

Stock Code: 3413



For the year ended 2024

Annual Report

Websites to access the annual report

Market Observation Post System: <http://mops.twse.com.tw>

Company website: <http://www.foxsemicon.com.tw>

By Foxsemicon Integrated Technology Inc.

Published on March 31, 2025

- I. Company Spokesperson and Deputy Spokesperson
Spokesperson: Grace J.Y. Lee
Title: Chief Investment Officer
Tel: (037)580-088
Email: fitistock@foxsemicon.com
- Deputy Spokesperson: Yung-Fang Tsou
Title: Vice President
Tel: (037)580-088
Email: fitistock@foxsemicon.com
- II. Addresses and telephone numbers of the headquarters, branches and factories
Headquarters address: No. 16, Kezhong Rd., Zhunan Township, Miaoli County 350401, Taiwan
Tel: 037-580088
Branch address: 1688 RICHARD AVENUE, SANTA CLARA, CA95050, U.S.A.
Tel: 408-3839880
Factory address: No. 16, Kezhong Rd., Zhunan Township, Miaoli County 350401, Taiwan
Tel: 037-580088
- III. Name, address, website and telephone number of the stock transfer agent
Name: Shareholders Service Department of Grand Fortune Securities Co., Ltd.
Address: 6F, No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City
Website: <http://www.gfortune.com.tw/>
Tel: (02)2371-1658
- IV. Names of CPAs who audited the financial statements during the most recent year; name, address, website and telephone number of the accounting firm
Accounting firm: PwC Taiwan
CPA names: CPA Sheng-Chung Hsu and CPA Jen-Chieh Wu
Address: 27F, No. 333, Keelung Road, Section 1, Taipei City
Tel: (02)2729-6666
Website: www.pwc.com/tw
- V. Name of the exchange for listed overseas marketable securities and methods to inquire about the overseas marketable securities: not applicable
- VI. Company website: <http://www.foxsemicon.com.tw>

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One. Letter to Shareholders

According to the World Economic Outlook released by the International Monetary Fund (IMF) on January 17, 2025, the global economic growth forecast for 2025 has been revised upward to 3.3%. The 2025 WFE (Wafer Fab Equipment) market is expected to see modest growth of 2%–4%, primarily driven by AI/HPC applications, which are accelerating the adoption of advanced process technologies (GAA, BPD), boosting demand for HBM, and advancing packaging technologies, thereby increasing investment in semiconductor equipment. The Company is expected to grow steadily in line with market demand.

From January to May 2024, Taiwan's semiconductor equipment industry regained growth momentum. In recent years, the pandemic has accelerated enterprises' digital transformation, leading to robust semiconductor demand and prompting aggressive capacity expansion by industry players. This, in turn, supported the Company's revenue and profit growth in 2024. The following is an overview of 2024 operations and the 2025 business outlook.

I. 2024 Annual Business Report

(I) Business plan implementations and achievements

The Company's 2024 revenue totaled NT\$ 16,454,476 thousand, at an increase of 26.07% YoY, and an increase of NT\$ 632,170 thousand in operating profit. In 2024, the Company recorded a profit before tax of NT\$3,214,653 thousand and net income of NT\$2,612,643 thousand. Basic earnings per share (EPS) were NT\$25.22, an increase of NT\$4.74 compared to NT\$20.48 in the same period last year. The Company's 2024 operating performance is summarized as follows:

Item	2024 (Consolidated)		2023 (Consolidated)	
	Amount (NT\$1000)	%	Amount (NT\$1000)	%
Net revenue	16,454,476	100	13,051,357	100
Gross profit	4,288,489	26.06	3,414,567	26.16
Operating profit	2,662,203	16.18	2,030,033	15.55
Profit before tax	3,214,653	19.54	2,512,429	19.25
Net income	2,612,643	15.88	1,990,468	15.25
Profit attributable to owners of parent	2,612,643	15.88	1,990,468	15.25
Earnings per share (NT\$)	25.22	-	20.48	-

(II) Budget implementation

The Company's budget execution in 2024 was excellent, with revenue and profit not only meeting budget targets but also reaching all-time highs in 2024 for operating revenue, gross profit, operating profit, net income for the period, and earnings per share after tax.

(III) 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 and entered the mass protection of the 2nm process of customers. Following the 5nm node in advanced semiconductor manufacturing, EUV has become the mainstream lithography technology. We successfully expanded our development of high-cleanliness automation equipment by leveraging precision positioning and process micro-environment monitoring technologies. This enabled the development of a fully automated EUV photomask pellicle bonding system and a photomask transfer system. After passing customer verification for the 3nm process, we continued to refine the equipment to achieve mass production readiness for the 2nm process. In response to the rapid rise in demand for advanced semiconductor packaging capacity, we completed development of wafer appearance inspection systems, standard wafer sorters, and integrated equipment for unpacking and sorting stacked wafer box packaging. These products have been successively adopted by major wafer fabrication and packaging/testing manufacturers.

In optoelectronics and other automation equipment technologies, our solid R&D capabilities attracted strategic partnerships with global equipment leaders, resulting in the development of front-end automation modules for advanced semiconductor process equipment and next-generation EUV pellicle deposition systems.

We continue to work on industrial upgrading and sustainable development. We invest in low-carbon, energy-saving and intelligent manufacturing technologies, and incorporated the technologies of real-time monitoring technology of carbon emissions, cloud computing, mobile terminals, Internet of Things, and big data. Then we apply these key technologies to new applications in wafer sorting equipment, semiconductor factory standard automation interface, unmanned whole plant intelligent automation, and environmental monitoring.

The Company's 2024 main R&D results are as follows:

Item	R&D results
1	Completed development of a fully unmanned wafer appearance inspection system with multi-pod loading interface
2	Completed development of real-time carbon emission monitoring technology for equipment, and participated in ESG initiatives proposed by wafer fab clients
3	2nm process contamination control solution passed customer mass production validation
4	Developed next-generation EUV photomask pellicle deposition equipment
5	Developed next-generation EUV photomask pellicle cutting and bonding equipment

II. 2025 Business Plan Summary

(I) 2025 Business Policy:

1. Semiconductor equipment

- (1) In-depth integration into new product development by the largest customer to ensure business wins
- (2) Attract new customers in display equipment for new products
- (3) Strengthen the capability in manufacturing, processing and maintenance of precision components and develop the components business

2. Automation equipment

- (1) Deepen the development of semiconductor automation equipment business
- (2) Enter innovation domains in semiconductor automation equipment for EUV masks
- (3) Promote internally developed equipment and expand overseas markets

3. High-end precision medical equipment: entry to the high-end precision medical equipment industry by centering on existing core competitiveness

(II) Expected sales volume and basis for the assumption: The Company will continue to stay on top of new product development by customers and the R&D of automation equipment and new technologies, so as to significantly enhance revenues and competitive niche.

(III) Important strategy in production and marketing

1. Solidify relationships with existing customers for advanced equipment, increase joint development of new equipment and enhance the development and efficacy of in-house and new products
2. Establish good cooperation and strategic partnerships with manufacturers upstream and downstream, to ensure capacities, product deliveries, quality and competitiveness
3. Stay on top of market dynamics, continue to step-up technological R&D to identify new use cases and create value for the Company

III. Development strategy

We will continue to pursue strategic alliances for long-term development. We expect to enhance technology and quality, reduce costs, boost efficiency and market shares with the assistance from strategic partners who have strengths in branding, marketing and technology, via vertical/horizontal integration or joint development of products and markets.

IV. Impact of external competitive environment, legal environment and overall business environment

According to data released by the National Development Council on February 13, 2025, major global economies have entered an interest rate cutting cycle. With continued strong demand for emerging technologies such as AI, Taiwan's exports and production momentum are expected to be revitalized. In addition, private investment is benefiting from semiconductor capacity expansion, and international corporations are continuing to increase their investment in Taiwan. These multiple drivers are expected to sustain Taiwan's economic growth at over

3%. Looking ahead to 2026, growth momentum in the WFE market is expected to continue, with annual growth projected at 7%–18%. As demand for AI/HPC continues to increase, and advanced logic and memory technologies undergo ongoing upgrades, chip structures are becoming more complex and process precision requirements more stringent, further fueling demand for etching, thin film deposition, and inspection equipment.

In 2025, the Company will continue to strengthen the progress of establishing a factory in Thailand to enhance production capacity outside of mainland China, in order to reduce the risks posed by geopolitical factors and to prepare for market demand in 2026. The Company's finance department continuously monitors international financial changes, timely utilizing financial operations to reduce exchange rate risks, and maintains strong relationships with banks to ensure the best support under any economic conditions. We continue to strengthen the professional competences of personnel to keep up with constantly changing competition, external environment and regulatory requirements. The Company's management team and all employees will continue to adhere to the business philosophy of "Excellence in Quality, In-depth Technical Expertise," "Timely Flexibility, Value Creation," and "Collaborative Win-Win, Sustainable Development" to address the challenges of the overall operating environment in 2025, and thereby enhance shareholder value.

Finally, we would like to wish all our shareholders

Good health and prosperity

Chairman: Young-Way Liu



Two. Corporate Governance Report

I. Information on Directors, Supervisors, General Manager, Deputy General Managers, Associate Managers, and Department and Branch Heads

(I) Information on directors and supervisors

(1) Basic data

March 30, 2025

Title (Note 1)	Nationality or location of registration	Name	Gender Age	Date of election (appointment)	Tenure	First election (appointment) date	Shareholding as of elected date		No. of shares held currently		No. of shares currently held by the spouse and children		No. of shares held under others' names		Education and experience	Other positions held concurrently with the Company and other companies	Spouse or relatives within two degrees serving as managers, directors or supervisors			Note
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relation	
Chairman	Republic of China	Hyield Venture Capital Co., Ltd.	-	2023.5.30	3 years	2017.5.26	5,198,272	7.16	6,953,272	6.44	-	-	-	-	-	-	-	-	-	-
	Republic of China	Rep.: Young-Way Liu	Male 61~70 years old	2023.5.30	3 years	2019.2.27	-	-	-	-	-	-	-	-	Department of Electrophysics, National Chiao Tung University Master's degree, University of Southern California 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 Systems	Chairman and President of Hon Hai Precision Industry Co., Ltd. Chairman of Foxtron Vehicle Technologies Co., Ltd. Chairman of Foxsemicon Integrated Technology Inc. Chairman of PowerX Semiconductor Corporation Chairman of MIH Consortium Director of Fu Tai International Investment Co., Ltd Director of SiliconAuto B.V. Director of Ceer National Automotive Company	-	-	-	-

Title (Note 1)	Nationality or location of registration	Name	Gender Age	Date of election (appointment)	Tenure	First election (appointment) date	Shareholding as of elected date		No. of shares held currently		No. of shares currently held by the spouse and children		No. of shares held under others' names		Education and experience	Other positions held concurrently with the Company and other companies	Spouse or relatives within two degrees serving as managers, directors or supervisors			Note
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relation	
Director	Republic of China	Kevin Chiu	Male 51~60 years old	2023.5.30	3 years	2019.5.29	133,254	0.14	189,254	0.18	4,000	0.00	-	-	BSc in Electronic Engineering, University of Nevada, Las Vegas Manager at Pude Technology Manager at Asyst/PST	Chairman and President of Foxsemicon Integrated Technology Inc. Chairman and President of Foxsemicon Integrated (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 UniEQ Integrated Technology Co., Ltd Director, UniEQ Technology PTE. Ltd. Director, ZAP Surgical Systems, Inc.	-	-	-	-

Title (Note 1)	Nationality or location of registration	Name	Gender Age	Date of election (appointment)	Tenure	First election (appointment) date	Shareholding as of elected date		No. of shares held currently		No. of shares currently held by the spouse and children		No. of shares held under others' names		Education and experience	Other positions held concurrently with the Company and other companies	Spouse or relatives within two degrees serving as managers, directors or supervisors			Note
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relation	
Director	Republic of China	Jong-Khing Huang	Male 71~80 years old	2023.5.30	3 years	2014.6.25	-	-	-	-	-	-	-	-	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	-	-	-	-
Independent Director	Republic of China	Kang-Chih Li	Male 71~80 years old	2023.5.30	3 years	2014.6.25	-	-	-	-	-	-	-	-	PhD, Materials Science and Engineering, University of Cincinnati, Ohio, U.S. Supervisor of China Development Industrial Bank	President and Chairman of PDMC Technology Independent Director of Foxsemicon Integrated Technology Inc. CEO of Photonics INC. Director, Photonics Singapore PTE. Ltd. Director of Hefei Fengchuang Mask Co., Ltd.	-	-	-	-

Title (Note 1)	Nationality or location of registration	Name	Gender Age	Date of election (appointment)	Tenure	First election (appointment) date	Shareholding as of elected date		No. of shares held currently		No. of shares currently held by the spouse and children		No. of shares held under others' names		Education and experience	Other positions held concurrently with the Company and other companies	Spouse or relatives within two degrees serving as managers, directors or supervisors			Note
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relation	
Independent Director	Republic of China	Hsi-Chih Chen	Male 41~50 years old	2023.5.30	3 years	2013.6.27	-	-	-	-	-	-	-	-	Master's degree, Graduate Institute of Accounting, Chinese Culture University Team Leader, Audit Department, Deloitte Taiwan Specialist, Listing Examination Department, Taipei Exchange CPA, Wisdom Professional Certified Public Accountants	Director, DA HUI Limited Independent Director, Foxsemicon Integrated Technology Inc. CPA, Zhi Ding Accounting Firm	-	-	-	-
Independent Director	Republic of China	Shu-Hui Wu	Female, 61-70 years old	2023.5.30	3 years	2019.5.29	-	-	-	-	-	-	-	-	EMBA in Accounting, National Taiwan University Senior Assistant Manager of KPMG	Director of Axis Corp. Chief of Tacheng Accounting Firm, Taichung Branch Independent Director of Foxsemicon Integrated Technology Inc. Supervisor of Semisils Applied Materials Corp., Ltd. Supervisor of Bike e+ Co., Ltd.	-	-	-	-

Title (Note 1)	Nationality or location of registration	Name	Gender Age	Date of election (appointment)	Tenure	First election (appointment) date	Shareholding as of elected date		No. of shares held currently		No. of shares currently held by the spouse and children		No. of shares held under others' names		Education and experience	Other positions held concurrently with the Company and other companies	Spouse or relatives within two degrees serving as managers, directors or supervisors			Note
							Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relation	
Independent Director	Republic of China	Ya-Hui Huang	Female, 51-60 years old	2023.5.30	3 years	2021.7.26	-	-	-	-	-	-	-	-	EMBA and Master in Finance, National Taiwan University. Vice President and CLO of Taiwan Mobile Co., Ltd. Supervisor of Globalview Cable TV Co., Ltd.; Supervisor of Yeong Jia Leh Cable TV Co., Ltd.; Supervisor of Union Cable TV Co., Ltd. Supervisor of Phoenix Cable TV Co., Ltd.; Supervisor of Tai-Fu Cloud Technology Co., Ltd. Independent Director, Tynsolar Corporation Independent Director of Tyntek Corporation.	Independent Director of The Ambassador Hotel Co., Ltd. Independent Director of Advagene Biopharma Co., Ltd. Director of Hsinjing Holding Co., Ltd. Director of Taicon Corporation Responsible Person of Hwang, Lin & Partners Independent Director, Foxsemicon Integrated Technology Inc.	-	-	-	-

(2) Major shareholders of legal person shareholders

March 31, 2025

Name of the legal person shareholder	Major shareholders of legal person shareholders	Shareholding %
Hyield Venture Capital Co., Ltd.	Hon Hai Precision Industry Co., Ltd.	97.95%
	Bao Xin International Investment Limited	2.05%

(3) Major shareholders of large legal person shareholders

April 2, 2024

Name of the legal person shareholder	Major shareholders of legal person shareholders	Shareholding %
Hon Hai Precision Industry Co., Ltd.	Terry Guo	12.56%
	Labor Pension Fund - New System	2.06%
	Citibank custodian account for Government of Singapore Investment Corp.	1.88%
	Standard Chartered's custodian account for LGT	1.19%
	JPMorgan Chase Bank's custodian account for Starlight Capital's Advanced Aggregate International Stock Index	1.18%
	JPMorgan Chase Bank's custodian account for Vanguard Emerging Markets Stock Index Fund	1.15%
	Citibank custodian account for Norges Bank	1.13%
	Citibank custodian account for Hon Hai Precision Industry Co., Ltd. depository receipts	0.91%
	iShares Emerging Market ETF investment accounts in the custody of Standard Chartered Bank	0.81%
	HSBC (Taiwan) Commercial Bank Co., Ltd. entrusted to hold Morgan Stanley International Ltd. investment special account	0.67%
Bao Xin International Investment Limited	Hon Hai Precision Industry Co., Ltd.	100.00%

(4) Professionalism and independence of directors and supervisors

Qualifications Name	Professional qualifications and experiences	Independence status	No. of other public companies with which independent directorship is held concurrently
Representative of Hongyang Venture Capital Co., Ltd.: Liu, Young-Way	Masters, Department of Electrophysics, National Chiao Tung University and University of Southern California. Serving as Chairman and President of Hon Hai Precision Industry Co., Ltd., fully qualified as the Chairman of the company. There has been no occurrence of events as stated under Article 30 of the company Act.	-	0
Kevin Chiu	Bachelor, Department of Electrical and Computer Engineering, University of Nevada, Las Vegas. Serving as Director and President of Foxsemicon Integrated Technology (Shanghai) Inc., a subsidiary of Foxsemicon Integrated Technology Inc., Director of FOX AUTOMATION TECHNOLOGY INC., Director of Mindtech Corp.(Samoa), Director of Success Praise Corporation, Director of Foxsemicon Integrated Technology Inc. (Samoa). Fully qualified as the Director of the company. There has been no occurrence of events as stated under Article 30 of the company Act.	-	0
Jong-Khing Huang	PhD, Medical School, University of Hamburg. Previously served as Superintendent of Kaohsiung Veterans General Hospital. Thus, the Director has an in-depth understanding of medical equipment, providing qualified support to the company's medical equipment business department. Fully qualified as the company's director. There has been no occurrence of events as stated under Article 30 of the company Act.	-	0
Kang-Chih Li	PhD, Materials Science and Engineering, University of Cincinnati, Ohio, U.S. Previously served as supervisor of China Development Industrial Bank and President of PHOTRONICS DNP MASK CORPORATION for years, with a wealth of experience in the semiconductor industry that benefits the company. Fully qualified as the Company's director. Significant contributions to the Company. No circumstances as described in Article 30 of the Company Act.	<p>Met the following conditions during the two years prior to the term and while serving the term:</p> <p>(1) Not an employee of the company or its affiliates.</p> <p>(2) Not a director or supervisor of the company or any of its affiliates.</p> <p>(3) Holding more than 1% of the outstanding shares issued by the company or among the top 10 natural person shareholders by the person or his/her spouse or underage children, or in the name of a third party.</p> <p>(4) Not a manager as specified in (1) nor a spouse, a blood relative at the second degree of kinship under the Civil Code, or a blood relative at the third degree of</p>	0
Hsi-Chih Chen	Masters in Accounting, Chinese Culture University. Previously served as the specialist of the OTC Department, Taipei Exchange. A certified accountant possessing professional knowledge in accounting and various laws and regulations. Fully Qualified as the company's director. There has been no occurrence of events as stated under Article 30 of the company Act.		0
Shu-Hui Wu	EMBA in Accounting, National Taiwan University. Currently also serving as supervisor of Axis Corporation. A certified accountant possessing professional knowledge in accounting and various laws and regulations. Fully qualified as the company's director. No circumstances as described in Article 30 of the Company Act.		0
Ya-Hui Huang	EMBA in Accounting and Master in Finance from National Taiwan University. Previously served as Taiwan High Court Judge. A licensed lawyer. Previously served as Vice President and Legal Head of Taiwan Mobile Co., Ltd.; Supervisor of Globalview Cable TV Co., Ltd.; Supervisor of Yeong Jia Leh Cable TV Co., Ltd.; Supervisor of Union Cable TV Co., Ltd.; Supervisor of Phoenix Cable TV Co., Ltd.; Supervisor of Tai-Fu Cloud Technology Co., Ltd.; Independent Director of Tynsolar		2

Qualifications Name	Professional qualifications and experiences	Independence status	No. of other public companies with which independent directorship is held concurrently
	<p>Corporation; Independent Director of Tyntek Corporation. Currently serving as Independent Director of Ambassador Hotel Co., Ltd.; Supervisor of Taipei New Horizon Co., Ltd. (Songshan Cultural and Creative Park, BOT); Responsible Person of Hwang, Lin and Partners; Legal Counsel of Fubon Financial Holding Co., Ltd.; Legal Counsel of Taiwan Fixed Network Co., Ltd.; Legal Counsel of Taiwan Mobile Co., Ltd.; Legal Counsel, Shihlin Electric and Engineering Corporation; Legal Counsel of HCT Logistics Co., Ltd.; Legal Counsel of Yangde Management Consultant Co., Ltd.; and Legal Counsel of Taiwan Fertilizer Co., Ltd.. Fully qualified as the company's director. No circumstances described in Article 30 of the Company Act.</p>	<p>kinship under the Civil Code as specified in (2) and (3).</p> <p>(5) Not a director, supervisor, or employee shareholder that directly holds 5% or more of the total number of issued shares of the company, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the company Act.</p> <p>(6) Not someone who controls more than half of a company's directors or voting shares in any other company.</p> <p>(7) Not the same person or spouse of the director, supervisor, manager or equivalent at another company or institution.</p> <p>(8) Not a director, supervisor, managerial officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.</p> <p>(9) Not a professional individual, nor an owner, partner, director, supervisor, nor officer of a sole proprietorship, partnership, company, nor institution that provides auditing services to the company or any affiliate of the company, or that</p>	

Qualifications Name	Professional qualifications and experiences	Independence status	No. of other public companies with which independent directorship is held concurrently
		<p>provides commercial, legal, financial, accounting, or related services to the company or any affiliate of the company for which the provider has received cumulative compensation exceeding NT\$500,000 in the past 2 years, nor a spouse thereof, provided this restriction does not apply to a compensation committee member, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or the Business Mergers and Acquisitions Act or related laws or regulations.</p> <p>(10) Not a spouse or a blood relative within the second degree of kinship under the Civil Code to any other director.</p> <p>(11) Not under any of the categories stated in Article 30 of the company Act.</p> <p>(12) Not being elected as a representative to the government or an institution under Article 27 of the company Act.</p>	

(II) Information on President, Vice Presidents, Assistant Vice Presidents, and managers of all divisions and branches

March 30, 2025

Title	Nationality	Name	Gender	Date of election (appointment)	No. of shares held		No. of shares held by the spouse and children		No. of shares held under others' names		Education and experience	Other positions held concurrently with other companies	Spouse or relatives within two degrees serving as managers			Note
					Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relation	
President and CEO	Republic of China	Kevin Chiu	Male	2019.8..10	189,254	0.18	4,000	0.00	-	-	BSc in Electronic Engineering, University of Nevada, Las Vegas Manager at Pude Technology Manager at Asyst/PST	Chairman and President of Foxsemicon Integrated Technology Inc. Chairman and President of Foxsemicon Integrated (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) Chairman of Foxsemicon Innovations Holding Inc. Director of UniEQ Integrated Technology Co., Ltd Director, UniEQ Technology PTE. Ltd. Director of UniEQ Equipment Manufacturing Private Limited Director, ZAP Surgical Systems, Inc.	-	-	-	-

Title	Nationality	Name	Gender	Date of election (appointment)	No. of shares held		No. of shares held by the spouse and children		No. of shares held under others' names		Education and experience	Other positions held concurrently with other companies	Spouse or relatives within two degrees serving as managers			Note
					Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relation	
Senior Vice President and Chief Strategy Officer of Fabrication and Service Business Group	Republic of China	Chi-Chih Huang	Male	2001.08.20	285,771	0.26	30,542	0.03	90,000	0.08	PhD, Department of Chemistry, University of Texas, U.S. Chairman and President of Pude Technology	Foxsemicon LLC Manager	-	-	-	-
Chief Investment Officer and Deputy General Manager	Republic of China	Grace J.Y. Lee	Female	2022.10.03	-	-	-	-	-	-	Master's degree, Biochemistry and Biotechnology, Cornell University, U.S. JD, Golden Gate University, San Francisco, California, U.S. Attorney at Meritech Law, U.S. Director, UC Berkeley Accelerator Senior Director and Chief Strategy Officer, Stryker, U.S. Attorney at Thelen Reid Pries, U.S.	-	-	-	-	-
Vice President	Republic of China	Jack Chen	Male	2023.01.11	20,400	0.02	-	-	-	-	Master's degree, Industrial Engineering, Auburn University Bachelor of Science, Department of Industrial Engineering, Tunghai University. Executive Vice President, Operations, PANJIT International International Rectifier Backend General Manager Quality Assurance/Operation Director, Ardentec Technology Manager, Testing Department, Vanguard International Semiconductor Corporation Manufacturing Process Engineer, Texas Instruments Taiwan Ltd.	Chairman, Foxsemicon Technology, LLC	-	-	-	-

Title	Nationality	Name	Gender	Date of election (appointment)	No. of shares held		No. of shares held by the spouse and children		No. of shares held under others' names		Education and experience	Other positions held concurrently with other companies	Spouse or relatives within two degrees serving as managers			Note
					Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %			Title	Name	Relation	
CFO and Corporate Governance Officer	Republic of China	Yung-Fang Tsou	Male	2021.8.11	42,300	0.04	-	-	-	-	Master's degree, Finance, National Central University Bachelor of Science in Industrial Engineering and Management from National Chiao Tung University Vice President & CFO, Longchen Paper & Packaging Co., Ltd Assistant Vice President, Standard Chartered Bank CFO, Taiwan Leader Advanced Technology Corporation	Chairman, Frontier Integrated Global Solutions, Inc. Director of UniEQ Integrated Technology Co., Ltd Director of UniEQ Equipment Manufacturing Private Limited	-	-	-	-
Deputy General Manager and Chief Information Security Officer	Republic of China	Shu-Huang Liao	Male	2024.4.01	0	0	-	-	-	-	Doctorate in Electrical Engineering from Chang Gung University Director of Cybersecurity Division, Ministry of Defense Director of National Security Council	-	-	-	-	-
Senior Manager, Accounting Department	Republic of China	Hsiao-Pei Chung	Female	2012.03.21	63,329	0.06	-	-	-	-	Department of Finance, Chung Hua University	Supervisor of Frontier Integrated Global Solutions, Inc. Supervisor, Kainova Technology Inc.	-	-	-	-
Audit Manager	Republic of China	Si-Ying Wu	Female	2012.09.30	9,000	0.01	-	-	-	-	Master's degree, Department of Accounting, National Chung Cheng University Team Leader, PwC Taiwan	-	-	-	-	-

II. Recent Annual Compensation Paid to Directors, Supervisors, General Manager, and Deputy General Managers

(I) Compensation of General Directors and Independent Directors

December 31, 2024, Unit: New Taiwan Dollar (Thousands)

Title	Name	Remuneration to directors								Compensations received as an employee								(A+B+C+D+E+F+G) as % of net income		Compensations received from investees (which are not subsidiaries) or from the parent		
		Remuneration (A)		Pension (B)		Remuneration to directors (C)		Business performance expenses (D)		(A+B+C+D) as % of net income		Salary, bonuses and special allowance (E)		Pension (F)		Remuneration received as an employee						
		The Company	All the companies included in financial statements	The Company	All the companies included in financial statements	The Company	All the companies included in financial statements	The Company	All the companies included in financial statements	The Company	All the companies included in financial statements	The Company	All the companies included in financial statements	The Company	All the companies included in financial statements	The Company		All the companies included in financial statements			The Company	All the companies included in financial statements
Cash amount	Stock amount															Cash amount	Stock amount					
Director	Representative of Hyield Venture Capital Co., Ltd. Rep.: Young-Way Liu	-	-	-	-	6,337	6,337	272	272	6,609 0.25	6,609 0.25	7,958	7,958	108	108	17,519	0	17,519	0	32,194 1.23	32,194 1.23	-
	Kevin Chiu																					
	Jong-Khing Huang																					
Independent Director	Kang-Chih Li	-	-	-	-	8,449	8,449	1,132	1,132	9,581 0.37	9,581 0.37	-	-	-	-	-	-	-	-	9,581 0.37	9,581 0.37	-
	Hsi-Chih Chen																					
	Shu-Hui Wu																					
	Ya-Hui Huang																					
<div>1. Please specify the policy, system, standard, and structure of director remuneration and the association between the amount of remuneration and the responsibilities and risks assumed, time spent, and other factors:</div> <div>1. Remuneration policy, system, standards, and structure:<div>A. Independent Director compensation includes remuneration stipulated in the Company’s bylaws, business execution fees, including fixed monthly salary and attendance fees, handled according to the current remuneration provisions passed by the board of directors.</div><div>B. Attendance fees are considered income earned from the performance of duties. They are calculated based on the number of times the independent director personally attends board meetings, audit committee meetings, and remuneration committee meetings.</div></div> <div>2. Relationship between responsibilities, risks, time commitment, and remuneration:<div>The remuneration of independent directors is listed according to the provisions of the company's articles of association. It is determined annually by the Remuneration and Remuneration Committee based on the responsibilities assumed by the independent director, their level of participation in operations, and their contributions to the company. The committee's recommendations are then submitted to the board of directors for resolution.</div></div> <div>2. Except for the disclosures in the table above, the compensation received by the Company’s directors for services provided in the most recent year (such as serving as consultants to the parent company/all companies in the financial report/affiliate businesses that are not employees, etc.) is: None.</div>																						

Table for Range of Remunerations

Numerical range of remuneration paid to individual directors	Name of director			
	A+B+C+D		A+B+C+D+E+F+G	
	The Company	All the companies included in financial statements H	The Company	All the companies included in financial statements I
> NT\$1,000,000	-	-	-	-
NT\$1,000,000 to less than NT\$2,000,000	-	-	-	-
NT\$2,000,000 to less than NT\$3,500,000	Representatives of Hyield Venture Capital Co., Ltd. Rep.: Young-Way Liu, Kevin Chiu, Jong-Khing Huang; Kang-Chih Li; Hsi-Chih Chen; Shu-Hui Wu; Ya-Hui Huang	Representatives of Hyield Venture Capital Co., Ltd. Rep.: Young-Way Liu, Kevin Chiu, Jong-Khing Huang; Kang-Chih Li; Hsi-Chih Chen; Shu-Hui Wu; Ya-Hui Huang	Representatives of Hyield Venture Capital Co., Ltd. Rep.: Young-Way Liu, Jong-Khing Huang; Kang-Chih Li; Hsi-Chih Chen; Shu-Hui Wu; Ya-Hui Huang	Representatives of Hyield Venture Capital Co., Ltd. Rep.: Young-Way Liu, Jong-Khing Huang; Kang-Chih Li; Hsi-Chih Chen; Shu-Hui Wu; Ya-Hui Huang
NT\$3,500,000 to less than NT\$5,000,000	-	-	-	-
NT\$5,000,000 to less than NT\$10,000,000	-	-	-	-
NT\$10,000,000 to less than NT\$15,000,000	-	-	-	-
NT\$15,000,000 to less than NT\$30,000,000	-	-	Kevin Chiu	Kevin Chiu
NT\$30,000,000 to less than NT\$50,000,000	-	-	-	-
NT\$50,000,000 to less than NT\$100,000,000	-	-	-	-
>NT\$100,000,000	-	-	-	-
Total	7	7	7	7

(II) Remuneration paid to supervisors during the most recent year: The Company established Audit Committee on June 25, 2014 and at that juncture, supervisors were removed as a matter of course.

