

FSP Technology Inc. and Subsidiaries

Consolidated Balance Sheets

As of June 30, 2023, December 31, 2022, June 30, 2022 and January 1, 2022

Unit: NT\$ thousands

	2023.6.30		2022.12.31 (Restated)		2022.6.30 (Restated)		2022.1.1 (Restated)			2023.6.30		2022.12.31 (Restated)		2022.6.30 (Restated)		2022.1.1 (Restated)			
	Amount	%	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%	Amount	%		
Assets									Liabilities and Equity										
11xx Current Assets:									21xx Current Liabilities:										
1100 Cash and cash equivalents (Note VI(I))	\$	4,274,635	19	3,695,970	18	3,040,757	15	2,794,253	13	2100 Short-term borrowings (Notes VI(IX), (XII) and VIII)	\$	7,697	-	7,692	-	10,514	-	16,315	-
1110 Financial assets at fair value through profit or loss - current (Note VI(II))		598,703	3	560,449	3	469,058	2	516,074	3	2150 Notes payable		15,246	-	13,057	-	10,909	-	14,445	-
1136 Financial assets at amortized cost - current (Note VI(IV))		-	-	-	-	10,800	-	10,800	-	2170 Accounts payable		3,696,561	16	3,854,819	18	4,050,343	20	4,986,689	23
1150 Notes receivable, net (Notes VI(V) and (XX))		47,774	-	81,568	-	61,062	-	62,112	-	2180 Accounts payable - related parties (Note VII)		161,154	1	151,773	1	114,714	-	90,024	-
1170 Accounts receivable, net (Notes VI(V) and (XX))		3,213,168	15	3,140,610	16	3,358,484	17	3,864,730	18	2200 Other payables (Notes VI(XVI), (XXI) and VII)		1,155,418	5	1,247,717	6	1,097,179	5	1,151,339	6
1180 Accounts receivable - related parties, net (Notes VI(V), (XX) and VII)		760,358	4	721,838	4	917,759	5	801,748	4	2216 Dividends payable		743,706	4	-	-	636,555	3	-	-
1200 Other receivables (Notes VI(III), (VI) and VII)		56,443	-	91,330	-	87,027	-	73,406	-	2230 Current income tax liabilities		123,279	1	156,741	1	159,780	1	167,169	1
1220 Current income tax assets		8,910	-	5,865	-	6,794	-	5,779	-	2250 Provisions - current (Note VI(XV))		136,265	1	131,155	1	134,945	1	146,223	1
130x Inventories (Note VI(VII))		2,644,094	12	3,058,639	15	3,294,751	17	3,590,546	17	2280 Lease liabilities - current (Notes VI(XIV) and VII)		182,923	1	175,602	1	173,287	1	166,758	1
1410 Prepayments		50,460	-	44,578	-	65,177	-	77,899	-	2300 Other current liabilities (Notes VI(XIII) and (XX))		213,620	1	168,256	1	130,496	1	92,137	-
1470 Other current assets		19,870	-	30,858	-	21,452	-	34,848	-	2320 Long-term liabilities - current portion (Notes VI(IX), (XIII) and VIII)		75,269	-	74,930	-	75,091	-	73,014	-
Total current assets		11,674,415	53	11,431,705	56	11,333,121	56	11,832,195	55	Total current liabilities		6,511,138	30	5,981,742	29	6,593,813	32	6,904,113	32
15xx Non-current Assets:									25xx Non-current Liabilities:										
1517 Financial assets at fair value through other comprehensive income - non-current (Notes VI(III) and (XVIII))		7,882,292	36	6,376,814	32	6,195,295	31	6,763,138	32	2540 Long-term borrowings (Notes VI(IX) and (XIII), and VIII)		86,683	-	124,404	1	162,405	1	199,334	1
