The term of office of the current Board of Directors will expire on May 27, 2023, so it is hereby proposed the election of a new Board of Directors at the Shareholders' Meeting. The office term of the newly elected independent director will be from the date of the Shareholders' Meeting, May 30 2023 to May 29, 2026, with a duration of 3 years.

II. Pursuant to Article 17 of the Company's Articles of Incorporation, the Company will elect 7 Directors (including 3 Independent Directors). The Company adopts the candidate nomination system in accordance with Article 192-1 of the Company Act. For details regarding the candidate list, and the education background, work experience, and shareholdings of the candidates, please refer to Attachment 7 (p.34).

III. The Company's Independent Director, Hsi-Chih Chen, was elected Independent Director over 3 terms (term of office from June 27, 2013 to May 27, 2023). However, due to his profound knowledge in the finance major and relevant laws and regulations, and experience in corporate governance, the Company's Independent Director, Kang-Chih Li, was elected Independent Director for 3 terms (term of office from June 25, 2014 to May 27, 2023). However, due to his profound knowledge in the semiconductor industry and relevant laws and regulations, and experience in corporate governance, they are nominated as a candidates for Independent Director for this election, in order to for them to exert their expertise and provide professional opinions for the supervision of Board of Directors.

IV. The election of Directors is conducted in accordance with "Regulations Governing the Election of Directors". For details, please refer to Appendix 3 (p.42).

Election Result:

Other Motions

(Proposed by the Board of Directors)

Proposal: Releasing of the Prohibition on Directors and their Representatives from Non-competition Restrictions

Description: I. As stipulated in Article 209 of the Company Act, directors that act within the Company's business scope for themselves or others should explain the essential contents of such an act at the shareholders' meeting, and obtain approval thereat.

II. In order to facilitate the Company's business development, regarding the Directors and the representatives thereof, or persons who act as directors or managers of other companies that are of the same or similar nature as the Company, it is proposed to release them from non-competition restrictions under the premise that such concurrent positions pose no adverse effects on the Company's interests.

III. Details on Directors Holding Concurrent Positions in Other Companies, please refer to Attachment 8 (p.35).

Resolution:

Extraordinary Motion

Adjournment

Attachment 1

Foxsemicon Integrated Technology Inc.

2022 Business Report

The Company's 2022 revenue totaled NT\$ 14,843,221 thousand, at an increase of 21.20% YoY, and an increase of NT\$ 962,721 thousand in operating profit. The 2022 profit before tax amounted to NT\$ 2,890,702 thousand, net income for the period NT\$ 2,344,363 thousand, and profit attributable to owners of parent NT\$ 2,319,754 thousand. EPS was NT\$ 24.64, up NT\$ 7.63 from NT\$ 17.01 in previous year. The Company's 2022 operating performance report is as follows:

I. Operating status: Performance analysis for the years 2022 and 2021

Financial statement account	2022		2021		Difference	% difference (Note)
	Amount	%	Amount	%		
Revenue	14,843,221	100%	12,246,437	100%	2,596,784	21.20%
Operating cost	(10,399,687)	70.06%	(9,153,770)	-74.75%	(1,245,917)	-4.69%
Gross profit	4,443,534	29.94%	3,092,667	25.25%	1,350,867	4.69%
Operating expense	(1,492,474)	10.05%	(1,104,328)	-9.02%	(388,146)	1.03%
Operating profit	2,951,060	19.88%	1,988,339	16.24%	962,721	3.64%
Non-operating income	(60,358)	-0.41%	(73,724)	-0.60%	13,366	0.19%
Profit before tax	2,890,702	19.47%	1,914,615	15.63%	976,087	3.84%
Income tax expense	(546,339)	-3.68%	(396,092)	-3.23%	(150,247)	0.45%
Net income	2,344,363	15.79%	1,518,523	12.40%	825,840	3.39%
Profit attributable to owners of parent	2,319,754	15.63%	1,489,079	12.16%	830,675	3.47%
Profit attributable to non-controlling interest	24,609	0.17%	29,444	0.24%	(4,835)	-0.07%
Basic EPS (NT\$)	24.64		17.01		7.63	44.86%

Note: The percentage difference for revenue and basic EPS are calculated based on the amount difference, otherwise the difference between the percentage differences in both years.

1. In terms of revenue:

- 1.1 2022 revenue amounted NT\$ 14,843,221 thousand, up NT\$ 12,246,437 thousand or 21.20% from 2021.
- 1.2 2022 non-operating revenue amounted NT\$ 177,882 thousand, which comprises interest income of NT\$ 87,779 thousand and other income of NT\$ 90,103 thousand (government grant income of NT\$ 16,964 thousand, rent income of NT\$ 16,070 thousand, dividend income of NT\$ 8,499 thousand, gains on payables written-off of NT\$ 2,617 thousand and other income - other of NT\$ 45,953 thousand).

2. In terms of expenses:

- 2.1 2022 operating cost amounted NT\$ 10,399,687 thousand, and operating cost as a percentage of revenue decreased by 4.69% from the NT\$ 9,153,770 thousand in 2021. 2022 operating expense amounted NT\$ 1,492,474 thousand, and operating cost as a percentage of revenue increased by 1.03% from the NT\$ 1,104,328 thousand in 2021.
- 2.2 2022 non-operating expense amounted NT\$ 238,240 thousand, comprising other gains or losses of NT\$ 191,997 thousand (net loss on foreign exchange of NT\$ 117,417 thousand, loss on financial assets at fair value through profit and loss of NT\$ 69,611 thousand, loss

on disposal of property, plant and equipment of NT\$ 1,680 thousand and other losses of NT\$ 3,289 thousand) financing costs of NT\$ 39,577 thousand and share of profit (loss) of associates and joint ventures accounted for under equity method of NT\$ 6,666 thousand.

3. In terms of profit:

The 2022 net profit amounted NT\$ 2,344,363 thousand, up NT\$ 825,840 thousand from NT\$ 1,518,523 thousand in 2021. Profit attributable to owners of parent was NT\$ 2,319,754 thousand, up NT\$ 830,675 thousand from NT\$ 1,489,079 thousand in 2021.

II. Innovation and R&D

The Company upholds the spirit of “Cultivate core technology and create new values” in the development of its R&D, and continues to invest in the R&D of advance equipment technology, with focuses on application in the semiconductor, optoelectronics, new energy, and automation. Standing on our solid R&D foundation, we step forward to strengthen our core competitiveness, and emphasize low-carbon emission and energy-saving features of smart equipment and smart manufacturing.

In terms of semiconductor equipment technology, we continue to develop next-generation nano-process equipment for the future. We aim to upgrade the micro-contamination prevention capability and develop automated micro-contamination control, air curtain cleaning solutions, and functional water supply systems. We continue to keep up with the latest process technologies of our customers to obtain the certification for N3 process. After the success of the N5 process of high-end semiconductors, EUV became the mainstream in the photolithography process. We successfully extended the application of high-cleanliness automated equipment. Also, we have developed full-auto pellicle mounter for EUV mask and reticle pod exchanger with precise point positioning and micro-environment monitoring technology. These processes have passed our customers’ verification and marked our success in the automation of EUV mask equipment. Due to a sharp rise in the demand for semiconductor production capacity, we have developed the standard wafer sorter with advanced packaging technology. These products have been adopted by major wafer fabs and packaging factories.

In terms of optoelectronics and other automation technologies, our solid R&D capability has secured businesses with world-class equipment factories, and facilitated our further development in intelligent automation equipment. We continue to work on industrial upgrading and digital transformation. We invest in industrial internet and intelligent manufacturing, and incorporated the technologies of cloud computing, mobile terminals, Internet of Things, and big data. Then we apply these key technologies to new applications in semiconductor factory standard automation interface, unmanned whole plant intelligent automation, factory safety and environmental monitoring.

The Company’s 2022 main R&D results are as follows:

Item	R&D results
1	N ₂ purge system with N3 advanced process has obtained verification from customers and started installation
2	Air curtain cleaning solutions with N3 advanced process has obtained verification from customers and started installation
3	Wafer sorter has completed development, obtained verification from customers and entered production
4	NH ₄ OH functional water supply system has obtained N3 process verification

5	Full-auto pellicle mounter for EUV mask has completed development, obtained verification from customers and entered mass-production
6	Reticle pod exchanger for EUV mask has completed development, obtained verification from customers and entered mass-production
7	IC test handler has completed development and started verification at customer-end.
8	Entered into strategic alliance with major Japanese robot factories for the development of semi-automation solution - equipment front-end module (EFEM).

The Company is ahead of its peers in the field of semiconductor and semi-automation equipment. Under the booming global demand for semiconductor equipment, the development of advanced processing is expecting a prominent future. On the other hand, the Company extends the application of its technologies to new fields and emerging industries, such as electric vehicles and the development and manufacture of medical equipment. We continue to make in-depth R&D in advanced and innovative technologies, expand the application of industrial Internet and the core technologies of automation, and continue to incorporate our technologies into the development of new products.

Chairman: Young-Way Liu

Manager: Kevin Chiu

Chief Accounting Officer: Hsiao-Pei Chung

Audit Committee's Review Report

The Company's 2022 business report, financial statements, and earnings appropriation proposal are prepared by the board of directors. The financial statements have been audited and verified by CPAs Sheng-Chung Hsu and Min-Chuan Feng of PwC Taiwan, to which the firm has issued an independent auditor's report. We have reviewed the above business report, financial statements, and earnings appropriation proposal without identifying any inconsistency, so we have issued a report as above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the company Act. Please proceed to review it.

Submitted to
2023 Shareholders' Meeting of Foxsemicon Integrated Technology Inc.

Foxsemicon Integrated Technology Inc.
Audit Committee
Convener Shui-Hui Wu

February 24, 2023

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated balance sheets of Foxsemicon Integrated Technology Inc. and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 consolidated financial statements section of our report. We are independent of the Group 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 Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

Sales revenue cut-off

Description

Please refer to Note 4(31) for accounting policy on revenue recognition, Note 5(1) for critical judgement on revenue recognition, and Note 6(19) for details of revenue. For the year ended December 31, 2022, the balance of revenue amounted to NT\$14,843,221 thousand.

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

sales revenue from distribution warehouse has been identified as a key audit matter.

How our audit addressed the matter

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

1. Tested sales transactions that took place shortly before and after the balance sheet date, by verifying supporting documents provided by hub custodians, inventory movement records, and checked that costs of goods sold was recognized in the correct reporting periods.
2. Confirmed the inventory quantities with warehouse custodians and agreed the results to accounting records.

Evaluation of inventories

Description

Please refer to Note 4(14) 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(5) for details of inventories. As of December 31, 2022, the balances of inventories and allowance for valuation loss on inventories amounted to NT\$3,867,885 thousand and NT\$60,832 thousand respectively.

The Group 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 Group measures inventories sold at the lower of cost and net realisable value. For inventories that are over a certain age and individually identified obsolete or ruined inventory, losses are recognized at net realisable value.

The Group'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 realisable 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.