(III) Remuneration to President and Vice Presidents during the most recent year

December 31, 2024 Unit: NT\$1,000

Title	Name	Remuneration (A)		Pension (B)		Bonuses and special allowance (C)		Remuneration received as an employee (D)				(A+B+C+D) as % of net income		Compensations received from investees (which are not subsidiaries) or from the parent
		The Company	All the companies included in financial statements	The Company	All the companies included in financial statements	The Company	All the companies included in financial statements	The Company		All the companies included in financial statements		The Company	All the companies included in financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President and CEO	Kevin Chiu	19,353	23,825	621	621	3,981	3,981	31,228	-	31,228	-	2.11%	2.28%	-
Senior Vice President and Chief Strategy Officer	Chi-Chih Huang													
Vice President and Corporate Governance Officer	Yung-Fang Tsou													
Vice President	Grace J.Y. Lee													
Vice President	Jack Chen													
Vice President	Shu-Huang Liao													

Table for Range of Remunerations

Range of Remunerations to Each President and Vice President	Names of Presidents and Vice Presidents	
	The Company	All the companies included in financial statements E
> NT\$1,000,000	-	-
NT\$1,000,000 to less than NT\$2,000,000	-	-
NT\$2,000,000 to less than NT\$3,500,000	-	-
NT\$3,500,000 to less than NT\$5,000,000	Jack Chen	-
NT\$5,000,000 to less than NT\$10,000,000	Chi-Chih Huang; Yung-Fang Tsou; Grace J.Y. Lee; Shu-Huang Liao	Chi-Chih Huang; Yung-Fang Tsou; Grace J.Y. Lee; Jack Chen; Shu-Huang Liao
NT\$10,000,000 to less than NT\$15,000,000		
NT\$15,000,000 to less than NT\$30,000,000	Kevin Chiu	Kevin Chiu
NT\$30,000,000 to less than NT\$50,000,000	-	-
NT\$50,000,000 to less than NT\$100,000,000	-	-
>NT\$100,000,000	-	-
Total	6	6

(IV) Remunerations paid to managers as employees during the most recent year, names of managers and amounts paid

December 31, 2024, Unit: NT\$1,000, %

	Title	Name	Stock amount	Cash amount	Total	Percentage of total amount relative to after-tax net income (%)
Manager	President and CEO	Kevin Chiu	0	33,160	33,160	1.27
	Senior Vice President and Chief Strategy Officer	Chi-Chih Huang				
	Vice President and Corporate Governance Officer	Yung-Fang Tsou				
	Vice President	Grace J.Y. Lee				
	Vice President	Jack Chen				
	Vice President	Shu-Huang Liao				
	Accounting Director	Hsiao-Pei Chung				

(V) Analysis of the ratio of total remuneration paid to the Directors, Supervisors, President, and Vice Presidents in the most recent two years by the company and all companies in the consolidated financial statements to the net income in the standalone or individual financial report, and explanation of the remuneration policy, standard and combination, and procedures for determining remuneration, and their correlation with business performance and future risks.

- (1) Analysis on the ratio taken by the gross total of compensation paid by the company and all firms disclosed in the consolidated financial statements to the directors, supervisor, president and vice presidents of this company to the net earnings after tax over the past two years.

Item \ Year	2023		2024	
	The Company	All the companies included in financial statements	The Company	All the companies included in financial statements
Total remuneration to directors, supervisors, President and Vice Presidents	2.77%	3.02%	2.73%	2.90%

- (2) Description of the policies, criteria and composition of compensation; the procedures to determine compensation, and their interrelationship with business performance and future risks.

The Company's director compensation, in addition to fixed remuneration (executive fees and attendance fees), is in accordance with the Company's Articles of Association, Article 29, which stipulates that it may be set at a maximum of 0.5% of the annual profits for the year. This is based on the Company's operational results and takes into consideration the performance evaluations of the board of directors and individual self-assessments to determine their contribution to the Company's performance, with reasonable compensation provided. Additionally, Article 29 of the Company's Articles of Association stipulates that if the Company achieves a profit in a given year, 3% to 8% of it must first be allocated as employee compensation. The Company will follow the results of the performance evaluation system for managers, which is used as a reference for managerial performance assessments. Managerial performance evaluation items are based on the Company's revenue, profit, EPS, and ESG goals for the year. Variable compensation is determined based on operational performance and is allocated according to position and performance, making up 70% to 90% of the overall salary, with ESG performance accounting for 10%. This structure aims to align senior executive compensation with the organization's commitment to ESG, reinforcing a sustainable management mindset from top to bottom. Individual performance achievement rates and contributions to company performance are also taken into account when determining reasonable compensation. Relevant performance assessments and the fairness of compensation are reviewed by the compensation committee and the board of directors. The compensation system is regularly reviewed based on actual operational conditions and applicable laws to strike a balance between sustainable business management and risk control.

The ESG performance indicators are as follows:

Dimension of the business	ESG Indicator	Weight	2025 Target
Environmental Aspect	Water Intensity	16%	≤ 0.0186 (M ³ /Thousand NTD)
	Greenhouse Gas Emissions	16%	$\leq 20,313$ (CO ₂ e)
Social Aspect	Retention Rate	16%	$\geq 92\%$
	Disabling Injury Frequency Rate	16%	< 1.70 times per million work hours
	Volunteer Service Hours	16%	> 300 hours
Governance Aspect	ISO27001	20%	ISO27001 Certification Acquired

III. Corporate Governance Operations

(I) Functioning of the Board:

The Board convened 5 meetings (A) during the most recent year (2024). Attendance by directors is shown below:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate in person (%) [B/A]	Note
Chairman	Representative of Hyield Venture Capital Co., Ltd. Rep.: Young-Way Liu	4	1	80.00	Term renewed on May 30, 2023
Director	Kevin Chiu	5	0	100.00	Term renewed on May 30, 2023
Director	Jong-Khing Huang	5	0	100.00	Term renewed on May 30, 2023
Independent Director	Kang-Chih Li	5	0	100.00	Term renewed on May 30, 2023
Independent Director	Hsi-Chih Chen	5	0	100.00	Term renewed on May 30, 2023
Independent Director	Shu-Hui Wu	5	0	100.00	Term renewed on May 30, 2023
Independent Director	Ya-Hui Huang	4	1	80.00	Term renewed on May 30, 2023

Other matters of note

I. In case of any of the following circumstances with the functioning of the Board of Directors, it is necessary to provide the board meeting dates, sessions, agendas, opinions from all Independent Directors and the ways the Company handles such opinions:

(I) Matters specified in Article 14-3 of the Securities and Exchange Act

Important resolution dates	Contents of important proposals and subsequent actions	Decisions by independent directors and the Company's handling of opinions from independent directors
9th Board of Directors, 5th Meeting – February 29, 2024	<ol style="list-style-type: none"> Proposal for 2023 Employee and Director Compensation Distribution. 20223 review of the Company's internal control system effectiveness and Statement for Internal Control Appointment, remuneration and independence assessment of external accountants Proposal to Revise the Company's Internal Control System – "Procedures for Acquisition of Fixed Assets." Proposal to Lift the Non-Compete Restrictions on Directors. Review of Actual 2023 Managerial Compensation Disbursement. Review of 2024 performance targets and bonus calculation methods for managers 	Approved by all independent directors
9th Board of Directors, 6th Meeting – May 10, 2024	<ol style="list-style-type: none"> Proposal for Factory Lease by UniEQ Integrated Technology Co., Ltd., a Wholly-Owned Subsidiary in Thailand. 	Approved by all independent directors
9th Board of Directors, 7th Meeting – August 9, 2024	<ol style="list-style-type: none"> Revision of the Company's "Procedures for Acquisition of Fixed Assets." Revision of the Company's "Audit Committee Charter." Amendment to the Company's "Table of Approval Authorities." Capital expenditure budget proposal for UniEQ Integrated Technology Co., Ltd., the Company's wholly owned subsidiary in Thailand. 	Approved by all independent directors

	<ol style="list-style-type: none"> 5. Proposal to increase capital in UniEQ Integrated Technology Co., Ltd., the Company's wholly owned subsidiary in Thailand. 6. Proposal to cancel the equipment purchase plan by Foxconn Fuyao Precision Component (Kunshan) Co., Ltd., a wholly owned subsidiary of the Company. 7. Review of the Company's 2024 managerial compensation adjustment plan. 	
9th Board of Directors, 8th Meeting – November 6, 2024	<ol style="list-style-type: none"> 1. 2025 annual audit plan proposal. 2. Amendment to the Company's "Rules of Procedure for the Board of Directors." 3. Amend the "Procedures for Handling Derivative Transactions by Foxsemicon Integrated Technology Inc. for its Subsidiaries." 4. Proposal to revise the capital increase amount for UniEQ Integrated Technology Co., Ltd., the Company's wholly owned subsidiary in Thailand. 5. Proposal for Foxconn Fuyao Precision Component (Kunshan) Co., Ltd., a wholly owned subsidiary of the Company, to sell equipment. 	Approved by all independent directors
9th Board of Directors, 9th Meeting – December 20, 2024	<ol style="list-style-type: none"> 1. Establishment of the Company's "Sustainability Committee Charter." 2. Establishment of the Company's "Sustainability Information Management Procedures." 3. Proposal to increase capital in UniEQ Integrated Technology Co., Ltd., the Company's wholly owned subsidiary in Thailand. 	Approved by all independent directors

(II) Other than the aforesaid matters, board resolutions under objection or reservation, recorded or declared in writing by independent directors: None.

- II. For any recusal by directors from proposals due to conflict of interest, it is necessary to provide the names of directors, proposal contents, reasons for the required recusal and participating in voting.
1. At the Board of Directors meeting on February 29, 2024, the proposal for distribution of 2023 employee and director compensation was discussed. Chairman Young-Way Liu, Director Kevin Chiu, Director Jong-Khing Huang, Director Shu-Hui Wu, Director Kang-Chih Li, Director Hsi-Chih Chen, and Director Ya-Hui Huang recused themselves due to conflicts of interest in accordance with the law. Four independent directors, Director Shu-Hui Wu, Director Kang-Chih Li, Director Hsi-Chih Chen, and Director Ya-Hui Huang, recused themselves due to a conflict of interest. The remaining attending directors unanimously passed the proposal. When the three general directors, Chairman Young-Way Liu, Director Kevin Chiu, and Director Jong-Khing Huang, recused themselves due to a conflict of interest, Director Shu-Hui Wu temporarily assumed the chairmanship and presided over the meeting. The proposal was then passed with the unanimous consent of the remaining attending directors.
 2. At the Board of Directors meeting on February 29, 2024, the proposal to lift the non-compete restrictions on directors was discussed. Chairman Young-Way Liu and Director Ya-Hui Huang recused themselves due to conflicts of interest in accordance with the law. Director Shu-Hui Wu temporarily assumed the role of chairperson to preside over the proceedings, and the proposal was unanimously approved by the remaining attending directors.
 3. At the Board of Directors meeting on February 29, 2024, the proposal for distribution of 2023 managerial compensation was discussed. Director Kevin Chiu recused himself due to a conflict of interest in accordance with the law. The proposal was unanimously approved by the remaining attending directors.
 4. At the Board of Directors meeting on August 9, 2024, the proposal for the Company's 2024 managerial compensation adjustment was discussed. Attending Director Kevin Chiu, being a managerial officer, recused himself due to a conflict of interest. The remaining attending directors approved the proposal without objection.

III. A TWSE/TPEX listed company should disclose the cycles, periods, scopes, method and contents of self-assessments (or peer assessments) of the Board of Directors and implementation of Board assessments:

Assessment cycle	Assessment period	Assessment scope	Assessment method	Assessment content
Implemented once a year	January 1, 2024 to December 31, 2024	Performance review of the Board, individual directors and functional committees	Self-assessments by the Board and by individual directors	<p>(1) The performance evaluation of the Board of Directors encompasses five key aspects: (1) degree of involvement in company operations, (2) enhancement of board decision quality, (3) board composition and structure, (4) director selection and continuous professional development, and (5) internal control.</p> <p>(2) The performance evaluation of individual board members encompasses 6 key aspects: (1) understanding of company goals and objectives, (2) awareness of director's responsibilities, (3) degree of involvement in company operations, (4) management of internal relationships and communication, (5) director's professionalism and continuous professional development, (6) internal control:</p> <p>(3) The performance evaluation of the Audit Committee and Remuneration Committee encompasses 5 key aspects: (1) degree of involvement in company operations, (2) understanding of functional committee responsibilities, (3) enhancement of functional committee decision quality, (4) functional committee composition and member selection (5) internal control.</p>

IV. The goals for enhancing the functions of the Board of Directors of the year and the latest year (e.g. establishment of the Audit Committee, or improvement of transparency for information) and the assessment to the implementation.

- (I) The company has on December 20, 2011 appointed the Remuneration Committee and on June 25, 2014, the Audit Committee, and has established the Remuneration Committee Charter and the Audit Committee Charter. The appointment of the committees is to exercise the powers of the Securities and Exchange Act and other laws in order to achieve the purpose of strengthening board functions and corporate governance. On the operation of the Audit Committee and Remuneration Committee, please refer to pages 28-31 and pages 47-49 of this annual report.
- (II) The company has appointed a corporate governance officer. The appointment was ratified by board resolution on August 11, 2021 for Mr. Yung-Fang Tsuo to act as the corporate governance officer. Mr. Tsuo has more than ten years of financial officer management work experience in listed companies.

Responsible for the key tasks of corporate governance:

- (1) Process matters related to board meetings and shareholders' meetings according to laws
- (2) Prepare minutes for Board and Shareholders' meetings.
- (3) Assist directors with onboarding and ongoing education.
- (4) Provide directors with necessary information to perform their duties.

(5) Support to directors in compliance

The continuing education activities for 2024 are as follows:

Training date	Organizer	Curriculum	No. of training hours
2024/09/11	Securities & Futures Institute	Shareholders' Meetings, Management Rights, and Equity Strategies	3 hours
2024/09/11	Securities & Futures Institute	Sustainable Development Strategies and Planning for Listed Companies	3 hours
2024/09/30	Taiwan Stock Exchange	Summit on Strengthening Taiwan's Capital Market	3 hours
2024/11/29	Securities & Futures Institute	Defining the Network with Silicon Photonics: Development Trends in Silicon Photonics and Co-Packaged Optics	3 hours

(III) The Board of Directors of the Company approved the "Sustainability Committee Charter" on December 20, 2024, which is responsible for formulating and overseeing the promotion plans for various sustainability goals, with an annual report to the Board on progress. The Board provides supervision and recommendations. The operation of the relevant sustainability committees and the implementation of ESG are often updated on the Company's website enhance the transparency of information disclosure.

(IV) All directors of the Company actively participate in the Board of Directors and all functional committees. In the most recent year, the attendance rate of all directors (or committee members) at the Board and all functional committees exceeded 90%.

(Appendix 1) Board meeting attendance by independent directors in 2024

◎: Attendance in person ☆: Attendance by proxy

Name	5th meeting of the 9th Board — February 29, 2024	9th meeting of the 6th Board — May 10, 2024	9th meeting of the 7th Board — August 9, 2024	9th meeting of the 8th Board — November 6, 2024	9th meeting of the 9th Board — December 20, 2024
Hsi-Chih Chen	◎	◎	◎	◎	◎
Kang-Chih Li	◎	◎	◎	◎	◎
Shu-Hui Wu	◎	◎	◎	◎	◎
Ya-Hui Huang	◎	◎	◎	☆	◎

(II) Operation of the Audit Committee:

1. Key work of the Audit Committee and operating status

The Company's 1st Audit Committee was officially established on June 25, 2014. The 2nd Audit Committee was fully re-elected on May 26, 2017. The 3rd Audit Committee was fully re-elected on May 28, 2020. The 4th Audit Committee was fully re-elected on May 30, 2023, and comprises four independent directors. Independent director Shu-Hui Wu was elected as the independent director convener, and the committee meets at least once per quarter. The Audit Committee aims to support the Board of Directors in fulfilling its duties in monitoring the quality and integrity of the company by executing related accounting, audit, financial reporting procedures and financial controls.

Audit Committee held five meetings in 2024. The main issues reviewed include:

- (1) Financial statements audit and accounting policies and procedures
- (2) Internal control system and related policies and procedures
- (3) Asset transactions or derivatives trading of a material nature
- (4) Lending funds and endorsements or guarantees of a material nature

- (5) The offering or issuance of equity-type securities
- (6) Legal compliance
- (7) Company risk management
- (8) Length of service and independence of CPAs
- (9) The hiring, discharge, or remuneration of an attesting CPA

Review of financial reports: The Board of Directors has prepared the Company's 2024 business report, financial statements and proposal for earnings distribution. The financial statements have been audited by PwC Taiwan and issued with an unqualified opinion. Audit Committee has reviewed the above-mentioned business report, financial statements, and earnings appropriation proposal without identifying any inconsistencies.

Evaluate the effectiveness of the internal control system: The Audit Committee evaluates the effectiveness of the policies and procedures of the company's internal control system, and reviews the company's audit department and CPAs, and the regular reports of management, which includes risk management and legal compliance. With reference to the Internal Control — Integrated Framework, published in 2013 by The Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Audit Committee thinks that the company's risk management and internal control system is effective. The company has adopted the necessary control mechanisms for monitoring and corrections of violations.

Certified Public Accountant (CPA): The Audit Committee is responsible for monitoring the independence of CPAs to ensure the impartiality of the financial statements. In general, CPA firms shall not provide the company other services besides tax-related services or specially approved items. All of the services provided by the CPA firms shall be approved by the Audit Committee in prior. To ensure the independence of the CPA firm, the Audit Committee has developed an independence evaluation form based on Article 47 of the Certified Public Accountant Act and ROC Certified Public Accountants Code of Ethics No. 10: "Integrity, Fairness, Objectivity, and Independence." This form is used to evaluate the independence, professionalism, and competence of the auditors, considering factors such as whether the auditors have any relationships with the company and whether they have any business or financial interests with the Company. On February 26, 2025, the 4th Term, 8th Audit Committee and the 9th Term, 10th Board of Directors reviewed and approved that CPA Sheng-Chung Hsu and CPA Jen-Chieh Wu from PwC Taiwan meet the independence assessment criteria and are qualified to serve as the Company's financial and tax attestation accountants.

2. Audit Committee convened 5 meetings (A) during the most recent year. Attendance by independent directors is shown below:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate in person (%) (B/A)	Note
Independent Director	Hsi-Chih Chen	5	0	100.00	Term renewed on May 30, 2023
Independent Director	Kang-Chih Li	5	0	100.00	Term renewed on May 30, 2023
Independent Director	Shu-Hui Wu	5	0	100.00	Term renewed on May 30, 2023
Independent Director	Ya-Hui Huang	4	1	80.00	Term renewed on May 30, 2023
Other matters of note					

I. In any of the following circumstances with the functioning of Audit Committee, it is necessary to provide the board meeting dates, sessions, agendas, conclusions by Audit Committee and the ways the Company handles the opinions of Audit Committee:

(I) Matters specified in Article 14-5 of the Securities and Exchange Act.

Important resolution dates	Contents of important proposals and subsequent actions	Decisions by independent directors and the Company's handling of opinions from independent directors
9th Board of Directors, 5th Meeting – February 29, 2024	<ol style="list-style-type: none"> 1. The Company's 2023 business report, parent-only financial statements, consolidated financial statements and the earnings distribution proposal. 2. 2023 distribution of remuneration to employees and directors. 3. 2023 review of the Company's internal control system effectiveness and Statement for Internal Control 4. Appointment, remuneration and independence assessment of external accountants 5. Proposal to Revise the Company's Internal Control System – "Procedures for Acquisition of Fixed Assets." 6. Proposal to Lift the Non-Compete Restrictions on Directors. 7. Review of Actual 2023 Managerial Compensation Disbursement. 8. Review of 2024 performance targets and bonus calculation methods for managers 	Approved by all independent directors
9th Board of Directors, 6th Meeting – May 10, 2024	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for Q1 of 2024. 2. Proposal for Factory Lease by UniEQ Integrated Technology Co., Ltd., a Wholly-Owned Subsidiary in Thailand. 	Approved by all independent directors
9th Board of Directors, 7th Meeting – August 9, 2024	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements proposal for Q2 of 2024. 2. Amendment of the Company's "Fixed Asset Acquisition Procedures." 3. Amendment of the Company's "Audit Committee Charter." 4. Amendment of the Company's "Approval Authority Matrix." 5. Capital expenditure budget proposal for UniEQ Integrated Technology Co., Ltd., a wholly owned subsidiary in Thailand. 6. Proposal to increase capital investment in UniEQ Integrated Technology Co., Ltd., a wholly owned subsidiary in Thailand. 7. Proposed cancellation of the equipment purchase project for the subsidiary Foxconn Fuyao Precision Component (Kunshan) Co., Ltd., in which the Company holds 100% investment. 8. Review of the Company's 2024 management salary adjustment plan. 	Approved by all independent directors
9th Board of Directors, 8th Meeting – November 6, 2024	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements proposal for Q3 of 2024. 2. 2025 annual audit plan proposal. 3. Amendment of the Company's "Board of Directors Meeting Rules." 4. Amend the "Procedures for Handling Derivative Transactions by Foxsemicon Integrated Technology Inc. for its Subsidiaries. 5. Proposal to revise the capital increase amount for UniEQ Integrated Technology Co., Ltd., the Company's wholly owned subsidiary in Thailand. 	Approved by all independent directors

		6. Proposal for Foxconn Fuyao Precision Component (Kunshan) Co., Ltd., a wholly owned subsidiary of the Company, to sell equipment.	
9th Board of Directors, 9th Meeting – December 20, 2024	1. Establishment of the Company’s “Sustainability Committee Organizational Charter.” 2. Establishment of the Company’s “Sustainability Information Management Procedures.” 3. Proposal to increase capital investment in UniEQ Integrated Technology Co., Ltd., a wholly owned subsidiary in Thailand.		Approved by all independent directors
(II) Other than the aforesaid matters, any resolution approved by over two thirds of directors but not approved by Audit Committee: None.			
II. For any recusal by independent directors from proposals due to conflict of interest, it is necessary to provide the names of independent directors, proposal contents, reasons for the required recusal and participating in voting: None.			
III. Independent directors’ communication with internal audit managers and external auditors (including major issues in financials and business, communication methods and outcomes)			
(I) Independent directors have direct channels to communicate with internal audit managers and external auditors and maintain good communication.			
(II) Audit Committee regularly convenes meetings by inviting external accountants and audit directors. Relevant supervisors are also invited when necessary.			
(III) Internal audit directors present quarterly summary reports to Audit Committee according to annual audit plans.			
(IV) Annual assessments on the independence of external auditors are conducted and reviewed by Audit Committee. The 2025 review on the independence of external auditors was approved by Audit Committee on February 24, 2024 and submitted to the Board of Directors.			
(V) The Company’s independent directors convene communication meetings with external auditors or internal auditors from time to time. Please refer to the corporate website for communication records.			

(III) Supervisors’ participation in board functioning

The shareholders’ meeting on June 25, 2014 reelected the entire board of directors. Meanwhile, Audit Committee was established according to the Articles of Incorporation and comprised of all independent directors, to replace supervisors. As a matter of course, supervisors were removed on June 25, 2014.

(IV) Corporate Governance Operation and Differences from the Corporate Governance Practices for Listed Companies:

Assessment item	Functioning status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
I. Has the Company established and disclosed its practical guidelines on corporate governance, in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Board of Directors approved the Company’s Practical Guidelines on Corporate Governance on December 24, 2014. This has been disclosed via Market Observation Post System and on the corporate website.	No difference

Assessment item	Functioning status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
II. Ownership structure and shareholders' equity				
(I) Has the Company established internal procedures for handling of suggestions/concerns from and disputes/litigations with shareholders, and implemented such procedures accordingly?	✓		(I) We have established a spokesperson system according to the Management Guidelines on Prevention of Insider Trading. Spokespersons or designated personnel are responsible for handling suggestions, questions, disputes and litigations in relation to shareholders.	No difference
(II) Does the Company have the list of ultimate controlling shareholders and the ultimate controllers of major shareholders?	✓		(II) In accordance with Article 25 of the Securities and Exchange Act, the Company files monthly reports on shareholding changes of insiders (including directors, managers and the shareholders with at least 10% stakes) via Market Observation Post System designated by the Securities and Futures Bureau.	
(III) Has the Company established and implemented risk control and firewalls with affiliated enterprises?	✓		(III) In addition to the various risk control mechanisms in place, the Company has established relevant procedural guidelines (such as subsidiary operational management) on its operation, business and financial dealings with affiliated enterprises. On top of assistance to subsidiaries in documentation and the internal control system, we have also established the approval authorization by subsidiaries; management of related party transactions;	

Assessment item	Functioning status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
(IV) Has the Company established internal regulations to prohibit insiders from trading marketable securities by using non-public information?	✓		<p>operational procedures of transactions with specific companies, related parties and group companies and formulated the procedures for asset acquisitions or disposals; procedures for endorsements/guarantees and lending to others and procedures for trading of derivatives in a way similar with the parent company, in order to ensure risk control of subsidiaries. The subsidiaries have all established their own risk control mechanisms, as well as the risk control mechanisms and firewalls with affiliated enterprises according to the Company's relevant operational guidelines.</p> <p>(IV) The Company has put in place the Management Guidelines on Prevention of Insider Trading and the Procedures in Handling of Whistleblowing About Illegal, Immoral or Unethical Behavior, to prohibit insiders from trading marketable securities by using nonpublic information.</p> <p>The specific implementation in 2024 is as follows:</p> <p>(1) The Company's insiders are prohibited from trading its stock during the 30 days prior to the annual financial report announcement and the</p>	

Assessment item	Functioning status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
			<p>15 days prior to the quarterly financial report announcement. In addition to arranging relevant insider trading courses for directors during their term of office, the Company also reminds insiders each month to avoid insider trading, short-term trading, and to refrain from trading its stock during the closed period before the financial report announcement. (Example: On July 22, 2024, the Company emailed insiders notifying them that the 2024 Q2 financial report would be approved by the board on August 9. Insiders were instructed not to buy or sell Foxsemicon shares between July 25 and August 9.)</p> <p>(2) Directors are arranged to attend courses such as the "2024 Insider Trading Prevention Promotion Meeting" and the "2024 Insider Stock Transaction Legal Compliance Briefing" organized by the Taiwan Stock Exchange, with 2 participants attending a total of 9 hours.</p>	

Assessment item	Functioning status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
III. Composition and responsibility of Board of Directors (I) Has the Board of Directors established a diversity policy, management targets and implemented accordingly regarding the board composition?	✓		(I) On August 23, 2019, the Company's Board of Directors approved the amendment to Practical Guidelines on Corporate Governance. According to Section 1 of Chapter 3, board members should emphasize gender equality and possess the knowledge, skills and literacy required to perform duties. To achieve the ideal goals for corporate governance, the Board of Directors should possess the following competences in general: I. Business judgement II. Accounting and financial analysis III. Management skills IV. Crisis management capability V. Industrial knowledge VI. International market perspectives VII. Leadership VIII. Decision-making ability The Company's Board of Directors consist of seven directors, i.e., three non-executive directors, four independent directors and one executive director (President Kevin Chiu). Members are equipped with extensive experience and professionalism in finance, economics, business, management, medicare and law. Meanwhile, the Company also pays attention	No difference

Assessment item	Functioning status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
(II) In addition to Remuneration Committee and Audit Committee required by laws, has the Company voluntarily established other functional committees?	✓		to gender equality among board members. We target at least 28% of directors being female. Currently two out seven directors are female, or 28.56% of the total. Please refer to (Note 1) for relevant details. (II) We have established Remuneration Committee and Audit Committee as required by laws but yet to establish other functional committees. Going forward, we will carefully assess the possibility based on our internal development requirements.	
(III) Has the Company established the Board performance assessment guidelines and methods, conducted performance reviews periodically and provided the assessment results to the Board, as a reference to remunerations and nominations for a renewed term of individual directors?	✓		(III) On February 25, 2022, the Board of Directors revised the Board Performance Evaluation Measures and Evaluation Methods. The 2024 Board Performance Evaluation Results will be reported to the Board on February 26, 2025, and disclosed on the Company's website. It was also used as a reference to remunerations and nominations for a renewed term of individual directors.	
(IV) Has the Company periodically assessed the independence of external accountants?	✓		(IV) The Company's Accounting Department conducts annual assessments on the CPAs with PwC Taiwan who serve as our external auditors. In the most recent meeting held on February 26, 2025, the Audit Committee reviewed	

Assessment item	Functioning status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
			<p>and the Board of Directors approved the independence of the accountant. The evaluation items for the accountant's independence and applicability include: (1) The accountant has no significant financial interests with the Company. (2) The accountant has no inappropriate interests with the Company. (3) CPAs and assistants regularly participate in the assessments conducted by industry associations or other relevant organizations, to ensure honesty, fairness and independence. (4) Financial statements audited by the service institution in the first two years of practice cannot be certified. (5) The accountant's name cannot be used by others. (6) The accountant cannot hold shares in the Company. (7) Lending/borrowing with the Company is prohibited unless it is normal dealings with financial institutions. (8) The accountant cannot have a joint investment or share benefits with the Company. (9) The accountant cannot hold a full-time position with the Company and receive a fixed salary. (10) It is prohibited to receive any commissions related to the Company's</p>	

Assessment item	Functioning status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
			<p>business. (11)No external auditors have served more than seven consecutive years or returned within less than two years. (12) Whether the accountant has experience with audits in relevant industries.</p> <p>Additionally, the Company also evaluates the audit quality of the certified public accountant (CPA) firm and audit team through five major aspects: professionalism, quality procedures, independence, supervision, and innovation ability (AQIs). The results from the two evaluations are as follows:</p> <p>(1) The independence of the CPA and the Company complies with the relevant regulations such as the ROC CPA Act and the Norms of Professional Ethics for Certified Public Accountants.</p> <p>(2) The Company has not retained the same CPA for five consecutive years.</p>	
IV. Has the TWSE/TPEX listed company allocated a suitable number of qualified corporate governance officers and appointed Corporate Governance Supervisor to take charge of corporate governance matters (including	✓		The Company's Board of Directors approved on August 11, 2021 the appointment of Mr. Yung-Fang Tsou as Corporate Governance Officer. With over ten years of experience as finance director with public companies, he is responsible for corporate	No difference

Assessment item	Functioning status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
but not limited to provision of data required for functioning of Directors and Supervisors; assistance to Directors and Supervisors in compliance; organization of board meetings and shareholders' meeting according to laws; and production of minutes for board meetings and shareholders' meetings, etc.)?			<p>governance matters. The primary duties and implementations are as follows:</p> <ol style="list-style-type: none"> Process matters related to board meetings and shareholders' meetings according to laws <ol style="list-style-type: none"> A total of five board meetings were convened in 2024. Directors shall be informed of the planned agenda seven days before the board meeting and the meeting materials shall be provided. Any recusal required due to conflicts of interest should be reminded in advance. One shareholders' meeting was convened in 2024. Registration was before the shareholders' date according to laws. The meeting notice, meeting handbook and annual report were produced before the statutory deadline. Production of board meeting minutes and shareholders' meeting minutes within 20 days after board meetings and shareholders' meetings. Assistance to directors in onboarding and continuing education by providing relevant training information to directors Providing data required for directors to conduct business 	

Assessment item	Functioning status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
			and periodic notifications to board members regarding most recent legislative amendments and development in company management and corporate governance. 5. Support to directors in compliance 6. Other matters according to Articles of Incorporation or contracts	
V. Has the Company established the communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), constructed a stakeholder section on the company website and appropriately responded to corporate social responsibility issues pertinent to stakeholders?	✓		The Company's website has a section dedicated to investors' services and stakeholders. We have also established a spokesperson system as the channel for external communication. Material information is disclosed according to laws via Market Observation Post System for reference to and rights protection of stakeholders.	No difference
VI. Whether the Company has commissioned a shareholder service agency to handle shareholders' meetings?	✓		The Company's authorizes Grand Fortune Securities' Shareholders Service Department to handle shareholders' meeting matters.	No difference
VII. Information disclosure (I) Has the Company established a website to disclose financial and corporate governance information?	✓		(I) The Company has established its website to disclose financial and business information. There is dedicated personnel responsible for data maintenance and updates. Please refer to the corporate website at (http://www.foxsemicon.com.tw/).	No difference
(II) Has the Company adopted other information disclosure methods (such as	✓		(II) We have dedicated personnel responsible for collection of the Company's	

Assessment item	Functioning status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
<p>English-language website; appointment of dedicated personnel for collection and disclosure of corporate information; spokesperson system; uploading capital market event presentations on the company website)?</p> <p>(III) Has the Company announced and filed its annual financial reports within two months after the end of a fiscal year and announced and filed its first, second and third quarterly financial reports and monthly revenues before deadlines?</p>	✓		<p>information in financials, business and corporate governance. This information is disclosed at the corporate website and via Market Observation Post System. Our spokesperson and deputy spokesperson handle issues related to stakeholders.</p> <p>(III) On February 26, 2025, the Company's Board of Directors approved the consolidated and individual financial statements for 2024 and published and disclosed the report within the required timeframe. All quarterly financial statements and monthly revenue situations were filed and reported within the specified deadlines.</p>	
<p>VIII. Is there any other important information that helps to understand the Company's corporate governance functioning (including but not limited to employees' rights; employees' care; investor relations; supplier relations; stakeholders' rights; continuing education of Directors and Supervisors; risk management policies, measurements and implementations; execution of customer policies; and purchase of liability insurance for Directors and Supervisors)?</p>	✓		<p>(I) Employees' rights: The Company has established a good communication channel with employees, to maintain a good relation with employees and create productivity together for profit sharing. The Company also protects labor rights in accordance with the Labor Standards Act.</p> <p>(II) Employees' care: The Company has established Employee Welfare Committee for organization of employee benefits. We also strive to development talents by encouraging</p>	

Assessment item	Functioning status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
			<p>employees to participate in a range of training courses. Regular meetings are convened with laborers to understand each other and achieve win-wins for both the employer and the employees.</p> <p>(III) Investor relations: Annual shareholders' meetings are convened according to the Company Act and relevant laws and regulations. Shareholders are provided with ample opportunities to raise questions or proposals. The spokesperson system is established to handle suggestions, concerns and disputes related to shareholders. The Company also files reports and disclosure as required by competent authorities, in order to provide all information that may influence the decisions of investors on a timely basis.</p> <p>(IV) Supplier relations: The Company maintains smooth communication channels and good relationships with banks, employees and suppliers.</p> <p>(V) Stakeholders' rights: The Company's spokesperson and deputy spokesperson communicate directly with stakeholders, to respect and maintain their legal rights.</p>	

Assessment item	Functioning status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
			<p>(VI) Ongoing education of Directors and Supervisors: The Company's board composition is diverse. Each director has industry and professional specialization and management experience. We also provide training programs to directors in corporate governance from time to time. Please refer to Note 2 for directors' continuing education in 2024.</p> <p>(VII) Risk management policies, measurements and implementations: Internal regulations and systems are established according to laws for management and assessment of all risks.</p> <p>(VIII) Execution of customer policies: We maintain smooth communication channels and good relationships with customers.</p> <p>(IX) The Company has purchased liability insurance for directors and independent directors, to strengthen the protection of shareholders' rights, and disclosed this via the Market Observation Post System. The director liability insurance matters for 2025 were reported at the board meeting on February 26, 2025.</p>	

Assessment item	Functioning status			Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
IX. Please describe the improvements to date and the measures to address priority issues outstanding according to the corporate governance evaluation results for the most recent year published by TWSE Corporate Governance Center. 1. Matter to be improved: Less than half of the Company's directors attended the shareholders' meeting. 2. Improvements made: The organizational charter of the Sustainability Committee was passed by the Board of Directors on December 20, 2024.				