1550 Investment under equity method (Note VI(VIII))		37,661	-	34,200	-	29,737	-	26,947	-	2570 Deferred income tax liabilities (Note III)		119,114	1	121,940	-	150,272	1	146,792	1
1600 Property, plant and equipment (Notes VI(IX), (XII), and (XIII), VIII and IX)		1,439,042	7	1,487,995	7	1,527,798	8	1,544,427	8	2580 Lease liabilities - non-current (Notes VI(XIV) and VII)		303,903	1	364,713	2	397,673	2	474,996	2
1755 Right-of-use assets (Notes VI(X), (XIV) and VII)		474,905	2	527,497	3	560,900	3	635,433	3	2640 Net defined benefit liabilities non-current		4,288	-	8,511	-	41,238	-	44,234	-
1780 Intangible assets (Note VI(XI))		223,127	1	224,905	1	223,718	1	223,496	1	2645 Guarantee deposits received		514	-	532	-	510	-	500	-
1840 Deferred income tax assets (Note III)		189,821	1	192,732	1	234,921	1	230,824	1	2670 Other non-current liabilities (Note VI(XIII))		2,660	-	2,994	-	2,743	-	3,970	-
1900 Other non-current assets (Notes VI(IX), VIII and IX)		59,591	-	52,573	-	67,985	-	69,666	-	Total non-current liabilities		517,162	2	623,094	3	754,841	4	869,826	4
Total non-current assets		10,306,439	47	8,896,716	44	8,840,354	44	9,493,931	45	Total liabilities		7,028,300	32	6,604,836	32	7,348,654	36	7,773,939	36
										31xx Equity Attributable to Owners of the Parent (Notes III, VI(III), (VIII) and (XVIII)):									
										3100 Capital Stock		1,872,620	9	1,872,620	9	1,872,620	9	1,872,620	9
										3200 Capital Surplus		861,207	4	1,011,016	5	1,011,016	5	1,011,016	5
										3300 Retained earnings:									
										3310 Legal reserve		1,301,706	6	1,175,322	6	1,175,322	6	1,033,544	5
										3350 Unappropriated earnings		3,545,679	16	3,719,335	18	3,009,663	15	3,213,826	15
										Total retained earnings		4,847,385	22	4,894,657	24	4,184,985	21	4,247,370	20
										34xx Other Equity:									
										3410 Exchange differences on translation of financial statements of foreign operations		(133,726)	(1)	(77,349)	-	(68,021)	-	(117,703)	(1)
										3420 Unrealized gains (losses) on financial assets at fair value through other comprehensive income		7,124,598	32	5,628,307	28	5,465,136	27	6,200,289	29
										Total other equity		6,990,872	31	5,550,958	28	5,397,115	27	6,082,586	28
										Total equity attributable to shareholders of the parent		14,572,084	66	13,329,251	66	12,465,736	62	13,213,592	62
										36xx Non-controlling Interests		380,470	2	394,334	2	359,085	2	338,595	2
										3xxx Total equity		14,952,554	68	13,723,585	68	12,824,821	64	13,552,187	64
1xxx Total assets	\$	21,980,854	100	20,328,421	100	20,173,475	100	21,326,126	100	2-3xxx Total liabilities and equity	\$	21,980,854	100	20,328,421	100	20,173,475	100	21,326,126	100