Other matter – Parent company only financial reports

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 consolidated 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 Feng, Min-Chuan

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 24, 2023

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

FOXSEMICON INTEGRATED TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

			December 31, 2022		December 31, 2021			
			AMOUNT	%	AMOUNT	%		
Assets			Notes					
Current assets								
1100	Cash and cash equivalents	6(1)	\$	8,543,988	43	\$	5,067,977	36
1136	Current financial assets at amortized cost	6(1)		1,268,520	7		1,560,640	11
1170	Accounts receivable	6(4) and 7		977,844	5		1,701,022	12
1200	Other receivables	7		10,624	-		6,919	-
130X	Inventory	6(5)		3,807,053	19		2,864,627	20
1410	Prepayments			198,677	1		157,677	1
11XX	Total current assets			14,806,706	75		11,358,862	80
Non-current assets								
1510	Non-current financial assets at fair value through profit or loss	6(2)		232,097	1		289,413	2
1517	Non-current financial assets at fair value through other comprehensive income	6(3)		194,076	1		230,334	2
1550	Investments accounted for using equity method			76,383	-		-	-
1600	Property, plant and equipment	6(6) and 8		3,540,849	18		2,028,587	14
1755	Right-of-use assets	6(7)		294,244	2		106,910	1
1760	Investment property	6(8)		35,874	-		37,845	-
1840	Deferred income tax assets	6(24)		9,956	-		13,251	-
1900	Other non-current assets	8		500,007	3		114,432	1
15XX	Total non-current assets			4,883,486	25		2,820,772	20
1XXX	Total assets		\$	19,690,192	100	\$	14,179,634	100

(Continued)

FOXSEMICON INTERGRATED TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
Current liabilities					
2100 Short-term loans	6(9)	\$ 417,640	2	\$ 221,440	2
2120 Current financial liabilities at fair value through profit or loss	6(2)	1,336	-	-	-
2170 Accounts payable		1,438,868	7	2,048,587	15
2200 Other payables	6(10)	1,891,429	10	1,041,735	7
2230 Current tax liabilities		425,627	2	318,100	2
2280 Current lease liabilities	7	32,782	-	21,088	-
2320 Long-term liabilities, current portion	6(13)	1,879,870	10	-	-
2399 Other current liabilities, others	6(11)	612,826	3	326,479	2
21XX Total current liabilities		<u>6,700,378</u>	<u>34</u>	<u>3,977,429</u>	<u>28</u>
Non-current liabilities					
2530 Bonds payable	6(13)	-	-	1,897,858	13
2540 Long-term loans	6(14)	1,506,039	8	424,825	3
2570 Deferred income tax liabilities	6(24)	38,837	-	38,774	-
2580 Non-current lease liabilities	7	269,089	1	83,969	1
2600 Other non-current liabilities	6(11)	344,692	2	232,890	2
25XX Total non-current liabilities		<u>2,158,657</u>	<u>11</u>	<u>2,678,316</u>	<u>19</u>
2XXX Total Liabilities		<u>8,859,035</u>	<u>45</u>	<u>6,655,745</u>	<u>47</u>
Equity					
Equity attributable to owners of parent					
Share capital					
3110 Common stock	6(15)	967,921	5	878,008	6
3140 Advance receipts for share capital	6(16)	2,588	-	1,056	-
Capital surplus	6(17)				
3200 Capital surplus		3,939,329	20	2,093,841	15
Retained earnings	6(18)				
3310 Legal reserve		713,397	4	558,372	4
3320 Special reserve		6,336	-	6,336	-
3350 Unappropriated retained earnings		5,166,593	26	3,863,061	27
Other equity interest					
3400 Other equity interest		34,993	-	55,964	1
31XX Equity attributable to owners of the parent		<u>10,831,157</u>	<u>55</u>	<u>7,456,638</u>	<u>53</u>
36XX Non-controlling interests		-	-	67,251	-
3XXX Total equity		<u>10,831,157</u>	<u>55</u>	<u>7,523,889</u>	<u>53</u>
Significant Contingent Liabilities and Unrecognized Contract Commitments	9				
Significant Events after the Balance Sheet Date	11				
3X2X Total liabilities and equity		<u>\$ 19,690,192</u>	<u>100</u>	<u>\$ 14,179,634</u>	<u>100</u>

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

FOXSEMICON INTERGRATED TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Year ended December 31			
			2022		2021	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19) and 7	\$ 14,843,221	100	\$ 12,246,437	100
5000	Operating costs	6(5)	(10,399,687)	(70)	(9,153,770)	(75)
5900	Gross profit from operations		4,443,534	30	3,092,667	25
	Operating expenses	6(22)				
6100	Selling expenses		(438,636)	(3)	(351,723)	(3)
6200	Administrative expenses		(505,059)	(3)	(314,919)	(2)
6300	Research and development expenses		(547,100)	(4)	(436,634)	(4)
6450	Impairment loss	12(2)	(1,679)	-	(1,052)	-
6000	Total operating expenses		(1,492,474)	(10)	(1,104,328)	(9)
6900	Net operating income		2,951,060	20	1,988,339	16
	Non-operating income and expenses					
7100	Interest income		87,779	-	16,304	-
7010	Other income	6(20)	90,103	1	83,658	-
7020	Other gains and losses	6(21)	(191,997)	(1)	(137,482)	(1)
7050	Finance costs		(39,577)	-	(26,158)	-
7060	Share of loss of associates and joint ventures accounted for using equity method		(6,666)	-	(10,046)	-
7000	Total non-operating revenue and expenses		(60,358)	-	(73,724)	(1)
7900	Profit before income tax		2,890,702	20	1,914,615	15
7950	Income expense	6(24)	(546,339)	(4)	(396,092)	(3)
8200	Profit for the period		\$ 2,344,363	16	\$ 1,518,523	12
	Other comprehensive income					

(Continued)

FOXSEMICON INTERGRATED TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

		Year ended December 31			
		2022		2021	
Items	Notes	AMOUNT	%	AMOUNT	%
Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit plan	6(12)	\$ 8,356	- (\$ 3,589)	-
8316	Unrealized gain on valuation of financial assets at fair value through the comprehensive	6(3)	(95,549)	(1) 37,855	-
Components of other comprehensive income that will not be reclassified to profit or loss					
8361	Financial statements translation difference of foreign operations		73,589	1 (25,689)	-
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method		989	- -	-
8360	Other comprehensive loss that will be reclassified to profit or loss		74,578	1 (25,689)	-
8300	Other comprehensive income for the year		(\$ 12,615)	- \$ 8,577	-
8500	Total comprehensive income for the year		\$ 2,331,748	16 \$ 1,527,100	12
Profit attributable to:					
8610	Owners of the parent		\$ 2,319,754	16 \$ 1,489,079	12
8620	Non controlling interest		24,609	- 29,444	-
			\$ 2,344,363	16 \$ 1,518,523	12
Total comprehensive income attributable to:					
8710	Owners of the parent		\$ 2,307,139	16 \$ 1,497,656	12
8720	Non controlling interest		24,609	- 29,444	-
			\$ 2,331,748	16 \$ 1,527,100	12
Earnings per share (in dollars)					
9750	Basic earnings per share	6(25)	\$ 24.64	\$ 17.01	
9850	Diluted earnings per share		\$ 21.96	\$ 14.72	

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

FOXSEMICON INTERGRATED TECHNOLOGY INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Notes	Equity attributable to owners of the parent											
	Capital				Retained Earnings			Other equity interest		Total	Non-controlling interests	Total equity
	Ordinary share	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	Exchange differences on translation of foreign financial statements	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income			
	\$ 827,703	\$ 1,156	\$ 214	\$ 1,053,163	\$ 434,647	\$ 6,336	\$ 3,049,545	(\$ 34,142)	\$ 142,893	\$ 5,481,515	\$ 36,671	\$ 5,518,186
	-	-	-	-	-	-	1,489,079	-	-	1,489,079	29,444	1,518,523
	-	-	-	-	-	-	(3,589)	(25,689)	37,855	8,577	-	8,577
	-	-	-	-	-	-	1,485,490	(25,689)	37,855	1,497,656	29,444	1,527,100
6(18)												
	-	-	-	-	123,725	-	(123,725)	-	-	-	-	-
	-	-	-	-	-	-	(613,013)	-	-	(613,013)	-	(613,013)
6(17)	47,789	(1,156)	-	946,449	-	-	-	-	-	993,082	-	993,082
6(17)	2,516	-	842	48,778	-	-	-	-	-	52,136	-	52,136
6(16)(17)	-	-	-	45,451	-	-	-	-	-	45,451	1,136	46,587
	-	-	-	-	-	-	64,953	-	(64,953)	-	-	-
	-	-	-	-	-	-	(189)	-	-	(189)	-	(189)
	\$ 878,008	\$ -	\$ 1,056	\$ 2,093,841	\$ 558,372	\$ 6,336	\$ 3,863,061	(\$ 59,831)	\$ 115,795	\$ 7,456,638	\$ 67,251	\$ 7,523,889
	\$ 878,008	\$ -	\$ 1,056	\$ 2,093,841	\$ 558,372	\$ 6,336	\$ 3,863,061	(\$ 59,831)	\$ 115,795	\$ 7,456,638	\$ 67,251	\$ 7,523,889
	-	-	-	-	-	-	2,319,754	-	-	2,319,754	24,609	2,344,363
	-	-	-	-	-	-	8,356	74,578	(95,549)	(12,615)	-	(12,615)
	-	-	-	-	-	-	2,328,110	74,578	(95,549)	2,307,139	24,609	2,331,748
6(18)												
	-	-	-	-	155,025	-	(155,025)	-	-	-	-	-
	-	-	-	-	-	-	(840,021)	-	-	(840,021)	-	(840,021)
6(15)	81,172	-	-	1,625,238	-	-	-	-	-	1,706,410	-	1,706,410
6(17)	3,769	-	-	64,847	-	-	-	-	-	68,616	-	68,616
6(17)	4,972	-	1,532	86,947	-	-	-	-	-	93,451	-	93,451
6(26)	-	-	-	696	-	-	(29,532)	-	-	(28,836)	(92,612)	(121,448)
6(16)(17)	-	-	-	67,760	-	-	-	-	-	67,760	752	68,512
	\$ 967,921	\$ -	\$ 2,588	\$ 3,939,329	\$ 713,397	\$ 6,336	\$ 5,166,593	\$ 14,747	\$ 20,246	\$ 10,831,157	\$ -	\$ 10,831,157

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

Foxsemicon Integrated Technology Inc.
Individual Statement of Cash Flows
For the years ended 2019 and 2018

Unit: NT\$ thousands

	Note	For the year ended 2019	For the year ended 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 2,890,702	\$ 1,914,615
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including investment property and right-of-use assets)	6(8)(22)	301,206	235,871
Amortization expense	6(22)	12,478	17,879
Gain on reversal of payable	6(20)	(2,617)	(5,407)
Share-based payments	6(16)	68,512	46,587
Additional provision recognized (reversal)	6(11)	28,073	9,583
Share of loss of associates and joint ventures accounted for using equity method		6,666	10,046
Dividend income	6(19)	(8,499)	-
Expected credit losses recognized	12(2)	1,679	1,052
Loss on financial assets at fair value through profit or loss	6(21)	69,611	98,696
Loss on disposal of property, plan and equipment	6(21)	1,680	1,811
Interest income		(87,779)	(16,304)
Interest expense		39,577	26,158
Impairment loss of investments	6(21)	-	4,877
Realized profit of deferred income of government		(2,894)	(2,925)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial liabilities at fair value through profit or loss,		(351)	-
Accounts receivable net		708,115	(764,878)
Accounts receivable related parties		181,946	9,617
Other receivable		(3,559)	(1,202)
Inventories		(912,892)	(1,134,562)
Prepayment		(39,314)	(62,131)
Changes in operating liabilities			
Accounts payable		(775,061)	506,340
Other payable		846,711	248,456
Other current liabilities		(38,300)	(22,819)
Accrued pension liabilities		(837)	(788)
Cash inflow generated from operations		3,284,853	1,120,572
Income taxes paid		(426,266)	(280,304)
Net cash flows from operating activities		<u>2,858,587</u>	<u>840,268</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Financial assets at amortized cost		292,120	(1,560,640)
Acquisition of financial assets at fair value through other comprehensive income		(49,170)	-
Acquisition of financial assets at fair value through profit or loss	12(3)	(6,843)	(6,113)
Acquisition of Investments accounted for using equity method		(82,060)	-
Acquisition of property, plant and equipment	6(27)	(2,114,229)	(726,466)
Dividends received		8,499	-
Proceeds from disposal of property, plan and equipment		163	1,379
Proceeds from disposal of financial assets at fair value through other comprehensive		-	75,168
Interest received		87,779	16,304
Decrease (increase) in other non-current assets		(529)	(74,165)
Net cash flows used in investing activities		<u>(1,864,270)</u>	<u>(2,274,533)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(19,464)	(4,821)
Issuance of common stock	6(15)	1,706,410	-
Increase in short-term loans	6(28)	193,341	223,166
Payments of lease liabilities	6(28)	(28,961)	(20,151)
Redemption of bonds	6(13)(28)	-	(900)
Repayments of supplemental loan		(71,359)	(189,002)
Proceeds from long-term debt	6(28)	1,112,146	374,995
Acquisition of supplemental loan		419,016	416,941
Cash dividends paid	6(18)	(840,021)	(613,013)
Change in non controlling interest	6(27)	(121,448)	-
Executive employee stock options		93,451	52,136
Net cash flows from financing activities		<u>2,443,111</u>	<u>239,351</u>
Effect of changes in foreign currency exchange rates on cash		38,583	(20,394)
Net increase (decrease) in cash and cash equivalents		<u>\$ 3,476,011</u>	<u>(\$ 1,215,308)</u>
Cash and cash equivalents at beginning of year		5,067,977	6,283,285
Cash and cash equivalents at end of year		<u>\$ 8,543,988</u>	<u>\$ 5,067,977</u>