Note 1:

Implementing diversity for board member composition

Name of director	Basic composition									The required abilities for the entire board								
	Nationality	Gender	Part-time employee of the company	Age				Years of service as an independent director			The ability to make judgments about operations	The ability of accounting and financial analysis	Business management ability	Crisis management ability	Industrial knowledge	International market perspective	Leadership ability	Decision-making ability
				41 to 50	51 to 60	61 to 70	71 to 80	Below 3 years	3 to 9 years	More than 9 years								
Institutional representative of Hongyang Venture Capital Co., Ltd.: Liu, Young-Way	Republic of China	Male	-	-	-	☆	-	-	-	-	☆	-	☆	☆	☆	☆	☆	☆
Kevin Chiu	Republic of China	Male	☆	-	☆	-	-	-	-	-	☆	-	☆	☆	☆	☆	☆	☆
Jong-Khing Huang	Republic of China	Male	-	-	-	-	☆	-	-	-	☆	-	-	-	☆	☆	☆	☆
Hsi-Chih Chen	Republic of China	Male	-	-	☆	-	-	-	-	☆	☆	☆	-	-	☆	☆	☆	☆
Kang-Chih Li	Republic of China	Male	-	-	-	-	☆	-	☆	-	☆	-	☆	☆	☆	☆	☆	☆
Shu-Hui Wu	Republic of China	Female	-	-	-	☆	-	-	☆	-	☆	☆	-	-	☆	☆	☆	☆
Ya-Hui Huang	Republic of China	Female	-	-	☆	-	-	☆	-	-	☆	-	-	-	☆	☆	☆	☆

Note 2: Continuing education of directors in 2024:

Title	Name	Training date	Organizer	Curriculum	No. of training hours
Director	Young-Way Liu	November 22, 2024	Corporate Development Association of the Republic of China	Corporate Governance and Securities Regulations - Awareness of Regulatory Oversight by Executives of Listed Companies	3 hours
		November 22, 2024	Corporate Development Association of the Republic of China	Discussing Taiwanese Business Operations and M&A Strategies from the Global Political Perspective and Economic Status	3 hours
Director	Kevin Chiu	November 22, 2024	Corporate Development Association of the Republic of China	Corporate Governance and Securities Regulations - Awareness of Regulatory Oversight by Executives of Listed Companies	3 hours
		November 22, 2024	Corporate Development Association of the Republic of China	Discussing Taiwanese Business Operations and M&A Strategies from the Global Political Perspective and Economic Status	3 hours
Director	Jong-Khing Huang	November 22, 2024	Securities and Futures Institute	2024 Advocacy on Compliance Regarding Equity Transactions of Insiders	3 hours
		October 4, 2024	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3 hours
Independent Director	Hsi-Chih Chen	November 12, 2024	Taiwan Corporate Governance Association	ESG Sustainability Trends, Practices, and New Knowledge of Sustainability Laws	3 hours
		August 27, 2024	Taiwan Corporate Governance Association	Analysis of the Sustainability Report	3 hours

Title	Name	Training date	Organizer	Curriculum	No. of training hours
Independent Director	Kang-Chih Li	November 27, 2024	Corporate Operating and Sustainable Development Association of the Republic of China	Analysis of Practical Disputes in the Board of Directors	3 hours
		October 18, 2024	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3 hours
Independent Director	Shu-Hui Wu	November 22, 2024	Corporate Development Association of the Republic of China	Corporate Governance and Securities Regulations - Awareness of Regulatory Oversight by Executives of Listed Companies	3 hours
		December 22, 2024	Securities & Futures Institute	Discussing Taiwanese Business Operations and M&A Strategies from the Global Political Perspective and Economic Status	3 hours
Independent Director	Ya-Hui Huang	November 22, 2024	Securities & Futures Institute	Corporate Governance and Securities Regulations - Awareness of Regulatory Oversight by Executives of Listed Companies	3 hours
		November 22, 2024	Corporate Operating and Sustainable Development Association	Discussing Taiwanese Business Operations and M&A Strategies from the Global Political Perspective and Economic Status	3 hours

(V) If the Company has established Remuneration Committee, it is necessary to disclose its composition, responsibility and functioning.

1. Data on Remuneration Committee members

<div>Qualifications</div> <div>Identity</div> <div>Name</div>		Professional qualifications and experiences	Independence status	No. of other public companies with which Remunerate Committee membership is held concurrently
Convener	Hsi-Chih Chen	Masters's degree from Graduate Institute of Accounting, Chinese Culture University. Previously served as a specialist with Listing Examination Department of Taipei Exchange. A certified accountant with professional knowledge in accounting and various laws and regulations. Fully Qualified as the Company's director. Significant contributions during the eight-year service as the Company's independent director and Remuneration Committee member. No circumstances as described in Article 30 of the Company Act.	Met the following conditions during the two years prior to the term and while serving the term: (1) Not an employee of the Company or any affiliated enterprise (2) Not a director or supervisor of the company or any of its affiliates. (3) Holding more than 1% of the outstanding shares issued by the company or among the top 10 natural person shareholders by the person or his/her spouse or underage children, or in the name of a third party. (4) Not a manager as specified in (1) nor a spouse, a blood relative at the second degree of kinship under the Civil Code, or a blood relative at the third degree of kinship under the Civil Code as specified in (2) and (3).	0
Independent Director	Kang-Chih Li	PhD, Materials Science and Engineering, University of Cincinnati, Ohio, U.S. Previously served as supervisor of China Development Industrial Bank and President of PHOTRONICS DNP MASK CORPORATION for years. Significant contribution during his seven years of service as a Remuneration Committee member. Qualified to serve as a member of Remuneration Committee. No circumstances as described in Article 30 of the Company Act.	(5) Not a director, supervisor, or employee shareholder that directly holds 5% or more of the total number of issued shares of the company, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the company Act.	0
Independent Director	Shu-Hui Wu	EMBA in Accounting from National Taiwan University. Currently also serving as a supervisor with Axis Corporation. A certified accountant with professional knowledge in accounting and various laws and regulations. Significant contributions during the two-year service as the Company's Remuneration Committee member. Qualified as the Company's Remuneration Committee member. No circumstances as described in Article 30 of the Company Act.	(6) Not someone who controls more than half of a company's directors or voting shares in any other company. (7) Not the same person or spouse of the director, supervisor, manager or equivalent at another company or institution. (8) Not a director, supervisor, managerial officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (9) Not a professional individual, nor an owner, partner, director, supervisor, nor officer of a sole	0

Identity	Qualifications	Professional qualifications and experiences	Independence status	No. of other public companies with which Remunerate Committee membership is held concurrently
	Name			
			<p>proprietorship, partnership, company, nor institution that provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting, or related services to the company or any affiliate of the company for which the provider has received cumulative compensation exceeding NT\$500,000 in the past 2 years, nor a spouse thereof, provided this restriction does not apply to a compensation committee member, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or the Business Mergers and Acquisitions Act or related laws or regulations.</p> <p>(10) Not a spouse or a blood relative within the second degree of kinship under the Civil Code to any other director.</p> <p>(11) Not under any of the categories stated in Article 30 of the company Act.</p> <p>(12) Not being elected as a representative to the government or an institution under Article 27 of the company Act.</p>	

Note 1: Convener Hsi-Chih Chen became a member of the first Remuneration Committee on October 29, 2012, a member of the second Remuneration Committee on June 25, 2014, a member of the third Remuneration Committee on May 26, 2017, a member of the fourth Remuneration Committee on July 10, 2020 and a member of the fifth Remuneration Committee on May 30, 2023.

Note 2: Kang-Chih Li became a member of the second Remuneration Committee on June 25, 2014, a member of the third Remuneration Committee on May 26, 2014, a member of the fourth Remuneration Committee on July 10, 2020 and a member of the fifth Remuneration Committee on May 30, 2023.

Note 3: Shu-Hui Wu became a member of the third Remuneration Committee on August 9, 2018, a member of the fourth Remuneration Committee on July 10, 2020 and a member of the fifth Remuneration Committee on May 30, 2023.

2. Responsibilities of the Remuneration Committee

The members shall have loyalty and shall exercise the due care of a good administrator in conducting the job responsibilities and submit opinions and suggestions to the board of directors for discussion.

- (1) Review the Remuneration Committee Charter on a regular basis and make suggestions for amendments.
- (2) Establish and regularly review the company's directors and managers' annual and long-term performance goals and remuneration policies, systems, standards, and structures.
- (3) Regularly evaluate the performance goals achievements for the company's directors and managerial officers, and establish the contents and amount for individual's salaries and remuneration.

3. Functioning of Remuneration Committee

- (1) The Company's Remuneration Committee consists of three members.
- (2) Term of the current committee members: From May 30, 2023, to May 29, 2026. The Remuneration Committee held 3 meetings (A) during the most recent year (2024). The qualifications and attendance of the committee members are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate in person (%) (B/A)	Note
Convener	Hsi-Chih Chen	3	0	100%	-
Committee member	Kang-Chih Li	3	0	100%	-
Committee member	Shu-Hui Wu	3	0	100%	-
Other matters of note					
I. If the Board of Directors does not adopt or amend as suggested by Remuneration Committee, it is necessary to provide the board meeting dates, sessions, agendas, board decisions and the ways the Company handles Remuneration Committee's opinions (If the remuneration approved by the Board of Directors are superior to what is suggested by Remuneration Committee, it is necessary to describe the difference and the reason for such a difference): None.					
II. In case of objection or reservation, recorded or declared in writing by members regarding the decisions by Remuneration Committee, it is necessary to provide the Remuneration Committee meeting dates, sessions, agendas, opinions from all members, and the ways such opinions are handled: None.					
III. The discussion and resolution results of the Remuneration Committee for 2024, along with how the Company addressed the members' opinions, are as follows:					
Remuneration Committee	Proposal and subsequent process		Decision	The Company's handling of Remuneration Committee's opinions	
Second meeting of the Fifth Term, February 29, 2024.	1. Review of 2023 distribution of remuneration to employees and directors 2. Review of actual disbursement of 2023 executive compensation 3. Review of 2024 performance targets and bonus calculation methods for managers		Approved by all committee members	Approved by all attending directors	
5th Term, 3rd Meeting – 2024.08.09	1. Review of 2024 executive salary adjustment proposal		Approved by all committee members	Approved by all attending directors	
5th Term, 4th Meeting – 2024.12.20	1. Review of the implementation of the shareholding trust plan		Approved by all committee members	Approved by all attending directors	

(VI) Implementation of sustainable development and deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the causes thereof:

Assessment item	Functioning status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
I. Does the Company establish a governance structure to promote sustainable development, and set up a full-time (or part-time) unit to promote sustainable development that is authorized by the board of directors to handle, and what is the supervision of the board of directors?	✓		<p>The chairperson of the Company's Sustainable Development Committee is a board director, and a senior executive has been appointed as the convener to ensure the promotion of the Company's sustainability initiatives. Seven task-based sub-groups have been established (Green Manufacturing, Environmental Sustainability, Talent and Social Care, Responsible Supply Chain, Customer Relationship Management, Information Security Management, and Corporate Governance) to advance the Company's sustainability development goals.</p> <p>The organizational charter of the Sustainable Development Committee was approved by the Board of Directors on December 20, 2024. The Board agreed to the charter's designated responsibilities, and the committee reports to the Board once per year.</p>	No difference
II. Has the Company conducted risk assessments in environmental, social and corporate governance issues based on the materiality principle and formulated relevant risk	✓		<p>This disclosure covers the sustainability performance of Foxsemicon from January 1 to December 31, 2024, at its operating locations in Taiwan, Mainland China, and the United States. The Thailand facility is excluded, as it had not yet begun production in 2024.</p> <p>Foxsemicon conducted a materiality analysis in accordance with the GRI 2021 Standards, referencing an integrated impact assessment methodology and the principle of double materiality. This assessment evaluated the positive and negative impacts of the Company's operations on external sustainable development, as well as the impact of</p>	No difference

Assessment item	Functioning status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences										
	Yes	No	Summary explanation											
management policies or strategies accordingly?			<p>external sustainability issues on the Company’s operations. Stakeholder surveys were distributed to assess issue relevance, and internal Sustainability Committee members, secretaries, and department-level and above managers participated in impact surveys and discussions to determine material topics.</p> <p>For risk identification, department heads consider stakeholder needs and expectations, and identify potential risks in accordance with internal business planning and performance control procedures. Preventive measures are developed through regular operational planning meetings and internal departmental discussions.</p> <table> <tr> <th>Risk Category</th> <th>Item</th> <th>Description</th> </tr> <tr> <td rowspan="3">Strategic Aspect</td> <td>Economic Environment</td> <td>Ongoing control of expenses and cost reduction to enhance operational efficiency and mitigate the risks of economic fluctuations and uncertainty.</td> </tr> <tr> <td>Geopolitical Risks</td> <td>Adjust capacity allocation in response to global regulatory, political, and economic developments.</td> </tr> <tr> <td>Market Changes</td> <td>Establish strategic partnerships with customers and promptly allocate various product demands.</td> </tr> </table>	Risk Category	Item	Description	Strategic Aspect	Economic Environment	Ongoing control of expenses and cost reduction to enhance operational efficiency and mitigate the risks of economic fluctuations and uncertainty.	Geopolitical Risks	Adjust capacity allocation in response to global regulatory, political, and economic developments.	Market Changes	Establish strategic partnerships with customers and promptly allocate various product demands.	
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	Yes	No	Summary explanation	
			<div>Operational Aspect</div> <div> <div>New Plant Construction</div> <div>Monitor changes in market demand and technological applications, continuously improve operational processes, adjust manpower allocation, and introduce external expert resources.</div> </div> <div> <div>Supply Chain Management</div> <div>Develop a diversified supply chain system and establish a mutually beneficial and trustworthy relationship with suppliers.</div> </div> <div> <div>Human Resource Development</div> <div>Enhance training resources for professional technical personnel and improve the managerial capabilities of supervisors.</div> </div> <div> <div>Information Security</div> <div>Reexamine information security control processes and implement the ISO27001 certification management mechanism.</div> </div>	

Assessment item	Functioning status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
			<div>Financial Aspect</div> <div>Credit Risk</div> <p>Assess customer credit limits based on their financial condition and order status through credit limit control mechanisms, and continuously follow up on payments for goods sold.</p> <div>Property Risk</div> <p>After assessing various costs and insurance premiums, appropriately transfer risk to third parties (risk-bearing institutions).</p> <div>Foreign Exchange Risk</div> <p>Stay informed on foreign exchange trends; relevant personnel closely monitor the Company's foreign currency levels and maintain close communication with banks to fully grasp exchange rate movements and manage the risks arising from exchange rate fluctuations.</p>	

Assessment item	Functioning status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
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Company strive to enhance the efficiency of energy consumption and the use of recycled materials with a low environmental impact?			<p>implemented at the Taiwan plants to effectively manage resources including the power system, air-conditioning facilities, air compressor equipment, and water usage within the plant, thereby preventing waste. Through real-time monitoring and adjustment, abnormal energy consumption in the plant area can be avoided. Additionally, the Company analyzes annual energy consumption data to develop improvement plans aimed at enhancing energy efficiency and achieving energy-saving and carbon-reduction outcomes.</p> <p>In terms of energy conservation, the Taiwan plants of Foxsemicon Group have installed high-efficiency air compressors to replace outdated ones, thereby improving power usage efficiency. The Group has also continued its multi-year plan to enhance the performance of cooling towers, effectively reducing the electricity consumption of chillers. At the Kunshan and Songjiang plants, high-energy-consuming equipment has been phased out and replaced, power-consuming equipment has been optimized, and the air conditioning systems, air compressor systems, and manufacturing processes have been strengthened, effectively implementing energy management and improvement measures. In 2024, the Company achieved total energy savings of 116,798 KWH and carbon reductions of 57.70 metric tons. The average electricity savings rate from 2015 to 2024 was 1.71% (based on the annual emission factor of 0.494 kg CO₂e/kWh published by Taiwan Power Company). In 2023, the Company achieved total energy savings of 253,863 KWH and carbon reductions of 125.66 metric tons. The average electricity savings rate from</p>	

Assessment item	Functioning status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
	Yes	No	Summary explanation	
(III) Has the Company assessed the potential risks and opportunities in climate change for now and the future and adopted responding measures in relation to climate change?	✓		<p>2015 to 2023 was 1.74% (based on the annual emission factor of 0.495 kg CO₂e/kWh published by Taiwan Power Company).</p> <p>(III) The Company has recognized the impact of climate change on its operations and is actively assessing the associated risks and opportunities. In terms of physical risks, climate change may result in issues such as flooding, water shortages and droughts, heatwaves or high temperatures, imbalances in power supply and demand, rising temperatures, and sea level rise, all of which could potentially lead to operational losses. In addition, with increasingly stringent government regulations, the Company may incur higher costs due to the procurement of low-carbon raw materials and technologies. Other challenges may include uncertainties in the market regarding climate issues, labor disputes, negative feedback from stakeholders, and media coverage.</p> <p>On the other hand, climate change also presents potential opportunities. The Company can develop new competitive advantages by enhancing water-use efficiency, implementing energy-saving measures, adopting renewable energy, promoting resource recycling and reuse, developing innovative and sustainable business models, and strengthening supply chain resilience.</p> <p>As a countermeasure, the Company has established a production backup mechanism and emergency power generation equipment. Internally, it has identified key areas of energy consumption and planned priority improvements or upgrades to reduce carbon emissions and generate long-term benefits. Additionally, the Company is planning to collaborate with energy consulting providers</p>	

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(IV) Has the Company calculated GHG emissions, water consumption and total waste weight during the past two years and formulated policies for energy efficiency, carbon and GHG emission reduction, lower water consumption and management of other wastes?	✓		<p>to promote investments in green energy. The Company will continue to monitor energy management regulations and legislative developments in various countries, set energy-saving targets that comply with regulatory standards, and raise its internal standards year by year.</p> <p>Furthermore, the Company has already established its net-zero targets and roadmap, strengthened supplier capabilities for carbon inventory reporting, and continues to closely monitor international climate trends and policy changes. The Company will flexibly adjust corporate expenditures to maximize the cost-effectiveness of its climate actions.</p> <p>(IV) Please refer to Table 2 for the Company's greenhouse gas emissions over the past two years. In 2024, the Company's total waste generation at the Tech Center Plant and the R&D Center Plant was 1,001.48 metric tons, comprising 3.59 metric tons of hazardous industrial waste and 997.89 metric tons of general industrial waste. In 2023, the total waste generated at the Tech Center Plant was 698.7 metric tons, consisting of 17.11 metric tons of hazardous waste and 681.59 metric tons of general waste. All waste was processed by qualified waste disposal providers. In 2024, the Company focused on strengthening and implementing waste classification among employees and on production lines. Efforts also included awareness promotion and more frequent audits on waste resource utilization. As a result, general industrial waste was reduced by 4% year-on-year, and resource recycling volume increased by 88.7% compared to the same period last year. Regarding water usage, due to the Company's rapid growth in recent</p>	

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			<p>years (including increased production capacity and expanded production lines), overall water consumption has remained balanced. The Group's 2024 target is to reduce water intensity by 1.5% compared to 2023. The Group has adopted several water resource management measures: (1) Reusing recycled water from the greywater system in cooling towers, (2) Effectively distributing reclaimed water through the greywater recycling system, and (3) Adjusting the conductivity drainage of cooling towers in a reasonable manner. These measures have gradually yielded results. The Group's water usage in 2024 was 310.431 million liters, with a water intensity of 0.0189 M³/thousand NTD, compared to 2023, where the Group's water usage was 284.450 million liters and the water intensity was 0.0218 M³/thousand NTD. Therefore, the water intensity in 2024 decreased by 13% compared to 2023, achieving the target of a 1.5% reduction in water intensity.</p>	
IV. Social issues				
(I) Has the Company formulated management policies and procedures according to relevant regulations and international human rights conventions?	✓		(I) All colleagues and job applicants are treated fairly and with respect regardless of race, religion, sex and nationality. We establish work rules and offer wages and benefits in adherence to relevant laws in labor and gender equality. Annual performance reviews are conducted so that employee remuneration and workload are reasonably allocated and employees remain on the job happily and with satisfaction.	No difference
(II) Has the Company established and implemented	✓		(II) The Company has established work rules in accordance with labor regulations and relevant personnel guidelines to protect the legal rights and interests of employees.	

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reasonable employee benefits (including wages, holidays and other benefits) and reflected operating performance or results on employees' remuneration as appropriate?			<div><div><div>1. The Company adopts an advance system for special leave, allowing employees to plan their leave flexibly in advance.</div><div>2. A fixed percentage of the operating profit is allocated as employee compensation, ensuring that employees can work with peace of mind and satisfaction.</div><div>3. The Company upholds the principles of gender equality in recruitment, employment, training, and promotion, ensuring fair distribution.</div></div><table><tr><td>Annual - TWN Female Employees</td><td>2023</td><td>113 years</td></tr><tr><td>Non-Managerial Positions</td><td>18.2%</td><td>17.1%</td></tr><tr><td>Entry-level Managers</td><td>3.2%</td><td>2.6%</td></tr><tr><td>Mid-level Managers</td><td>0.5%</td><td>0.8%</td></tr><tr><td>Senior Managers</td><td>0.3%</td><td>0.1%</td></tr></table><div><div>4. The Company's Employee Welfare Committee plans the annual subsidy amounts and related activities, and formulates detailed rules and subsidy programs for employees' reference and adherence.</div><div>5. Other facilities: exclusive employee parking lot, fully equipped nursing rooms, health room, employee cafeteria, meal subsidies, café, and fitness center, among other recreational facilities.</div></div></div>	Annual - TWN Female Employees	2023	113 years	Non-Managerial Positions	18.2%	17.1%	Entry-level Managers	3.2%	2.6%	Mid-level Managers	0.5%	0.8%	Senior Managers	0.3%	0.1%	
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(III) Does the Company provide employees with a safe and healthy work environment and regular education	✓		<div><div>(III) The Company is committed to comprehensive care for the physical and mental health of its employees, with the following programs:</div><div><div>1. Employee health checkups: In addition to employees, these benefits are also offered to their dependents, ensuring comprehensive care for both employees and their families.</div></div></div>																

Assessment item	Functioning status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
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in safety and health?	✓		<p>2. AED emergency equipment is installed on the first floor of the Company, and emergency personnel are designated in accordance with regulations to provide CPR and AED training.</p> <p>3. Occasional health seminars are held, carbon reduction activities are organized in conjunction with Earth Day, and free cancer screenings are offered.</p> <p>4. Annual fire safety courses are conducted to promote the importance of fire prevention and to carry out evacuation drills.</p> <p>5. Access control is set up in the office premises to ensure employee safety.</p> <p>6. Achieved the Safe Workplace Certification in 2024.</p> <p>7. ISO 45001 certification successfully renewed, valid until November 3, 2026.</p> <p>8. 2024 Employee Occupational Injury Incidents (Note 1, Note 2) and Number of Injuries: For the Tech Center Plant, 1 incident involving 1 employee, with the improvement measure being to switch from using regular batteries in flashlights to prevent recurrence; for the R&D Center Plant, 2 incidents involving 2 employees, with the improvement measure being to improve the construction of the car ramp and the drainage ditch in the parking area. Together, both plants reported 3 incidents involving 3 employees, which is a ratio of 260:1 relative to the total number of employees (Note 3).</p> <p>Note 1: Occupational injuries are recorded according to the definition in the Occupational Safety and Health Act, without considering lost days, and all are counted. Additionally, according to the</p>	

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(IV) Has the Company created an effective plans for career and competence development of employees?	✓		<p>announcement by the Occupational Safety and Health Administration on 2024/9/2, accidents that occur during commuting are not classified as occupational disasters under the Occupational Safety and Health Act, so they are not counted.</p> <p>Note 2: The occupational injuries listed above all occurred at Cheng Ding.</p> <p>Note 3: The total employee count for the ratio is based on the number of employees at the Taiwan plant.</p> <p>Number of fire incidents in the Company in 114: None.</p> <p>(IV) All employees are encouraged to enhance professional knowledge and work skills via training and education. The Company has put in place management guidelines on training and education. Our training programs are highlighted below:</p> <ol style="list-style-type: none"> 1. New hire training & education: New joiners are guided so that they familiarize with the work environment and understand the corporate culture and organizational development. 2. Professional competence development: Internal and external training plans are structured according to job descriptions and skill requirements, to enhance the professionalism and skillsets of employees. 3. Management skill development: Management competence training is organized for managers at different levels. 4. General knowledge workshops: Workshops on health and safety, healthy living and quality are arranged to provide employees a wide range of new knowledge. 	

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	Yes	No	Summary explanation	
(V) Does the Company comply with relevant laws, regulations and international standards regarding health and safety of customers for products and services, clients' privacy, marketing and labeling and put in place policies and procedures to protect consumers' rights?	✓		(V) The Company has insured sufficient product liability insurance for all its products. The Company's main products are semiconductor equipment, components and automation equipment, sold to corporate users. Hence, there will be no physical harm to consumers. We have a customer care department handling complaints about products and relevant problems.	
(VI) Has the Company formulated and implemented a supplier management policy to require suppliers to observe regulations on environmental protection, occupational health and safety and labor and human rights?	✓		(VI) We encourage suppliers to abide by the laws and regulations for all activities in the country/region they operate. In addition to compliance with laws, suppliers should embrace internationally recognized standards and assume more social and environmental responsibility. We work with suppliers from system perspectives and implementations to achieve the RBA behavior standards and offer a safe and green workplace with a human touch. We include the RBA items in our checklist for quality system audits on suppliers. The RBA ratings are also incorporated in our monthly scoring system of suppliers, to ensure our suppliers and supply chain towards sustainable business. Please refer to the RBA official website for detailed information.	

Assessment item	Functioning status			Differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasonable for such differences
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V. Does the Company prepare and produce corporate social responsibility reports by referring to internationally accepted reporting standards or guidelines to disclose non-financial information? Have the aforesaid reports obtained assurance or verification opinions issued by third party certification organizations?	✓		The Company's 2017-2024 Corporate Social Responsibility Reports were written in accordance with the core options of the GRI Standards (Global Reporting Initiative) and the disclosure standards for the semiconductor industry issued by the U.S. Sustainability Accounting Standards Board (SASB), as well as the framework for climate-related financial disclosures (TCFD). We authorized SGS Taiwan Ltd. for guarantee in adherence with Type 1, moderate level verification under the AA1000AS (AccountAbility 1000 Assurance Standard). This is disclosure required by the core option of the GRI Standards. We have prepared and produced corporate social responsibility reports and such reports have been verified by third parties and disclosed at our company website.	No difference
VI. If the Company has established its own practical guidelines on corporate social responsibility in accordance with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, please describe its functioning and difference from the practical principles: no difference.				
VII. Other important information that helps to understand the functioning of corporate social responsibility: None. 2024 Implementation: 1. Foxsemicon Charity Club organized a beach cleanup and "Slow Fish" activity, with 57 participants. A total of 26.9 kg of general waste and 52.8 kg of recyclable materials were collected. 2. Sponsored NT\$100,000 to the Miaoli Special Education Cheerleading Team, supporting the "Slow Flying Angels" in winning the 2024 World Cheerleading Championship gold medal. 3. Donated 153 travel cups to 3 rural elementary schools and 2 local social welfare organizations in Miaoli.				

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4.			Organized a Mid-Autumn Festival market, inviting all employees to participate in a charity sale of second-hand goods, with all proceeds donated to the Miaoli Family Support Center. The Miaoli Genesis Foundation, You'An Care Home, and Blind Massage Center also set up booths to sell public welfare products and services. Each booth received NT\$20,000, a total of NT\$60,000.	
5.			Partnered with Excellence Optoelectronics for a strategic alliance blood donation event, collecting 23 bags of blood in the first session and 53 bags in the second session, totaling 76 bags (19,000 c.c.).	
6.			Donated 200 copies of the "Foresight Children's Book" to 4 public welfare organizations and 4 rural elementary schools in Miaoli.	