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

FSP Technology Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
April 1 to June 30, 2023 and 2022 and January 1 to June 30, 2023 and 2022

Unit: NT\$ thousands

	April to June, 2023		April to June, 2022 (Restated)		January to June, 2023		January to June, 2022 (Restated)	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue (Notes VI(XX) and VII)	\$ 3,393,104	100	3,465,938	100	6,827,963	100	6,901,818	100
5000 Operating costs (Notes VI(VII), (IX), (X), (XI), (XIV), (XV), (XVI), VII and XII)	2,766,707	82	2,911,883	84	5,651,260	83	5,788,716	84
5920 Add: Realized (Unrealized) Profit on Sales	(766)	-	(1,923)	-	546	-	(1,281)	-
5900 Gross profit	625,631	18	552,132	16	1,177,249	17	1,111,821	16
6000 Operating expenses (Notes VI(V), (VI), (IX), (X), (XI), (XIV), (XVI), (XXI), VII and XII):								
6100 Selling and marketing expenses	183,145	5	161,345	5	327,773	5	321,769	5
6200 General and administrative expenses	170,990	5	166,498	5	327,947	5	312,461	5
6300 Research and development expenses	137,007	4	121,021	3	276,367	4	239,379	3
6450 Gain on expected credit loss	23,092	-	(6,027)	-	13,092	-	(6,027)	-
Total operating expenses	514,234	14	442,837	13	945,179	14	867,582	13
6900 Net operating income	111,397	4	109,295	3	232,070	3	244,239	3
7000 Non-operating income and expenses (Notes VI(II), (III), (VIII), (IX), (XIII), (XIV), (XXII), and VII):								
7100 Interest income	23,117	-	6,134	-	39,468	1	10,183	-
7010 Other income	9,757	-	28,746	1	21,765	-	43,447	1
7020 Other gains and losses	30,605	1	78,379	2	14,064	-	116,721	2
7050 Finance costs	(4,500)	-	(4,757)	-	(7,858)	-	(9,862)	-
7060 Share of profits (losses) of associates and joint ventures under equity method	682	-	(39)	-	1,738	-	1,805	-
Total non-operating income and expenses	59,661	1	108,463	3	69,177	1	162,294	3
7900 Income before income tax from continuing operations	171,058	5	217,758	6	301,247	4	406,533	6
7950 Less: Income tax expense (Note VI(XVII))	46,588	1	46,086	1	74,184	1	85,307	1
8200 Net Income	124,470	4	171,672	5	227,063	3	321,226	5
8300 Other comprehensive income:								
8310 Items that will not be reclassified to profit or loss (Note (XVIII))								
8316 Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	1,042,920	31	(131,875)	(3)	1,801,909	27	(465,091)	(7)
8349 Less: Income tax related to components that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
Total items that will not be reclassified to profit or loss	1,042,920	31	(131,875)	(3)	1,801,909	27	(465,091)	(7)
8360 Items that may be reclassified subsequently to profit or loss (Note III, VI(VIII) and (XVIII))								
8361 Exchange differences on translation of financial statements of foreign operations	(65,192)	(2)	(24,683)	(1)	(57,474)	(1)	50,788	1
8370 Share of other comprehensive income (losses) of associates and joint ventures under equity method	1,487	-	1,204	-	1,177	-	2,266	-
8399 Less: Income tax related to items that may be reclassified subsequently	-	-	-	-	-	-	-	-
Total items that may be reclassified subsequently to profit or loss	(63,705)	(2)	(23,479)	(1)	(56,297)	(1)	53,054	1
8300 Other Comprehensive Income	979,215	29	(155,354)	(4)	1,745,612	26	(412,037)	(6)
8500 Total Comprehensive Income	\$ 1,103,685	33	16,318	1	1,972,675	29	(90,811)	(1)
Net income (losses) attributable to:								
8610 Shareholders of the parent	\$ 125,401	4	152,549	4	208,896	3	285,517	4
8620 Non-controlling Interests	(931)	-	19,123	1	18,167	-	35,709	1
	\$ 124,470	4	171,672	5	227,063	3	321,226	5
Total comprehensive income (losses) attributable to:								
8710 Shareholders of the parent	\$ 1,103,921	33	(4,666)	-	1,954,428	29	(129,892)	(2)
8720 Non-controlling Interests	(236)	-	20,984	1	18,247	-	39,081	1
	\$ 1,103,685	33	16,318	1	1,972,675	29	(90,811)	(1)
Earnings per share (unit: NT\$) (Note VI(XIX))								
9750 Basic earnings per share	\$ 0.67		0.81		1.12		1.52	
9850 Diluted earnings per share	\$ 0.67		0.81		1.11		1.51	

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

FSP Technology Inc. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to June 30, 2023 and 2022