The notes attached shall constitute an integral part of this individual financial statements

Chairman: Young-Way Liu

Manager: Kevin Chiu

Chief Accounting Officer: Hsiao-Pei Chung

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, 2022 and 2021, 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, 2022 and 2021, 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 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements of the year ended December 31, 2022 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, 2022, the balance of revenue amounted to NT\$12,055,139 thousand.

Among the Company's transaction types, warehouse sales revenue is recognized when customers accept the goods (when control of the product is transferred). Since all of the Company's warehouses are located in the United States or Singapore, the controls of those are more difficult than the direct shipment. Therefore, sale revenue is recognized based on the report provided by warehouse custodians. The process of revenue recognition contains numerous manual procedures, and it would potentially result in inaccurate timing of revenue recognition and the discrepancy between physical inventory

quantities in the warehouses and quantities in accounting records. Since there are numerous daily revenue from warehouses and the transaction amounts prior to and after the balance sheet date are significant to the financial statements, cut-off of sales revenue from distribution warehouse has been identified as a key audit matter.

How our audit addressed the matter

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

3. Tested sales transactions that took place shortly before and after the balance sheet date, by verifying supporting documents provided by hub custodians, inventory movement records, and checked that costs of goods sold was recognized in the correct reporting periods.
4. Confirmed the inventory quantities with warehouse custodians and agreed the results to accounting records.

Evaluation of inventories

Description

Please refer to Note 4(13) for description of accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(4) for details of inventories. As of December 31, 2022, the balances of inventories and allowance for valuation loss on inventories amounted to NT\$546,582 thousand and NT\$2,047 thousand respectively.

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

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

How our audit addressed the matter

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

5. Ascertained whether the policies and procedures on allowance for inventory valuation losses were reasonable and consistently applied in all the periods.
6. 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.
7. Assessed the reasonableness of separately identified obsolete and damaged inventories and verified against information obtained during the stock count.
8. For net realisable value of inventories over normal age and those individually identified obsolete and damaged inventory, we discussed with the management, obtained supporting documents and reviewed the calculation of inventory loss.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

7. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
8. 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 controls.
9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
11. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 auditor's 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 Feng, Min-Chuan

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 24, 2023

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

As the financial statements are the responsibility of the management, PricewaterhouseCoopers 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, 2022 AND 2021

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

			December 31, 2022		December 31, 2021			
			AMOUNT	%	AMOUNT	%		
Assets								
Current assets								
1100	Cash and cash equivalents	6(1)	\$	6,758,751	42	\$	3,764,019	30
1136	Current financial assets at amortized cost	6(1)		900,000	6		1,560,640	12
1170	Accounts receivable	6(3) and 7		798,251	5		1,488,612	12
1200	Other receivables	7		1,654,905	10		1,296,018	10
130X	Inventory	6(4)		544,535	3		526,038	4
1410	Prepayments			23,504	-		24,271	-
11XX	Current Assets			10,679,946	66		8,659,598	68
Non-current assets								
1510	Non-current financial assets at fair value through profit or loss			12,956	-		17,596	-
1517	Non-current financial assets at fair value through other comprehensive income	6(2)		117,291	1		94,370	1
1550	Investments accounted for using equity method	6(5)		5,212,538	32		3,793,471	30
1600	Property, plant and equipment	6(6)		122,723	1		133,365	1
1755	Right-of-use assets	6(7)		58,393	-		44,725	-
1760	Investment property	6(8)		57,643	-		60,907	-
1840	Deferred income tax assets	6(22)		1,385	-		4,378	-
1900	Other non-current assets	6(11) and 8		18,710	-		7,543	-
15XX	Non-current assets			5,601,639	34		4,156,355	32
1XXX	Total assets		\$	16,281,585	100	\$	12,815,953	100

(Continued)

Foxsemicon Integrated Technology Inc.

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

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

Liabilities and Equity			December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2120	Current financial liabilities at fair value through profit or loss	12(3)	\$ 1,336	-	\$ -	-
2170	Accounts payable		282,558	2	317,378	2
2180	Accounts payable - related parties	7	1,738,354	11	1,628,421	13
2200	Other payables	6(9) and 7	774,924	5	717,542	6
2230	Current tax liabilities		294,272	2	205,232	2
2280	Current lease liabilities		3,387	-	2,615	-
2320	Long-term liabilities, current portion	6(12)	1,848,938	11	-	-
2399	Other current liabilities, others	6(10)	89,704	-	268,725	2
21XX	Total current Liabilities		5,033,473	31	3,139,913	25
Non-current liabilities						
2530	Bonds payable	6(12)	-	-	1,897,858	15
2570	Deferred income tax liabilities	6(22)	38,837	-	38,774	-
2580	Non-current lease liabilities		64,611	-	51,579	-
2600	Other non-current liabilities	6(5)(10)(11)	313,507	2	231,191	2
25XX	Non-current liabilities		416,955	2	2,219,402	17
2XXX	Total Liabilities		5,450,428	33	5,359,315	42
Equity						
	Share capital	6(13)				
3110	Common stock		967,921	6	878,008	7
3140	Advance receipts for share capital		2,588	-	1,056	-
	Capital surplus	6(15)				
3200	Capital surplus		3,939,329	25	2,093,841	17
	Retained earnings	6(16)				
3310	Legal reserve		713,397	4	558,372	4
3320	Special reserve		6,336	-	6,336	-
3350	Unappropriated retained earnings		5,166,593	32	3,863,061	30
	Other equity interest					
3400	Other equity interest		34,993	-	55,964	-
3XXX	Total equity		10,831,157	67	7,456,638	58
	Significant Contingent Liabilities and Unrecognized Contract	9				
	Significant Events after the Balance Sheet Date	11				
3X2X	Total liabilities and equity		\$ 16,281,585	100	\$ 12,815,953	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, 2022 AND 2021

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

			Year ended December 31			
			2022		2021	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17) and 7	\$ 12,055,139	100	\$ 9,888,272	100
5000	Operating costs	6(4) and 7	(9,619,283)	(80)	(8,247,610)	(83)
5900	Gross profit from operations		2,435,856	20	1,640,662	17
	Operating expenses	6(20) and 7				
6100	Selling expenses		(286,784)	(2)	(221,692)	(2)
6200	Administrative expenses		(332,482)	(3)	(223,474)	(2)
6300	Research and development expenses		(62,463)	(1)	(55,894)	(1)
6450	Impairment (loss) gain		207	-	(194)	-
6000	Total operating expenses		(681,522)	(6)	(501,254)	(5)
6900	Net operating income		1,754,334	14	1,139,408	12
	Non-operating income and expenses					
7100	Interest income		81,320	1	8,230	-
7010	Other income	6(18) and 7	85,209	1	59,021	-
7020	Other gains and losses	6(19)	18,810	-	(37,427)	-
7050	Finance costs		(21,721)	-	(22,748)	-
7070	Share of profit of associates and joint ventures accounted for using equity method	6(5)	798,008	6	625,710	6
7000	Total non-operating revenue and expenses		961,626	8	632,786	6
7900	Profit (loss) before income tax		2,715,960	22	1,772,194	18
7950	Income tax benefit	6(22)	(396,206)	(3)	(283,115)	(3)
8200	Loss for the period		\$ 2,319,754	19	\$ 1,489,079	15
	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)	\$ 8,356	-	(\$ 3,589)	-
8316	Unrealised loss on valuation of financial assets at fair value through other comprehensive income	6(2)	(26,250)	-	(2,324)	-
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		(69,299)	(1)	40,179	-
8310	Other comprehensive income that will not be reclassified to profit or loss		(87,193)	(1)	34,266	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation difference of foreign		74,492	1	(25,643)	-
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		86	-	(46)	-
8360	Other comprehensive loss that will be reclassified to		74,578	1	(25,689)	-
8300	Other comprehensive income for the year		(\$ 12,615)	-	\$ 8,577	-
8500	Total comprehensive income for the year		\$ 2,307,139	19	\$ 1,497,656	15
	Basic earnings per share	6(23)				
9750	Total basic earnings per share		\$ 24.64		\$ 17.01	
9850	Total diluted earnings per share		\$ 21.96		\$ 14.72	

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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Capital				Retained Earnings		Other equity interest			Total equity
		Share capital - common stock	Certificate of entitlement to new shares from convertible bond	Advance receipts for share capital	Total capital surplus, additional paid-in capital	Legal reserve	Special reserve	Total unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Total Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
<u>2021</u>											
Balance at January 1, 2021		\$ 827,703	\$ 1,156	\$ 214	\$ 1,053,163	\$ 434,647	\$ 6,336	\$ 3,049,545	(\$ 34,142)	\$ 142,893	\$ 5,481,515
Profit for the year		-	-	-	-	-	-	1,489,079	-	-	1,489,079
Other comprehensive (loss) income for the year		-	-	-	-	-	-	(3,589)	(25,689)	37,855	8,577
Total comprehensive income		-	-	-	-	-	-	1,485,490	(25,689)	37,855	1,497,656
Appropriations of 2020 earnings	6(16)										
Legal reserve		-	-	-	-	123,725	-	(123,725)	-	-	-
Cash dividends		-	-	-	-	-	-	(613,013)	-	-	(613,013)
Conversion of convertible bonds	6(15)	47,789	(1,156)	-	946,449	-	-	-	-	-	993,082
Executive employee stock options	6(15)	2,516	-	842	48,778	-	-	-	-	-	52,136
Share-based payment	6(15)	-	-	-	45,451	-	-	-	-	-	45,451
Sale of financial assets at fair value through other comprehensive income	6(2)	-	-	-	-	-	-	64,953	-	(64,953)	-
Changes in equity of associates and joint ventures accounted for		-	-	-	-	-	-	(189)	-	-	(189)
Balance at December 31, 2021		\$ 878,008	\$ -	\$ 1,056	\$ 2,093,841	\$ 558,372	\$ 6,336	\$ 3,863,061	(\$ 59,831)	\$ 115,795	\$ 7,456,638
<u>2022</u>											
Balance at January 1, 2022		\$ 878,008	\$ -	\$ 1,056	\$ 2,093,841	\$ 558,372	\$ 6,336	\$ 3,863,061	(\$ 59,831)	\$ 115,795	\$ 7,456,638
Profit for the year		-	-	-	-	-	-	2,319,754	-	-	2,319,754
Other comprehensive income (loss)		-	-	-	-	-	-	8,356	74,578	(95,549)	(12,615)
Total comprehensive income		-	-	-	-	-	-	2,328,110	74,578	(95,549)	2,307,139
Appropriations of 2021 earnings	6(16)										
Legal reserve		-	-	-	-	155,025	-	(155,025)	-	-	-
Cash dividends		-	-	-	-	-	-	(840,021)	-	-	(840,021)
Issuance of shares	6(13)	81,172	-	-	1,625,238	-	-	-	-	-	1,706,410
Conversion of convertible bonds	6(15)	3,769	-	-	64,847	-	-	-	-	-	68,616
Executive employee stock options	6(15)	4,972	-	1,532	86,947	-	-	-	-	-	93,451
Share-based payment (includ subsidiaries)	6(15)	-	-	-	67,760	-	-	-	-	-	67,760
Difference between consideration and carrying amount of subsidiaries acquired		-	-	-	696	-	-	(29,532)	-	-	(28,836)
Balance at December 31, 2022		\$ 967,921	\$ -	\$ 2,588	\$ 3,939,329	\$ 713,397	\$ 6,336	\$ 5,166,593	\$ 14,747	\$ 20,246	\$ 10,831,157