Table 1

Climate-related information for TWSE/TPEX-listed companies

1 Climate-related implementation

Item	Implementation
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and management.	<p>1. Board of Directors: The Group's Board of Directors is responsible for overseeing the highest level of management related to climate-related risks and opportunities. Through the Sustainability Committee, it is responsible for reviewing and monitoring the Company's climate change strategy, ensuring that climate issues are incorporated into corporate risk management and operational decisions. The Company has established the "Corporate Governance Code," "Integrity Business Code," "Integrity Business Procedures and Behavioral Guidelines," "Code of Ethical Conduct," and "Sustainability Practices Code" as the basis for corporate governance practices, which are disclosed in the annual report, public information observation stations, and the Company's website.</p> <p>Management: The General Manager (who is also a company director) serves as the chairman of the Sustainability Committee, with the Chief Financial Officer serving as the committee's director. Under the committee, there is a Corporate Sustainability Development Promotion Center responsible for leading integration efforts, coordinating subgroups to establish corporate sustainability strategies and goals, and implementing greenhouse gas inventories, carbon reduction actions, energy transformation, and low-carbon supply chain management within the group. The committee reports progress regularly to the Board of Directors. The Sustainability Committee is divided into seven subgroups: Green Manufacturing, Environmental Sustainability, Responsible Supply Chain, Talent and Social Care, Corporate Governance, Customer Relationship Management, and Information Security Management. Each group is responsible for planning and executing climate change mitigation and adaptation strategies in their respective areas. The committee also established two cross-disciplinary and cross-departmental task forces: the TCFD Task Force and the CBAM Task Force. The former identifies climate risks and opportunities and drives the group's climate actions, while the latter addresses product carbon surveys in response to carbon tariff regulations. The Committee references international standards (such as TCFD and CDP) to</p>

	<p>enhance the transparency of climate-related information disclosures and reports annually on the progress of climate change risk and opportunity management, as well as mitigation and adaptation strategies, through ISO management system review meetings.</p>
<p>2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).</p>	<p>2. (1) Short-term:</p> <ul style="list-style-type: none"> ● Climate risk/opportunity in business: Damage to production equipment and inventory / Collaborate with suppliers to identify cooperation opportunities ● Strategic climate risk/opportunity: Climate disasters lead to abnormalities or interruptions in production lines and supply chains / Strengthen disaster response measures within the plant and with partner factories ● Climate risk/opportunity in finance: Increased costs from corporate transformation and raw material procurement / Introduce a circular economy model to recycle and reuse waste <p>(2) Mid-term:</p> <ul style="list-style-type: none"> ● Climate risk/opportunity in business: Increased procurement costs due to higher prices of low-carbon raw materials / Develop a circular economy model to recycle and reuse in-plant waste, reduce raw material procurement, and apply for carbon credits ● Strategic climate risk/opportunity: Climate risks affect end-user demand, resulting in reduced or rapidly changing customer needs / Continue steadily promoting low-carbon sustainable products to maintain the competitiveness of green products ● Climate risk/opportunity in finance: Replacement of outdated equipment and expansion of net-zero R&D technologies lead to increased costs / Increase investment in circular economy projects and seek promising sustainable investment targets <p>(3) Long-term:</p> <ul style="list-style-type: none"> ● Climate risk/opportunity in business: Talent skills unable to meet the Company's transformation needs, affecting competitiveness / Actively cultivate employees' sustainability awareness and capabilities ● Strategic climate risk/opportunity: The pursuit of low-carbon transformation results in increased investments and costs / Introduce artificial intelligence technologies to reduce management and labor costs in operations ● Climate risk/opportunity in finance: Uncertainty in domestic and international low-carbon and energy policies may increase operational and investment costs / Seek future high-potential investment targets to enhance investment returns
<p>3. Describe the financial impact of extreme climate events and transition actions.</p>	<p>3. Extreme weather events (such as typhoons and floods) may damage Foxsemicon's production facilities, disrupt the supply chain, and increase logistics costs, thereby affecting shipment and operational stability. In addition, global transition actions (such as international carbon tariffs and rising green electricity prices) will increase operating costs. The Company must proactively plan for renewable energy procurement and energy-saving technologies to reduce financial risks and strengthen market competitiveness.</p>
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>4. The Group follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB) to identify climate risks and conduct risk assessments, ensuring the integration of climate risk management into the overall risk management system.</p> <p>Accordingly, the Group has set the following goals:</p> <ul style="list-style-type: none"> ● Compliance with regulations and market trends: Follow international regulations, adapt to market transitions, and move toward a low-carbon economy ● Ensure operational stability: Reduce carbon tax and energy cost risks and enhance supply chain resilience ● Strengthen capital market trust: Attract ESG investment and improve credit ratings ● Innovation and competitive advantage: Invest in low-carbon technology, circular economy, and renewable energy to obtain government incentives and tax reductions.

	<p>Based on the climate risk matrix, the eight major climate risks of medium or higher severity identified (in order) are:</p> <ul style="list-style-type: none"> ● Power supply and demand imbalance (Physical risk) ● Tightening of net-zero regulations (Transition risk) ● Rising costs of carbon reduction technologies (Transition risk) ● Customer demand for low-carbon products (Transition risk) ● Increased costs of low-carbon raw materials (Transition risk) ● Stricter regulatory measures (Transition risk) ● Insufficient development of carbon reduction technologies (Transition risk) ● Uncertainty in market information (Transition risk) <p>The Company's overall management measures in response to the above medium to high-level climate risks include:</p> <ul style="list-style-type: none"> ● Operational resilience: Establish backup production mechanisms and emergency power generation equipment. ● Carbon reduction strategy: Proactively plan voluntary reduction programs, transition to low-carbon processes, and promote green energy investments. ● Energy management: Prioritize improvement of high-carbon emission equipment and enhance energy efficiency. ● Net-zero deployment: Set net-zero targets and roadmaps, ensure financial feasibility of investments, and seek government subsidies. ● Supply chain cooperation: Strengthen suppliers' carbon inventory and reduction capabilities, and raise evaluation standards. ● Regulatory tracking: Monitor global energy and resource regulations and set energy-saving indicators that meet standards. ● Internal training: Introduce ISO 14067 and ISO 50001 to develop professionals in carbon and energy management. ● Dynamic adjustment: Monitor international climate trends and flexibly adjust market deployment and corporate expenditures to maximize carbon reduction benefits.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	<p>5. According to the "2023 CSR Report," Foxsemicon Group employs scenario analysis to assess resilience to climate change risks, including the parameters and assumptions used, as well as the analysis results as follows:</p> <p>(1) Analysis Scenarios: Using the concentration pathways (Representative Concentration Pathways, RCP) scenario models from the IPCC Fifth Assessment Report (AR5): RCP2.6: Extremely low-carbon pathway (CO₂ concentration about 490ppm) RCP4.5: Moderate emission reduction scenario (CO₂ concentration about 650ppm) RCP6.0: Lower effort emission reduction scenario (CO₂ concentration about 850ppm) RCP8.5: High carbon emission pathway, assuming no active emission reduction actions by countries (CO₂ concentration >1370ppm)</p> <p>(2) Parameters and Assumptions: Physical risk parameters:</p> <ul style="list-style-type: none"> ● Precipitation risk analysis threshold: 24-hour cumulative rainfall exceeding 650mm. ● Sea level rise data is sourced from the Special Priority Program (SPP-1889) Regional Sea Level Change & Society, which provides global sea level rise data. The model simulates the impact of AR5's RCP2.6 and RCP8.5 climate scenarios on sea levels. Due to regional sea level heights being influenced by local mean tidal levels, this report also adjusts sea level rise data based on historical observation data to obtain results more reflective of current conditions. Finally, the analysis incorporates terrain elevation data with a resolution of 1 arc-second (approximately 30 meters) provided by the USGS (U.S. Geological Survey) to assess potential land flooding heights. After obtaining the sea level rise data for all grid points, discrete statistical methods are applied to determine the risk levels (1-5) for each grid point. <p>Analysis factors:</p> <ul style="list-style-type: none"> ● Hazard: Intensity and frequency of climate events (e.g., heavy rainfall). ● Vulnerability: Regional water infrastructure, soil composition, terrain slope. ● Exposure: Population density and facility distribution. <p>(3) Analysis Results and Key Financial Impacts Financial benchmarks:</p>

	<ul style="list-style-type: none"> ● All financial impacts are estimated based on the total revenue for the year 2023. <p>Major risks and impacts:</p> <ul style="list-style-type: none"> ● Sea level rise and intense rainfall flooding: Simulate asset losses by targeting the Group's plants (Tech Center, R&D Center, Songjiang, Kunshan). The assessment results show that the losses are all less than 1% of the total revenue in 2023.
6. If there is a transition plan in place to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<p>6. In response to the risks posed by climate change, Foxsemicon has promoted a sustainable low-carbon manufacturing transformation plan, which includes four key areas: greenhouse gas reduction, energy efficiency improvement, water resource management, and waste management. The corresponding indicators have been outlined to meet international sustainable development standards.</p> <p>(1) Greenhouse gas management and carbon reduction plan: Before 2025, third-party verification of ISO 14064-1 will be completed for the Songjiang and Kunshan factories. The UC plant will complete self-verification of ISO 14064-1, and the greenhouse gas emissions in Scope 1 and Scope 2 at the Tech Center, U.S. office, Songjiang, and Kunshan factories will be reduced by 12.6% compared to the baseline year. In 2026, the Group will implement greenhouse gas reduction plans across all factories and will complete third-party verification of ISO 14064-1 for the UC plant. By 2030, all Group factories will have passed third-party verification of ISO 14064-1 and will have achieved a 15% reduction in greenhouse gas emissions compared to 2022 levels.</p> <p>(2) Energy transition and energy-saving actions: The power-saving rate will increase each year, with a >1% reduction in energy use by 2025, >1.5% by 2026, and >2% by 2030.</p> <p>(3) Water resource management and water conservation actions: Water intensity in 2025 will be reduced by 1.5% compared to 2024, with further reductions in water intensity expected from 2026 to 2030.</p> <p>(4) Waste management and circular economy: Starting in 2025, general waste (living + production line) will be reduced by 1% compared to the baseline year 2023. This reduction will reach 2% in 2026 and 4% by 2030. The waste disposal vendors will also undergo a 100% audit.</p>
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be described.	7. Currently, we do not use internal pricing tools.
8. If climate-related targets are set, the activities covered, the scope of GHG emissions, the planned schedule, and the progress of each year shall be described. If carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, the source and quantity of the carbon credits used to offset carbon emissions or the quantity of the RECs used shall be described.	<p>8. Since 2017, the Group has been tracking the greenhouse gas emissions from its global operating and manufacturing plants, adopting the ISO 14064-1 standard, and passing external verification to ensure transparency of information. In 2023, the Company established a Sustainability Committee and a TCFD (Task Force on Climate-related Financial Disclosures) net-zero task force. In 2024, it officially committed to achieving net-zero emissions by 2050.</p> <p>The greenhouse gas inventory uses 2022 as the baseline year, covering the Tech Center Plant in Taiwan and the Songjiang and Kunshan plants in China, with a focus on reducing emissions in Scope 1 and Scope 2. Members of the TCFD Net Zero Task Force come from departments such as Environmental Health and Safety, Factory Affairs, Manufacturing, Procurement, Business, Administration, and Human Resources. Based on the annual climate risk assessment, the task force proposes actions for carbon reduction, energy savings, water savings, and waste reduction, which are submitted to the Sustainability Committee for decisions. Net-zero progress is reviewed annually to ensure the goals are achieved.</p> <p>The Company has set short-, medium-, and long-term carbon reduction targets:</p> <ul style="list-style-type: none"> ● By 2025: A 12.6% reduction in Scope 1 and Scope 2 emissions (covering the Tech Center Plant in Taiwan, the U.S. office, and the Songjiang and Kunshan factories in China). ● By 2030: A 15% reduction in greenhouse gas emissions compared to 2022 levels.

	<ul style="list-style-type: none"> By 2040: A 62% reduction in greenhouse gas emissions compared to 2022 levels. <p>In addition, the Company plans to complete the full Group inventory by 2026 and join the SBTi (Science Based Targets initiative) in the same year. The Company commits to setting and submitting specific carbon reduction targets in line with the SBTi guidelines within two years and having them externally validated.</p>
9. GHG inventory and assurance status, as well as reduction targets, strategies, and concrete action plans (described in 1-1 and 1-2 separately).	9. Please refer to Tables 1-1 and 1-2 below

1-1 The Company's GHG inventory and assurance in the most recent two years

1-1-1 GHG inventory information

Describe the GHG emissions (metric tons CO ₂ e), intensity (metric tons CO ₂ e/NT\$ million), and data coverage for the most recent two years.									
Scope	Year	2023				2024			
		Scope 1	Scope 2	Scope 3	Intensity※4	Scope 1	Scope 2	Scope 3	Intensity※4
Foxsemicon Chunan Plant※1		173.4523	3,006.6030	12,630.9569	4.9129×10 ⁻¹	169.4853	2,776.0622	9,091.0669	4.4205×10 ⁻¹
Fox Automation Technology Chunan Factory※2		282.1141	2,848.0088	591.6313		281.4753	3,913.0728	823.5773	
Frontier Integrated Global Solutions※3		0	0	0		0	0	0	
Kaihuakang Semiconductor Equipment※3		0	0	0		0	0	0	
Foxsemicon LLC		13.7617	4.5381	5.0795		10.5658	5.0609	4.8340	
Foxsemicon Integrated Technology Inc. (SAMOA)※3		0	0	0		0	0	0	
Success Praise Corporation※3		0	0	0		0	0	0	
Mindtech Corp. (SAMOA)※3		0	0	0		0	0	0	
Total		469.3281	5,859.1499	13,227.6677		461.5264	6,694.1959	9,919.4782	
※1. Foxsemicon Chunan Plant includes Foxsemicon Integrated Technology, Fox Automation Technology, and Kainova Technology.									
※2. Fox Automation Technology Chunan Factory began the inventory and assurance in 2023, including Foxsemicon Integrated Technology and Foxsemicon Integrated Technology.									
※3. Companies marked with this are registered with no actual business offices or plants.									
※4. Intensity = (Scope 1 + Scope 2)/(Turnover), where parts of the turnover not included in the scope of third-party verification have been deducted. Unit: tCO ₂ e/NT\$ million.									

1-1-2 GHG assurance information

Describe the status of assurance in the most recent two years up to the date of publication of the annual report, including the assurance scope, assurance institution, assurance standards, and assurance opinions.

The GHG emissions of all plants of the group have been inventoried in accordance with ISO 14064-1:2018. The details are as follows.

- 2023

Verifier: Taiwan Electric Research & Testing Center (TERTEC)

Verification standard: ISO14064-3: 2019

Scope of verification: Foxsemicon Chunan Plant (including Foxsemicon Integrated Technology, Fox Automation Technology, and Kainova Technology), Fox Automation Technology Chunan Factory (including Foxsemicon Integrated Technology, Fox Automation Technology), Foxsemicon LLC

Note: Frontier Integrated Global Solutions, Kaihuakang Semiconductor Equipment, Foxsemicon Integrated Technology Inc. (SAMOA), Success Praise Corporation and Mindtech Corp. (SAMOA) are not listed in the statement as they have no substantial business activities.

- 2024

Verifier: Taiwan Electric Research & Testing Center (TERTEC)

Verification standard: ISO14064-3: 2019

Scope of verification: Foxsemicon Chunan Plant (including Foxsemicon Integrated Technology, Fox Automation Technology, and Kainova Technology), Fox Automation Technology Chunan Factory (including Foxsemicon Integrated Technology, Fox Automation Technology), Foxsemicon LLC

Note: Frontier Integrated Global Solutions, Kaihuakang Semiconductor Equipment, Foxsemicon Integrated Technology Inc. (SAMOA), Success Praise Corporation and Mindtech Corp. (SAMOA) are not listed in the statement as they have no substantial business activities.

1-2 GHG reduction targets, strategies and concrete action plans

Describe the GHG reduction baseline year and data, reduction targets, strategies, and concrete action plans, as well as the achievement of the reduction targets.

The greenhouse gas inventory uses 2022 as the baseline year and covers the Taiwan Tech Center Plant, the China Songjiang plant, and the Kunshan plant, with a primary focus on Scope 1 and Scope 2 emissions.

The Company has set short-, medium-, and long-term carbon reduction targets:

- 2025: Scope 1 and Scope 2 emissions are expected to decrease by 12.6% compared to 2022 (covering the Taiwan Tech Center Plant, U.S. office, and the China Songjiang and Kunshan plants).
- 2026: Formulate greenhouse gas reduction plans for the group and each plant.
- 2030: Greenhouse gas emissions are expected to decrease by 15% compared to 2022.
- 2040: Greenhouse gas emissions are expected to decrease by 62% compared to 2022.

Additionally, the Company plans to join the Science-Based Targets Initiative (SBTi) in 2026, committing to establish and submit concrete carbon reduction targets in compliance with SBTi guidelines within two years for external verification.

To achieve the net-zero goal, Foxsemicon has formulated a four-step strategy to ensure the Company moves steadily towards its 2050 net-zero target and continues to improve climate resilience:

- Greenhouse Gas Inventory: Complete a full-group inventory by 2026.

- Carbon Reduction Target Setting: Set targets for global plants and promote energy-saving and carbon-reduction awareness and training.
- Energy-saving and Carbon Reduction Programs: Identify high-carbon-emitting equipment and processes through carbon inventory and gradually replace and update them.
- Renewable Energy Applications: Evaluate the feasibility of rooftop solar power plants at new plant sites and address carbon reduction target gaps through small-scale green electricity procurement.

Implemented Specific Actions and Achievements:

- Carbon emissions at the Tech Center Plant in 2024 have decreased by 9.43% compared to the 2022 baseline year.
- The average electricity-saving rate was 1.75% between 2015–2024, which is better than required by Taiwan’s energy regulations (1%).
- To support our 2050 net-zero goal, FITI partnered with an energy service provider, starting late 2024, to replace Chunan Plant’s chiller system under a BOO (Build-Own-Operate) model. The upgrade to high-efficiency magnetic bearing chillers is projected to reduce annual electricity consumption by 28.44%, from 2.05 million kWh to 1.47 million kWh, cutting approximately 291 metric tons of CO₂ emissions annually. Over ten years, it is expected to save 5.85 million kWh and reduce emissions by an estimated 2,911 metric tons. This initiative reduces our reliance on high-carbon equipment, lowers Scope 2 emissions, strengthens energy resilience, and promotes cross-departmental collaboration for energy efficiency, advancing FITI’s low-carbon transition.

(VII) Implementation of business ethics

Assessment item	Functioning (Note)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reason for such differences
	Yes	No	Summary explanation	
I. Formulation of business ethics policies and measures				
(I) Has the Company formulated and the Board of Directors approved business ethics policies? Are business ethics policies and measures specified in regulations and documents to external parties? Are the Board of Directors and senior managers committed to the implementation of these business policies?	✓		(I) The Company established its "Code of Integrity Management" on March 31, 2014, to regulate the matters of attention for the Board of Directors and management in conducting business.	No difference
(II) Has the Company established a mechanism to assess the risks of unethical behavior, regularly analyzed and examined, within the scope of business, the operating activities with high risks of unethical behavior and designed schemes to avoid unethical behavior by covering at least the preventive measures prescribed in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	✓		(II) The Company has established the "Integrity Management Operating Procedures and Behavioral Guidelines" and a disciplinary system to regulate the behavior and practices of directors, management, and employees. To address operating activities or other activities with high risks of unethical behavior, as described in Article 7, Paragraph 2 of the "Integrity Management Code for Listed and Over-the-Counter Companies" or other areas with a higher risk of unethical behavior, the Company has set relevant regulations in the "Integrity Management Operating Procedures and Behavioral Guidelines" for compliance by concerned personnel. Any violation will be handled according to the Company's disciplinary system.	
(III) Has the Company formulated, implemented and periodically reviewed the operating procedures, behavior guidelines, punitive measures and complaints system as part of the scheme to prevent unethical behavior?	✓		(III) On March 31, 2014, the Company's Board of Directors approved the "Integrity Management Operating Procedures and Behavioral Guidelines" and established disciplinary measures for unethical behavior. These procedures are reviewed and amended in alignment with relevant laws and regulations.	

Assessment item	Functioning (Note)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reason for such differences
	Yes	No	Summary explanation	
<p>II. Business ethics in practice</p> <p>(I) Does the Company assess the ethics record of counterparties in business dealings and specify business conduct in contractual clauses with counterparties?</p> <p>(II) Has the Company established a dedicated business ethics unit under the Board of Directors and reported regularly (at least once a year) to the Board of Directors the implementation of business conduct policies and prevention of unethical behavior?</p>	<p>✓</p> <p>✓</p>		<p>(I) Before establishing business relationships, the Company assesses the legality of code of business conduct of counterparties and examines whether there are records of unethical behavior. Clauses governing business ethics are included in contracts.</p> <p>(II) The Company has appointed HR units to advocate business ethics. Amendment, implementation and interpretations of the operational procedures and behavioral guidelines; consultation services; registration, filing and monitoring of reported contents; and periodic reports to the Board of Directors. This was reported to the Board of Directors on December 20, 2024, and disclosed on the Company website. Implementations are detailed below:</p> <ol style="list-style-type: none"> 1. Training & education <ol style="list-style-type: none"> (1) A total of 168 new employees were trained. (2) Training courses: The Company invited practicing lawyers to present on the topic "The Scope of Trade Secrets and Reasonable Confidentiality Measures from the Perspective of Practical Court Judgments," with 60 executives attending the training. The Company also invited the Miaoli Investigation Station to present on the topic "Potential Threats to Enterprises: Trade Secrets and Information Security Protection," with 48 executives and IT staff attending the training. 2. Commitment <ol style="list-style-type: none"> (1) 100% of employees (all 225) signed the Integrity, Cleanliness, and Intellectual Property Rights Agreement and Confidentiality Commitment upon joining the Company. (2) A total of 194 employees, or 100%, signed the High IP Confidentiality Commitment for High-Security Intellectual Product Projects with important customers in 2024. 	No difference

Assessment item	Functioning (Note)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reason for such differences
	Yes	No	Summary explanation	
<p>(III) Has the Company formulated policies to prevent conflict of interest and provided appropriate channels for voicing out and implementation?</p> <p>(IV) Has the Company established an effective accounting and internal control system to implement business ethics? Does the internal auditors formulate audit plans according to the risk assessment of unethical behavior, inspect the compliance and the preventive measures or authorize external accountants for such inspections?</p> <p>(V) Does the Company organize internal and external training and education on business ethics on a regular basis?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>3. Propaganda</p> <p>(1))Through the internal training platform, new employees are notified to complete the "RBA Education Training" and "Foxsemicon Group Integrity, Ethics, and Confidential Information Protection Policy" via videos.</p> <p>(2) Anti-Corruption Whistleblower Mailbox: fiti.speakup@foxsemicon.com.</p> <p>(III)The Company has established Ethical Operation Procedures and Behavior Guidelines to direct employees to matters of attention. The corporate website has set up an email for communication.</p> <p>(IV)The Company has established an effective accounting and internal control system. Constant reviews are conducted to ensure continued effectiveness of system design and implementation. Internal auditors conduct periodical inspections on the compliance of the aforesaid system and produce audit reports for submission to the Board of Directors.</p> <p>(V) According to the Company's Ethical Operation Procedures and Behavior Guidelines, two internal advocacy campaigns are organized each year for Chairman, President or senior managers to convey to directors, employees and authorized agents the importance of ethics.</p>	
<p>III. Functioning of whistleblowing system</p> <p>(I) Has the Company established a whistleblowing system accompanied with incentives and the</p>	<p>✓</p>		<p>(I) 1. The Company actively promotes a culture of eliminating fraud, combating corruption, and upholding integrity to shape an ethical corporate image. It has established the "Workplace Integrity and Anti-Corruption Discipline Management</p>	<p>No difference</p>

Assessment item	Functioning (Note)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reason for such differences
	Yes	No	Summary explanation	
<p>channels to facilitate whistleblowing? Is appropriate personnel appointed to investigate the allegations?</p> <p>(II) Has the Company established the standard investigation procedure on allegations, the follow-up measures and the confidentiality mechanism post investigations?</p>	✓		<p>Measures" and created both internal and external whistleblowing channels and handling systems to ensure the legal rights and interests of whistleblowers and concerned individuals. When receiving a report, the Company handles the report in a confidential manner and ensures the privacy and safety of the whistleblower.</p> <p>2. Information on the Company's whistleblowing channels is as follows:</p> <p>(1) Whistleblowing mailbox: fiti.speakup@foxsemicon.com or by mail to the Legal and Investment Office of the Company (No. 16, Kezhong Road, Zhunan Township, Miaoli County).</p> <p>(2) Report recipient: Legal and Investment Office of the Company.</p> <p>(II) 1. The Company has provided an anti-corruption whistleblowing mailbox on its official website and disclosed the procedures for accepting reports. All procedures are handled in accordance with the Company's "Workplace Integrity and Anti-Corruption Discipline Management Measures," and an investigation team will be formed to conduct investigations.</p> <p>2. The "Complaint and Whistleblowing Handling Procedures" define the acceptance of internal complaints on labor-related issues, occupational health and safety issues, and reports of discrimination, bullying, violations of business ethics, and anti-corruption regulations.</p> <p>3. Principles for acceptance: Items not accepted but still recorded for future reference:</p> <p>(1) Issues related to the Company's salary and benefits, performance evaluations, job grades, promotions, etc.</p> <p>(2) Political issues.</p> <p>(3) Issues related to the privacy of others.</p> <p>(4) False comments and complaints.</p> <p>4. If the whistleblower files multiple reports regarding the same case, they will be</p>	

Assessment item	Functioning (Note)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reason for such differences
	Yes	No	Summary explanation	
			<p>regarded as the same case. The Company may stop the investigation if the whistleblower submits a separate complaint to the prosecutors' office or the competent authority.</p> <p>5. Investigation Procedures</p> <p>(1) The accepted documents will be categorized according to the content of the complaint or report and transferred to the relevant departments based on their responsibilities for joint investigation.</p> <p>(2) The responsible personnel will complete the "Complaint/Report Handling Form" within 7 days of receiving the information and initiate an investigation with the concerned parties based on the complaint's content. If necessary, the personnel may consult with the responsible departments to discuss a resolution plan. For all cases except for those that shall be submitted to the Arbitration Committee for handling, all relevant information must be retained by the accepting department for 2 years for future reference from the date of acceptance or from the time when a reply is given in writing to the employee filing the complaint by an external unit.</p> <p>(3) The designated responsible department will write up the investigation results on the "Complaint/Report Handling Form" and submit the form to the General Manager for approval before proceeding.</p> <p>(4) A complaint must be resolved within three months of being filed, with a decision that includes the reasoning. Disciplinary actions or other measures may be recommended. The complainant and the opposing party may request a review within 10 days if they disagree with the handling of the complaint. Once the case is</p>	

Assessment item	Functioning (Note)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reason for such differences
	Yes	No	Summary explanation	
(III) Has the Company adopted measures to protect whistleblowers from improper treatment?	✓		<p>closed, no further complaints on the same issue may be filed.</p> <p>6. Confidentiality Mechanism: During the acceptance and investigation of the whistleblower case, the identity of the whistleblower and the content of the report will be kept confidential. Information that could identify the whistleblower must not be disclosed, revealed, or made available to any third party unless necessary, and appropriate protective measures will be taken. The Company has established principles for the acceptance of whistleblower reports, investigation procedures, follow-up measures after investigation reports, and protection for whistleblowers under the "Workplace Integrity and Anti-Corruption Disciplinary Management Regulations."</p> <p>(III)1. In the "Complaint and Report Handling Procedures," the Company specifies that no discrimination, threats, or other unfavorable treatment shall be directed at the complainant or any relevant personnel assisting in evidence gathering or investigation. The complainant's job performance shall not be affected by the complaint, and they need not worry about retaliation. The Company must ensure the protection and identity confidentiality of anonymous informants (whistleblowers) and complainants. Reports may be made in either a named or anonymous manner. False accusations, deceit, insults, or deliberate disturbances will be subject to disciplinary actions, in addition to non-acceptance.</p> <p>2. In 2024, the Company received 0 whistleblower reports (0 in 2023), and no cases were confirmed through investigation (0 in 2023).</p>	
IV. Enhancement of information disclosure Does the Company disclose its business ethics principles and	✓		The contents of the Company's Principles of Ethical Business have been disclosed on the corporate website, annual reports and via Market Observation Post System (MOPS). Training and education for employees are provided	No difference

Assessment item	Functioning (Note)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reason for such differences
	Yes	No	Summary explanation	
implementation effectiveness via its own website and on Market Observation Post System (MOPS)?			periodically. No unethical behavior has been found with the Company to date.	
V. If the Company has established its principles of business ethics by following Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe how its own principles are put into practice and whether there is deviation from the principles: The Company has established its Principles of Ethical Business and has been adhering to these principles.				
VI. Other important information that helps to understand the status of ethics policy implementation: (such as the review and amendment of business ethics principles) On March 31, 2014, the Company's Board of Directors formulated Ethical Operation Procedures and Behavior Guidelines. Amendments were made by the Board of Directors on March 3, 2015 and April 12, 2018, respectively.				

(VIII) Other Important Information Regarding Corporate Governance Operations: None.

(IX) Disclosure of Internal Control System Execution Status:

1. Internal Control System Statement: The main content is available on the MOPS website at ["https://mops.twse.com.tw/CorporateGovernance/InternalControlArea."](https://mops.twse.com.tw/CorporateGovernance/InternalControlArea) Shareholders may enter the Company code 3413 and the relevant year to access the information.
2. If CPAs are appointed to conduct special audits on the internal control system, the Independent Auditors' Report should be disclosed: None.

(X) Important Resolutions of the Shareholders' Meeting and Board of Directors in the Most Recent Year and as of the Date of Annual Report Publication:

Important resolution dates	Contents of important proposals and subsequent actions
9th Board of Directors, 5th Meeting – February 29, 2024	<ol style="list-style-type: none">1. The Company's 2023 business report, individual financial statements, consolidated financial statements, and earnings distribution proposal.2. Proposal for the distribution of cash dividends from 2023 earnings.3. Proposal for 2023 Employee and Director Compensation Distribution.4. 2023 review of the Company's internal control system effectiveness and Statement for Internal Control5. Proposal to Revise the Company's Internal Control System – "Procedures for Acquisition of Fixed Assets."6. Appointment, remuneration and independence assessment of external accountants7. Determination of the record date for issuance of new shares under employee stock option scheme as part of capital increase8. Setting the record date for the issuance of new ordinary shares for the conversion of the second domestic unsecured convertible corporate bonds.9. Proposal to Lift the Non-Compete Restrictions on Directors.10. Matters related to the convening of the 2024 shareholders' annual meeting.11. Review of Actual 2023 Managerial Compensation Disbursement.12. Review of 2024 performance targets and bonus calculation methods for managers
9th Board of Directors, 6th Meeting – May 10, 2024	<ol style="list-style-type: none">1. The Company's consolidated financial statements for the first quarter of 2024.2. Determination of the record date for issuance of new shares under employee stock option scheme as part of capital increase3. Setting the record date for the issuance of new ordinary shares for the conversion of the second domestic unsecured convertible corporate bonds.4. The Company's Chief Information Security Officer.5. Lease of factory premises by the Company's 100%-owned Thai subsidiary, UniEQ Integrated Technology Co., Ltd.
2024 Annual General Meeting - May 30, 2023	<ol style="list-style-type: none">1. Ratification of the 2023 Business Report and Financial Statements Outcome: Resolved by the 2024 Annual Shareholders' Meeting2. Ratification of the 2023 earnings distribution proposal Outcome: Ex-dividend date on July 1, 2024, and issuance of cash dividends on July 15, 2024 (The original cash dividend was NT\$12 per share. Due to the exercise of employee stock options and the conversion of convertible bonds, which caused changes in the Company's outstanding shares, the distribution ratio was adjusted. Cash dividends per share were adjusted to NT\$11.29991481 as announced on June 5, 2024.)
9th Board of Directors, 7th Meeting – August 9, 2024	<ol style="list-style-type: none">1. The Company's consolidated financial statements for the second quarter of 2024.2. Plan to apply to financial institutions for short-term credit facilities and sign contracts in order to fund working capital and manage interest rate risks and exchange rate risks3. Determination of the record date for issuance of new ordinary shares for conversion of the second domestic unsecured convertible corporate bonds4. Revision of the Company's "Procedures for Acquisition of Fixed Assets."5. Revision of the Company's "Audit Committee Charter."6. Amendment to the Company's "Table of Approval Authorities."7. Capital expenditure budget proposal for UniEQ Integrated Technology Co., Ltd., the Company's wholly owned subsidiary in Thailand.8. Proposal to increase capital in UniEQ Integrated Technology Co., Ltd., the

Important resolution dates	Contents of important proposals and subsequent actions
	<p>Company's wholly owned subsidiary in Thailand.</p> <p>9. Proposal to cancel the equipment purchase plan by Foxconn Fuyao Precision Component (Kunshan) Co., Ltd., a wholly owned subsidiary of the Company.</p> <p>10. Review of the Company's 2024 managerial compensation adjustment plan.</p>
9th Board of Directors, 8th Meeting – November 6, 2024	<p>1. The Company's consolidated financial statements for the third quarter of 2024.</p> <p>2. 2025 annual audit plan proposal.</p> <p>3. Revision of the Company's "Rules of Procedure for Board Meetings"</p> <p>4. Amendment of the "Procedures for Handling Derivative Transactions by Foxsemicon Integrated Technology Inc. for its Subsidiaries."</p> <p>5. Establishment of the record date for the issuance of new shares under the employee stock option plan as part of a capital increase</p> <p>6. Determination of the record date for issuance of new ordinary shares for conversion of the second domestic unsecured convertible corporate bonds</p> <p>7. Amendment of the capital increase proposal for the Company's 100%-owned Thai subsidiary, UniEQ Integrated Technology Co., Ltd.</p> <p>8. Proposal for the sale of equipment by the Company's 100%-owned subsidiary, Foxconn Fuyao Precision Component (Kunshan) Co., Ltd.</p>
9th Board of Directors, 9th Meeting – December 20, 2024	<p>1. 2025 business plan</p> <p>2. Establishment of the Company's "Sustainability Committee Charter."</p> <p>3. Establishment of the Company's "Sustainability Information Management Procedures."</p> <p>4. Proposal to increase capital in UniEQ Integrated Technology Co., Ltd., the Company's wholly owned subsidiary in Thailand.</p> <p>5. Plan to apply to financial institutions for short-term credit facilities and sign contracts in order to fund working capital and manage interest rate risks and exchange rate risks</p> <p>6. The Company intends to implement an employee stock ownership trust.</p>
9th Board of Directors, 10th Meeting – February 26, 2025	<p>1. The Company's 2024 business report, individual financial statements, consolidated financial statements, and earnings distribution proposal.</p> <p>2. Proposal for the distribution of cash dividends from 2024 earnings</p> <p>3. Amendment to the Company's Articles of Incorporation</p> <p>4. Distribution of remuneration to employees and directors for the year 2024.</p> <p>5. Appointment, remuneration, and independence evaluation of external auditors.</p> <p>6. Evaluation of the effectiveness of the Company's internal control system for the year 2024 and the internal control system statement.</p> <p>7. Determination of the record date for issuance of new shares under the employee stock option plan as part of a capital increase.</p> <p>8. Setting the record date for the issuance of new ordinary shares for the conversion of the second domestic unsecured convertible corporate bonds.</p> <p>9. Proposed sale of equipment by Foxconn Fuyao Precision Component (Kunshan) Co., Ltd., a 100% owned subsidiary of the Company.</p> <p>10. Proposed preparation of matters related to the 2025 Annual General Meeting of Shareholders.</p> <p>11. Review of the distribution of remuneration to managers for the year 2024. -</p> <p>12. Review of the Company's performance targets for managers and bonus calculation methods for the year 2025.</p>

- (XI) In the most recent year and up to the date of printing the annual report, if any director or supervisor has a different opinion on important resolutions passed by the Board of Directors, with a record or written statement, the main content is: None.