Unit: NT\$ thousands

	Equity Attributable to Owners of the Parent										
	Retained earnings					Other equity items			Total equity attributable to shareholders of the parent	Non-controlling Interests	Total Equity
	Capital stock - common shares	Capital Surplus	Legal reserve	Unappropriated earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total			
Balance as of January 1, 2022	\$ 1,872,620	1,011,016	1,033,544	3,209,195	4,242,739	(117,703)	6,200,289	6,082,586	13,208,961	338,515	13,547,476
Retroactive adjustments to new standards	-	-	-	4,631	4,631	-	-	-	4,631	80	4,711
Balance after restatement as of January 1, 2022	1,872,620	1,011,016	1,033,544	3,213,826	4,247,370	(117,703)	6,200,289	6,082,586	13,213,592	338,595	13,552,187
Appropriation and distribution of earnings:											
Legal reserve	-	-	141,778	(141,778)	-	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	(617,964)	(617,964)	-	-	-	(617,964)	-	(617,964)
Net Income	-	-	-	285,517	285,517	-	-	-	285,517	35,709	321,226
Other Comprehensive Income	-	-	-	-	-	49,682	(465,091)	(415,409)	(415,409)	3,372	(412,037)
Total Comprehensive Income	-	-	-	285,517	285,517	49,682	(465,091)	(415,409)	(129,892)	39,081	(90,811)
Distribution of cash dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(18,591)	(18,591)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	270,062	270,062	-	(270,062)	(270,062)	-	-	-
Balance as of June 30, 2022	\$ 1,872,620	1,011,016	1,175,322	3,009,663	4,184,985	(68,021)	5,465,136	5,397,115	12,465,736	359,085	12,824,821
Balance as of January 1, 2023	\$ 1,872,620	1,011,016	1,175,322	3,713,296	4,888,618	(77,427)	5,628,307	5,550,880	13,323,134	394,238	13,717,372
Retroactive adjustments to new standards	-	-	-	6,039	6,039	78	-	78	6,117	96	6,213
Balance after restatement as of January 1, 2023	1,872,620	1,011,016	1,175,322	3,719,335	4,894,657	(77,349)	5,628,307	5,550,958	13,329,251	394,334	13,723,585
Appropriation and distribution of earnings:											
Legal reserve	-	-	126,384	(126,384)	-	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	(561,786)	(561,786)	-	-	-	(561,786)	-	(561,786)
Changes in other capital surplus:											
Cash dividends appropriated from capital surplus	-	(149,809)	-	-	-	-	-	-	(149,809)	-	(149,809)
Net Income	-	-	-	208,896	208,896	-	-	-	208,896	18,167	227,063
Other Comprehensive Income	-	-	-	-	-	(56,377)	1,801,909	1,745,532	1,745,532	80	1,745,612
Total Comprehensive Income	-	-	-	208,896	208,896	(56,377)	1,801,909	1,745,532	1,954,428	18,247	1,972,675
Distribution of cash dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(32,111)	(32,111)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	305,618	305,618	-	(305,618)	(305,618)	-	-	-
Balance as of June 30, 2023	\$ 1,872,620	861,207	1,301,706	3,545,679	4,847,385	(133,726)	7,124,598	6,990,872	14,572,084	380,470	14,952,554

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

FSP Technology Inc. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to June 30, 2023 and 2022