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, 2022 AND 2021

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

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 2,715,960	\$ 1,772,194
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including investment property and right-of-use assets)	6(6)(7)(8)	36,225	33,123
Additional provision recognized (reversal)	6(10)	7,243 (	24,671)
Interest expense		21,721	22,748
Amortization expense	6(20)	883	1,407
Loss (Gain) on financial assets at fair value through profit or less	6(19)	12,753 (	8,142)
Expected credit losses recognized		207)	194
Share-based payments	6(14)	49,221	34,917
Share of gain of subsidiaries associates and joint ventures accounted for using equity method	6(5)		
Impairment loss of investments	6(19)	798,008 (	625,710)
Reversal of payables benefit	6(18)	-	4,877
Interest income		1,120 ) (	3,321)
Dividends income		81,320 ) (	8,230)
	6(18)	(8,499)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets mandatorily measured at fair		(351)	-
Accounts receivable net		690,568 (	582,054)
Other receivable		(60,963)	191,015
Inventories		(18,497 ) (	35,346)
Prepayment		767 (	6,517)
Changes in operating liabilities			
Accounts payable		76,233	657,305
Other payable		139,803	12,681
Other current liabilities		(26,754 ) (	29,733)
Accrued pension liabilities		(837 ) (	788)
Cash inflow generated from operations		2,754,821	1,405,949
Income taxes paid		(304,109 ) (	189,353)
Net cash flows from operating activities		2,450,712	1,216,596
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		81,320	8,230
Proceeds from disposal of property, plan and equipment	6(6)	1,514	369
Increase in other non-current assets		(6,366 ) (	4,829)
Increase receivables arose from purchasing materials on behalf of others		(381,366 ) (	376,052)
Acquisition of property, plant and equipment	6(24)	(16,653 ) (	15,833)
Acquisition of Investments accounted for using equity method		(670,699)	-
Dividends received		35,499	56,000
Acquisition of financial assets at amortized cost		660,640 (	1,560,640)
Acquisition of financial assets at fair value		(6,843 ) (	6,113)
Proceeds from disposal of financial assets at fair value through other comprehensive	6(2)	-	75,168
Acquisition of financial assets at fair value through other comprehensive		(49,170)	-
Net cash flows used in investing activities		(352,124 ) (	1,823,700)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash dividends paid	6(16)	(840,021 ) (	613,013)
Payments of lease liabilities		(3,138 ) (	2,553)
Interest paid		(1,609 ) (	1,411)
Issuance of common stock	6(13)	1,706,410	-
Redemption of bonds	6(25)	-	(900)
Repayments of supplemental loan		(58,949 ) (	189,002)
Proceeds from supplemental loan		-	416,941
Executive employee stock options		93,451	52,136
Net cash flows from (used in) financing activities		896,144 (	337,802)
Net increase (decrease) in cash and cash equivalents		2,994,732 (	944,906)
Cash and cash equivalents at beginning of year		3,764,019	4,708,925
Cash and cash equivalents at end of year		\$ 6,758,751	\$ 3,764,019

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

Attachment 4

Foxsemicon Integrated Technology Inc.
Statement of Retained Earnings
For the year ended 2022

Unit: NT\$

Beginning undistributed earnings	2,868,014,655
2022 profit after tax	2,319,754,136
2022 Defined benefit plan remeasurements	8,356,014
Differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries	(29,532,295)
Sum of the total amount of after-tax net income for the period and other profit items adjusted to the current year's undistributed earnings	5,166,592,510
Appropriation:	
Legal reserve	(229,857,786)
Special reserve	0
Distributable earnings	4,936,734,724
Distribution:	
Dividends (NT\$ 13.8 per share)	(1,339,609,415)
Ending undistributed earnings	3,597,125,309

Chairman: Young-Way Liu
Pei Chung

Manager: Kevin Chiu

Chief Accounting Officer: Hsiao-

Attachment 5

Foxsemicon Integrated Technology Inc.
Comparison Table for Before and After Revision of Rules of Procedures for Board Meetings

Article	Before revision	After revision	Reasons for revision
Article 2	<p>The Board Meetings shall be held at least once every quarter, and the reasons for calling a Board Meeting shall be notified to each director at least seven days in advance in means of correspondence, E-mail or fax. However, in the case of emergency, a Board Meeting may be convened at any time in means of correspondence, E-mail or fax.</p> <p>Unless in the case of emergency, matters specified in Article 9 Paragraph 1 shall be stated in the reasons for calling a Board Meeting, and may not be proposed as extraordinary motions.</p>	<p>The Board Meetings shall be held at least once every quarter, and the reasons for calling a Board Meeting shall be notified to each director at least seven days in advance in means of correspondence, E-mail or fax. However, in the case of emergency, a Board Meeting may be convened at any time in means of correspondence, E-mail or fax.</p> <p>Matters specified in Article 9 Paragraph 1 shall be stated in the reasons for calling a Board Meeting, and may not be proposed as extraordinary motions.</p>	Revised pursuant to the laws
Article 9	<p>The Company shall submit the following items for discussion by the Board of Directors:</p> <ol style="list-style-type: none"> 1) The Company's business plan. 2) Annual financial reports and Q2 financial reports that have been audited by a certified public accountant. 3) Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the internal control system. 4) Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others. 5) The offering, issuance, or private placement of any equity-type securities. 6) The appointment or discharge of a financial, accounting, or internal audit officer. 7) A donation to a related party or a major donation to a non-related party. However, a public-interest donation of disaster relief for a major natural disaster may be submitted to the following Board Meeting for ratification. 8) Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a Shareholders' Meeting or Board Meeting, or any such significant matter as may be prescribed by the competent authority. <p>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Matters regarding the Company's donations shall be subject to the provisions in the "Procedures for Ethical Management and Guidelines for Conduct".</p>	<p>The Company shall submit the following items for discussion by the Board of Directors:</p> <p>The Company's business plan.</p> <ol style="list-style-type: none"> 2) Annual financial reports and <u>semiannual</u> financial reports that have been audited by a certified public accountant. 3) Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the internal control system. 4) Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others. 5) The offering, issuance, or private placement of any equity-type securities. 6) <u>Election or discharge of Directors.</u> 7) The appointment or discharge of a financial, accounting, or internal audit officer. 8) A donation to a related party or a major donation to a non-related party. However, a public-interest donation of disaster relief for a major natural disaster may be submitted to the following Board Meeting for ratification. 9) Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a Shareholders' Meeting or Board Meeting, or any such significant matter as may be prescribed by the competent authority. <p>The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Matters regarding the Company's donations shall be subject to the provisions in the "Procedures for Ethical Management and Guidelines for Conduct".</p>	Revised pursuant to the laws

Attachment 6

Foxsemicon Integrated Technology Inc.
Comparison Table for Before and After Revision of Procedures of Loans to Others

Article	Before revision	After revision	Reasons for revision
Article 3	<p>Aggregate Amount of Loans and Maximum Amount Permitted to a Single Borrower</p> <p>1) Aggregate amount of loans</p> <p>The aggregate amount of loans to others shall not exceed <u>50%</u> of the Company's net worth.</p> <p>(A) The aggregate amount of loans to the entities with which the Company has business dealings with shall not exceed 10% of the Company's net worth.</p> <p>(B) The aggregate amount of loans to the entities where there is financial need for short-term loans shall not exceed 40% of the Company's net worth.</p> <p>2) Maximum amount permitted to a single borrower</p> <p>(A) The aggregate amount of loans to the entities with which the Company has business dealings with shall not exceed the business transaction amount between both parties. "Business transaction amount" refers to the higher of the amount of purchases or sales between the parties in the most recent 1 year or the estimated amount in the coming year, and the amount shall not exceed 10% of the Company's net worth.</p> <p>(B) The maximum amount to a single borrower where there is financial need for short-term loans shall not exceed 35% of the Company's net worth.</p>	<p>Aggregate Amount of Loans and Maximum Amount Permitted to a Single Borrower</p> <p>1) Aggregate amount of loans</p> <p>The aggregate amount of loans to others shall not exceed <u>100%</u> of the Company's net worth.</p> <p>(A) The aggregate amount of loans to the entities with which the Company has business dealings with shall not exceed <u>60%</u> of the Company's net worth.</p> <p>(B) The aggregate amount of loans to the entities where there is financial need for short-term loans shall not exceed 40% of the Company's net worth.</p> <p>2) Maximum amount permitted to a single borrower</p> <p>(A) The aggregate amount of loans to the entities with which the Company has business dealings with shall not exceed the business transaction amount between both parties. "Business transaction amount" refers to the higher of the amount of purchases or sales between the parties in the most recent 1 year or the estimated amount in the coming year, and the amount shall not exceed <u>20%</u> of the Company's net worth.</p> <p>(B) The maximum amount to a single borrower where there is financial need for short-term loans shall not exceed 35% of the Company's net worth.</p>	Revised according to practical needs

Attachment 7

Foxsemicon Integrated Technology Inc.
Candidates for Director Election (incl. Independent Directors)