IV. External Auditors' Fees

- (I) If the non-audit fees paid to the external auditors, the accounting firm, and its affiliates exceed 25% of the audit fees, the amounts of audit and non-audit fees, as well as the non-audit services provided, should be disclosed:

Unit: NT\$1,000

Name of the accounting firm	Certified Public Accountant Names	Audit Period	Audit Fees	Non-Audit Fees	Total	Note
PwC Taiwan	Sheng-Chung Hsu	2024	3,255	3,261	6,516	Other Non-Audit Fees are 1. Shareholders' meeting annual report: NT\$70,000. 2. Salary verification for full-time employees not in managerial positions: NT\$42,000. 3. Income tax audit and certification: NT\$350,000. 4. Audit of undistributed earnings in substantial investments: NT\$80,000. 5. Translation of English financial statements: NT\$450,000. 6. Transfer pricing report: NT\$1,440,000. 7. Business tax audit for mixed business operators: NT\$110,000. 8. Tax consultation: NT\$409,000. 9. CFC audit: NT\$110,000.
	Jen-Chieh Wu	2024				

- (II) If the audit fees paid to the new accounting firm in the year following the change are less than the audit fees paid to the previous accounting firm in the preceding year, the reduction in audit fees, the percentage, and the reason should be disclosed: None.
- (III) If the audit fees have decreased by more than 10% compared to the previous year, the decrease in amount, percentage, and the reason for the decrease should be disclosed: None.

V. Information on changing auditors: None.

VI. If the chairman, general manager, financial or accounting manager of the Company has worked at the audit firm or its affiliated enterprises in the past year, their name, title, and the duration of employment at the audit firm or its affiliated enterprises should be disclosed: No such situation.

VII. Share transfers and share pledge changes for directors, supervisors, managers, and shareholders holding more than 10% of the shares in the most recent year and up to the date of the annual report printing.

(I) Shareholding changes for directors, supervisors, managers, and major shareholders:

Title	Name	2024		For the year 2025, as of March 30.	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman	Hyield Venture Capital Co., Ltd.	-	-	-	-
	Rep.: Young-Way Liu	-	-	-	-
Director	Kevin Chiu	56,000	-	-	-
Director	Jong-Khing Huang	-	-	-	-
Independent Director	Hsi-Chih Chen	-	-	-	-
Independent Director	Kang-Chih Li	-	-	-	-
Independent Director	Shu-Hui Wu	-	-	-	-
Independent Director	Ya-Hui Huang	-	-	-	-
President	Kevin Chiu	56,000	-	-	-
Senior Vice President	Chi-Chih Huang	(11,400)	(50,000)	-	-
Vice President	Grace J.Y. Lee	-	-	-	-
Vice President	Jack Chen	20,400	-	-	-
CFO and Corporate Governance Officer	Yung-Fang Tsou	(14,000)	-	40,300	-
Senior Manager, Accounting Department	Hsiao-Pei Chung	5,600	-	-	-

(II) If the counterparty of the share transfer is a related party: None.

(III) Information on share pledges with related party counterparties: None.

VIII. Information on the top ten shareholders, where the shareholders are related parties or have spousal or within second-degree kinship relationships:

March 30, 2025; unit: shares

Name	No. of shares held		No. of shares held by the spouse and children		No. of shares held under others' names		Names and relationships among the Company's ten largest shareholders, who are spouses or relatives within two degrees of kinship to each other		Note
	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Name	Relation	
Taiwan Applied Materials, Inc.	8,117,258	7.51%	-	-	-	-	-	-	-
Hyield Venture Capital Co., Ltd.	6,953,272	6.44%	-	-	-	-	Hon Chi International Investment Hon Yuan International Investment Bao Xin International Investment Limited	These are all investees recognized by Hon Hai Precision Industry Co., Ltd. under the equity method	-
Representative: Te-Tsai Huang	-	-	-	-	-	-	-	-	-
Standard Chartered's custodian account for LGT	3,393,500	3.14%	-	-	-	-	-	-	-
Labor Pension Fund - New System	3,089,100	2.86%	-	-	-	-	-	-	-
Yuanta Taiwan Value High Dividend ETF Securities Investment Trust Fund Special Account in the Trust of Hua Nan Commercial Bank	2,813,000	2.60%	-	-	-	-	-	-	-
Bao Xin International Investment Limited	2,678,541	2.48%	-	-	-	-	Hyield Venture Capital Co., Ltd. Hon Chi International Investment Hon Yuan International Investment	These are all investees recognized by Hon Hai Precision Industry Co., Ltd. under the equity method	-
Representative: Te-Tsai Huang	-	-	-	-	-	-	-	-	-
Hon Yuan International Investment	2,627,239	2.43%	-	-	-	-	Hyield Venture Capital Co., Ltd. Hon Chi International Investment Bao Xin International Investment Limited	These are all investees recognized by Hon Hai Precision Industry Co., Ltd. under the equity method	-
Representative: Te-Tsai Huang	-	-	-	-	-	-	-	-	-

Name	No. of shares held		No. of shares held by the spouse and children		No. of shares held under others' names		Names and relationships among the Company's ten largest shareholders, who are spouses or relatives within two degrees of kinship to each other		Note
	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %	Name	Relation	
Hon Chi International Investment	2,298,036	2.13%	-	-	-	-	Hyield Venture Capital Co., Ltd. Hon Yuan International Investment Bao Xin International Investment Limited	These are all investees recognized by Hon Hai Precision Industry Co., Ltd. under the equity method	-
Representative: Te-Tsai Huang	-	-	-	-	-	-	-	-	-
Cathay Life Insurance Co., Ltd.	1,688,000	1.56%	-	-	-	-	-	-	-
Standard Chartered International Commercial Bank, Business Department Trustee for the Advanced Starbright Fund's Series Fund Advanced Global Aggregate International Equity Index Fund Investment Special Account	1,324,131	1.23%	-	-	-	-	-	-	-

IX. The number of shares held by the Company, the Company's directors, supervisors, managers, and businesses directly or indirectly controlled by the Company in the same investee company, and the combined holding ratio:

As of December 31, 2024. Unless otherwise specifically noted, the units are in thousands of shares; %.

Transfer investment businesses	The Company's investments		Investments from directors, supervisors managers and entities directly or indirectly controlled		Comprehensive investment	
	Number of shares	Shareholding %	Number of shares	Shareholding %	Number of shares	Shareholding %
FOXSEMICON INTEGRATED TECHNOLOGY INC.(SAMOA)	40,475	100	—	—	40,475	100
FOXSEMICON LLC.	(Note 1)	100	—	—	(Note 1)	100
Fox Automation Technology Inc.	20,000	100	—	—	20,000	100
Frontier Integrated Global Solutions, Inc.	500	100	—	—	500	100
Kainova Technology Inc.	5,500	100	—	—	5,500	100
FOXSEMICON INNOVATIONS HOLDING INC.	15,000	100	—	—	15,000	100
UNIEQ Technology PTE. Ltd. (Singapore)	30	100			30	100
UniEQ Integrated Technology Co., Ltd. (Thailand)	45,820	100	—	—	45,820	100
FOXSEMICON TECHNOLOGY LLC.	(Note 1)	100	—	—	(Note 1)	100
MINDTECH CORP. (Wanda)	34,978	100	—	—	34,978	100
SUCCESS PRAISE CORP. (Jie Yang)	3,800	100	—	—	3,800	100
Foxsemicon Integrated (Shanghai) Inc.	(Note 1)	100	—	—	(Note 1)	100
Foxconn Fuyao Precision Component (Kunshan) Co., Ltd.	(Note 1)	100	—	—	(Note 1)	100
Shanghai EnvoFox Environment Integrated Technology Limited Inc.	(Note 1)	100	—	—	(Note 1)	100
Kaihuakang Semiconductor Equipment Nanjing Co., Ltd.	(Note 1)	100	—	—	(Note 1)	100
Kainova Technology USA LLC	400	100	—	—	400	100
UNIEQ EQUIPMENT MANUFACTURING PRIVATE Ltd	100	100			100	100

Note 1: No share issued by the limited company

Three. Fundraising Situation

I. Capital and Shares

(I) Source of Capital

March 31, 2025; Unit: Thousand Shares; NT\$1,000

Year/Month	Issue price (NT\$)	Authorized capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Subscriptions paid with property other than cash	Other
2001.04	10	100	1,000	100	1,000	Establishment	None	Note 1
2001.06	10	79,000	790,000	20,000	200,000	Cash capital increase: NT\$199,000	None	Note 2
2002.08	10	79,000	790,000	50,000	500,000	Cash capital increase at 300,000	None	Note 3
2002.11	10	79,000	790,000	57,000	570,000	Cash capital increase at 70,000	None	Note 4
2003.11	11	120,000	1,200,000	85,000	850,000	Cash capital increase at 280,000	None	Note 5
2004.05	—	150,000	1,500,000	85,000	850,000	—	None	Note 6
2004.11	10	150,000	1,500,000	100,000	1,000,000	Cash capital increase at 150,000	None	Note 7
2005.04	40	150,000	1,500,000	103,000	1,030,000	Cash capital increase at 30,000	None	Note 8
2009.08	—	150,000	1,500,000	63,000	630,000	Capital reduction: NT\$400,000	—	Note 9
2009.11	10	150,000	1,500,000	108,000	1,080,000	Cash capital increase at 450,000	None	Note 10
2013.08	—	150,000	1,500,000	21,600	216,000	Capital reduction at NT\$864,000	—	Note 11
2013.11	14	150,000	1,500,000	60,000	600,000	Cash capital increase at 384,000	None	Note 12
2015.08	60	150,000	1,500,000	68,000	680,000	Cash capital increase at 80,000	None	Note 13
2016.08	60	150,000	1,500,000	75,000	750,000	Cash capital increase at 70,000	None	Note 14
2017.08	—	150,000	1,500,000	78,750	787,500	Capitalization of retained earnings: NT\$37,500	None	Note 15
2018.08	—	150,000	1,500,000	82,688	826,875	Capitalization of retained earnings: NT\$39,375	None	Note 16
2020.04	172.2	150,000	1,500,000	82,710	827,099	2017 employee stock option capitalization: 224	None	Note 17
2020.09	172.2	150,000	1,500,000	82,712	827,119	2017 employee stock option capitalization: 20	None	Note 18
2020.12	168.3	150,000	1,500,000	82,770.3	827,703	2017 employee stock option capitalization: 584	None	Note 19
2021.03	168.3 213.6	150,000	1,500,000	87,469.055	874,690.55	2017 employee stock option capitalization: 214 Capitalization of convertible bonds for the first time in Taiwan at 46,773.55	None	Note 20

Year/Month	Issue price (NT\$)	Authorized capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Subscriptions paid with property other than cash	Other
2021.06	168.3 196.9	150,000	1,500,000	87,671.414	876,714.14	2017 Capitalizing on employee stock options at 1,856 Capitalization of convertible bonds for the first time in Taiwan at 167.59	None	Note 21
2021.09	168.3	150,000	1,500,000	87,692.214	876,922.14	2017 employee stock option capitalization: 208	None	Note 22
2021.12	168.3 163.3 196.9	150,000	1,500,000	87,800.826	878,008.26	2017 employee stock option capitalization: 238 Capitalization of convertible bonds for the second time in Taiwan at 848.12	None	Note 23
2022.03	163.3 109.5	150,000	1,500,000	87,906.426	879,064.26	2017 employee stock option capitalization: 354 2018 Capitalization of employee stock options at 702	None	Note 24
2022.05	210.22	150,000	1,500,000	96,023.684	960,236.84	Private placement of common shares at 811,725.8	None	Note 25
2022.06.	163.3 109.5 191.05	150,000	1,500,000	96,647.546	966,475.46	2017 Capitalization of employee stock options at 2,210 2018 Capitalization of employee stock options at 260 Capitalization of convertible bonds for the second time in Taiwan at 3,768.62	None	Note 26
2022.12.	156.8 105.1	150,000	1,500,000	96,792.146	967,921.46	2017 employee stock option capitalization: 1,252 2018 Capitalization of employee stock options at 194	None	Note 27
2023.03	156.8 105.1 161.2	150,000	1,500,000	97,050.946	970,509.46	2017 employee stock option capitalization: 866 2018 Capitalization of employee stock options at 1,514 2019 Capitalization of employee stock options at 208	None	Note 28
2023.06	105.1 161.2	150,000	1,500,000	97,159.546	971,595.46	2018 Capitalization of employee stock options at 776 2019 Capitalization of employee stock options at 310	None	Note 29

Year/Month	Issue price (NT\$)	Authorized capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Subscriptions paid with property other than cash	Other
2023.12	97.7 149.9 171	150,000	1,500,000	97,186.13	971,861.3	2018 Capitalization of employee stock options at 198 2019 Capitalization of employee stock options at 62 Capitalization of convertible bonds for the second time in Taiwan at 5.84	None	Note 30
2024.3	97.7 149.9 197.5 171	150,000	1,500,000	97,439.289	974,392.89	2018 Capitalization of employee stock options at 1,356 2019 Capitalization of employee stock options at 900 2020 Capitalization of employee stock options at 30 Capitalization of convertible bonds for the second time in Taiwan at 245.59	None	Note 31
2024.6	97.7 149.9 197.5 171	150,000	1,500,000	102,670.603	1,026,706.03	2018 Capitalization of employee stock options at 764 2019 Capitalization of employee stock options at 831 2020 Capitalization of employee stock options at 602 Capitalization of convertible bonds for the second time in Taiwan at 50,116.14	None	Note 32
2024.9	171	150,000	1,500,000	103,829.073	1,038,290.73	Capitalization of convertible bonds for the second time in Taiwan at 11,584.7	None	Note 33
2024.12	94.1 144.3 190.1 159.3 164.66	150,000	1,500,000	106,000.37	1,060,003.70	2018 Capitalization of employee stock options at 1,078 2019 Capitalization of employee stock options at 1,065 2020 Capitalization of employee stock options at 2,810 2021 Capitalization of employee stock options at NT\$1,268 Capitalization of convertible bonds for the second time in Taiwan at 15,491.97	None	Note 34

- Note 1: Established on April 26, 2001: Approval Letter No. 90275409 by Ministry of Economic Affairs.
- Note 2: June 19, 2001: Approval Letter Ching (090) Shang-Tzu No. 09001221650 by Department of Commerce, Ministry of Economic Affairs.
- Note 3: August 14, 2002: Approval Letter Yuan-Shang-Tzu No. 20084 by Hsinchu Science Park.
- Note 4: November 6, 2002: Approval Letter Yuan-Shang-Tzu No. 27745 by Hsinchu Science Park.
- Note 5: November 26, 2003: Approval Letter Yuan-Shang-Tzu No. 33555 by Hsinchu Science Park.
- Note 6: May 31, 2004: Approval Letter Yuan-Shang-Tzu No. 14333 by Hsinchu Science Park.
- Note 7: November 2, 2004: Approval Letter Yuan-Shang-Tzu No. 29787 by Hsinchu Science Park.
- Note 8: April 19, 2004: Approval Letter Yuan-Shang-Tzu No. 09004 by Hsinchu Science Park.
- Note 9: August 10, 2009: Approval Letter Yuan-Shang-Tzu No. 21393 by Hsinchu Science Park.
- Note 10: November 5, 2009: Approval Letter Yuan-Shang-Tzu No. 31423 by Hsinchu Science Park.
- Note 11: August 26, 2013: Approval Letter Yuan-Shang-Tzu No. 1020025675 by Hsinchu Science Park.
- Note 12: November 28, 2013: Approval Letter Yuan-Shang-Tzu No. 1020036332 by Hsinchu Science Park.
- Note 13: August 11, 2015: Approval Letter Chu-Shang-Tzu No. 1040022866 by Hsinchu Science Park.
- Note 14: August 16, 2016: Approval Letter Chu-Shang-Tzu No. 1050022713 by Hsinchu Science Park.
- Note 15: August 4, 2017: Approval Letter Chu-Shang-Tzu No. 1060021239 by Hsinchu Science Park.
- Note 16: August 10, 2018: Approval Letter Chu-Shang-Tzu No. 1070023396 by Hsinchu Science Park.
- Note 17: April 6, 2020: Approval Letter Chu-Shang-Tzu No. 1090009041 by Hsinchu Science Park.
- Note 18: September 3, 2020: Approval Letter Chu-Shang-Tzu No. 1090024984 by Hsinchu Science Park.
- Note 19: December 4, 2020: Approval Letter Chu-Shang-Tzu No. 1090034178 by Hsinchu Science Park.
- Note 20: March 23, 2021: Approval Letter Chu-Shang-Tzu No. 1100007696 by Hsinchu Science Park.
- Note 21: June 7, 2021: Approval Letter Chu-Shang-Tzu No. 1100016011 by Hsinchu Science Park.
- Note 22: September 3, 2021: Approval Letter Chu-Shang-Tzu No. 1100024969 by Hsinchu Science Park.
- Note 23: December 3, 2021: Approval Letter Chu-Shang-Tzu No. 1100035733 by Hsinchu Science Park.
- Note 24: March 23, 2022: Approval Letter Chu-Shang-Tzu No. 1110008615 by Hsinchu Science Park.
- Note 25: May 17, 2022: Approval Letter Chu-Shang-Tzu No. 1110015012 by Hsinchu Science Park.
- Note 26: June 6, 2022: Approval Letter Chu-Shang-Tzu No. 1110017118 by Hsinchu Science Park.
- Note 27: December 1, 2022: Approval Letter Chu-Shang-Tzu No. 1110038551 by Hsinchu Science Park.
- Note 28: March 22, 2023: Approval Letter Chu-Shang-Tzu No. 1120008758.
- Note 29: June 5, 2023: Approval Letter Chu-Shang-Tzu No. 1120017727.
- Note 30: December 5, 2023: Approval Letter Chu-Shang-Tzu No. 1120039840.
- Note 31: March 26, 2024: Approval Letter Chu-Shang-Tzu No. 1130008811.
- Note 32: June 03, 2024: Approval Letter Chu-Shang-Tzu No. 1130017195.
- Note 33: September 02, 2024: Approval Letter Chu-Shang-Tzu No. 1130027728.
- Note 34: December 11, 2024: Approval Letter Chu-Shang-Tzu No. 1130039619.

March 30, 2025; Unit: Thousand Shares

Type of Shares	Authorized capital			Note
	Shares outstanding	Unissued Shares	Total	
Ordinary shares	106,000.37	43,999.63	150,000	Listed shares: 97,883.112 Private placement: 8,117.258

(II) List of Major Shareholders

March 30, 2025; Unit: Shares; %

Name of major shareholder	No. of shares held	Shareholding %
Taiwan Applied Materials, Inc.	8,117,258	7.51%
Hyield Venture Capital Co., Ltd.	6,953,272	6.44%
Standard Chartered's custodian account for LGT	3,393,500	3.14%
Labor Pension Fund - New System	3,089,100	2.86%
Yuanta Taiwan Value High Dividend ETF Securities Investment Trust Fund Special Account in the Trust of Hua Nan Commercial Bank	2,813,000	2.60%
Bao Xin International Investment Limited	2,678,541	2.48%
Hon Yuan International Investment	2,627,239	2.43%
Hon Chi International Investment	2,298,036	2.13%
Cathay Life Insurance Co., Ltd.	1,688,000	1.56%
Standard Chartered International Commercial Bank, Business Department Trustee for the Advanced Starbright Fund's Series Fund Advanced Global Aggregate International Equity Index Fund Investment Special Account	1,324,131	1.23%

Note: Major shareholders are those with at least 5% stakes or with top ten largest shareholdings.

(III) Company Dividend Policy and Implementation Status

1. Dividend Policy

According to the company charter, 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 first reserve an amount to offset the losses, and the remaining amount will be allocated for employee compensation and director remuneration in the proportions stated above.

Employee remuneration can be paid in cash or in shares. Qualified employees of subsidiaries are also included in the payment.

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 dividends 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.

2. Dividend Distribution for the Current Year (Planned or Already Approved): Shareholder cash dividends: On February 26, 2025, the Company's board of directors approved the 2024 annual earnings distribution plan, distributing a cash dividend of NT\$1,564,135,097 to shareholders, or NT\$14.5 per share. The ex-dividend date is scheduled for June 28, 2025, and the dividend payment date is scheduled for July 18, 2025. If changes are required to the ex-dividend date, payment date, or other related matters due to operational needs, legal changes, or objective circumstances, the chairman is authorized to handle the adjustments in full. Chairman is authorized with full discretion to proceed according to the Company Act or relevant laws if the payout ratio is changed due to change in the Company's share capital and number of shares outstanding after the distribution of dividends.

(IV) Impact of Proposed Free Stock Allocation on Company Performance and Earnings Per Share: Not applicable.

(V) Employee Compensation and Director/Supervisor Remuneration

1. Percentage or Scope of Employee, Director, and Supervisor Remuneration as Stated in the Articles of Incorporation: Please refer to section Four, I, (VI), 1. Dividend Policy of this annual report.
2. Basis for Estimating Employee, Director, and Supervisor Remuneration for This Period, and Accounting Treatment of Differences Between Estimated and Actual Amounts:

The distribution of remuneration for employees, directors, and supervisors is conducted according to the laws and regulations and the company's dividends policy. Its allocation amount is recognized in current operating expenses. If the actual distribution amount based on subsequent board resolution differs from the estimated amount, the difference is treated as changes in accounting estimates and the change will adjust the provision for expenses for the following year.

3. Board of Directors' Approval of Remuneration Distribution:
 - (1) The amount of remuneration for employees, directors, and supervisors distributed in cash or in stock. In case of discrepancy between the recognized expenses and the estimated amount for the year, it is necessary to disclose the amount of the difference, the reason for the discrepancy, and the handling of the discrepancy: On February 26, 2025, the Board of Directors approved the distribution of remuneration to employees and directors, with the amount being consistent with the annual estimate. The amount to be distributed is as follows:
 - A Planned distribution of cash remuneration to employees: NT\$179,106,252.
 - B Planned distribution of remuneration to directors: NT\$14,785,912.
 - (2) The proportion of the amount equivalent to the stock distributed as rewards for employees to the sum of the current net income and the total amount of compensation for employees: Not applicable.
4. Reporting to the shareholders' meeting regarding the remuneration distribution and the outcome: As of the publication date of this annual report, the Company has not reported its remuneration distribution proposal for 2024 to the shareholders' meeting.

5. When there is a difference in the actual remuneration and compensation (including the number of shares, amount, and stock price) distributed to employees, directors, and supervisors in the previous year, state the amount of the difference, the causes, and the handling of the difference.

The 2024 shareholders' meeting approved the distribution of remuneration to employees and directors for 2023 as follows. All distribution was in cash and without difference to the estimated amount.

Unit: NT\$

2023	Amount approved by the shareholders' meeting	Amount recognized in financial statements	Difference
Remuneration to directors	11,369,868	11,369,868	None
Bonuses to employees	139,500,326	139,500,326	None

(VI) Buyback of common stock: None.

II. Issuance of Corporate Bonds:

(I) Issuance of Corporate Bonds

Types of Corporate Bonds	Second domestic unsecured convertible corporate bonds
Date of Issuance	November 16, 2020
Face value	NT\$100,000
Place of issue and trading	Taipei Exchange (TPEX)
Issuance price	Issued at par value
Total amount	NT\$2 billion
Interest rate	Coupon rate of 0%
Terms	The bond issuance period is five years: Issued on November 16, 2020, maturing on November 16, 2025.
Guarantee Institution	Not applicable
Trustee	BANK SINOPAC company LIMITED
Underwriting Agency	Grand Fortune Securities Co., Ltd.
Certification Attorney	Kang-Jung Chan Law Firm: Kang-Jung Chan, lawyer
External auditors	CPAs Yung-Chien Hsu and Han-Chi Wu of PwC Taiwan
Repayment Method	The bondholders shall choose for conversion to the company's common shares, for the company's call right, or redemption right of bondholders according to Article 11, Article 18, and Article 19 of this Regulations, respectively, or for the company to buy back the cancelled bonds through a securities dealer. The company shall make a one time cash repayment for the bonds held by the bondholder based on the face value of the bonds when the bonds reach maturity.
Outstanding principal	NT\$302,800 thousand (as of March 31, 2025).
Terms of redemption or advance repayment	Not applicable
Restriction clauses	None
Names of credit rating agency, rating date, rating of corporate bonds	Not applicable

Other rights attached	By the publication date of the annual report, the amount converted (exchanged or subscribed) to common shares, global depository receipts, or other securities	As of March 31, 2025, the face value of the bonds converted to common stock is NT\$1,697,200,000. The price of conversion per share is NT\$171. The total number of converted common shares is 9,988,254 shares.
	Issuance and conversion (exchange or subscription) method	As the below Appendix I
Guidelines of issuance or conversion, exchange or subscription; the possible dilutions to equities by the issuance terms, effects on the rights and interests of the current shareholders		If all of the convertible bonds are converted as common stocks, the possible equity dilution rate is 10.94%. In view of the possible effects on current shareholders' equity, the funds are raised through borrowing methods such as borrowing from the bank and issuance of ordinary corporate bonds. These only increase the company debts and the net worth is not able to be heightened, which has limited benefits on sustainable operations. The issuance of convertible bonds (after conversion) can raise the company net worth per share. Although the company debts will be increased before the conversion of the convertible corporate bonds, as the creditors gradually convert its convertible corporate bonds to common shares, it will lower the debts and increase the shareholders' rights and interests, and increase the new worth per share. Therefore, in the long-term, there is a stronger guarantee of current shareholders' rights.
Name of the transfer agent		Not applicable

(II) Data on convertible corporate bonds

Types of Corporate Bonds		Second domestic unsecured convertible corporate bonds				
Item	Year	110 years	111 years	112 years	113 years	As of March 31, 2025
Market price of the convertible corporate bonds (NT\$)	Highest	141.00	139.00	125.00	243.00	199.00
	Lowest	112.40	105.10	109.00	120.00	183.00
	Average	125.94	121.79	114.16	161.16	189.66
Conversion price (New Taiwan Dollar NTD)		196.90	183.50	171.00	164.66	164.66
Issue date and conversion price at issuance		Issued on November 16, 2020, with a conversion price of NT\$196.9 per share.				
Fulfilling the conversion obligation		Issuance of new shares				

III. Issuance of preference shares: None.

IV. Issuance of GDRs (global depository receipts): None.

V. Issuance of employee stock options

- (I) The Company has not yet issued employee stock options due for conversion. The handling of these options and their impact on shareholders' equity as of the publication date of this annual report should be disclosed.

Employee stock options	2018 1st issuance of employee stock options	2019 1st issuance of employee stock options	2020 1st issuance of employee stock options	2021 1st issuance of employee stock options	2022 1st issuance of employee stock options
Date of approval by competent authorities	December 11, 2018	December 16, 2019	October 14, 2020	December 10, 2021	December 09, 2022
Date of Issuance	September 27, 2019	October 30, 2020	August 09, 2021	July 08, 2022	Unissued
Issuance unit	1,000,000	1,000,000	1,500,000	1,500,000	1,500,000
Percentage of subscription shares issued to total outstanding shares (%)	1.14%	1.14%	1.71%	1.71%	1.55%
Subscription period	5 years	5 years	5 years	5 years	5 years
Exercise	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares
Vesting schedule and quota (%)	2nd Anniversary of the Grant Date: 20% 3rd Anniversary of the Grant Date: 60% 4th Anniversary of the Grant Date: 100%	2nd Anniversary of the Grant Date: 20% 3rd Anniversary of the Grant Date: 60% 4th Anniversary of the Grant Date: 100%	2nd Anniversary of the Grant Date: 20% 3rd Anniversary of the Grant Date: 60% 4th Anniversary of the Grant Date: 100%	2nd Anniversary of the Grant Date: 20% 3rd Anniversary of the Grant Date: 60% 4th Anniversary of the Grant Date: 100%	2nd Anniversary of the Grant Date: 20% 3rd Anniversary of the Grant Date: 60% 4th Anniversary of the Grant Date: 100%
Units exercised (shares)	684,200	486,200	363,000	128,560	—
Amount exercised (NT\$)	69,431,580	72,038,160	69,473,980	20,479,608	—
Units unexercised (shares)	0	308,800	886,000	1,184,340	1,328,900
Exercise price for unexercised units	NT\$ 94.1	NT\$ 144.3	NT\$ 190.1	NT\$ 159.3	NT\$ 317.0
Units unexercised to total outstanding shares (%)	0	0.29132	0.83585	1.11730	1.25367
Impact on shareholders' equity	Dilution towards shareholders' equity gradually each year. Thus, the effects of dilution remains limited.				

(II) Names of Managers and Top Ten Employees by the Number of Granted Employee Stock Options, Numbers of Employee Stock Options Granted and Numbers of Shares Available for Subscription

December 31, 2024

	Title	Name	No. of shares obtained (1,000 shares)	No. of shares obtained as % of total shares issued	Exercised				Not Exercised			
					No. of Shares Subscribed (1,000 Shares)	Subscription price (NT\$)	Subscription amount (NT\$1,000)	No. of shares subscribed as % of total shares issued	No. of Shares Subscribed (1,000 Shares)	Subscription price (NT\$)	Subscription amount (NT\$1,000)	No. of shares subscribed as % of total shares issued
Manager	President	Kevin Chiu	822.100	0.7616 (822.1/107943.728)	33.4(a1) 16(a2) 37.6(a3) 61.6(b1) 20.4(c1)	109.5(a1) 105.1(a2) 94.1(a3) 144.3(b1) 190.1(c1)	3,657.3(a) 1,681.6(a2) 3,538.16(a3) 8,888.88(b1) 3,878.04(c1)	0.1566(169/107943.728)	23.4(b) 200.6(c) 192.2(d) 236.9(e)	144.3(b) 190.1(c) 159.3(d) 317(e)	3,376.62(b) 38,134.06(c) 30,617.46(d) 75,097.3(e)	0.605
	Senior Vice President	Chi-Chih Huang										
	Vice President	Yung-Fang Tsou										
	Vice President	Jack Chen										
	Vice President	Grace J.Y. Lee										
	Senior Manager, Accounting Department	Hsiao-Pei Chung										
Employee Bonuses	Head of Equipment Fabrication Business Group	Sheng-Chang Wang	998.6	0.925(998.6/107943.728)	15.6(a1) 75.2(a2) 61.2(a3) 29(a4) 18(b1) 53.8(b2) 54.8(b3) 22.4(c1) 67.2(c2) 31.7(d1)	109.5(a1)105.1(a2) 97.7(a3) 94.1(a4) 161.2(b1) 149.9(b2) 144.3(b3) 197.5(c1) 190.1(c2) 159.3(d1)	1,708.2(a1) 7,903.52(a2) 5,979.24(a3) 2,728.9(a4) 2,901.6(b1) 8,064.62(b2) 7,907.64(b3) 4424(c1) 12,774.72(c2) 5,049.81(d1)	0.367(428.9/107943.728)	51.4(b) 119.4(c) 183(d) 215.9(e)	144.3(b) 190.1(c) 159.3(d) 317(e)	7,417.02(b) 22,697.94(c) 29,151.9(d) 68,440.3(e)	0.528
	Head of Automation Equipment Division	Chun-Kai Huang										
	Head of Integrated Service Business Division	Kwang-Hsiung Chang										
	Head of Machinery & Processing Department II	Chin-Chu Chen										
	Head of Components Manufacturing Division	Yung-Tai Chen										
	Head of Product Engineering Development Department II	Yun-Li Song										
	Environmental Safety Center Manager	Chao-Chun Lai										
	Head of Production Equipment Maintenance	Shang-Yi Chou										
	Head of Equipment Manufacturing Division	Ching-Te Wang										
	Information Technology Manager	Shou-Hung Weng										

Note a: 2018 employee stock options

Note b: 2019 employee stock options

Note c: 2020 employee stock options

Note d: 2021 employee stock options

Note e: 2022 employee stock options

- VI. Issuance of new restricted employee shares: None.
- VII. Mergers or issuance of new shares in connection with the acquisition of shares of another company: None.
- VIII. Implementation status for plan of utilization of capital:
- (I) The Company increased capital in October 2013, July 2015, and July 2016, and completed the offering. The funds raised were invested into operating capital by the end of 2013, in Q3 2015, and in Q3 2016, and were used to repay bank loans and invest in operational funds.
 - (II) Issuance of First Domestic Unsecured Convertible Corporate Bonds in January 2018: The first offering of domestic unsecured convertible corporate bonds was completed in January 2018. The funds raised amounted to NT\$1,005,000 thousand and were used to provide sufficient operating funds. The execution of this was completed in Q1 2018.
 - (III) Issuance of Second Domestic Unsecured Convertible Corporate Bonds in November 2020: The offering of the Company's second domestic unsecured convertible corporate bonds was completed in November 2020. The funds raised amounted to NT\$2,010,000 thousand and were used for supporting company operations and purchasing goods in Q4 2020 and Q1 2021. The remaining NT\$800,000 thousand was used to provide sufficient operating funds in Q2 2021. For Q1 2021 and as of Q1 2021, the company had made the execution progress at 34.83% and 60.20%, respectively, and the execution was completed in Q2 2021.
 - (IV) All proceeds from privately placed shares were collected on April 25, 2022, and utilized as working capital in the second quarter of 2022.