Unit: NT\$ thousands

	<u>January to June, 2023</u>	<u>January to June, 2022</u>
Cash flows from operating activities:		
Income before income tax	\$ 301,247	406,533
Adjustments for:		
Adjustments to reconcile profit or loss		
Depreciation expenses	186,282	182,193
Amortization expenses	3,226	4,721
Expected credit impairment losses (gains)	13,092	(6,027)
Interest expense:	7,858	9,862
Interest income	(39,468)	(10,183)
Dividend income	(95)	(55)
Share of profits (losses) of associates and joint ventures under equity method	(1,738)	(1,805)
Loss (gain) on disposal and scrap of property, plant and equipment	589	(99)
Unrealized (Realized) sales gains (losses)	(546)	1,281
Gains on lease modifications	(16)	-
Rent concessions reclassified to revenue	-	(3,274)
Total adjustments for profit or loss	<u>169,184</u>	<u>176,614</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(38,254)	47,016
Notes receivable	33,794	1,050
Accounts receivable	(57,696)	512,273
Accounts receivable - related parties	(38,520)	(116,011)
Other receivables	18,640	(13,385)
Inventories	414,545	295,795
Prepayments	(5,882)	12,191
Other current assets	10,988	13,396
Other Non-Current Assets	(858)	(833)
Total changes in operating assets	<u>336,757</u>	<u>751,492</u>
Changes in operating liabilities:		
Notes payable	2,189	(3,536)
Accounts payable	(158,258)	(936,346)
Accounts payable - related parties	9,381	24,690
Other payables	(95,397)	(53,367)
Provisions for liabilities	5,110	(11,278)
Other current liabilities	45,030	38,221
Net defined benefit liabilities	(4,223)	(2,996)
Total changes in operating liabilities	<u>(196,168)</u>	<u>(944,612)</u>
Total changes in operating assets and liabilities	<u>140,589</u>	<u>(193,120)</u>
Total adjustments	<u>309,773</u>	<u>(16,506)</u>
Cash flows generated by operating activities	<u>611,020</u>	<u>390,027</u>
Interest received	37,604	9,947
Interest paid	(7,837)	(9,867)
Income tax paid	(110,691)	(94,216)
Net cash flows generated from operating activities	<u>530,096</u>	<u>295,891</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(10,000)	(168,198)
Disposal of financial assets at fair value through other comprehensive income	296,615	270,950
Acquisition of property, plant, and equipment	(54,291)	(65,209)
Disposal of property, plant and equipment	-	294
Acquisition of intangible assets	(1,462)	(4,408)
Increase in refundable deposits	(3,619)	(678)
Increase in prepayments for equipment	(2,861)	(812)
Dividends received	68	55
Net cash flows from investing activities	<u>224,450</u>	<u>31,994</u>
Cash flows from financing activities:		
Decrease in short-term loans	-	(5,801)
Repayments of long-term loans	(37,382)	(35,941)
Decrease in guarantee deposits received	(4)	-
Repayment of the principal of lease liabilities	(90,837)	(80,828)
Net cash flows used in financing activities	<u>(128,223)</u>	<u>(122,570)</u>
Effects of exchange rate changes on the balance of cash held in foreign currencies	(47,658)	41,189
Increase in cash and cash equivalents for the period	578,665	246,504
Cash and cash equivalents at the beginning of the year	<u>3,695,970</u>	<u>2,794,253</u>
Cash and cash equivalents at the end of the year	<u>\$ 4,274,635</u>	<u>3,040,757</u>

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

Notes to Consolidated Financial Statements of FSP Technology Inc. and Subsidiaries (Continued)

Changes in the allowance for notes receivable and accounts receivable were as follows:

	January to June, 2023	January to June, 2022
Beginning balance	\$ 24,641	39,771
Recoveries from write-off in previous years	2,258	-
Reversal of impairment loss	(14,862)	(6,027)
Write-off	-	(8,986)
Effect of exchange rate changes	(11)	149
Ending balance	\$ 12,026	24,907

(VI) Other receivables

	2023.6.30	2022.12.31	2022.6.30
Other receivables	\$ 85,454	91,840	87,521
Less: Loss allowances	(29,011)	(510)	(494)
	\$ 56,443	91,330	87,027

Changes in loss allowance for other receivables:

	January to June, 2023	January to June, 2022
Beginning balance	\$ 510	460
Impairment losses recognized	27,954	-
Effect of exchange rate changes	547	34
Ending balance	\$ 29,011	494

(VII) Inventories

	2023.6.30	2022.12.31	2022.6.30
Finished goods	\$ 1,585,645	1,750,634	1,728,436
Work in process	452,171	634,291	653,915
Raw materials	606,278	673,714	912,400
	\$ 2,644,094	3,058,639	3,294,751

Notes to Consolidated Financial Statements of FSP Technology Inc. and Subsidiaries (Continued)

Breakdown of cost of goods sold:

	<u>April to June, 2023</u>	<u>April to June, 2022</u>	<u>January to June, 2023</u>	<u>January to June, 2022</u>
Inventories sold	\$ 2,721,135	2,836,056	5,598,057	5,682,692
Loss on inventory write-down	22,335	36,461	17,547	52,188
Loss on inventory	18	1	18	1
Unallocated manufacturing expense	17,852	33,234	30,099	47,704
Loss on inventory obsolescence	5,367	6,131	5,539	6,131
	<u>\$ 2,766,707</u>	<u>2,911,883</u>	<u>5,651,260</u>	<u>5,788,716</u>

As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group did not pledge any inventories as collateral.