Title	Name	Education background	Work experience	Current position	Number of shares held (Unit: shares)
Director	Hongyuan International Investment Co., Ltd. Rep.: Young-Way Liu	MSc in Electronic Engineering and Computer Science, University of Southern California BSc in Electrophysics, National Chiao Tung University	Chairman of Socle Technology Corp. Specialist of Chairman of Hon Hai Precision Industry Co., Ltd. President of Princeton Technology Corp. Founder of ADSL IC Design House , Integrated Telecom Express Inc. Founder of ITE Tech. Inc. Founder of Young Micro	Chairman and President of Hon Hai Precision Industry Co., Ltd. Director of Fu Tai International Investment Co., Ltd Director of Shanghai Ketai Century Technology Co., Ltd. Chairman of Foxtron Vehicle Technologies Co., Ltd. Chairman of Foxsemicon Integrated Technology Inc. Chairman of MIH Consortium	6,953,272
Director	Kevin Chiu	BSc in Electronic Engineering, University of Nevada, Las Vegas	Manager at Pude Technology Manager at Asyst/PST	Director and President of Foxsemicon Integrated Technology Inc. Chairman and President of Foxsemicon Integrated Technology (Shanghai) Inc. Director of Fox Automation Technology Inc. Director of Mindtech Corp.(Samoa) Director of Success Praise Corporation Director of Foxsemicon Integrated Technology Inc.(Samoa) Director of Foxsemicon Innovations Holding Inc. Director of ZAP Surgical Systems, Inc.	133,254
Director	Jong-Khing Huang	PhD in Medicine, University of Hamburg	MOE certified professor Superintendent of Kaohsiung Veterans General Hospital Adjunct Professor of Department of Urology, National Yang-Ming University Adjunct Professor of Department of Surgery, National Defense Medical Center	Doctor with Contract, St. Joseph Hospital Director of Foxsemicon Integrated Technology Inc. Director of Medical Foundation in Memory of Dr. Deh-Lin Cheng Director of ASE Charity Foundation	0
Independent Director	Hsi-Chih Chen	Chinese Culture University (Master of Accounting Institute)	Deloitte & Touche (The Auditor of Audit Department) Taipei Exchange, TPEx (The Specialist of Listing Examination Department) Zhan-Yue CPA Firm (Certified Public Accountant)	DA HUI limited(Director) Independent Director of Foxsemicon Integrated Technology Inc. Zhi-Ding CPA Firm (Certified Public Accountant)	0
Independent Director	Kang-Chih Li	PhD in Material Science, University of Cincinnati	Supervisor of China Development Industrial Bank	Chairman and President and of PDMC Technology Independent Director of Foxsemicon Integrated Technology Inc. CEO of Photonics INC. Director of Photonics Singapore PTE. LTD. Director of Photonics Mask Corporation Hefei	0
Independent Director	Shu-Hui Wu	EMBA in Accounting, National Taiwan University	Senior Assistant Manager of KPMG	Director of Axis Corp. Chief of Tacheng Accounting Firm, Taichung Branch President of Sheng Chang Consulting Co., Ltd. Independent Director of Foxsemicon Integrated Technology Inc. Supervisor of Semisils Applied Materials Corp., Ltd. Supervisor of Bike e+ Co., Ltd.	0
Independent Director	Ya-Hui Huang	LLB in Law, National Taiwan University LLM in Civil/Commercial Law, Chung Hsing University (now National Taipei University) EMBA in Finance, National Taiwan University	Taiwan High Court Judge Taiwan Taipei District Court Judge Taiwan New Taipei District Court Judge Taiwan Taoyuan District Court Judge Vice President and CLO of Taiwan Mobile Co., Ltd.	Independent Director of The Ambassador Hotel Co., Ltd. Independent Director of Advagene Biopharma Co., Ltd. Director of Hsinjing Holding Co., Ltd. Responsible Person of Hwang, Lin & Partners	0

Attachment 8

Foxsemicon Integrated Technology Inc.
Details on Directors Holding Concurrent Positions in Other Companies

Candidate category	Name of candidate	Positions held concurrently at other companies
Director	Hongyuan International Investment Co., Ltd.	1. Director of Solid Edge Solution Inc. 2. Chairman of An Tec Electric System Co., Ltd. 3. Director of Taiwan Intelligent Fiber Optic Network Co.,Ltd. 4. Chairman of Socle Technology Corp. 5. Chairman of Altus Technology Inc. 6. Chairman of Cloud Med CDMO Co., Ltd. 7. Chairman of Jusda International Logistics (Taiwan) Co., Ltd. 8. Chairman of Healthconn Corp. 9. Director of Fitipower Integrated Technology Inc. 10. Chairman of Foxconn Global Network Corp. 11. Chairman of Spectacular Co., Ltd. 12. Chairman of Hon Lin Technology Co., Ltd. 13. Director of Giga Solar Materials Corp. 14. Chairman of Syntrend Creative Park Co., Ltd. 15. Director of Vossic Technology Co., Ltd.
Institutional Director (Representative)	Young-Way Liu	Chairman and President of Hon Hai Precision Industry Co., Ltd. Director of Fu Tai International Investment Co., Ltd Chairman of Foxtron Vehicle Technologies Co., Ltd. Chairman of MIH Consortium
Director	Kevin Chiu	Director of ZAP Surgical Systems, Inc.
Director	Jong-Khing Huang	Director of ASE Charity Foundation
Independent Director	Hsi-Chih Chen	Director of DA HUI limited
Independent Director	Kang-Chih Li	Chairman and President of PDMC Technology Independent Director of Foxsemicon Integrated Technology Inc. CEO of Photonics INC. Director of Photonics Singapore PTE. LTD. Director of Photonics Mask Corporation Hefei
Independent Director	Shu-Hui Wu	Director of Axis Corp.
Independent Director	Ya-Hui Huang	Independent Director of The Ambassador Hotel Co., Ltd. Independent Director of Advagene Biopharma Co., Ltd. Director of Hsinjing Holding Co., Ltd.

Appendix 1

Foxsemicon Integrated Technology Inc. Articles of Incorporation

Chapter 1 General Provision

- Article 1: The Company is duly incorporated in accordance with the regulations governing corporations in the Company Act and bears the title of Foxsemicon Integrated Technology Inc.
- Article 2: The Company engages in the businesses as shown on the left:
- I. CB01010 Mechanical Equipment Manufacturing
 - II. CC01080 Electronics Components Manufacturing
 - III. F401010 International Trade
 - IV. CF01011 Medical Devices Manufacturing
 - V. F108031 Wholesale of Medical Devices
 - VI. F208031 Retail Sale of Medical Apparatus
 - VII. JA02010 Electric Appliance and Electronic Products Repair
 - VIII. I301010 Information Software Services (limited to business outside of the region)
 - IX. F119010 Wholesale of Electronic Materials (limited to business outside of the region)
 - X. F118010 Wholesale of Computer Software (limited to business outside of the region)
 - XI. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval. (limited to business outside of the region)
- Research, development, design, manufacturing and sales of the following products:
- 1.Semiconductor equipment subsystem and system integration
 - 2.Flat panel display equipment subsystem and system integration
 - 3.Nano equipment R&D
 - 4.LED lighting, LED display products and other application product
 5. In Vitro Diagnostic Device (IVD) and related application product
 - 6.Concurrently operating the import-export trading business relating to the Company's business.
- Article 3: The Company shall be based in Hsinchu Science Park, and may, if necessary, set up branches or offices at various locations within the territory of ROC or abroad upon resolution of the Board of Directors and the Company.
- Article 4: Deleted

Chapter 2 Capital Stock

- Article 5: The total authorized capital of the Company is NT\$ 500 million which may be distributed as 150 million shares (including 8.5 million employee stock options), with par value of NT\$ 10 each, upon the resolution of the Board of Directors.
- Article 5-1: Treasury shares bought back by the Company may be transferred to employees of companies controlled by the Company or the Company's subsidiaries within Taiwan or abroad who meet certain criteria, where such criteria shall be determined by the Board of Directors.
- The employee stock options may be issued to employees of companies controlled by the Company or the Company's subsidiaries within Taiwan or abroad who meet certain criteria, where such criteria shall be determined by the Board of Directors.
- When the Company issues new shares, employees who subscribe to the shares may include employees of companies controlled by the Company or the Company's subsidiaries within Taiwan or abroad who meet certain criteria, where such criteria shall be determined by the Board of Directors.
- The Company's restricted stock may be issued to employees of companies controlled by the Company or the Company's subsidiaries within Taiwan or abroad who meet certain criteria, where such criteria shall be determined by the Board of Directors.
- Article 6: The total amount of the Company's investment in other businesses shall not be subject to the restriction of no more than 40 percent of its paid-in capital as provided in Article 13 of the Company Act regarding investment in other businesses.
- Article 7: The Company's share certificates shall bear names, and shall be numbered and signed or affixed with seals by at least 3 Directors, and then shall be authenticated by the competent authority or the issuance registry institution accredited by the competent authority before issuance. After public offering, the Company may issue shares without printing share certificates.
- Article 8: For transfer of shares, an application shall be filed, signed, and affixed with seals by transferor and transferee. An application shall be made to the Company for registration of such transfer. The shares shall not be set up as a defense against the Company, until the formalities for transfer are completed.
- Article 9: Unless otherwise regulated, the loss of certificates is handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies".
- Article 10: The alteration of entries in the Company's shareholders' rosters shall be suspended by 60 days before the annual shareholders' meeting, or 30 days before a special shareholders' meeting, or within 5 days before the

ex-dividend date on which Company decides to distribute stock dividends or other benefits.

Chapter 3 Shareholders' Meeting

- Article 11: The Company's Shareholders' Meetings are classified into the following two kinds:
I. Regular Shareholder' Meeting, which shall be convened by the Board of Directors annually within six months after closing of each accounting year.
II. Special Shareholders' Meeting, which shall be convened whenever deemed necessary by the Board of Directors.
- Article 12: The shareholders' meetings are convened by the Board of Directors and chaired by the Chairman. In case the Chairman is on leave or cannot exercise his powers and authorities for any reason, the Chairman shall designate one of the Directors to act on his behalf. In the absence of such a designation, the Directors shall elect from among themselves to act on behalf of the Chairman. If the meeting is convened by a person other than the Board of Directors, such person shall act as the chairperson at that meeting; if there is more than one person with the authority to convene the meeting, the chairperson for the meeting shall be elected from among them.
- Article 13: When the Company holds a shareholders' meeting, the meeting may be held by means of visual communication, or other methods announced by the central competent authorities.
The meetings held by means of visual communication shall be in accordance with regulations of the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.
- Article 14: When a shareholder is unable to attend a shareholders' meeting for any reasons, he may appoint a proxy to attend his behalf by executing a power of attorney issued by the Company stating therein the scope of power authorized to the proxy.
- Article 15: Except for shares that have no voting right as described in Article 179 of the Company Act, a shareholder shall have one voting right in respect of each share in his possession.
- Article 16: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Chapter 4 Board of Directors, Audit Committee, and Managerial Officers

- Article 17: The Company has 5 - 9 Directors with a three-year term. The Company adopts the nomination system and the shareholders shall elect directors from among the nominees listed in the roster of director candidates, and the directors may be re-elected after the term. The total shareholding ratio of the Directors shall be in accordance with regulations of the competent authority in charge of securities affairs.
- Article 17-1: If the business requires, the Company may take out liability insurance policies to insure itself against liabilities for compensation in accordance with the law that may arise due to operational decisions made by Directors during their terms of service.
- Article 17-2: Pursuant to Articles 14-2 and 183 of the Securities and Exchange Act, there shall be no less than two Independent Directors among the number of Directors to be elected as referred to in the preceding article, and the Independent Directors shall represent no less than one-fifth of the number of Directors.
- Article 18: The Board of Directors is composed of Directors, and the duties thereof are as follows:
I. Preparation of the business plan
II. Proposal of earnings distribution or loss recovery
III. Proposal of capital increase or decrease
IV. Formulation of important charters and company organizational rules
V. Appointment and discharge of the Company's President and managers.
VI. Establishment and dissolution of branches
VII. Proposal of budgets and final accounts
VIII. Other duties authorized by the Company Act or resolution of the Shareholders' Meetings.
- Article 19: The Board of Directors shall elect a chairman of the Board of Directors from among the Directors by a majority vote at a meeting attended by over two-thirds of the Directors. The Chairman shall represent the Company externally.
- Article 20: In convening a Board Meeting, a notice shall be delivered to each Director no later than seven days prior to the scheduled meeting date. However, in the case of emergency, a Board Meeting may be convened at any time.
The aforementioned meeting notice may be effected by means of electronic transmission, corresponding, or fax.
Unless otherwise provided for in Company Act, the Board of Directors' meeting shall be convened by the Chairman. Unless otherwise provided for in the Company Act, resolutions of the Board Meetings shall be adopted by a majority of the Directors at a meeting attended by a majority of the Directors.