Foxsemicon Integrated Technology Inc.
Second Domestic Unsecured Convertible Corporate Bonds Issuance and
Conversion Methods

I. Name of bond

Foxsemicon Integrated Technology Inc. (hereinafter referred to as “the company”), the second domestic unsecured convertible corporate bonds (hereinafter referred to as “the convertible corporate bonds”).

II. Date of Issuance

November 16, 2020 (hereinafter referred to as “the Issuance Date”).

III. Total amount issued and par value

The par value of the convertible corporate bonds is NT\$100,000, issued based on the par value amount of 100.5% for a total of 20,000 bonds issued. The issued par value is NT\$2,000,000 thousand, with a total raising funds of NT\$2,010,000 thousand.

IV. Issuance period

During the five year issuance period, issuing began from November 16, 2020 until the maturity date on November 16, 2025 (hereinafter referred to as “the Maturity Date”).

V. Annual interest rate of the Bonds

The par value annual interest of the convertible corporate bonds is 0%.

VI. Date and method of principal and interest payment

The par value interest of the bond is 0% based on Article 5 of the regulations. Thus, it is not necessary to establish the interest payment date and method. The bondholders shall choose for conversion to the company’s common shares, for reverse repurchase, or early redemption according to Article 10, Article 19, and Article 18 of these Regulations, respectively, or for the company to buyback the cancelled bonds through a securities dealer. The company shall make a one time cash repayment based on the bond par value when the convertible bonds reach maturity.

VII. Types of collateral

The convertible corporate bonds are unsecured bonds. However, after the issuance of convertible corporate bonds, the company will separately issue or make private placement of other secured corporate bonds with warrants or secured convertible corporate bonds. The same level of creditor’s rights or same class of collateral will be set up for the convertible corporate bonds according to the corporate bonds with warrants or secured convertible corporate bonds.

VIII. Underlying convertible stock

The company fulfills its conversion obligations based on the method for issuance of new shares. Bondholders are to make request to the company for conversion of bonds to common shares of the company based on the par value and conversion price at the time of conversion in accordance with the conversion regulations.

IX. Conversion period

- (I) Starting from the next day, February 17, 2021, three months from the issuance date of the convertible bonds, up till the expiration date on November 16, 2025, the bondholder may make request to the company at any time to convert the convertible bonds to common shares of the company in accordance with the regulations and processed according to Articles 10, 11, 13, and 15 of the regulations. During this period, transfer of the common shares is suspended temporarily, according to laws, and it is subject to Paragraph (II) of the regulations.
- (II) Conversion is suspended during the following period: From 15 working days before the ex-dividend date for dividend distribution, ex-dividend date for cash dividends, ex-dividend date for cash issue subscription, up till the ex-rights date; the capital reduction base date up till one day before trading begins for the converted stocks for capital reduction; the starting date for suspension of conversion for processing stock par value change up till one day before the trading begins for the converted new stocks.

X. Procedures for Requesting Conversion

- (I) Bondholders shall fill out the “Application form for convertible bonds to be delivered by book-entry transfer for conversion/redemption/reverse repurchase” with the original securities form to begin conversion process. The securities firm will submit the application to the Taiwan Depository & Clearing Corporation (TDCC). After acceptance of the application by TDCC, a notice will be sent to the professional shareholder services agency via electronic means. The notice will state the conversion to be effective upon delivery, that revocation may not be applied for and that the conversion process has to be completed within five working days. The common shares of the company will be directly transferred to the TDCC account of the bondholder.
- (II) When applications for conversion of convertible bonds to the company’s common shares are made by overseas Chinese and foreign nationals, all distribution will be delivered via book-entry transfer by TDCC.

XI. Conversion price and adjustments

- (I) Establishment method of conversion price

The base date for the establishment of the conversion price is on November 6, 2020. The base price is calculated by finding the simple arithmetic average of closing prices of the company’s common shares on one, three, or five working days before the base date (not inclusive). Subsequently, multiply by 110% of the premium rate on convertible bonds. The result is the basis for the calculation of the conversion price (to be calculated and rounded off to the nearest one NT\$). Where there is ex-right or ex-dividend before the base date, the closing price is sampled to calculate the conversion price. The price shall be taken as the price after ex-right or ex-dividend first. The conversion price shall be adjusted based on the adjustment formula as stated in Paragraph (II) of this Article where there is ex-right or ex-dividend during the period after the confirmation of the conversion price till the date of actual issuance. Calculated based on the above method, the price of the convertible bonds is NT\$196.9.

- (II) Conversion price adjustment

- 1. After the issuance of the convertible bonds, if the common shares issued by the Company (either through public offering or private placement) increase (including but not limited to capital increases through offering, private

placement, earnings retention, capital reserve, mergers, or issuance of new shares related to the acquisition of another company's shares, stock splits, or increases due to the issuance of overseas depositary receipts, and increases from changes to face value), the Company shall adjust the conversion price of the convertible bonds using the following formula (rounded down to the nearest NT dollar) and submit a written request to the Taipei Exchange (TPEX) for a public announcement. The conversion price will be adjusted on the ex-rights date (Note 1) of the new share issuance. If the increase in issued common shares results from a change in face value, the adjustment will be made on the base date for the issuance of new shares. The conversion price will be adjusted on the ex-rights base date (Note 1) of the new share issuance (if there is actual payment involved, it will be adjusted on the stock capital payment date). This does not apply to the issuance or private placement of marketable securities that have conversion rights to common shares or subscription rights or those issued as employee compensation.

$$\text{Conversion price after adjustment} = \text{Conversion price before adjustment} \times \left(\frac{\text{Number of Issued Shares (Note 2)} + \frac{\text{Payment amount for each share (Note 3) X number of newly issued shares or private placement shares}}{\text{Market Price (Note 4)}}}{\text{Number of issued shares (Note 2) + Number of newly issued shares or private placement shares}} \right)$$

Note 1: If it is a stock split, the ex-dividend date will be used. If it is a capital increase through mergers or acquisitions, the base date of the merger or acquisition will be used. If it is a capital increase by book building or the issuance of overseas depositary receipts and there is no ex-rights date, the adjustment will be made on the stock capital payment date. If the capital increase is through private placement, the adjustment will be made on the delivery date of the privately placed securities. If the price of newly issued shares changes after the ex-rights date for capital increases, the conversion price will be re-adjusted based on the new share issuance price. If the adjusted conversion price is lower than the previously announced adjustment before the original ex-rights date, a written request will be made to TPEX to re-announce the adjustment.

Note 2: The number of issued shares refers to the total number of issued common shares (including private placement issuance and privately placed shares), minus the number of treasury stock that the company has bought back but has not yet cancelled or transferred.

Note 3: If the payment amount for each share is for stock grant or splits, the payment amount shall be zero. If it is for issuance of new shares from capital increase by mergers, the payment amount for each share shall be the net worth per share based on the latest financial statements, audited and verified or reviewed by the CPAs, of the dissolved company before the merger base date multiplied by the share conversion ratio. If it is for issuance of new shares in connection with the acquisition of shares of another company, the payment amount for each share shall be the net worth per share before the acquisition date based on the latest financial statements, audited and verified or reviewed by the CPAs, of the acquired company multiplied by the share conversion ratio.

Note 4: The establishment of the market price shall be calculated by finding the simple arithmetic average of closing prices of the common shares on one, three, or five working days before the ex-right date, pricing base date, stock split base date, or privately placed securities delivery date.

When there is change to par value:

Conversion price after adjustment = Conversion price before adjustment X
(Number of common shares issued before change to par value / number of
common shares issued after change to par value)

2. After the issuance of the convertible bonds, if the Company allocates cash dividends on common stock, the conversion price will be adjusted downward on the ex-dividend base date based on the market price ratio (rounded down to the nearest NT dollar). A written request will be submitted to TPEx to announce the adjusted conversion price. The regulations for this downward adjustment of the conversion price is not applicable on conversions proposed before the ex-dividend base date (this date is not inclusive). The adjusted formulas are as follows:

Conversion price after adjustment = Conversion price before adjustment X (1 -
ratio of issued common stock cash dividends to market price (note))

Note: The market price shall be calculated by finding the simple arithmetic average of closing prices of the company's common shares on one, three, or five working days before the cash dividends book closure ex-dividend announcement date.

3. After the issuance of the convertible corporate bonds, if the Company issues (or privately places) any securities with common stock conversion rights or subscription rights at a conversion or subscription price lower than the current market price per share (Note 1), the Company shall adjust the conversion price of these convertible corporate bonds according to the following formula (calculated to the nearest New Taiwan Dollar cent, rounded down). A written request shall be sent to TPEx to announce this adjustment.

on the adjustments of the aforementioned issuance date of marketable securities or subscription right or privately placed securities delivery date:

$$\begin{array}{l}
 \text{Conversion price after adjustment} = \text{Conversion price before adjustment} \times \left(\frac{\begin{array}{l} \text{Number of Issued Shares} \\ \text{(Note 2)} \end{array} + \begin{array}{l} \text{The price of newly issued or privately placed common shares with rights of conversion or subscription} \end{array} \times \begin{array}{l} \text{The number of securities for conversion or subscription which are newly issued or privately placed common shares with right of conversion or subscription.} \end{array}}{\text{Market price (Note 1)}} \right)
 \end{array}$$

Number of issued shares (note 2) + the number of securities for conversion or subscription which are newly issued or privately placed common shares with right of conversion or subscription.

Note 1: The market price shall be calculated by finding the simple arithmetic average of closing prices of the company's common shares on one, three, or five working days before the pricing base date of the issuance or private placement of securities with rights of conversion or subscription or before the delivery date of the privately placed securities. Where there is ex-right or ex-dividend before the pricing base date, the closing price is sampled to calculate the conversion price. The price shall be taken as the price after ex-right or ex-dividend first.

Note 2: The number of issued shares refers to the total number of issued common shares (including private placement issuance and privately placed shares), minus the number of treasury stock that the company has bought back but has not yet cancelled or transferred. Issuance or private placement of securities with rights of conversion or subscription, such as, treasury stock support. After that, the number of shares for conversion or subscription is determined using the number of issued shares from the adjustment formula minus newly-issued or privately placed securities.

4. After the issuance of the convertible corporate bonds, if the Company experiences a reduction in common stock shares due to a capital reduction not related to the cancellation of treasury stock, the Company shall adjust the conversion price according to the following formula. A written request shall be sent to TPEx to announce this adjustment on the record date of the capital reduction. If the reduction in common stock shares results from a change in the face value of shares, the adjustment shall be made on the record date for the issuance of the new shares:

- (1) When capital reduction compensates for losses:

Conversion price after adjustment = Conversion price before adjustment X (Number of common shares issued before capital reduction (note) / number of common shares issued after capital reduction)

- (2) When capital reduction is by cash:

Conversion price after adjustment = (Conversion price before adjustment - amount of cash returned per share) X (Number of common shares issued before capital reduction (Note) / number of common shares issued after capital reduction)

- (3) When face value of shares changes:

Conversion price after adjustment = Conversion price before adjustment X (Number of common shares issued before change to par value (note) / number of common shares issued after change to par value)

Note: The number of issued common shares refers to the total number of issued common shares (including private placement issuance and privately placed shares), and minus the number of treasury stock that the company has bought back but has not yet cancelled or transferred.

XII. Listing and delisting of convertible corporate bonds

Submit applications to TPEx to list the convertible bonds for trading before the issuance day. The listing will continue until all of the bonds are converted to common shares or when all of the bonds are bought back by the company or when repayment is made. Public announcement will be made for the above after agreed by TPEx.

XIII. Listing of new shares after conversion

The common shares gained from the conversion of convertible bonds are listed on the stock exchange starting from the delivery date. The company is to contact the stock exchange for approval of the listing before the public announcement.

XIV. Capital change registration process

The company shall within 15 days after the end of each quarter, make public announcement of the stock amount delivered from exercising conversion of convertible bonds in the previous quarter. The capital change registration shall be filed at least once a quarter with the competent authority.

XV. Treatment of balance of one share that is non-convertible

When converting to the company's common stock, fractional shares that are insufficient for one share shall be used to offset the transfer fees for Taiwan Depository & Clearing Corporation (TDCC), and the company will make payment in cash (calculated and rounded off to the nearest NT\$).

XVI. Attribution of the cash dividends and stock dividends during the conversion year

(I) Cash dividends

1. Bondholders who request for conversion to the stock exchange between January 1 of the year till 15 working days (not inclusive) before the book closure date for the company's cash dividends in current year, may be included in the current year shareholder meeting resolution on the distribution of previous year's cash dividends.
2. Starting from 15 working days (inclusive) before the book closure date of the company requesting the stock exchange on processing cash dividends for the current year till the cash dividend ex-dividend base date (inclusive), conversion for convertible bonds is suspended.
3. Bondholders who request for conversion between the current year cash dividends ex-dividend base date till December 31, inclusive, shall not be entitled to the cash dividends from previous year as resolved by the shareholder meeting on the distribution. However, the bondholder may be included in the following year's shareholder meeting resolution on the distribution of the cash dividends for the current year.

(II) Stock dividends

1. Bondholders who request for conversion between January 1 of the year till 15 working days (not inclusive) before the book closure date of the company requesting to the stock exchange on processing stock grant in current year, the common shares obtained from the conversion may be submitted with the stock dividends of the previous year to the current year shareholder meeting for resolution on distribution.
2. Starting from 15 working days (inclusive) before the book closure date of the company making request to the stock exchange on processing stock grants for the current year till the stock grant ex-right base date (inclusive), conversion for convertible bonds is suspended.
3. Bondholders who request for conversion between the current year stock grant ex-right base date till December 31, inclusive, shall not be entitled to the stock dividends from previous year as resolved by the shareholder meeting on distribution. However, the bondholder may be included in the following year's shareholder meeting resolution on the distribution of the stock dividends for the current year.

XVII. Rights and obligations after conversion

The rights and obligations of the converted new shares are the same as the originally issued common shares by the company.

XVIII. Redemption right of the company

- (I) From the next day (February 17, 2021) and onwards of three full months after the issuance date of convertible bonds up till forty days before the issuance expiration date (October 6, 2025), when the closing price of the company's common shares exceeds 30% or more of the conversion price at that time for thirty consecutive working days at the stock exchange, the company shall send the "Bond Redemption Notice" with a one month expiry date (the aforementioned period is counted starting from the mailing date, and its expiration date is the bond redemption base date. This period shall not overlap with the conversion suspension period as stated under Article 9 of the Regulations) by registered mail within the next thirty working days to the bondholders (mainly the bondholders as recorded in the name list as of five working days before mailing out the notice. Investors who obtain the convertible bonds after that due to trading or other reasons would be noticed via public announcement). A written request is to be sent to the stock exchange to announce the company exercising its redemption right. All outstanding convertible bonds shall be redeemed by cash based on the bond par value within five working days after the bond redemption base date.
- (II) From the next day (February 17, 2021) and onwards of three full months after the issuance date of convertible bonds up till forty days before the issuance expiration date (October 6, 2025), when the balance of the outstanding convertible bonds is lower by 10% of the total of the original issuance, the company shall send the "Bond Redemption Notice" with a one month expiry date (the aforementioned period is counted starting from the mailing date, and its expiration date is the bond redemption base date. This period shall not overlap with the conversion suspension period as stated under Article 9 of the Regulations) by registered mail at any time after to the bondholders (mainly the bondholders as recorded in the name list as of five working days before mailing out the notice. Investors who obtain the convertible bonds after that due to trading or other reasons would be noticed via public announcement). A written request is to be sent to the stock exchange to announce the company exercising its redemption right. All outstanding convertible bonds shall be redeemed by cash based on the bond par value within five working days after the bond redemption base date.
- (III) Should the bondholder not make any written reply to the company's professional shareholder services agency before the bond redemption base date as stated in the "Bond Redemption Notice" (effective upon delivery based on the postmark date), the company shall redeem the outstanding convertible bonds with cash based on the bond par value within five working days after the bond redemption base date.

XIX. Put option of bondholders

The reverse repurchase base date is the day (November 16, 2023) three full years from the issuance of the convertible bonds by which the bondholder has to make reverse repurchase of the bonds in advance. The company shall before forty days (October 6, 2023) of the reverse repurchase base date, send registered mail to the bondholders for a copy of the "Notice for Exercising Put Option" (the mailing recipients are based on the bondholder name list as of the fifth working day before the mailing date. Bondholders who obtain these bonds after that due to trading or other reasons would be noticed via public announcement). A written request is to be sent to the stock exchange to announce the exercising of this bond

put option. The bondholder may within thirty days before the reverse repurchase base date, send a written notice to the company's professional shareholder services agency (effective upon delivery based on the postmark date) to request the company to make cash redemption of all of the bonds held using the bond par value. When the company accepts and processes the redemption request, it shall redeem the bonds using cash within five working days from the reverse repurchase base date. If the aforementioned dates fall on the closing day of the Taiwan Stock Exchange Corporation (the "TWSE"), the dates shall be postponed to the next business day.

- XX. All convertible bonds that the company have recovered, paid, or converted shall be cancelled and they shall not be re-sold or issued. The conversion rights attached shall be eliminated too.
- XXI. The convertible bonds and conversion to common shares are registered. Their transfer, change in registration, pledge, and loss are handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and related regulations to the company Act. Taxation matters are processed according to the taxation laws and regulations at that time.
- XXII. The convertible bonds are handled by the Trust Department of Bank Sinopac Co., Ltd. as the trustee of the bondholder, representing the interests of the bondholders in exercising audit and supervision authority and responsibility on the matters relating to company fulfillment of convertible bonds issuance. For bondholders of the convertible bonds, whether the bonds are subscribed to during issuance or purchased midway, the bondholders agreed to give full authority to the trustee for handling of related matters abiding to the regulations of the consignment contract, the rights and obligations of the trustee, and the Regulations. This authorization may not be revoked midway. The service period of the trustee is up till the day of complete repayment of the company's debts. On the contents of this consignment contract, the bondholder may request a document review at the company or the trustee operating location during operating hours.
- XXIII. Entrusted a professional shareholder services agency to process payment of principal and interests, and conversions on the convertible bonds.
- XXIV. The issuance of convertible bonds are delivered by book-entry transfer in paperless form under Article 8 of the Securities and Exchange Act.
- XXV. On the regulations for the issuance and conversion of convertible bonds, any other matters not set forth herein, shall be governed by applicable laws, rules, and regulations.

Four. Operations

I. Business

(I) Scope of business

1. The business operations of the Company are as follows:
 - 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. I301010 Information Software Services (limited to business outside of the region)
 - VIII. F119010 Wholesale of Electronic Materials (limited to business outside of the region)
 - IX. F118010 Wholesale of Computer Software (limited to business outside of the region)
 - X. 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 subsystems and system integration
2. Flat panel display equipment subsystems and system integration
3. Nano-equipment research and development
4. LED lighting, LED display products, and other application products
5. In Vitro Diagnostic Device (IVD) and related application product
6. Engaged in import and export trade related to the Company's business

2. Business proportions

Unit: NT\$1,000; %

Item	2024	
	Amount	%
Semiconductor equipment and system assembly	8,060,200	48.98%
Key components	7,981,774	48.51%
Other	412,502	2.51%
Subtotal	16,454,476	100.00%

3. Current products (services)

The Company is currently engaged in the design and manufacturing of advanced equipment, with products primarily applied in the semiconductor industry, panel industry, optoelectronics and energy industries, factory automation industry, and healthcare industry. This includes research, development, design, manufacturing, and sales of equipment, modules, and components used in these industries. Services are also provided in integrated planning for fully automated factories in high-tech industries.

4. New products (services) under development

- A Active-type micro-pollution prevention total solution plan series products
- B EUV photomask automation equipment
- C Semiconductor wafer automation equipment and automated testing/packaging equipment
- D Fully automated wafer inspection and AOI equipment
- E Medical device automation equipment

(II) Industry overview

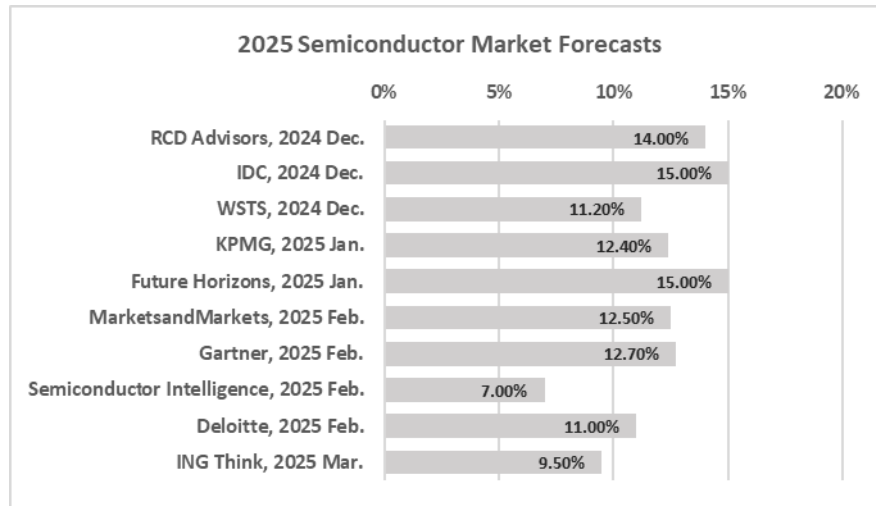
1. Current status and industry development

A Semiconductor industry

In 2024, the global semiconductor industry is expected to rebound strongly. According to the latest data published by the Semiconductor Industry Association (SIA), the market scale reached US\$627 billion, with an annual growth rate of 19.1%. Among them, the logic and memory chip fields have particularly performed well, with a projected growth of 16.9% and 81.0%, respectively. This growth is mainly driven by the increase in demand for AI and data centers. The growth rate in the Americas and Asia Pacific region is 38.9% and 17.5%, respectively. However, the European market saw a 6.7% decline.

Looking ahead to 2025, the semiconductor market is expected to continue to grow. According to the forecast of World Semiconductor Trade Statistics (WSTS), the global market scale will reach US\$697 billion, with an annual growth rate of 11.2%. Logic and memory chips are expected to continue to dominate the market, with growth rates exceeding 17% and 13%, respectively. It is expected that the Americas and Asia Pacific region will maintain a double-digit growth. According to the analysis of ING Think, even though demand for data centers and AI is strong, the growth of other mature fields may stagnate. Some mature markets such as personal computers and smart phones may have weak demand.

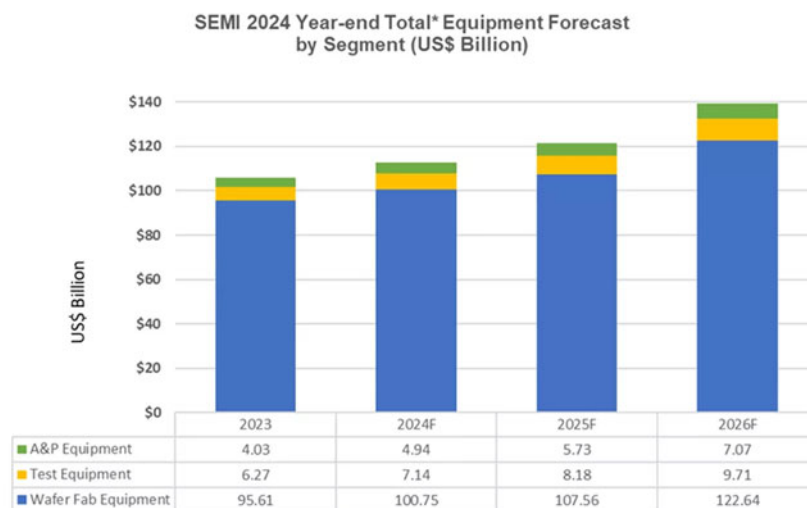
In general, the rapid development of AI and data centers will continue to drive the growth of the semiconductor industry, but the performance of each market may be different.



Source: Semiconductor Intelligence

B Semiconductor equipment industry

According to the forecast of SEMI, the global semiconductor equipment market will continue to grow, and the record high of US\$139 billion will be achieved in 2026. The wafer manufacturing equipment market is promoted by the AI and memory demands. From 2024 to 2026, it will continue to grow steadily. The back-end equipment is also benefiting from the recovery of high-performance operation and mobility, automobile and industrial market demand. The foundry and logic equipment of wafer OEMs are showing significant growth from 2025. Memory equipment is growing due to the strengthening of AI deployment. China's investment in 2024 will be a record high, but it will shrink in 2025. Equipment expenditure in major regions will grow simultaneously in 2026.



Source: SEMI Equipment Market Data Subscription (EMDS), December 2024

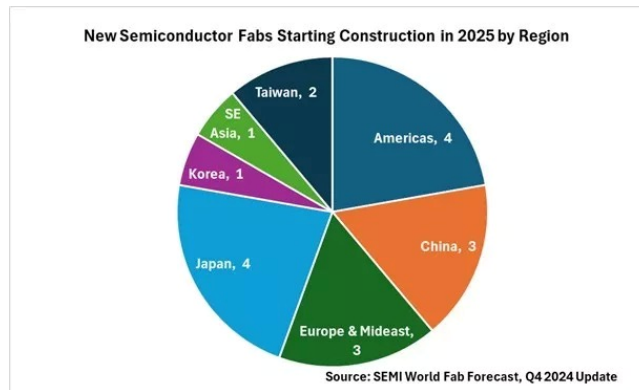
*Total equipment includes new wafer fab, test, and assembly and packaging. Total equipment excludes wafer manufacturing equipment. Totals may not add due to rounding.

Source: SEMI

According to the latest global wafer fab forecast report published by SEMI, 18 new wafer fab constructions are expected to start in 2025, including 3 8-inch plants and 15 12-inch plants. These new plants are expected to start mass production between 2026 and 2027.

In terms of investment amount, the investment in equipment for global wafer fab is expected to grow 2% to USD 110 billion in 2025. Among the other things, the largest investment is in the wafer foundry field—about US\$61 billion, growing by 2% compared to the previous year. In the memory field, the growth rate is 50% to US\$32 billion. In the field of wafer fab construction, the global semiconductor industry will have more than 7 new high capacity wafer fab construction projects in 2023 to 2025, including 48 in 2024 and 32 in 2025. The wafer size will be from 12" to 2" and so on.

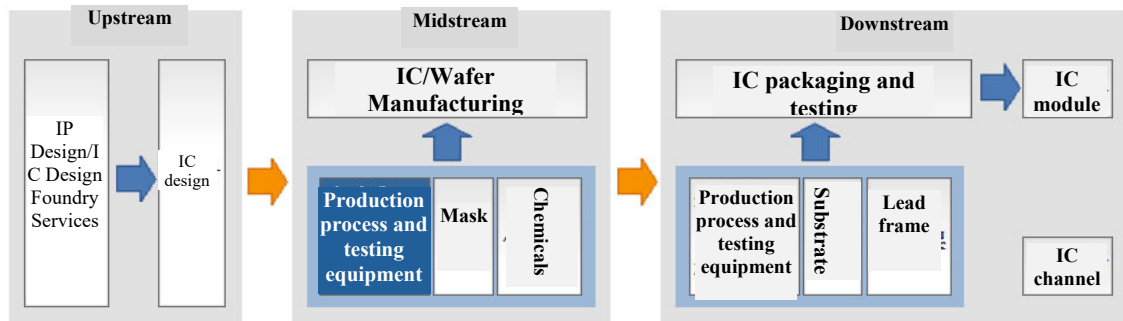
SEMI pointed out that the wafer OEM industry will continue to dominate the investment of global semiconductor equipment and the construction of wafer fab, which shows that the wafer OEM industry will play an important role in the global wafer fab deployment in the next few years. Overall, the semiconductor equipment industry benefits from the continued expansion of wafer fab construction, and the market outlook remains optimistic.



Source: SEMI

2. The relationship between upstream, midstream, and downstream of the industry
 The semiconductor industry development mainly starts from the upstream IC design companies. The product specifications and functions, either by customers or self-developed, are demonstrated through circuit design by IC. In other words, the function of the chips is defined by logic and circuit design processes. Subsequently, the division of work and cooperation is among the midstream manufacturers in IC, wafer, and related manufacturing and testing equipment. The basic circuit pattern is printed onto the wafers made by the wafer fabs using a photomask. Followed by using each section of the manufacturing equipment, such as oxidation, diffusion, etching, deposition, ion implantation and so on, to produce the circuit and circuit components on wafers. Of which, the key in manufacturing is the development of advanced manufacturing technology and equipment. The company belongs to this group of midstream manufacturers in advanced manufacturing equipment. Lastly, IC packaging is conducted by the downstream manufacturers. After cutting the wafers, the resulting dies are coated with plastic, ceramic, or metal to protect the dies from collision and contamination. They are easy for assembly and can achieve the effects of electrically connecting the chips and electronic system, and for heat dissipation. Correlation among the upstream, midstream and downstream aspects of the industry:

Figure Semiconductor Industry Chain



Source of information: OTC industry value chain information platform

A Upstream of the semiconductor industry:

The upstream of the semiconductor industry mainly consists of the IP and IC design companies. The intellectual property rights of IP for the IC design and the IP development procedures consist of IP design and IP verification. In IC design, IP core reuse can effectively shorten the product cycle and lower costs. The current IC design has increased many functions greatly. Therefore, it is necessary to utilize existing verified and effective IP components in order to satisfy the requirements for the lead time for go-to-market. However, due to the variances between the function requirements and process technology, each company has to provide too many types of IP. Hence, the birth of companies specializing in IP design. Assistance tools such as CAD is used in IC design. The product specifications and functions, either by customers or self-developed, are demonstrated through circuit design by IC. That is, how to define the function of the chips by logic and circuit design processes. Currently, the major domestic companies are, MediaTek, ITE Tech., Sunplus Technology, Winbond, ELAN Microelectronics, and Sitronix Technology.

B Midstream of the semiconductor industry:

Main products are semiconductor manufacturing equipment, chips, and integrated circuit. The process for IC manufacturing is that the basic circuit pattern is printed onto the wafers made by the wafer fabs using photomask. Followed by using oxidation, diffusion, etching, deposition, ion implantation and so on to produce the circuit and circuit components on wafers related manufacturing equipment. The circuit design on the IC is layer structure. Hence, there is needed a lot of repetitive procedures in photomask input, pattern manufacturing, and circuit and components formation before the completion of the main product wafer and integrated circuit for this phase. At the moment, the major domestic semiconductor processing equipment manufacturers include Hermes Microvision, Marktech International, Topco Scientific, ChenFull, Foxsemicon, Grand Process, and Gongin. The foundry and IC processing manufacturers are United Microelectronics, TSMC, Inotera, Nanya Technology, and Delta.