(VIII) Investments Accounted for Using the Equity Method

A summary of the Group's investments accounted for using the equity method at the reporting date is provided below:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
Associate	\$ <u>37,661</u>	<u>34,200</u>	<u>29,737</u>

1. Associate

Aggregated financial information on associates that were accounted for using the equity method and were not individually material to the Group is summarized below. This financial information was included in the amount of the Consolidated Financial Statements:

	<u>2023.6.30</u>	<u>2022.12.31</u>	<u>2022.6.30</u>
The carrying amount of investments in associates that were not individually material to the Group at the end of the period	\$ <u>37,661</u>	<u>34,200</u>	<u>29,737</u>

	<u>April to June, 2023</u>	<u>April to June, 2022</u>	<u>January to June, 2023</u>	<u>January to June, 2022</u>
Attributable to the Group:				
Income (Loss) from Continuing Operations	\$ 682	(39)	1,738	1,805
Other comprehensive income	1,487	1,204	1,177	2,266
Total Comprehensive Income	<u>\$ 2,169</u>	<u>1,165</u>	<u>2,915</u>	<u>4,071</u>

2. Collateral

As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group did not pledge any investments accounted for under the equity method as collateral.

3. Unreviewed Investments Recognized Through the Equity Method

The shares of profit or loss and other comprehensive income entitled by the Group and investments recognized through the equity method are calculated on the basis of the financial statements which has not been reviewed by the independent auditors.

Notes to Consolidated Financial Statements of FSP Technology Inc. and Subsidiaries (Continued)

	April to June, 2023	April to June, 2022	January to June, 2023	January to June, 2022
Diluted earnings per share:				
Net income attributable to the ordinary shareholders of the Company	<u>\$ 125,401</u>	<u>152,549</u>	<u>208,896</u>	<u>285,517</u>
Weight-average number of ordinary shares outstanding (Unit: Thousands of shares)	187,262	187,262	187,262	187,262
Employee compensation (Unit: Thousands of shares)	<u>368</u>	<u>732</u>	<u>927</u>	<u>1,355</u>
Weight-average number of ordinary shares outstanding (Unit: Thousands of shares)	<u>187,630</u>	<u>187,994</u>	<u>188,189</u>	<u>188,617</u>
Diluted earnings per share (Unit: In New Taiwan Dollars)	<u>\$ 0.67</u>	<u>0.81</u>	<u>1.11</u>	<u>1.51</u>

(XX) Revenue from contracts with customers

1. Breakdown of revenue

		April to June, 2023					
		The Company and its processing subsidiaries	3Y Power	Zhong Han	WUXI Zhonghan	Others	Total
Primary geographical markets:							
	Taiwan	\$ 407,187	212,907	-	-	-	620,094
	China	323,488	60,196	376,528	130,505	4,372	895,089
	U.S.A.	268,510	195	-	-	155,537	424,242
	Germany	658,345	23,608	-	-	-	681,953
	Other countries	719,843	9,222	-	-	42,661	771,726
		<u>\$ 2,377,373</u>	<u>306,128</u>	<u>376,528</u>	<u>130,505</u>	<u>202,570</u>	<u>3,393,104</u>
Major product/service line:							
	Sales of power supply	<u>\$ 2,377,373</u>	<u>306,128</u>	<u>376,528</u>	<u>130,505</u>	<u>202,570</u>	<u>3,393,104</u>
		April to June, 2022					
		The Company and its processing subsidiaries	3Y Power	Zhong Han	WUXI Zhonghan	Others	Total
Primary geographical markets:							
	Taiwan	\$ 429,698	139,233	-	-	-	568,931
	China	600,442	28,446	455,402	155,044	4,557	1,243,891
	U.S.A.	290,993	7,226	-	-	189,614	487,833
	Germany	518,399	19,331	-	-	-	537,730
	Other countries	603,298	5,365	-	-	18,890	627,553
		<u>\$ 2,442,830</u>	<u>199,601</u>	<u>455,402</u>	<u>155,044</u>	<u>213,061</u>	<u>3,465,938</u>
Major product/service line:							
	Sales of power supply	<u>\$ 2,442,830</u>	<u>199,601</u>	<u>455,402</u>	<u>155,044</u>	<u>213,061</u>	<u>3,465,938</u>