- Article 21: The Chairman is the chair of the Board Meeting. In case the Chairman is on leave or cannot exercise his powers and authorities for any reason, the Chairman shall designate one of the Directors to act on his behalf. In the absence of such a designation, the Directors shall elect from among themselves to act on behalf of the Chairman. Directors shall attend the Board Of Directors' meeting in person. If any Director cannot attend the meeting in person for any reason, he may appoint another Director to act on his behalf. A Director designated as the aforementioned proxy may accept a proxy from one person only.
- Article 22: The Company has established the Audit Committee in accordance with the laws and regulations and the Audit Committee consists entirely of Independent Directors. The duty, organizational rules, execution of power, and other compliance matters of the Audit Committee shall be in accordance with regulations of the competent authority.
- Article 23: The Board of Directors is authorized to determine the remuneration of the Company's Directors based on their participation in the Company's operation, level of contribution, and remuneration level of the peer companies in the same industry.
- Article 24: The Company may have a President and several Vice Presidents. The appointment, discharge and the remuneration shall be handled in accordance with Article 29 of the Company Act.
- Article 25: The President shall manage the Company's operation according to the resolution of the Board Meetings.

Chapter 5 Accounting

- Article 26: The fiscal year for the Company shall be from January 1 of each year to December 31 of the same year. Financial statements shall be prepared at the end of each fiscal year.
- Article 27: In accordance with Article 228 of the Company Act, at the end of each fiscal year, the Board of Directors shall prepare the following statements and reports and propose them to the Shareholders' Meeting for approval.
- I. Business report
 - II. Financial statements
 - III. Proposal of earnings distribution or loss recovery
- Article 28: The distribution of dividends and bonuses is calculated based on the shareholding of each shareholder. The Company shall not pay dividends or bonuses, if there is no surplus earnings
- Article 29: If the company makes profits for the year, it shall set aside 3% to 8% as employee remuneration and less than 0.5% as the director remuneration. This shall be resolved by the Board and reported at the shareholders' meeting. However, when the company has accumulated losses, it shall reserve the amount to make up the losses, then allocate the employee and director remuneration from the remainder according to the ratio mentioned in the preceding paragraph.
- Employee remuneration can be paid in cash or in shares to employees of companies controlled by the Company or the Company's subsidiaries who meet certain criteria, where such criteria shall be determined by the Board of Directors.
- Article 29-1: If there are earnings from the Company's end of year settlement, it shall first be allocated for tax payments and to make up any accumulated losses, followed by setting aside 10% as legal reserve to the extent of the amount of the Company's paid-in capital. Special reserve is then allocated or reversed in accordance with the law or regulations of the authority. The remainder is combined with the unappropriated surplus profits from previous year, the Board of Directors shall formulate the distribution proposal of surplus profits for submission to the shareholders' meeting for approval by resolution. The shareholders' stock dividends are distributed after the approval.
- The Company policy for dividend distribution depends on several factors, such as, the current and future investment environment, funds requirements, domestic and overseas competition, and the capital budget of the Company, balancing the rights and interests of the shareholders' and the Company's long-term financial planning. The shareholders' dividends are allocated based on the accumulated distributable earnings, which shall be more than 15% of the distributable earnings for the year. When allocating the shareholders' dividends, it may be in the form of cash or stock, which the cash dividends shall be more than 10% of the total shareholders' dividends.
- Any cash distribution of dividends, profit, legal reserve, or capital reserve, whether in whole or in part, must be resolved in a board meeting with more than two-thirds of the board present, voted in favor by more than half of attending directors, and reported in the upcoming shareholders' meeting.
- Article 30: The distribution of dividends to shareholders shall be limited to those shareholders whose names appear on the register of shareholders 5 days prior to the ex-dividend date when the dividends and bonus are determined to be distributed.

Chapter 7 Supplementary Provisions

- Article 31: The Company may provide guarantees in accordance with statutory laws and regulations.
- Article 32: The Company's organizational rules and regulations for implementation shall be formulated separately.

Article 33: Any matters not provided for herein shall be subject to the Company Act.

Article 34: These Articles of Incorporation are formulated as approved by all initiators at the initiators' meeting on April 19, 2001.

Amendment for the 1st instance: May 1, 2001

Amendment for the 2nd instance: April 14, 2002

Amendment for the 3rd instance: June 24, 2003

Amendment for the 4th instance: May 20, 2004

Amendment for the 5th instance: June 24, 2005

Amendment for the 6th instance: June 27, 2006

Amendment for the 7th instance: June 15, 2007

Amendment for the 8th instance: June 27, 2008

Amendment for the 9th instance: June 16, 2009

Amendment for the 10th instance: June 14, 2010

Amendment for the 11th instance: June 28, 2011

Amendment for the 12th instance: June 27, 2013

Amendment for the 13th instance: June 25, 2014

Amendment for the 14th instance: May 27, 2016

Amendment for the 15th instance: May 26, 2017

Amendment for the 16th instance: May 29, 2019

Amendment for the 17th instance: July 26, 2021

Amendment for the 18th instance: May 27, 2022

Appendix 2

Foxsemicon Integrated Technology Inc. Rules of Procedure for Shareholder Meetings

- Article 1: Unless otherwise required by laws and regulations, the Shareholders' Meeting of the Company shall be conducted in accordance with these Rules.
- Article 2: The Shareholders' Meeting shall furnish a signature book for the shareholders attending the meeting to sign in, or require the attending shareholders to submit their sign-in cards in lieu of signing the book. The number of shares present shall be calculated based on the signature book or sign-in cards submitted by the shareholders.
- Article 3: The attendance and voting at the Shareholders' Meeting shall be calculated based on the number of shares held.
- Article 4: The Shareholders' Meeting shall be held in the place where the Company is located or at any other place that is convenient for the shareholders to attend and appropriate to convene such meeting, and the Shareholders' Meeting shall commence at a time no earlier than 9:00 a.m. and no later than 3:00 p.m.
- Article 5: If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. In case the Chairman is on leave or cannot exercise his powers and authorities for any reason, the Chairman shall designate one of the Directors to act on his behalf. If the Shareholders' Meeting is convened by a person with the authority to convene other than the Board of Directors, such person shall act as the Chair at that meeting.
- Article 6: The attorneys, certified public accountants, or related persons retained by the Company may attend a Shareholders' Meeting in a non-voting capacity.
Staff at the Shareholders' Meetings shall wear ID badges or arm badges.
- Article 7: The Company shall make an uninterrupted recording of the entire process of the Shareholders' Meeting by audio or video, and keep it for least one year.
- Article 8: 8. The Chair shall call the meeting to order at the time scheduled for the meeting. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the Chair may announce a postponement of the meeting, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. In the event that the meeting is attended by shareholders not up to the specified quorum but representing more than one-third or more of the total issued shares after two postponements, a tentative resolution may be made in accordance with paragraph one of Article 175 of the Company Act.
In the event that the number of shares represented by attending shareholders reaches more than half of the total issued shares before that same meeting is adjourned, the Chair may resubmit the tentative resolution(s) made at the meeting for a vote in accordance with Article 174 of the Company Act.
- Article 9: The agenda for the Shareholders' Meeting shall be set by the Board of Directors if such meeting is convened by the Board of Directors. The meeting shall proceed as scheduled in the agenda, and no changes may be made unless otherwise resolved at the Shareholders' Meeting.
The preceding paragraph shall apply mutatis mutandis to meetings convened by a person other than someone of the Board of the Directors, but with the right to do so.
The Chair shall not announce adjournment of the meeting until the agenda in the two preceding paragraphs is completed (including extraordinary motions), unless duly resolved in the meeting.
- After a meeting is adjourned, the shareholders shall not elect another Chair to resume the meeting at the same location or at any other venue. During the session of a Shareholders' Meeting, if the Chair declares the adjournment of the meeting in a manner in violation of such rules governing the proceedings of meetings, a new chair of the meeting may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceedings of the meeting.
- Article 10: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his shareholder account number (or attendance number), and account name. The order in which shareholders speak will be set by the Chair.
An attending shareholder who submits a speaker's slip but does not speak at the meeting shall be deemed to have not spoken. In the event of any discrepancies between the contents of the shareholder's speech and those recorded on the slip, the contents of the shareholder's speech shall prevail.
When an attending shareholder is speaking at the meeting, no other shareholders may interrupt the speaking shareholder, unless permitted by the Chair and the speaking shareholder; the Chair shall stop any violations.
- Article 11: Unless otherwise permitted by the Chair, a shareholder may not speak more than twice on the same proposal, and each speech may not exceed five minutes.
The Chair may stop the speaking of any shareholder that is in violation of the preceding paragraph or whose

speech exceeds the scope of the proposal.

- Article 12: In the event that a juristic (corporate) person is appointed to attend a Shareholders' Meeting as proxy, it may designate only one representative to attend the meeting.
When a juristic (corporate) person shareholder appoints two or more representatives to attend a Shareholders' Meeting, only one representative may speak on the same proposal.
- Article 13: After an attending shareholder has spoken at the meeting, the Chair may answer either in person or through a designee.
- Article 14: When the Chair deems that a proposal has been sufficiently discussed to put it to a vote, the Chair may announce the discussion closed and call for a vote.
- Article 15: The personnel monitoring the casting of ballots and the personnel counting the ballots shall be designated by the Chair, provided that all personnel monitoring the casting of the ballots shall be shareholders of the Company.
The voting results shall be announced on the spot and recorded.
- Article 16: During the meeting, the Chair may announce a break, taking the time into consideration.
- Article 17: Unless otherwise provided for in the Company Act or the Articles of Incorporation, the passage of a proposal requires a majority of voting rights represented by the attending shareholders.
If, during the voting course, no one voices an objection upon solicitation of the Chair, the proposal is deemed passed, with equivalent force as a resolution by vote.
- Article 18: If there is an amendment or an alternative to a proposal, the Chair may combine the amendment or alternative into the original proposal, and determine their orders for voting. If any one among them is passed, the other proposal(s) shall be deemed as rejected, and no further voting is required.
- Article 19: The Chair may instruct security personnel (or guards) to assist in maintaining the order at the meeting venue. Such security personnel (or guards) shall wear arm badges marked with "Security" while assisting in maintaining the order on site.
- Article 12: These Rules shall take effect upon the approval by the Shareholders' Meeting, and the same shall apply to any amendments thereto.
- Article 21: The procedures of the shareholders' meeting, handling of motions, method of resolutions, and other related matters shall be subject to the Rules. Unless otherwise provided by the Company Act, Securities and Exchange Act, and the Articles of Incorporation, any matters not provided for herein shall be subject to the discretion of the Chair.

Appendix 3

Foxsemicon Integrated Technology Inc. Regulations Governing the Election of Directors

- Article 1: Matters regarding the election of the Company's Directors shall be subject to the Regulations.
- Article 2: The Company adopts the nomination system and the shareholders shall elect directors from among the nominees listed in the roster of director candidates, and the directors may be re-elected after the term. The number of seats and term office shall be as specified in the Company's Articles of Incorporation.
- Independent Directors and Non-independent Directors shall be elected in the same election, but the number of Independent Directors and Non-independent Directors elected shall be calculated separately.
- Article 3: The election of Directors adopts a name bearing cumulative voting system. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially as Non-Independent Directors and Independent Directors based on the results of the ballots.
- Article 4: If two or more than two persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not in attendance.
- Article 5: The Chair shall appoint a number of monitoring and vote counting personnel to perform the respective duties before the election begins.
- Article 6: The ballot shall be issued by the convener. The convener shall prepare ballots in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting.
- Article 7: Candidates are listed in the "candidate list" in each ballot. Voters may select one candidate with a tick from the nominees listed in the roster prepared by the Company. The above shall not be subject to voting via electronic means.
- Article 8: A ballot is deemed void if any of the following circumstances occurs:
- 1) The ballot was not prepared in accordance with the Rules.
 - 2) A blank ballot is placed in the ballot box.
 - 3) Any ballot with illegible writing renders it unrecognizable, or any ballot is altered.
 - 4) Two or more than two candidates are selected with a tick.
 - 5) Other words or marks are entered in addition to the tick for selecting candidates on the "candidate list".
 - 6) The number of candidates selected in a ballot exceeds the mandatory number.
 - 7) Total voting rights allotted exceeds the voting rights of the voter.
- Article 9: After the Chair announces the end of the voting, the monitoring personnel oversee the ballot count. The results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the Chair, the emcee or the designated person on-site.
- Article 10: Any matters not provided for herein shall be subject to the Company Act, Articles of Incorporation, and relevant laws and regulations.
- Article 11: These Regulations shall take effect upon the approval by the Shareholders' Meeting, and the same shall apply to any amendments thereto.