C Downstream of the semiconductor industry:

The downstream of the semiconductor industry primarily engages in IC packaging and testing. IC packaging is to take the wafers that have been processed and cut them into dies, which are then coated with plastic, ceramic, or metal, protecting the dies from contamination. They are easy for assembly

and can achieve the effects of electrically connecting the chips and electronic system, and for heat dissipation. IC testing can be divided into two phases. One is the wafer testing before packaging, mainly for testing of the electrical properties. The other phase is IC quality testing. Mainly for testing of the IC functions, electrical properties, and heat dissipation to see if they are working properly, ensuring quality. Currently, the major domestic packaging manufacturers include ASE, King Yuan Electronics, Orient Semiconductor Electronics, Tong Hsing Electronics, Greatek Electronics, and Ardentec Technology.

3. Various development trends and competitive landscape of the products

Broad derivative applications relating to semiconductors and automated equipment. Semiconductor equipment encompasses equipment, modules, and critical components used in various industries, including semiconductors, solar energy, panels, 3C electronics, and medical applications. The demand for semiconductor equipment is driven by the increasing demand for semiconductors across various fields, such as artificial intelligence, the Internet of Things, autonomous driving, and high-performance computing. This has led to a sustained growth in capital expenditures for semiconductor equipment. Additionally, the trend of supply chains shifting from globalization to localization in response to geopolitics has resulted in major industrialized countries establishing their own IC industry chains. This continued market expansion presents promising opportunities for the semiconductor equipment industry.

Automation equipment encompasses products applied in smart manufacturing automation, unmanned systems, micro-pollution prevention, mobile phone production, panel production, and medical device production. The common goal in the industrial control and automation market is to fully automate production, inspection, and process monitoring lines. Automation offers several advantages, including reducing labor costs, improving product quality, enhancing production efficiency, and boosting enterprise competitiveness. As a result, the future trend of the automation industry is to connect various process sections to design a fully automated production line. The ultimate goal is to maximize enterprises' benefits through a highly efficient production model. This indicates that automation equipment has vast growth potential, and demand will continue to be strong.

The semiconductor product applications of Foxsemicon is for semiconductor processing equipment and high-end automated equipment. Foxsemicon aims to continue to develop various corresponding semiconductor processing and advanced packaging technology. Foxsemicon, a renowned semiconductor equipment and solutions provider, has established itself as a leader in innovation, successfully addressing the stringent requirements of top semiconductor manufacturers for advanced processes beyond 2nm. The Company has pioneered the development of high-cleanliness automation technology, extending its expertise to provide a comprehensive solution for micro-pollution prevention in semiconductor manufacturing processes. Foxsemicon is actively involved in global customer expansion plans, ensuring that customers in Taiwan, Mainland China, North America, and Southeast Asia receive localized, real-time support.

(III) Technology and R&D overview

1. R&D expenses during the most recent year and as of the publication date of this annual report

Unit: NT\$1,000; %

Item	2024	For the year ending March 31, 2025
R&D expense	565,253	155,001
Net revenue	16,454,476	4,869,371
As % of net revenue	3.44%	3.18%

2. Technologies or products successfully developed in the most recent year and up to the date of the annual report's printing

Year	R&D results
2018	Development of new micro-pollution control models for 5nm advanced node
	Development of automation equipment for semiconductor packaging
	Successful conclusion of the special project sponsored by Department of Industrial Technology, Ministry of Economic Affairs
	“Development of 3DIC LED Double Side Mask Aligner and System”
2019	Successful development and mass production of new micro-pollution control models for 5nm advanced node
	Development of active micro-pollution control solutions for 3nm advanced node
	Successful development of two automated semiconductor packaging devices for advanced nodes
	Industrial IoT and smart manufacturing solutions
	Expansion of the central intelligent monitoring system for all factories
2020	Expansion and mass production of new micro-pollution control models for 5nm advanced node
	Successful development of active micro-pollution control solutions for 3nm advanced node
	Successful development of seven automated semiconductor packaging devices for advanced nodes
	Successful development of twocarriers for semiconductor packaging on advanced nodes
	Development and validation of two functional water devices
2021	Successful development and mass production of new micro-pollution control models for 5nm advanced node
	Completion and customer's certification of new micro-pollution control models for 3nm advanced node
	Successful development and mass production of wafer sorters
	Successful development and mass production of wafer warpage inspection equipment

Year	R&D results
2022	Successful development of packing/unpacking and sorting equipment for wafer stack boxes
	Mass production and customer's certification of new micro-pollution control models for 3nm advanced node
	Full-auto pellicle mounter for EUV mask has completed development, obtained verification from customers and entered mass-production
	Reticle pod exchanger for EUV mask has completed development, obtained verification from customers and entered mass-production
	IC test handler has completed development and started verification at customer-end.
2023	Successful development of the second generation storage unpacking and sorting equipment for wafer stack boxes
	Entered into strategic alliance with major Japanese robot factories for the development of semi-automation solution - equipment front-end module (EFEM).
	Developed real-time monitoring technology equipment for carbon emissions and successfully introduced to wafer sorting equipment
	Developed the temperature and humidity calibration instrument for micro-pollution control equipment
	Developed the ammonia hydroxide generation equipment that comply with the UL safety requirements and passed the UL certification
2024	Completed development of a fully unmanned wafer appearance inspection system with multi-pod loading interface
	The wafer sorting equipment has passed the semiconductor cybersecurity standard E187 certification.
	Completed development of real-time carbon emission monitoring technology for equipment, and participated in ESG initiatives proposed by wafer fab clients
	2nm process contamination control solution passed customer mass production validation
End of March 2025	Developed next-generation EUV photomask pellicle deposition equipment
	Developed next-generation EUV photomask pellicle cutting and bonding equipment

(IV) Long and short term business development plans

1. Short term development plan

(1) Precision instrument

Expand product line, crossing into different industries to enhance our own processing capability.

(2) Selection of collaborative partners

We will actively collaborate with leading companies in the industry for future partnerships. Selecting customers and next phase suppliers for collaboration. Leaders of various industries will be our first choice of selection for collaboration.

(3) Strategic alliances

We will raise the economy of scale and scope economy for individual customers through fostering a close strategic relationship and the introduction of new projects.

(4) Customer service

We will be service-oriented for existing products and new projects, responding quickly to handle and satisfying customer demands, and taking an active approach in enhancing customer satisfaction.

2. Long-term development plan

(1) Actively seeking for collaboration with major companies

We will aggressively seek for more collaboration opportunities with precision instrument companies. The future collaborative companies are not limited to semiconductor companies. The company will actively seek to cross into non-semiconductor industries, such as: medical equipment, solar power equipment, and environmental protection equipment. The aim is to become a world renowned semiconductor and equipment manufacturing service provider through technical collaboration opportunities with domestic and internationally well-known equipment companies.

(2) Expand overseas production bases to enhance the company's competitiveness.

A Use overseas production bases to reduce production costs.

B Strengthen existing supply chain management capability to increase capacity and to shorten the production deadline.

C Accelerate the promotion of the Business Continuity Plan to reduce epidemic and geopolitical risks.

(3) Provide a complete equipment manufacturing and related requirement platform for customers through vertical integration and strengthening international competitiveness of local suppliers.

II. Markets, production and sales

(I) Market analysis

1. Geographic market of main products

Unit: NT\$1,000; %

Region \ Year		2024 (IFRSs)		2023 (IFRSs)	
		Amount	%	Amount	%
Exports	Asia	1,031,248	6.27	905,494	6.94
	Americas	14,283,218	86.8	11,051,122	84.67
	Europe	292	0.00	7,338	0.06
Domestic sales		1,139,718	6.93	1,087,403	8.33
Total		16,454,476	100.00	13,051,357	100.00

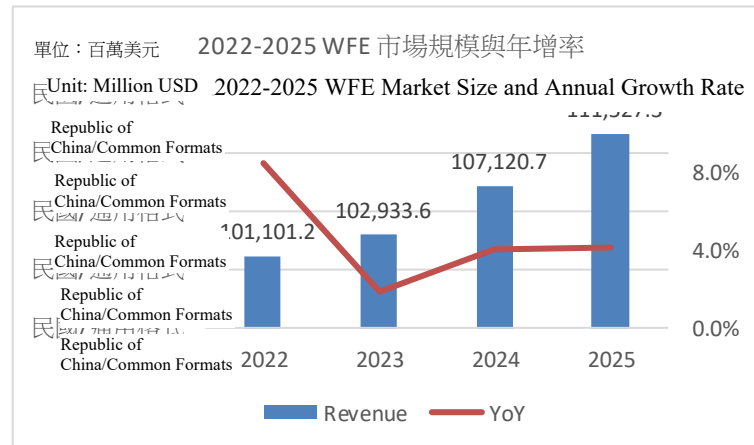
2. Market shares

The Company's net consolidated revenues for the years 2020–2024 were NT\$9,942,056 thousand, NT\$12,246,437 thousand, NT\$14,843,221 thousand, NT\$13,051,357 thousand (2023), and NT\$16,454,476 thousand, respectively. Since the Company's business scope includes the production and sale of semiconductor manufacturing equipment, key components, automation equipment, and system integration, many of the products are highly customized with varying quantitative foundations. Furthermore, as there is no peer equipment manufacturer engaged in the same or similar business, there are significant differences in content and nature, and no comprehensive statistics covering all business areas. As a result, it is not possible to consistently compare market share.

We have established a strategic alliance in 2002 with the world's largest semiconductor equipment maker. We are currently ranked at the top of its global suppliers in terms of quality and timely delivery according to the assessment on our technology, certification on our quality, meeting of delivery schedules and financial stability. The sharing of prosperity by both parties under this cooperation has become an entry barrier. We continue to develop markets by leveraging this technical capability and operational model and expect steady growth in business and market shares going forward.

3. Demand, supply and growth outlook

According to the latest data from Gartner, the global semiconductor wafer fab equipment (WFE) market size in 2024 reached approximately US\$107.12 billion, a 4.1% growth from US\$102.93 billion in 2023, continuing the stable growth trend in the market (Source: Gartner, 2024). Market growth is primarily driven by the continued increase in demand for applications such as AI, automotive electronics, and data centers, as well as wafer fabs' ongoing capital investments to enhance production capacity and technological capabilities.



Source: Gartner

In the coming years, the semiconductor equipment market is expected to maintain a stable growth trend. The global WFE market size is expected to reach USD 111.53 billion in 2025, an increase of approximately 4.1% compared to 2024 (Source: Gartner, 2024). The continuous growth momentum in the market comes from the ongoing expansion of demand for advanced process technologies, the steady rise in demand for AI chips and high-performance computing chips, and the continued promotion of wafer fab localization and equipment investment by

related policies in the US and Europe (Source: Industrial Technology Research Institute, 2025).

4. Competitive Niche

(1) Producing manufacturing equipment with high stability

The semiconductor is a high precision industry. The key is whether a company can sustain the product quality and hand over the order volumes to the downstream manufacturers and end customers as scheduled. Every manufacturer places great attention to the quality of the processing equipment used in the product line. Based on such industry characteristics, all of the processing equipment manufacturers needs to be certified by the end user manufacturers. The certification process includes testing the operation stability of the processing equipment, and the quality defective rate and related spare parts depletion rate of the equipment. After passing the testing, the company will then receive formal orders from the downstream manufacturers. Since the establishment of the company, the R&D team has actively sought to improve semiconductor production technology. By sustaining a high production yield rate and stable quality of the products along with the wealth of experiences of the R&D and production personnel, the company was able to become a leading manufacturer in the semiconductor frontend materials and components equipment technology.

(2) Strengthening diversified terminal application field

Our company is primarily engaged in the research, development, manufacturing, and sales of semiconductor and automation equipment and system integration, with semiconductor and automation equipment having widespread applications across various industries. Specifically, semiconductor equipment-related products are applied in equipment, modules, and critical components in the semiconductor, solar energy, panel, and medical industries. Automation equipment-related products are applied in areas such as connectors (including cables and connectors) and semiconductor manufacturing processes. In the future, we will actively expand and extend our reach into related equipment for the energy and medical sectors.

(3) Form strategic alliances with internationally well-known manufacturers, increasing market competition

The semiconductor processing technology is high-precision integrated technology. Every manufacturer places great attention to its quality. As the end customers are mainly well-known international brands, the company is in a stable state of customer operation built upon a solid foundation. Its sales regions spread across the globe. Thus, it will not undergo major fluctuations easily due to changes in an individual market or economy. With stable growth, the company aims to provide key components of semiconductor equipment and systems to international companies with its advantages in better quality and competitive prices. The company accommodates the customer requirements for joint development in research and innovations. This can create greater advantages for the company's competitiveness.

(4) Vertical integration capability for technology and processing

The professional division of work model is used by the semiconductor industry in Taiwan. The upstream and downstream supply chain is complete with advantages in outstanding quality and competitive prices. The company possesses vertical integration capability for each work section, including having 43 surface treatment technology certifications. We are a leading company in Asia with relatively the most comprehensive surface treatment technology compared to other companies. Such advantages enable flexibility and self-control of the materials, quality, production arrangements, personnel adjustments aspects. With competitive advantages in excellent cost control, production technology and production flexibility, and logistics efficiency capability, we can provide customers services in design modules or machine equipment. We can understand the pulse and demands of the market amidst the rapidly changing climate of the industry with such vertical integration capability and help customers to win market opportunities, sustaining our competitive position.

(5) Possess a complete R&D and management team

The company's R&D team has rich and solid experience. During their efforts in high-tech automation manufacturing and integrated system services, the R&D team regularly communicates work progress and requirements with the customers in addition to a complete division of work and smooth coordination platform. There are expectations to provide sound service to the customers and to achieve the goal of high production efficiency through gradual accumulation of professional experience and wisdom, taking in the industry technology of every customer to understand their needs, providing the customers next-level satisfaction towards the company's products. This enables the company to fully comprehend the market trends and to respond to the market with new products R&D and design.

The core knowledge and experience accrued from special disciplines cannot be easily imitated by other competitors. Under the effects of accrued experiences, it can reduce the learning curve costs, and the professional position established in the niche market could not be easily replaceable. Thus, it creates a barrier for new comers to this business.

5. Advantages and disadvantages and their countermeasures

(1) Advantages

A Continuous growth in the semiconductor industry

Driven by the explosive growth of mobile smart devices in China and emerging markets and influenced by the advantages of high product integration, short development cycles, significant performance advantages, and shortened product update cycles, the semiconductor industry's upstream, midstream, and downstream supply chains have continuously increased their requirements for process technology. Regarding wafer manufacturing technology, the growth momentum of advanced process orders remains strong. In addition, in terms of memory, the oversupply of DRAM has improved, leading to higher product prices. Manufacturers are gradually expanding their capacity or introducing advanced processes. In the future, it is estimated that the specifications of consumer electronics products will continue to

improve due to the continuous innovation of smart mobile devices and wearable technology products, leading to an increase in the requirements for wafer and DRAM process technology. Therefore, as humans pursue higher levels of smart functions and convenience in technological products, it will create bigger opportunities in technological aspects for the semiconductor equipment industry. Performance growth will be significant.

B Barrier for entry is high, not easily replaceable

Semiconductor is a high precision industry. The key is whether a company can sustain the product quality and hand over the order volumes to the downstream manufacturers and end customers as scheduled. Every manufacturer places great attention to the quality of the processing equipment used in the product line. Based on such industry characteristics, all of the processing equipment manufacturers need to be certified by the end user manufacturers first before receiving formal orders from the downstream manufacturers. Hence, once a processing equipment manufacturer obtains the certification, it is advisable to stay put as it is not easy for competitors to enter the market. Since the establishment of the company, the R&D team have actively sought to improve semiconductor production technology. With an excellent brand image, it continues to become a leading company in the semiconductor frontend material and components equipment technology. The company maintains its competitive advantages by collaborative developments through working with well-known international brands for semiconductor equipment and passing the certifications for the company's processing and products. In 2013, the company was announced as the most outstanding global supplier in quality and delivery by the number one leading global semiconductor equipment manufacturer. Thus, it is not easy for the company to be replaced in the semiconductor equipment manufacturing industry.

C Steady business growth with many internationally well-known companies as end customers

The semiconductor processing technology is high-precision integrated technology. Every manufacturer places great attention to its quality. The high barrier for entry is shaped by the difficulty in obtaining the certification. As the major sales customers of the company are mainly well-known international brands of various application fields, the company is in a stable state of customer operation built upon a solid foundation. Its sales regions spread across the globe. Thus, it will not undergo major fluctuations easily due to changes in an individual market or economy. The company maintains good communications with its customers in order to fully understand their product requirements. The products are well-received and acknowledged by the major international brands. The company aims to provide key components of semiconductor equipment and systems to international manufacturing companies with its advantages in quality and competitive prices. Further collaborative models are planned for gradual joint development in research and innovations, accommodating industry demands. This can create greater advantages for the company's competitiveness leading to steady growth in revenues.

(2) Disadvantages

A Sales Concentration

Due to the nature of the industry, the company's sales are mainly concentrated on large international manufacturers of semiconductor equipment or wafer fabs. This concentration of sales is also due to the limited number of sales targets.

Countermeasures:

In response to the concentration of sales and maintaining close transactions and cooperation with existing customers to maintain a good relationship, the company is also actively developing new customers and transferring its production capacity and technical resources to develop other niche products to disperse the risks brought by sales concentration.

B Risks associated with high competition faced by the industry

Amidst the semiconductor industry, overseas competitors from China and Korea are fast-growing. With Mainland China gaining the advantages of its domestic market, there has been active support for its local high tech industry in recent years. With the support of such policy, the local operators in Mainland China continue to bring competitive pressure for semiconductor businesses of Taiwan. Under such threats for domestic semiconductor, there would be risks in losing existing orders and price war.

Countermeasures:

The production characteristics of the semiconductor industry in Taiwan adopts a professional division of work. Of which, the semiconductor equipment processing technology is considered a high-precision integrated technology. The main aspects of consideration by the major wafer manufacturers when making procurement of equipment are that the production technology fits the current stage of the mainstream market, the reliability of the equipment, flexibility in processing, level of cooperation in the capacity and delivery, and after-sales services, in addition, to equipment sales factor. The end customers of the company are major wafer manufacturers in Taiwan and overseas. The below measures can help to lower risks in price wars with overseas competitors from further eroding the company's orders:

a) Forming strategic alliances with major semiconductor equipment manufacturers

The company has already been establishing strategic partnerships with the global leading semiconductor manufacturers since 2002. Our technology and quality certification, level of cooperation for delivery, stable financial position, etc., have been evaluated by the customer as a leading global supplier for quality and on-time delivery rate. Through such type of collaboration, both parties have a shared future raising the entry bar higher for companies in the same industry. The company expects to continue market expansion with its advantages in such technological capability and operation model. Market share and international visibility can be increased as a result, strengthening its own technologies and competitiveness.

b) Actively develop application fields beyond semiconductor processing

Leveraging our existing technologies, we are actively developing our proprietary technologies to expand their applications beyond semiconductor manufacturing processes. These applications include medical (such as radiation therapy equipment modules and critical components, medical imaging diagnostic equipment components) and environmental protection (such as wastewater monitoring and treatment equipment). We have already begun production and sales of these products. We aim to enhance our competitive edge by expanding into new product areas with high-added value and unique characteristics.

C Risk in currency exchange fluctuations

The United States Dollar (USD) is the main pricing currency used in the company's sales transactions. For goods procurement, it is mainly in USD and supplemented by Chinese Yuan (CNY). There are risks associated to exchange losses due to exchange rates fluctuations.

Countermeasures:

The company's exchange rate risk is lowered using a natural hedging method for the purchase and sale of goods. There are also dedicated personnel who pay close attention to information on exchange rates and the international economy. Prudent study and judgement is made for the exchange rate trends in order to effectively lower the related risks. Thus, fluctuations in exchange rate risk do not have major impacts to the company's revenue and operations are not under significant threats.

(II) Production process of main products:

The Company's main products are advanced process and automation equipment for the semiconductor industry. An overview of their applications is as follows:

1. Equipment and key components required for thin-film deposition, etching, chemical mechanical polishing (CMP), and other processes in semiconductor front-end wafer manufacturing: The manufacturing process includes full machine production, integration, adjustment, and testing. The product's completeness must meet the standards for direct operation in a semiconductor wafer fab. The components are mainly the vacuum process reaction chamber, equipment body, vacuum process components, precision machinery elements, and various parts that form the main structure of the equipment.
2. Automated wafer transport equipment: Integrated with the main process equipment in the wafer fab, this system opens, aligns, and transfers wafer carriers delivered by the factory's automated overhead crane system to the main processing equipment.
3. Micro-pollution control and inert gas filling devices: These devices precisely control the wafer fabrication environment to prevent and control micro-pollution, ensuring the cleanliness of wafers during transportation, storage, and the entire manufacturing process, thereby improving yield and productivity.
4. Automated wafer exterior inspection equipment: Using automated mechanisms and precision optical instruments, this system inspects wafers for defects, scratches, and micro-cracks to avoid damage caused by manual handling. Visual recognition software algorithms are used for detection and judgment, reducing the risk of misjudgment of defects by personnel.

The effectiveness of the equipment will influence the yield rate of the electric components of semiconductor wafer and panel. The layers of manufacturing technology involved are diverse. Starting from manufacturing the components with simpler technology, and gradually moving into more complex modules and systems to integrated testing. The products are of lesser quantity but are wider-ranging, so their functions vary but are sufficient. The production process can be categorized as follows:

- A Product development and engineering analysis
 - (a) Product specification establishment
 - (b) Design R&D
 - (c) Manufacturing engineering development
 - (d) Establishment of manufacturing standard
 - (e) Establishment of testing standard
- B Parts manufacturing and small module production
 - (a) Metal component manufacturing
 - (b) Polymeric material component manufacturing
 - (c) Precision welding manufacturing
 - (d) Surface treatment manufacturing
 - (e) Circuit element manufacturing
- C Subsystem module integrated manufacturing
 - (a) Main wiring and piping
 - (b) Rack assembly
 - (c) Core manufacturing assembly
 - (d) Standard components assembly
 - (e) Manufacturing core test/Vacuum leak detection
- D Machine system integration
 - (a) System planning
 - (b) Standard procedures establishment
 - (c) Subsystem module integration
 - (d) Machine system integration
 - (e) Exterior and surrounding facilities integration
- E System final testing and calibration
 - (a) Testing standard procedures planning
 - (b) Setting up standard testing devices and environment
 - (c) System testing
 - (d) Manufacturing testing
 - (e) Exterior inspection

(III) Supply of Major Raw Materials

Name of raw materials	Supply status
I/O motion controller	Stable
PCB ASSEMBLY	Stable
Aluminum	Stable

(IV) Names of suppliers or customers accounting for at least 10% of total purchases or sales in either of the last two years, along with the purchase or sales amounts and their corresponding percentages

1. Major suppliers during the past two years

Unit: NT\$ thousands

	2024 Fiscal Year (IFRSs)				2023 (IFRSs)			
Item	Name	Amount	% of net purchase during the year	Relation with the issuer	Name	Amount	% of net purchase during the year	Relation with the issuer
1	Company A	0	0	Subsidiary	Company A	0	0	Subsidiary
2	Company D	0	0	—	Company D	0	0	—
3	Other	8,619,242	100	—	Other	5,490,474	100	—
	Net purchase	8,619,242	100	—	Net purchase	5,490,474	100	—

2. Major customers during the past two years

Unit: NT\$ thousands

	2024 Fiscal Year (IFRSs)				2023 (IFRSs)			
Item	Name	Amount	% of net sales during the year	Relation with the issuer	Name	Amount	% of net sales during the year	Relation with the issuer
1	Company A (Note 2)	13,957,363	84.82%	None	Company A (Note 2)	10,931,597	83.76%	None
2	Hon Hai Group	112	0%	(Note 1)	Hon Hai Group	28,865	0.22%	(Note 1)
3	Other	2,497,001	15.18%	—	Other	2,090,895	16.02%	—
	Net sales	16,454,476	100.00%	—	Net sales	13,051,357	100.00%	—

Note 1: With significant influence on our group

Note 2: Confidentiality agreements with customers

III. Employee statistics during the past two years and as of the publication date of this annual report

As of March 31, 2025; Unit: Person/Year

Year		2023	2024	As of March 31, 2025
No. of employees	Managers	63	68	67
	R&D personnel	290	331	323
	Direct employees	1334	1799	1818
	Indirect employees	994	1098	1104
	Total	2681	3296	3312
Common Year		34.77	34.81	34.94
Average years of service		5.58	5.12	5.22
Distribution of education levels	PhD	0.34%	0.27%	0.30%
	Master	5.04%	4.79%	4.71%
	College	48.97%	47.88%	47.53%
	High School	24.88%	39.05%	39.25%
	Below High School	20.78%	8.01%	8.21%

IV. Spending on environmental protection

(I) According to legal requirements, it is necessary to apply for pollution facility installation permits or pollution discharge permits, pay pollution control fees, or appoint personnel for environmental protection duties. Please provide an explanation of the status of permit applications, fee payments, or personnel establishment.

1. Status of applying for pollution facility installation permits or pollution discharge permits

Item	Entity	Factory	Certificate No.
Emission of polluted water to the industrial sewage system of Chunan Science Park	Foxsemicon	Hsinchu Science Park Phase IV Chunan Plant	Zhu-Huan-Tzu No. 1090024005
		Chunan Factory on Keyan Road	Zhu-Huan-Tzu No. 1120007772
	Fox Automation Technology Inc.	Hsinchu Science Park Phase IV Chunan Plant	Zhu-Huan-Tzu No. 1090024569
		Chunan Factory on Keyan Road	Zhu-Huan-Tzu No. 1110005647
	Kainova Technology	Hsinchu Science Park Phase IV Chunan Plant	Zhu-Huan-Tzu No. 1110004901
Water pollution control plan and permit	Fox Automation Technology Inc.	Hsinchu Science Park Phase IV Chunan Plant	Zhu-Huan-Tzu No. 1130038627
		Chunan Factory on Keyan Road	Zhu-Huan-Tzu No. 1120022685
Stationary pollution source operating license	Fox Automation Technology Inc.	Chunan Factory on Keyan Road	Zhu-Huan-Tzu No. 1130015200
Waste removal plan	Foxsemicon	Hsinchu Science Park Phase IV Chunan Plant	Zhu-Huan-Tzu No. 1140005459
		Chunan Factory on Keyan Road	Zhu-Huan-Tzu No. 1130033583
	Fox Automation Technology Inc.	Hsinchu Science Park Phase IV Chunan Plant	Zhu-Huan-Tzu No. 1130020597
		Chunan Factory on Keyan Road	Zhu-Huan-Tzu No. 1140005460
	Kainova Technology	Hsinchu Science Park Phase IV Chunan Plant	Zhu-Huan-Tzu No. 1120027777
Focus on chemical substance approval documents	Fox Automation Technology Inc.	Hsinchu Science Park Phase IV Chunan Plant	Fu-Huan-Wei-Zi No. 1120032195
Reporting of inspection results on soil and underground water	Foxsemicon	Hsinchu Science Park Phase IV Chunan Plant	Fu-Huan-Shui-Tzu No. 1100004844
	Fox Automation Technology Inc.	Chunan Factory on Keyan Road	Fu-Huan-Shui-Tzu No. 1110019071

2. Status of payment of pollution control fees

Item	Entity	Factory	Payment amount
2024 Q1~Q4 Soil Pollution Remediation Fees	Foxsemicon	Hsinchu Science Park Phase IV Chunan Plant	NT\$0
		Chunan Factory on Keyan Road	NT\$0
	Fox Automation Technology Inc.	Hsinchu Science Park Phase IV Chunan Plant	NT\$2,023
		Chunan Factory on Keyan Road	NT\$3,458
	Kainova Technology	Hsinchu Science Park Phase IV Chunan Plant	NT\$0
Air Pollution Charges for Stationary Sources (Q1~Q4 2024)	Foxsemicon	Hsinchu Science Park Phase IV Chunan Plant	NT\$0
		Chunan Factory on Keyan Road	NT\$0
	Fox Automation Technology Inc.	Hsinchu Science Park Phase IV Chunan Plant	NT\$28,429
		Chunan Factory on Keyan Road	NT\$0
	Kainova Technology	Hsinchu Science Park Phase IV Chunan Plant	NT\$0

3. Status of the Establishment of Environmental Protection Dedicated Personnel

The Company is not required to establish a unit or personnel dedicated to environmental protection.

(II) Investment in Major Pollution Control Equipment, Purpose, and Potential Benefits

March 31, 2025 Unit: NT\$1,000

Equipment Name	Number	Acquisition Date	Entity	Investment Cost	Remaining Balance Before Depreciation	Purpose and Expected Potential Benefits
Installation of rainwater discharge points	1	2020.09.10	Foxsemicon	320	37	Prevention of waste liquid leakage
Waste gas treatment equipment	1	2020.12.15	Fox Automation Technology Inc.	54	7	Treatment of waste gas from manufacturing process to achieve waste gas emission standards
Waste water treatment system	1	2020.12.15	Fox Automation Technology Inc.	76	10	Treatment of Process Wastewater to Meet Wastewater Discharge Standards

Equipment Name	Number	Acquisition Date	Entity	Investment Cost	Remaining Balance Before Depreciation	Purpose and Expected Potential Benefits
General exhaust equipment	1	2020.12.15	Fox Automation Technology Inc.	88	12	Treatment of waste gas from manufacturing process to achieve waste gas emission standards
Oil skimming and separation	1	2020.12.15	Fox Automation Technology Inc.	203	27	Treatment of waste gas from manufacturing process to achieve waste gas emission standards
Waste water improvement	1	2020.12.15	Fox Automation Technology Inc.	132	18	Treatment of waste gas from manufacturing process to achieve waste gas emission standards
Gas collectors and filter hoods	9	2020.12.15	Fox Automation Technology Inc.	1,602	214	Treatment of waste dusts from manufacturing process to achieve emission standards
Exhaust and dust collection pipes	1	2020.12.15	Fox Automation Technology Inc.	498	66	Collection of waste dusts from manufacturing process to achieve emission standards
Sewage pipes	1	2021.12.07	Fox Automation Technology Inc.	192	67	Sewage collection for treatment facilities
Water Recycling Pipeline Project	1	2023.06.09	Fox Automation Technology Inc.	375	309	Sewage collection for treatment facilities
Gas collectors and filter hoods	2	2023.06.20	Fox Automation Technology Inc.	3,279	2,132	Treatment of waste dusts from manufacturing process to achieve emission standards
Ventilation Duct in the Wastewater Area	1	2024.04.10	Fox Automation Technology Inc.	3,508	3,186	Collection of Exhaust Gas for Treatment at Processing Facilities
General exhaust equipment	1	2024.04.19	Fox Automation Technology Inc.	119	108	Treatment of waste gas from manufacturing process to achieve waste gas emission standards
Water Supply and Sanitary Equipment Project	1	2024.05.17	Fox Automation Technology Inc.	22,190	20,341	Sewage collection for treatment facilities
Wastewater Treatment System Project	1	2024.05.17	Fox Automation Technology Inc.	71,975	65,977	Treatment of Process Wastewater to Meet Wastewater Discharge Standards
Process Exhaust Equipment Project	1	2024.05.17	Fox Automation Technology Inc.	54,266	49,744	Treatment of waste gas from manufacturing process to achieve waste gas emission standards
Process Exhaust Duct Waterproofing Project	1	2024.07.10	Fox Automation Technology Inc.	390	338	Improvement of Exhaust Gas Treatment System

- (III) The Company's Efforts to Improve Environmental Pollution in the Past Two Years and up to the Date of Publication of the Annual Report; If There Were Pollution Disputes, the Handling Process Should Be Explained: Not Applicable.
- (IV) The Company's Losses (Including Compensation) Due to Environmental Pollution in the Past Two Years and up to the Date of Publication of the Annual Report, the Total Amount of Disposal, and Disclosure of Future Countermeasures (Including Improvement Measures) and Potential Expenditures (Including Estimated Amounts for Losses, Disposal, and Compensation Due to Unimplemented Countermeasures, If Not Reasonably Estimable, Should Explain the Inability to Estimate): Not Applicable.
- (V) Current Pollution Status and Its Impact on the Company's Earnings, Competitive Position, and Capital Expenditures, as Well as the Projected Significant Environmental Capital Expenditures for the Next Two Years: Not Applicable.

V. Labor relations

- (I) The Company's Employee Benefits Measures, Continuing Education, Training, Retirement System, and Their Implementation, as Well as Agreements Between Labor and Management and Measures for Protecting Employee Rights:
 - 1. Employee Benefits Measures and Their Implementation:
 - (1) Marriage and funeral subsidies, maternity benefits, employee travel subsidies, as well as providing holiday gift vouchers and birthday bonuses. The Company also organizes Family Day, Mid-Autumn Festival barbecues, and periodically hosts other fun events throughout the year.
 - (2) The Company also provides labor insurance, national health insurance, and employee pension contributions in accordance with relevant government laws and regulations. Additionally, to enhance employee safety protection, the Company offers group insurance and travel accident insurance for employees.
 - (3) Employee Cash Capital Increase and Employee Compensation System:
 - a. Share ownership: The company processes cash capital increases according to the law retaining 10%-15% for employee stock options.
 - b. Employee remuneration: Process according to the company's Articles of Incorporation.
 - 2. Employee Continuing Education and Training: Education and training are among the Company's benefits. The Company encourages employees to enhance personal qualities and capabilities through training courses to improve work skills. Major training content is as follow:
 - (1) New Employee Education and Training: The Company uses education and training to help new hires become familiar with the Company culture, organizational development, history, work environment, and the operation of various systems.
 - (2) Management Skills Training: The Company provides employees with appropriate management skills development courses based on the needs of different management levels.
 - (3) Professional Education and Training: Employees, based on the nature of their individual work and the needs of different professional fields, can choose from professional courses offered by internal or external training providers, covering the latest knowledge and technologies to promote the exchange of technical and professional knowledge.

- (4) General Education and Training: The Company provides various general education courses on safety, hygiene, health, and other topics based on employee needs or occupational safety requirements. In addition to improving work skills and knowledge, the Company also offers courses that promote employees' physical and mental well-being.

3. Retirement System and Its Implementation:

- (1) In accordance with the "Labor Standards Act," the Company has a defined benefit retirement plan that applies to all regular employees' service years prior to the implementation of the "Labor Pension Act" on July 1, 2005, as well as to employees who choose to continue under the Labor Standards Act after the implementation of the "Labor Pension Act" for subsequent service years. The company deposits a monthly pension amount of 2% of salaries and wages to a dedicated account in the Bank of Taiwan in the name of the Supervisory Committee of the Labor Retirement Reserve (originally the Central Trust of China).
- (2) Since July 1, 2005, the Company has a defined contribution retirement plan in accordance with the "Labor Pension Act," which applies to domestic employees. The company makes monthly contributions of 6% of salary to the employees' personal accounts at the Bureau of Labor Insurance for the employees who choose to be subjected to the labor pension scheme under the Labor Pension Act. The employees' pensions are paid in the form of monthly pensions or lump-sum pensions depending on the amount of the employees' individual pension accounts and accumulated earnings.

4. Labor-Management Agreements and Measures for Protecting Employee Rights:

- (1) To ensure smooth communication between labor and management, the Company regularly holds labor-management meetings and organizes occasional mobilization meetings for exchanging opinions.
- (2) The Company has set up communication channels, such as employee suggestion boxes and complaint mailboxes, and has published the relevant grievance system procedures on the internal website. Employees may submit suggestions or reports through these channels.

(II) Losses Incurred by the Company Due to Labor Disputes in the Last Two Years and Up to the Date of the Annual Report Printing, and the Disclosure of Estimated Amounts and Response Measures for Current and Potential Future Disputes, and Explanation of Facts if These Cannot Be Reasonably Estimated:

The Company and its subsidiaries have incurred and expects possibly to incur approximately NT\$462 thousand (i.e, economic compensations) due to labor disputes during the most recent year and as of the publication date of this annual report. The actual amount will be determined by court decisions because these are individual litigation cases. However, the amount in contention is not significant and does not have material influence on the Company's financials or business.

Below is the list of determined and imposed fines for labor disputes.

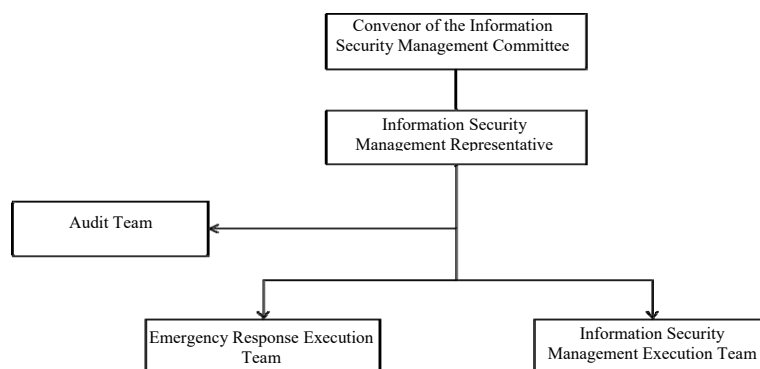
Company fined	Date of decision	Official document number	Regulation breached	Details of violation	Details of punishment
Foxsemicon Integrated Technology Inc.	2023/1/6	Zhu-Huan-Tzu No. 1120001037	Article 24 of the Labor Standards Act	Wage not paid according to regulations for extended work hours	A fine of NT\$50,000
Fox Automation Technology Inc.	2023/1/10	Zhu-Huan-Tzu No. 1120001732	Article 32-2 of the Labor Standards Act	Over 46 hours of extended work hours during one month	A fine of NT\$50,000
	2023/1/10	Zhu-Huan-Tzu No. 1120001695	Article 24 of the Labor Standards Act	Wage not paid according to regulations for extended work hours	A fine of NT\$50,000

VI. Information and Communication Security Management

(I) Describe the Information Security Risk Management Framework, Information Security Policies, Specific Management Plans, and Resources Invested in Information Security:

1. Information Security Management Organization

In 2024, the Company appointed Shu-Huang Liao, Deputy General Manager of the Information Security and IT Department, to concurrently serve as the Chief Information Security Officer (CISO) and established the Information Security Management Committee (hereinafter referred to as the "Committee"). The CISO serves as the convener of the Committee, and the Information Security Management Representative is a dedicated person appointed by the Committee to be responsible for overall planning and coordination, monitoring, handling, and continuous improvement of information security management tasks. The Audit Team consists of independent personnel with expertise in information security management operations, who are responsible for internal audits and corrective management tasks. The Committee oversees the Information Security Management Execution Team and the Emergency Response Execution Team, which are responsible for formulating information security policies, ensuring regulatory compliance, conducting management reviews, implementing protection and monitoring, and coordinating emergency responses. The Company reports on the status of its information security management and the results of its implementation to the Board of Directors on a quarterly basis.



2. Information Security Policy

The Company is committed to enhancing information security and confidential information protection mechanisms to improve its competitiveness. The Company has established information security policies, procedures, and operational guidelines, implemented an information security management system, and taken steps for risk control. The following information security objectives have been defined:

- (1) Ensure the confidentiality of data and prevent unauthorized use.
- (2) Ensure the availability and security of information systems.
- (3) Ensure the effectiveness and continuity of information and business operations.
- (4) Comply with applicable laws and regulations.

3. Network Security Risk Management

The Company has implemented the Information Security Management System (ISMS) based on the ISO/IEC 27001 information security management framework. In March 2025, the Company received certification for the ISO/IEC 27001:2022 International Standard for Information Security Management Systems. The information security management measures are as follows:

- (1) Endpoint Security Protection
 - a. Servers and computers are fully equipped with endpoint protection software (MDR), which provides 24-hour real-time monitoring and analysis of endpoint behaviors.
 - b. Antivirus software and Microsoft Update Service (Windows Update) are installed for real-time system updates and patching.
 - c. Regular vulnerability scans are conducted with immediate updates and patches applied.
- (2) Application Security Protection
 - a. The Company has established security principles for software development, including prohibiting unsafe design techniques, writing secure code, and identifying common vulnerabilities.

- b. Purchase legally authorized software and prohibit the use of any illegal or unauthorized software for system development and project work.
 - c. System development or functional changes must undergo code inspection to confirm that vulnerabilities are patched before going live.
 - d. Develop a privileged account management and monitoring system to track and audit the behavior of high-privilege accounts in real-time.
- (3) Network Security Protection
- a. Build next-generation firewalls, application firewalls, and intrusion detection systems with 24-hour event monitoring and real-time response.
 - b. Fully implement multi-factor authentication (MFA) for firewalls and VPNs to enhance connection security.
 - c. Regularly perform penetration testing to uncover hidden security vulnerabilities and strengthen them to enhance network defense capabilities.
- (4) Data Security Protection
- a. Build file encryption and outbound systems to protect sensitive files and prevent data leakage and unauthorized access.
 - b. Important data and files are backed up regularly every day and follow the "3-2-1 backup principle." Backup data is tested for recovery at least once a year to verify the availability of backup data.
- (5) Business Continuity Plan
- a. Regularly review key business operations and conduct Business Impact Analysis (BIA) based on impact severity, asset risk, Maximum Tolerable Period of Disruption (MTPD), Recovery Time Objective (RTO), and Recovery Point Objective (RPO).
 - b. Develop a Business Continuity Plan (BCP) for critical business operations, conduct annual testing drills, and review and improve based on findings.
- (6) Cybersecurity Risk Management
- a. Identify potential cybersecurity risk items in daily operations and estimate risk value and manage risks based on the likelihood of occurrence and impact severity.
 - b. Based on risk analysis results, develop a risk treatment list and improvement measures, complete a risk management improvement plan, and continuously improve through the Plan-Do-Check-Act (PDCA) cycle to reduce cybersecurity risks.
- (7) Cybersecurity Reporting and Response
- a. Build an automated threat intelligence aggregation and analysis database platform to strengthen threat intelligence monitoring capabilities.

- b. Strengthen employee awareness of email social engineering attacks and phishing websites.
- c. Establish a cybersecurity early warning mechanism to receive threat intelligence from the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) and the Science Park Information Sharing and Analysis Center (SP-ISAC), aiming to achieve horizontal integration and information exchange.
- d. Integrate cybersecurity, information technology personnel, and external consultants to establish a cybersecurity incident response team (IR Team).

4. Resources allocated to information security management

- (1) The annual cybersecurity budget accounts for 24.18% of total information investment.
- (2) Identified potential cybersecurity threats and completed 83 risk assessments.
- (3) Conducted 2 tests and drills for critical business continuity plans.
- (4) Released 34 cybersecurity notifications and conducted awareness campaigns for all employees.
- (5) Provided cybersecurity training to 44 new employees.
- (6) Held 4 cybersecurity awareness sessions for all employees, with 5,038 participants.
- (7) Conducted 2 email social engineering drills.

- (II) Losses, potential impacts, and response measures due to significant cybersecurity incidents in the past two years and as of the report printing date. If such losses cannot be reasonably estimated, an explanation of the inability to estimate should be provided:

The Company experienced a cyberattack in 2024. After forensic evaluation and response handling, there was no financial loss or operational impact to the Company.

VII. Significant Contracts

Nature of the contract	Contract party	Contract start date and end date	Main contents	Restriction clauses
Land lease contract	Hsinchu Science Park Bureau, Ministry of Science and Technology	2019/08/01-2027/12/31	Land leasing for manufacturing facilities	None
Sales contract	Company A	Effective from May 31, 2012, to the present.	Product sale	None
Sales contract	Company B	Effective from May 12, 2004, to the present.	Product sale	None
Contract for processing	Company A	From July 14, 2012, to July 14, 2017, automatically extended upon expiration.	Contract manufacturing	None
Loan contract	Company A	2022/05/10-2025/05/10	Loan	None
Loan contract	Company A	2022/08/10-2026/12/31	Loan	None
Loan contract	Company A	From July 21, 2017, onward.	Loan	None
Loan contract	Company A	From September 18, 2017, onward.	Loan	None
Loan contract	Company A	From August 05, 2019, onward.	Loan	None
Loan contract	Company A	From August 10, 2022, onward.	Loan	None
Loan contract	Company A	From July 05, 2022, onward.	Loan	None
Investment contract	Company C	From June 08, 2020, onward.	Investment	None
Investment contract	Company D	From June 08, 2020, onward.	Investment	None
Investment contract	Company E	From June 08, 2020, onward.	Investment	None
Investment contract	Company F	From April 30, 2020, onward.	Investment	None
Investment contract	Jinan Fu Jie Fund	From December 01, 2018, onward.	Investment	None

Five. Review and analysis of financial condition, performance, and risk factors

I. Review and analysis of financial position

Unit: NT\$ thousands

Item \ Year	2023.12.31	2024.12.31	Difference	
			Amount	%
Current assets	14,324,538	16,145,309	1,820,771	13%
Property, plant and equipment	3,780,898	5,186,102	1,405,204	37%
Other assets	1,264,287	1,797,108	532,821	42%
Total assets	19,369,723	23,128,519	3,758,796	19%
Current liabilities	3,536,309	5,549,264	2,012,955	57%
Non-current liabilities	4,231,174	2,371,808	(1,859,366)	-44%
Total liabilities	7,767,483	7,921,072	153,589	2%
Share capital	974,393	1,077,941	103,548	11%
Capital surplus	4,051,311	5,715,305	1,663,994	41%
Retained earnings	6,536,260	8,075,885	1,539,625	24%
Other equity	40,276	338,316	298,040	740%
Non-controlling interest	0	0	0	0%
Total equity	11,602,240	15,207,447	3,605,207	31%
Explanation for material changes (increase/decrease by 20% or above and at an amount over NT\$10 million):				
<ol style="list-style-type: none"> 1. Increase in property, plant, and equipment: Mainly due to the construction of new factories and the purchase of additional equipment for capacity expansion. 2. Increase in other assets: Primarily due to prepayment for equipment purchased for capacity expansion and the increase in right-of-use assets for the factory in Thailand. 3. Increase in current liabilities: Mainly due to the reclassification of the second issuance of domestic unsecured convertible bonds to current liabilities, and the increase in accounts payable and accrued salaries due to operational growth in 2024 to prepare materials for production. 4. Decrease in non-current liabilities: Mainly due to the conversion of the domestic second unsecured convertible bonds issued and their reclassification to current liabilities. 5. Increase in capital reserve: Mainly due to the conversion of the domestic second unsecured convertible bonds issued. 6. Increase in retained earnings: Mainly due to the increase in the Company's operating revenue and good profitability in 2024. 7. Increase in other equity: Mainly due to the increase in exchange differences from the translation of financial statements of foreign operations. 8. Increase in total equity: Mainly due to the conversion of the domestic second unsecured convertible bonds issued and good profitability in 2024. 				

II. Review and analysis of financial performance

(I) Comparison and analysis of financial performance

Unit: NT\$ thousands

Year Item	2023	2024	Amount increased/ decreased	Change %
Revenue	13,051,357	16,454,476	3,403,119	26%
Operating cost	(9,636,790)	(12,165,987)	(2,529,197)	26%
Gross profit	3,414,567	4,288,489	873,922	26%
Operating expense	(1,384,534)	(1,626,286)	(241,752)	17%
Operating profit	2,030,033	2,662,203	632,170	31%
Non-operating income and expense	482,396	552,450	70,054	15%
Profit before tax	2,512,429	3,214,653	702,224	28%
Income tax expense	(521,961)	(602,010)	(80,049)	15%
Components of other comprehensive income that will not be reclassified to profit or loss	77,557	154,380	76,823	99%
Components of other comprehensive income that will be reclassified to profit or loss	(73,199)	243,902	317,101	-433%
Total comprehensive income	1,994,826	3,010,925	1,016,099	51%
Profit attributable to owners of parent	1,990,468	2,612,643	622,175	31%
Profit attributable to non-controlling interest	0	0	0	0%
Total comprehensive income attributable to owners of parent	1,994,826	3,010,925	1,016,099	51%
Total comprehensive income attributable to non-controlling interest	0	0	0	0%
Explanation for material changes (increase/decrease by 20% or above and at an amount over NT\$10 million):				
<ol style="list-style-type: none"> 1. Increase in operating revenue: Mainly due to the booming semiconductor market, where end customers are actively expanding their production lines, leading to an increase in operating revenue. 2. Increase in operating costs: Mainly due to the increase in operating revenue, which also led to an increase in operating costs. 3. Increase in operating gross profit: Mainly due to the increase in operating revenue, which also resulted in an increase in operating gross profit. 4. Increase in operating profit: Mainly due to the increase in operating revenue, leading to an increase in operating profit. 5. Increase in pre-tax net profit: Mainly due to the increase in operating revenue and net foreign exchange gains, leading to an increase in pre-tax net profit. 6. Increase in Items Not Reclassified to Income: The increase in items not reclassified to income is primarily due to an increase in the fair value of the company's strategic investments. 7. Increase in items that may be reclassified to profit or loss: Mainly due to the increase in exchange differences from the translation of financial statements of foreign operations. 8. Increase in total comprehensive income for the period: Mainly due to the increase in operating revenue and profit growth. 9. Increase in net profit attributable to owners of the parent: Mainly due to the increase in operating revenue and profit growth. 10. Increase in total comprehensive income attributable to owners of the parent: Mainly due to the increase in operating revenue and profit growth. 				

- (II) Expected sales volume and basis for the assumption in the next year:(Edited)Restore original: The Company will continue to stay on top of new product development by customers and the R&D of automation equipment and new technologies, so as to significantly enhance revenues and competitive niche.

III. Review and analysis of cashflows

- (I) Analysis of cash flow changes during the most recent year

Item \ Year	Cash inflows (outflows)		Increase (decrease)	
	2023	2024	Amount	%
Operating activities	2,641,299	2,175,329	(465,970)	(17.64)
Investing activities	(2,521,112)	(601,641)	1,919,471	76.14
Financing activities	(1,679,718)	(1,000,972)	678,746	40.41
Analysis on increase/decrease				
1. Decrease in cash inflows from operating activities by approximately NT\$465,970 thousand: Due to the overall revenue growth in 2024 compared to the previous year, accounts receivable and inventory increased, leading to a decrease in net cash inflows from operating activities compared to the same period last year.				
2. Decrease in cash outflows from investing activities by approximately NT\$1,919,471 thousand: Mainly due to a decrease in investments in financial assets with maturities of over three months in 2024 compared to the previous year, leading to a decrease in net cash outflows from investing activities compared to the same period last year.				
3. 3. Decrease in cash outflows from financing activities by approximately NT\$678,746 thousand: Mainly due to a decrease in the amount of corporate bonds payable in 2024 compared to the previous year, leading to a decrease in net cash outflows from financing activities compared to the same period last year.				

- (II) Analysis on improvement of insufficient liquidity: In case of inadequate cash, the Company funds the gap with bank loans or fundraising from the capital market.

- (III) Analysis on cash liquidity over the next year

Unit: NT\$ thousands

Cash balance at the beginning of the period	Expected net cash flows from operating activities during the year	Expected cash outflows during the year	Expected cash excess (gap) amount	Remedy for insufficient cash	
				Investment plan	Financing plan
7,526,593	4,489,531	(2,055,536)	9,960,588	—	—
Analysis on cash liquidity over the next year					
(1) Operating activities: net cash inflows primarily due to lower inventory levels under enhanced inventory management and recovery of accounts receivable					
(2) Investing activities: net cash outflows primarily due to construction of facilities and purchase of machinery and equipment					
(3) Financing activities: net cash outflows primarily due to payment of cash dividends					

- IV. Impact of major capital expenditures during the most recent year on financials and businesses: None.

V. Investment policies regarding investees during the most recent year, main reason for profits or loss, improvement plan and investment plan for the following year

(I) Reinvestment policy in the most recent year:

The company establishes the “Procedures for Acquisition or Disposal of Assets” following the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” of the competent authority as a basis for the company’s engagement in reinvestment businesses and getting hold of related business and financial situations. For increasing supervisory management to the company’s internal control systems, the “Process for Supervisory on Subsidiaries” has been formulated with related regulations for its information disclosure, business, inventory and finance management systems. The company regularly executes the audit process and builds related operation risk mechanism, enabling the company’s reinvestment business to exert the greatest effect.

(II) Main reason for profits or loss from investments in investees, improvement plan and investment plan for the future

Unit: NT\$1,000

Investee	Profit (loss) amount	Main reason for profit (loss)	Improvement plan	Investment plan for the following year
FOXSEMICON INTEGRATED TECHNOLOGY INC.	1,086,134	Recognized gains on investment in investees	None	None
FOXSEMICON LLC.	216	Mainly due to the increase in interest income in 2024 compared to 2023, leading to increased profitability.	None	None
Fox Automation Technology Inc.	336,325	Mainly due to the increase in operating revenue in 2024 compared to 2023, leading to increased profitability.	None	None
Frontier Integrated Global Solutions, Inc.	20,768	Mainly due to the decrease in operating revenue in 2024 compared to 2023, leading to decreased profitability.	None	None
Kainova Technology Inc.	16,159	Mainly due to the decrease in operating revenue in 2024 compared to 2023, leading to decreased profitability.	None	None
SMATR BREAST CORPORATION	(13,355)	Primarily due to certain necessary setup costs as the business has not started	None	None
MINDTECH CORPORATION	1,080,391	Recognized gains on investment in investees	None	None
SUCCESS PRAISE CORP.	5,740	Decrease in profits primarily due to lower interest income in 2024 compared to 2023.	None	None
SMART ADVANCE CORP.	-	Note 1	None	None
LOYAL NEWS INTERNATIONAL LIMITED	-	Note 1	None	None
EVER DYNAMIC CORP.	-	Note 1	None	None
Foxsemicon Integrated (Shanghai) Inc.	1,081,277	Mainly due to the increase in operating revenue in 2024 compared to 2023, leading to increased profitability.	None	None
Foxconn Fuyao Precision Component (Kunshan) Co., Ltd.	255,100	Mainly due to the increase in operating revenue in 2024 compared to 2023, leading to increased profitability.	None	None
Shanghai EnvoFox Environment Integrated Technology Limited Inc.	(274)	Decrease in profits primarily due to no revenue in 2024.	None	None

Investee	Profit (loss) amount	Main reason for profit (loss)	Improvement plan	Investment plan for the following year
Kaihuakang Semiconductor Equipment Nanjing Co., Ltd.	174	The increase in profit is primarily due to higher exchange gains in 2024 compared to 2023 caused by exchange rate fluctuations.	None	None
Foxsemicon Innovations Holding Inc.	(266,899)	Recognized losses on investment in investees	None	None
Foxsemicon Technology, LLC	(266,441)	Primarily due to certain necessary setup costs as the business has not started	None	None
UniEQ Integrated Technology Co., Ltd	(15,876)	Primarily due to certain necessary setup costs as the business has not started	None	None
Kainova Technology USA, LLC	(2,192)	Primarily due to certain necessary setup costs as the business has not started	None	None
UNIEQ TECHNOLOGY PTE. LTD.	(564)	Primarily due to certain necessary setup costs as the business has not started	None	None
UNIEQ EQUIPMENT MANUFACTURING PRIVATE LIMITED	(195)	Primarily due to certain necessary setup costs as the business has not started	None	None

Note 1: Loyal News International Limited, Ever Dynamic Corporation, and Smart Advance Corporation ceased operation on February 1, 2014, March 11, 2014 and July 1, 2014, respectively.

(III)Investment plan for the coming year: The Company will carefully evaluate investment plans from a long-term strategic perspective to address future market demand and strengthen competitiveness.

VI. Risk management and assessment

(I) The impact on the Company's profit and loss from interest rate fluctuations, exchange rate changes, and inflation, as well as future countermeasures.

(1) Interest rates: The Company's interest income for 2024 was NT\$237,730 thousand, accounting for 1.44% of net operating income. Interest expenses were NT\$41,308 thousand, accounting for 0.25% of net operating income. Given these low proportions, interest rate fluctuations have little impact on overall profitability. The Company maintains good communication channels with banks, have adequate credit facilities and stays on top of the current interest rate levels. To respond to interest rate movements, the Company will keep a close eye on the direction of interest rates, adjust the borrowing structure in a timely manner and adopt necessary measures to hedge the risks associated with rising interest rates.

(2) Exchange rates: The Company's net foreign exchange gain for 2024 was NT\$240,316 thousand, accounting for 1.46% of net operating income and 9.20% of operating profit. Most of our products are exported. Purchases and sales are primarily denominated in the US dollars. As a result, exchange gains (losses) are affected by the currency fluctuation of the US dollars. In addition to regular assessments of international finance dynamics, interest rate changes in the money market and the volatility of the currency market, we obtain favorable cost of capital at an overall low interest rate. We also keep abreast of exchange rate information. Our personnel keeps an eye on the Company's foreign currency positions and maintains a close contact with banks, in order to address the risks associated with exchange rate movements. The impact on the Company's profit or loss is expected to be limited.

- (3) Inflation: The Company constantly monitors global political and economic changes as well as market price trends and maintains good interactions with suppliers and customers. This allows us to make timely adjustments to procurement and sales strategies. Therefore, the Company should be able to respond to the impacts of future inflation or deflation, ensuring that operations are not materially threatened.
- (II) Policy, main reason for profit or loss, and future countermeasures for engaging in high-risk and high-leverage investments, lending funds to others, endorsements/guarantees, and transactions of derivative financial products:
- (1) The Company focuses on its core business operations and does not engage in high-risk, high-leverage investment activities.
- (2) The Company has established “Asset Acquisition or Disposal Procedures,” “Endorsement and Guarantee Procedures,” and “Lending Funds to Others Procedures” as operational guidelines for the Company and its subsidiaries when engaging in relevant activities. The Company provided endorsements and guarantees and lent funds to subsidiaries and between subsidiaries in 2024 and up to the date of the annual report’s publication. These activities were carried out in compliance with the “Endorsement and Guarantee Procedures” and “Lending Funds to Others Procedures.”
- (3) All derivative financial transactions by the Company are forward foreign exchange contracts aimed at hedging currency risk. All operations comply with the relevant operational procedures.
- (III) Future research and development plans and projected R&D expenses:

&D Plans for the Most Recent Year	R&D expenses (NT\$1,000) further required
Developed next-generation EUV photomask pellicle deposition equipment	10,000
Developed next-generation EUV photomask pellicle cutting and bonding equipment	10,000
Development of next-generation EUV mask protective film high-temperature furnace tube automatic line.	10,000
Development of fully automated wafer appearance inspection and AOI+AI equipment with no human intervention.	5,000

- (IV) The impact of significant domestic and international policy and legal changes on the Company’s financial and business operations, and countermeasures.

The company’s business management abides by the related laws and regulations at home or abroad and constantly follows the latest changes to important domestic and overseas policies. This is to facilitate smooth operation of the company. As of the publication date of the annual report, there have been no occurrences of events that possess material impact to the company’s finance and operation due to changes to important domestic or overseas policies and laws.

- (V) The impact of technological changes and industry shifts on the Company’s financial and business operations, and countermeasures.

The company is a manufacturer for semiconductors and automated equipment. It has its own R&D Department which can follow the changing trends in new technologies at all times. Changes to technologies enables an upgrade in the company’s product

applications. Thus, there are no negative impact from technological changes to the company's finance and operations.

- (VI) The impact of changes in corporate image on crisis management and countermeasures.
The company has a good corporate image. There have been no events of material change that result in corporate crisis management in recent years.

- (VII) Expected benefits, potential risks, and countermeasures for mergers and acquisitions: Not applicable.

- (VIII) Expected benefits and potential risks of factory expansion and countermeasures:

1. On August 9, 2024, the Board of Directors approved the cancellation of an investment amount of RMB 188 million for equipment not yet purchased by the subsidiary Foxconn Fuyao Precision Component (Kunshan) Co., Ltd.
2. On August 9, 2024, the Board of Directors approved an increase in the capital expenditure budget for its Thai subsidiary from USD 120 million to USD 292 million, adjusting the expansion of the factory in response to external environmental impacts, with risks remaining limited.

- (IX) Risks associated with any centralized sales or procurement and the countermeasures:

Due to the nature of the industry, the Company's sales are mainly concentrated on large international manufacturers of semiconductor equipment or wafer fabs. This concentration of sales is also due to the limited number of sales targets.

Countermeasures:

In response to the concentration of sales and maintaining close transactions and cooperation with existing customers to maintain a good relationship, the company is also actively developing new customers and transferring its production capacity and technical resources to develop other niche products to disperse the risks brought by sales concentration.

- (X) Influence and potential risks of a massive transaction or conversion of shares by directors, supervisors, or dominant shareholders holding over 10% of the Company's shares and countermeasures: None.

- (XI) Impacts from the change of ownership on the company and its risk and countermeasures: Not applicable.

- (XII) Litigious and non-litigious matters:

Major litigious events, non-litigious events, or administrative remedies with confirmed verdicts in recent years and by the date of report publication or in progress by the date of report publication of the company, directors, supervisors, presidents, actual principals, and shareholders holding over 10% of the stake of the company, with results that may cause significant impact to the rights and interests of shareholders or the stock price: None.

- (XIII) Other material risks and countermeasures: None.

VII. Other important matters: None.

Six. Special Disclosures

I. Data on affiliated enterprises

(I) Consolidated report on affiliated enterprises

1. Summary of affiliated enterprises

The main contents of the motion are placed on the MOPS, and the website is <https://mops.twse.com.tw/CorporateGovernance/InternalControlArea>. Please enter the Company's stock code 3413 and the year of inquiry.

2. Business overview of individual affiliated enterprises

Name of affiliated enterprise	Currency	Capital	Total assets	Total liabilities	Net value	Revenue	Operating profit	Net income (loss) (after tax)	Earnings per share (after tax)
FOXSEMICON INTERGRATED TECHNOLOGY INC.(SAMOA)	USD	40,475	177,726	—	177,726	—	—	33,825	Not applicable
FOXSEMICON LLC	USD	50	2,912	1,853	1,059	4,602	3	7	Not applicable
Fox Automation Technology Inc.	NTD	200,000	3,506,548	2,308,428	1,198,120	2,293,808	340,679	336,325	Not applicable
Frontier Integrated Global Solutions, Inc.	NTD	5,000	128,250	83,085	45,165	578,774	21,989	20,768	Not applicable
Kainova Technology Inc.	NTD	55,000	349,617	257,496	92,121	298,847	15,767	16,159	Not applicable
SUCCESS PRAISE CORPORATION	USD	3,800	49,544	46,068	3,476	214,666	133	179	Not applicable
SMART ADVANCE CORPORATION	USD	200	—	—	—	—	—	—	Not applicable
MINDTECH CORPORATION (SAMOA)	USD	34,978	174,251	—	174,251	—	—	33,647	Not applicable
Foxsemicon Integrated (Shanghai) Inc.	RMB	527,452	1,725,083	495,447	1,229,636	1,736,209	187,714	242,749	Not applicable
Foxconn Fuyao Precision Component (Kunshan) Co., Ltd.	RMB	260,000	848,154	400,799	447,355	841,533	64,415	57,271	Not applicable
Shanghai EnvoFox Environment Integrated Technology Limited Inc.	RMB	20,000	26,989	303	26,686	—	(485)	(61)	Not applicable
Kaihuakang Semiconductor Equipment Nanjing Co., Ltd.	RMB	1,414	1,551	—	1,551	—	—	39	Not applicable
Foxsemicon Innovations Holding Inc.	USD	15	2,809	—	2,809	—	(3)	(8,312)	Not applicable
Foxsemicon Technology, LLC	USD	14,950	17,892	15,086	2,806	2,338	(10,256)	(8,298)	Not applicable
UniEQ Integrated Technology Co., Ltd	THB	4,582,000	5,031,065	492,375	4,538,690	—	(34,657)	(17,332)	Not applicable
Kainova Technology USA, LLC	USD	400	336	4	332	—	(68)	(68)	Not applicable
UNIEQ TECHNOLOGY PTE. LTD.	Singapore Dollars	40	16	—	16	—	(16)	(23)	Not applicable
UNIEQ EQUIPMENT MANUFACTURING PRIVATE LIMITED	Indian Rupees	1,000	703	210	493	—	(507)	(507)	Not applicable

(II) Consolidated financial statements of affiliated enterprises:

The main contents of the motion are placed on the MOPS, and the website is <https://mops.twse.com.tw/CorporateGovernance/InternalControlArea>. Please enter the Company's stock code 3413 and the year of inquiry.

(III) Affiliation report: not applicable

II. Private placement of marketable securities during the most recent year and as of the publication date of this annual report:

The main content is disclosed on the Market Observation Post System (MOPS) website at "[https://mops.twse.com.tw/ investor area/](https://mops.twse.com.tw/investor%20area/)" shareholders may enter Market: TWSE and Company Code: 3413 to search for the relevant information.

III. Other supplementary information: None.

Seven. Any matter with a significant impact on shareholders' equity or securities prices during the most recent year and as of the publication date of this annual report, according to Subparagraph 2, Paragraph 2 of Article 36 of the Securities and Exchange Act: None.

Foxsemicon Integrated Technology Inc.



Chairman: Young-Way Liu