Appendix 4

Foxsemicon Integrated Technology Inc.

Rules of Procedures for Board Meetings (before revision)

- Article 1 The main purposes of the formulation of the Rules are to establish a sound development of corporate governance, enhance a comprehensive supervision system and strengthen the management functions. Unless otherwise required by laws and regulations, the Board Meeting of the Company shall be conducted in accordance with these Rules.
- Article 2 The Board Meetings shall be held at least once every quarter, and the reasons for calling a Board Meeting shall be notified to each director at least seven days in advance in means of correspondence, E-mail or fax. However, in the case of emergency, a Board Meeting may be convened at any time in means of correspondence, E-mail or fax.
Unless in the case of emergency, matters specified in Article 9 Paragraph 1 shall be stated in the reasons for calling a Board Meeting, and may not be proposed as extraordinary motions.
- Article 3 The Board of Directors appoints the Finance Department to be the agenda working group and be in charge of meeting affairs. The agenda working group shall prepare agenda items for Board Meetings and provide comprehensive pre-meeting materials, to be sent together with the notice of the meeting. A Director of the opinion that the pre-meeting materials provided are insufficiently comprehensive may request the agenda working group to supplement the materials. If a Director is of the opinion that materials concerning any proposal are insufficient in content, the deliberation of such proposal may be postponed by a resolution of the Board of Directors.
- Article 4 When a Board Meeting is held, a signature book shall be made ready for signature by Directors attending the meeting and thereafter made available for future reference. All Directors shall attend Board Meetings in person; if attendance in person is not possible, they may, pursuant to the Company's Articles of Incorporation, appoint another Director to attend as their proxy. Attendance via visual communication network is deemed as attendance in person but the attendees shall fax their sign-in cards in lieu of signing the book to the Company. In case a Director appoints another Director to attend the meeting on his behalf, he shall issue a written proxy and state therein the scope of authority with reference to the reasons for calling the Board Meeting. The aforementioned proxy may accept a proxy from one person only.
- Article 5 A Board Meeting shall be held at the Company's location and during the business hours of the Company. However, in the case of business needs, a Board Meeting may be held at a place and time convenient to all Directors and suitable for holding such a meeting.
- Article 6 Where a Board Meeting is called by the Chairman, the meeting shall be chaired by the Chairman. However, the first meeting of each newly elected Board of Directors is called by the Director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the Directors were elected, and chaired by that Director; if there are two or more Directors so entitled to call the meeting, they shall choose one person by and from among themselves to chair the meeting.
Where a Board Meeting is called by a majority of Directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the Directors shall choose one person by and from among themselves to chair the meeting.

In case the Chairman is on leave or cannot exercise his powers and authorities for any reason, the Chairman shall designate one of the Directors to act on his behalf. In the absence of such a designation, the Directors shall elect one from amongst themselves to act on behalf of the Chairman.
- Article 7 At the Board Meeting, supervisors of the departments relevant to the contents of the motions shall furnish the attending Directors with relevant materials for ready reference. During the Board Meeting, relevant departments or personnel from subsidiaries may be present to report on the business status of the Company and answer to the Directors' inquiries so as to facilitate the Directors' understanding of the Company's current situation in making a suitable resolution. In addition, the Company may also invite certificated public accounts, attorneys, or other professionals to attend as nonvoting participants and to make explanatory statements and professional opinions for Directors' reference, provided that they shall leave the meeting when deliberation or voting takes place.
- Article 8 Agenda items for Regular Board Meetings shall include at least the following:
- 1) Report Items:
 - (A) Minutes of the last meeting and actions arising.

- (B) Reporting on important financial and business matters.
- (C) Reporting on internal audit activities.
- (D) Other important matters to be reported.

2) Discussions:

- (A) Items discussed and continued from the last meeting.
- (B) Items for discussion at this meeting.

3) Extraordinary motions

Article 9 The Company shall submit the following items for discussion by the Board of Directors:

- 1) The Company's business plan.
- 2) Annual financial reports and Q2 financial reports that have been audited by a certified public accountant.
- 3) Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and an assessment of the effectiveness of the internal control system.
- 4) Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- 5) The offering, issuance, or private placement of any equity-type securities.
- 6) The appointment or discharge of a financial, accounting, or internal audit officer.
- 7) A donation to a related party or a major donation to a non-related party. However, a public-interest donation of disaster relief for a major natural disaster may be submitted to the following Board Meeting for ratification.
- 8) Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a Shareholders' Meeting or Board Meeting, or any such significant matter as may be prescribed by the competent authority.

The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Matters regarding the Company's donations shall be subject to the provisions in the "Procedures for Ethical Management and Guidelines for Conduct".

The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current Board Meeting is convened. Amounts already submitted to and passed by a resolution of the Board are exempted from inclusion in the calculation.

If the Company has an Independent Director, at least one Independent Director shall attend each meeting in person. In the case of a meeting concerning any matter required to be submitted for a resolution by the Board of Directors under paragraph 1, all Independent Directors shall attend in person; if an Independent Director is unable to attend in person, he shall appoint another Independent Director to attend as his proxy. If an Independent Director expresses any objection or reservation about a matter, the matter shall be recorded in the board meeting minutes. An Independent Director intending to express an objection or reservation but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the meeting minutes.

Apart from matters referred to in paragraph 1, which are required to be submitted for discussion by the Board of Directors, when the Board of Directors delegates any exercise of its powers pursuant to laws or regulations or the Company's Articles of Incorporation, matters such as the level and substance of the delegation shall be concretely and specifically set out.

Article 10 The Company shall make an uninterrupted recording of the entire process of the Board Meeting by audio or video, and keep the recordings for at least five years, in electronic form or otherwise.

If before the end of the safekeeping period referred to in the preceding paragraph any litigation arises in connection with a resolution of a Board Meeting, the relevant audio or video recordings shall continue to be kept until the litigation is concluded.

Where a Board Meeting is held via visual communication network, the audio and video recordings of the meeting form a part of the meeting minutes and shall be well kept throughout the existence of the Company.

- Article 11 If less than one-half of all the directors are in attendance at the appointed meeting time, the Chair may announce postponement of the meeting time, provided that no more than two such postponements may be made. If the quorum is still not met after two postponements, the Chair shall reconvene the meeting in accordance with the procedures in Article 2.

The number of "all the directors," as used in the preceding paragraph and in Article 17, paragraph 2, subparagraph 2, shall be counted as the number of directors currently in office.

- Article 12 A Board Meeting shall proceed in the order of the agenda as provided in the meeting notice. However, the order may be changed upon the approval of a majority of Directors in attendance at the Board Meeting. The Chair may not declare the meeting adjourned without the approval of a majority of the Directors in attendance at the meeting.

At any time during the course of a Board Meeting, if the number of Directors sitting at the meeting does not constitute a majority of the attending Directors, then upon the motion by a Director sitting at the meeting, the Chair shall declare a suspension of the meeting, in which case paragraph 1 of the preceding article shall apply *mutatis mutandis*.

- Article 13 After an attending Director has spoken at the meeting, the Chair may answer either in person or through a designee, or request professionals present at the meeting to provide relevant necessary information. If a Director makes repeated speech on the same motion or the speech exceeds the scope of the agenda item, which disrupts the speech of other Directors or the proceeding of the deliberation, the Chair may terminate the speech.

- Article 14 When the Chair deems that a proposal has been sufficiently discussed to put it to a vote, the Chair may announce discussion closed and call for a vote.

When a proposal comes to a vote at a Board Meeting, if no attending Director voices an objection following a solicitation by the Chair, the proposal is deemed approved. If there is an objection following a solicitation by the Chair, the proposal shall be brought to a vote, and the monitoring and vote counting of the process shall be recorded.

"Attending Directors," as used in the preceding two paragraphs, does not include Directors that may not exercise voting rights pursuant to Article 16, paragraph 1. One voting method for proposals at a Board Meeting shall be selected by the Chair from among those below, provided that when an attending Director has an objection, the Chair shall seek the opinion of the majority to make a decision:

- 1) A show of hands or a vote by voting machine.
- 2) A roll call vote.
- 3) A vote by ballot.
- 4) A vote by a method selected at their discretion.

- Article 15 Unless otherwise provided for in the Securities and Exchange Act and Company Act, resolutions of the Board Meetings shall be adopted by a majority of the Directors at a meeting attended by a majority of the Directors.

If there is an amendment or an alternative to a proposal, the Chair may combine the amendment or alternative into the original proposal, and determine their orders for voting. However, if any one among them is passed, the other proposal(s) shall be deemed as rejected, and no further voting is required.

The personnel monitoring the casting of ballots and the personnel counting the ballots shall be designated by the Chair if required, provided that all personnel monitoring the casting of the ballots shall be Directors of the Company. The voting results shall be announced on the spot and recorded

If a resolution of a Board Meeting is within the scope of material information that shall be disclosed as required by the laws or regulations or the competent authorities, such resolution shall be disclosed on the Market Observation Post System (MOPS) within the given time.

- Article 16 If a Director or a juristic (corporate) person that the Director represents is an interested party in relation to an agenda item, the Director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that Director may not participate in discussion or voting on that agenda item and shall recuse himself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another Director.

Where the spouse, a blood relative within the second degree of kinship of a Director, or any company which has a controlling or subordinate relation with the Director has interests in the agenda item, such Director shall be deemed to have an interested party relationship in the matter.

Where a Director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a Board Meeting, the provisions of Article 180, paragraph 2 of the Company Act apply *mutatis mutandis* in accordance with Article 206, paragraph 4 of the same Act.

Article 17 Discussions at a Board Meeting shall be recorded in the meeting minutes, and the minutes shall fully and accurately state the matters listed below:

- 1) The meeting session (or year) and the time and venue of the meeting.
- 2) The name of the Chair.
- 3) The Directors' attendance at the meeting, including the names and the number of Directors in attendance, excused, and absent.
- 4) The names and titles of the persons attending the meeting as non-voting participants.
- 5) The name of the minute taker.
- 6) Report Items.
- 7) Agenda items: the method of resolution and the result for each proposal; a summary of the comments made by Directors, professionals, and other persons; the name of any Director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the Director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; and any opinion issued in writing by an Independent Director pursuant to Article 9 paragraph 4.
- 8) Extraordinary motions: The name of the proposer, the method of resolution and the result for each proposal; a summary of the comments made by Directors, professionals, and other persons; the name of any Director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the Director was required or not required to enter recusal, and the status of their recusal; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.
- 9) Other matters required to be recorded.

The occurrence of any of the following circumstances, with respect to a resolution passed at a Board Meeting, shall be stated in the meeting minutes and shall be publicly announced and filed on the website designated by the competent authority, within 2 days from the date of the meeting.

- 1) Any objection or reservations by an Independent Director of which there is a record or written statement.
- 2) For a company which has established an Audit Committee, the motions without approval by the Auditing Committee but passed by the Board with more than two-thirds of the Directors.

The signature book, in which shall record the accumulated attendance of the Directors, of the Board Meetings form a part of the meeting minutes and shall be well kept throughout the existence of the Company.

The minutes of a Board Meeting shall bear the signature or seal of both the Chair and the minute taker, and a copy of the minutes shall be distributed to each Director within 20 days after the meeting. The minutes shall be deemed important company records and be well kept throughout the existence of the Company.

The meeting minutes mentioned in paragraph 1 may be produced and distributed in electronic form.

Article 18 The formulation and amendments to the Rules shall be adopted by the approval at the Board Meeting and shall be reported to the Shareholders' Meeting.

Appendix 5

Foxsemicon Integrated Technology Inc.

Procedures of Loans to Others (before revision)

The Company shall comply with these Procedures when making loans to others.

Article 1: The Borrower of Fund

Under Article 15 of the Company Act, the Company shall not loan funds to any of its shareholders or any other person except under the following circumstances:

- 1) Where an inter-company business transaction calls for a loan arrangement; or
- 2) Where an inter-company short-term financing facility is necessary, provided that such financing amount shall not exceed 40 percent of the Company's net worth.

The term "short-term" mentioned in the preceding paragraph refers to one year.

The term "financing amount" as used in paragraph 1, subparagraph 2 of this Article means the cumulative balance of the Company's short-term financing.

The restriction in paragraph 1, subparagraph 2 shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the Company by any overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares.

Article 2 Assessment Standards for Granting of Loans

- 1) Where loans are provided for an entity due to business needs, the amount of the individual loan shall not exceed the business transaction amount in the past year between the parties. "Business transaction amount" refers to the higher of the amount of purchases or sales between the parties.
- 2) An inter-company short-term financing facility is restricted to lendings to subsidiaries in which the Company holds more than 50% of the voting shares entities in which the Company proposes to make equity investment.
- 3) If, due to a change in circumstances, an entity for which a loan is made does not meet the requirements of these Regulations or the loan balance exceeds the limit, the Company shall prepare a corrective plan and submit the plan to all the Audit Committee, and implement according to the timeframe specified in the plan.

Article 3 Aggregate Amount of Loans and Maximum Amount Permitted to a Single Borrower

1) Aggregate amount of loans

The aggregate amount of loans to others shall not exceed 50% of the Company's net worth.

(A) The aggregate amount of loans to the entities with which the Company has business dealings with shall not exceed 10% of the Company's net worth.

(B) The aggregate amount of loans to the entities where there is financial need for short-term loans shall not exceed 40% of the Company's net worth.

2) Maximum amount permitted to a single borrower

(A) The aggregate amount of loans to the entities with which the Company has business dealings with shall not exceed the business transaction amount between both parties.

"Business transaction amount" refers to the higher of the amount of purchases or sales between the parties in the most recent 1 year or the estimated amount in the coming year, and the amount shall not exceed 10% of the Company's net worth.

(B) The maximum amount to a single borrower where there is financial need for short-term loans shall not exceed 35% of the Company's net worth.

- 3) The restriction in the preceding two paragraphs shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the Company by any overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares. However, the aggregate amount of loans shall not exceed 100% of the lender's net worth, and the maximum amount to a single borrower shall not exceed 50% of the lender's net worth. The term of the loans shall be clearly specified.

- 4) Where funds are loaned between the Company and its subsidiary or between the subsidiaries of the Company, the Chairman may be authorized to proceed with multiple releases of funds or revolving drawdowns with regard to the same borrower within a certain amount authorized by resolution of the lenders' Board of Directors and within an one-year period.

The term "certain amount" as used above, unless in compliance with Article 1 paragraph 4, indicates that the authorized amount extended by the Company or its subsidiaries to any single entity shall not exceed 10% of the net worth on the latest financial statements of lender.

- 5) The term "net worth" as used above refers to the figure stated in the most recent financial statements

audited or reviewed by an independent accountant.

Article 4 Loan Terms and Interest Rates

- 1) Terms of loans to entities where there is financial need for short-term loans shall not exceed 1 year. Terms of loans to entities with which the Company has business dealings with shall not exceed 3 years.
- 2) The interest rates of loans shall be determined based on the interest rate of the Company borrowings and lending with the financial institutions.
- 3) The interest rates of loans between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares shall be subject to paragraph 2 of this article.

Article 5 Procedures for Lending

- 1) When applying for a loan from the Company, the borrower should provide photocopies of the profit-seeking enterprise registration certificate and relating documents of the company, identification card of the responsible person(s) and other necessary financial documents along with an official letter to the Company's Finance Department for application. The Finance Department will submit the application to the Board of Directors for approval after credit status investigation.
- 2) Upon approval of the loan amount, the borrower shall fill out the "Loan Application Form" and submit it to the Finance Department for withdrawal of funds.

Article 6 Procedures for Lending

- 1) When applying for a loan at the Company, the borrower shall specify the purpose and the necessity of the loan, and the Finance Department shall decide on whether to grant the approval to the application.
- 2) The Finance Department shall duly conduct credit check on the borrower's operating status. For companies with a high credit rating and justifiable purposes, the personnel in charge shall prepare an opinion report on the credit check results and devise the terms of the loans, and submit them to the Board of Directors for approval.
- 3) Apart from the credit check on the borrower, the Finance Department shall evaluate the effects of the loan on the Company's operational risk, financial position and shareholders' equity, and prepare submit an opinion report along with the credit check report to the Board of Directors for approval.
- 4) Major loans shall be first approved by the Audit Committee in accordance to relevant rules and regulations and then submitted to the Board of Directors for resolution
- 5) When withdrawing loans, the borrower shall provide guarantee notes or assets of equivalent value as collateral. The value of collateral shall be appraised by the Finance Department.

Article 7 Announcement and Reporting Procedures

- 1) The Company shall announce and report the previous month's loan balances of the Company and subsidiaries by the 10th day of each month.
- 2) The Company or its subsidiary whose loans of funds reach one of the following levels shall announce and report such event within two days commencing immediately from the date of occurrence on the Market Observation Post System (MOPS):
 - (A) The aggregate balance of loans to others by the Company and its subsidiaries reaches 20 percent or more of the Company's net worth as stated in its latest financial statement.
 - (B) The balance of loans by the Company and its subsidiaries to a single entity reaches 10 percent or more of the Company's net worth as stated in its latest financial statement.
 - (C) The amount of new loans provided by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2 percent or more of the Company's net worth as stated in its latest financial statement.
- 3) The Company shall announce and report on behalf of any subsidiary thereof that is not a public company of the Republic of China any matters that such subsidiary is required to announce and report pursuant to the preceding paragraph.
- 4) The term "Date of occurrence" as used in these Procedures refers to the earlier date of contract signing, payment, Boards of Directors resolutions, or other dates that can confirm the counterparty and monetary amount of the loan of funds.

Article 8 Subsequent Measures for Control and Management of Loans, and Procedures for Handling Delinquent Claims

- 1) The Company's Finance Department shall prepare a registry containing at least the basic information of the borrowers, the Board of Directors' approval dates and amounts, the date of lending, the amounts of loan, the content of the collateral, interest rates, and the method and date for discharging the loan for verification conducted by the competent authorities and relevant personnel.
- 2) After the disbursement of loans, the Finance Department shall closely observe the borrower's and its guarantor's financial, positions, operating status and credit condition. If the loan is secured by collateral, the Finance Department shall monitor any changes in collateral's value. In the event of a significant change, the Finance Department shall notify the Company's Chairman or President immediately and handle the matters as instructed.

- 3) When the borrower repays the loan in advance or upon the expiration date of a loan, the guarantee note shall not be returned to the borrower nor shall the collateral be discharged unless the principal amount and interest accrued are repaid in full.
- 4) The borrower shall repay the principle and interest upon expiration date. If the borrower fails to repay the loan upon expiration date and needs to file for extension, the borrower shall file a written application with the Board of Directors for approval in advance. The borrower is only allowed to file for extension twice for the same loan with each extension period no more than 3 months. In the event the borrower fails to obtain such extension, the Company may institute a legal action against the guarantor or dispose of the collateral pursuant to laws for compensation.

Article 9 Punishment of Violation of These Procedures

In the event of violation of these Procedures, the punishment to be imposed on relevant employees and personnel shall be subject to the related rules of the Company's "Personnel Administration Regulations".

Article 10 Control Procedures for the Company's Subsidiaries

When a subsidiary over which the Company has control intends to provide loans to others, it shall formulate its "Procedures for Extending Loans to Others" and report it to the Company's Board of Directors. The said "Procedures for Extending Loans to Others" shall be formulated based on these Procedures and the aggregate amount of loans and maximum amount permitted to a single borrower stipulated therein shall not exceed the following restrictions:

- 1) When a subsidiary in which the Company holds directly or indirectly 100% of the voting shares provides loans to others, the aggregate amount of loans and maximum amount permitted to a single borrower shall be calculated based on the net worth of the Company and in accordance with these Procedures.
- 2) When a subsidiary in which the Company does not hold directly or indirectly 100% of the voting shares provides loans to others, the aggregate amount of loans and maximum amount permitted to a single borrower shall be calculated based on the net worth of the subsidiary and in accordance with these Procedures.

Article 11 The Company shall evaluate and recognize contingent loss for loans to others, and shall adequately disclose information on loans to others in its financial reports and provide certified public accountants with relevant information to perform necessary audit procedures and issue an appropriate audit opinion.

Article 12 The Company's internal auditors shall audit the Procedures for Loans to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the Audit Committee in writing of any material violation found.

Article 13 When the Procedures and application for loans for others are submitted for deliberation at a Board Meeting, the Board of Directors shall take into full consideration each independent director's opinions. If an Independent Director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board Meeting.

Article 14 The loans that have been provided for others before the implementation of these Procedures shall be reported to the Board of Directors for ratification and handled in accordance with these Procedures. If any loan exceeds the amount limit, the excess portion shall be recovered in installments.

If, due to a change in circumstances, a loan exceeds the amount limit, the Company shall prepare a corrective plan and submit the plan to all the Audit Committee to strengthen the Company's internal control.

Article 15 The Procedures shall be effective after being approved by the majority of the audit committee members, submitted to the Board of Directors for resolution, and submitted to the Shareholders' Meeting for approval. If a Director holds dissenting opinions and there are relevant records or it is made in writing, the Company shall submit such materials to the Shareholders' Meeting for discussion. The same shall apply to amendments. If approval by more than half of all audit committee members as required in the preceding paragraph is not obtained, these Procedures may be effective if approved by more than two-thirds of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board Meeting.

Article 16 Other stricter management principles may be drafted by the Company's Chairman in accordance with these Procedures and be effective after approval by more than two-thirds of votes at a Board Meeting attended by more than two-thirds of all the Company's Directors. The same shall apply to amendments.

Appendix 6

Foxsemicon Integrated Technology Inc. Directors' Shareholding

Title	Name	No. of shares held	As a percentage of total issued shares (%)
Chairman	Hongyuan International Investment Co., Ltd.Rep.: Young-Way Liu	6,953,272	7.16%
Director	Kevin Chiu	133,254	0.14%
Director	Jong-Khing Huang	-	-
Independent Director	Hsi-Chih Chen	-	-
Independent Director	Kang-Chih Li	-	-
Independent Director	Shu-Hui Wu	-	-
Independent Director	Ya-Hui Huang	-	-
The total number of shares held by all Directors is 7,086,526, accounting for 7.30 % of total issued shares.			

Note 1: The Company's paid-in capital is NT\$970,509,460, and the number of issued shares is 97,050,946 shares.

2. Under Article 26 of the Securities and Exchange Act, the Directors shall hold no less than 7,764,076 in total.

3. Under Article 2 of the Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, where the number of seats of Independent Directors exceeds half of that of the Directors, and the public company has established an audit committee, the public company is not subject to the requirement where the total registered shares owned by the directors and supervisors shall not be less than a certain percentage of total issued shares.

Appendix 7

The Influence of Stock Dividends Proposed at the Current Shareholders' Meeting on the Company's Operating Performance, EPS, and Shareholders' Returns: The Company does not distribute any share dividends for the current year, and thus not applicable.