Notes to Consolidated Financial Statements of FSP Technology Inc. and Subsidiaries (Continued)

January to June, 2023						
	The Company and its processing subsidiaries	3Y Power	Zhong Han	WUXI Zhonghan	Others	Total
Primary geographical markets:						
Taiwan	\$ 878,147	374,873	-	-	-	1,253,020
China	739,096	121,038	706,427	253,222	7,505	1,827,288
U.S.A.	566,827	4,600	-	-	355,509	926,936
Germany	1,329,645	45,287	-	-	-	1,374,932
Other countries	1,357,600	10,271	-	-	77,916	1,445,787
	\$ 4,871,315	556,069	706,427	253,222	440,930	6,827,963
Major product/service line:						
Sales of power supply	\$ 4,871,315	556,069	706,427	253,222	440,930	6,827,963

January to June, 2022						
	The Company and its processing subsidiaries	3Y Power	Zhong Han	WUXI Zhonghan	Others	Total
Primary geographical markets:						
Taiwan	\$ 1,031,222	277,930	-	-	-	1,309,152
China	1,118,241	46,124	904,662	273,941	9,447	2,352,415
U.S.A.	577,312	10,598	-	-	371,455	959,365
Germany	925,702	55,414	-	-	-	981,116
Other countries	1,251,518	10,134	-	-	38,118	1,299,770
	\$ 4,903,995	400,200	904,662	273,941	419,020	6,901,818
Major product/service line:						
Sales of power supply	\$ 4,903,995	400,200	904,662	273,941	419,020	6,901,818

2. Contract balance

	2023.6.30	2022.12.31	2022.6.30
Notes and accounts receivable (including related parties)	\$ 4,033,326	3,968,657	4,362,212
Less: Loss allowances	(12,026)	(24,641)	(24,907)
Total	\$ 4,021,300	3,944,016	4,337,305
Contract liabilities (recognized in other current liabilities)	\$ 53,107	93,296	99,508

Please refer to Note VI(V) for notes receivable, accounts receivable and related impairment.

Notes to Consolidated Financial Statements of FSP Technology Inc. and Subsidiaries (Continued)

(XXI) Remuneration of Employees and Directors

The Company's Articles of Incorporation stipulate that a minimum of 6% of annual profit, if any, shall be allocated to employee remuneration and a maximum of 3% of annual profit shall be allocated to Directors' remuneration. However, if the Company has accumulated losses, the Company shall set aside a part of the surplus profit first for making up the losses. Employees who are entitled to receive the employee remuneration in shares or cash include the employees of subsidiaries of the Company who meet certain specific requirements.

Notes to Consolidated Financial Statements of FSP Technology Inc. and Subsidiaries (Continued)

4. Marketable securities for which the accumulated purchase or sale amounts for the period exceed NT\$300,000 thousand or 20% of the paid-in capital:

Company Name	Type and Name of Securities	Ledger Account	Counterparty	Relationship	Beginning of Period		Purchase		Sale			Ending Balance		
					Shares	Amount	Shares	Amount	Shares	Selling Price	Carrying Cost	Gains (Losses) on Disposal	Shares	Amount
The Company	Stock: Voltronic Power Technology Corp.	Financial assets at fair value through other comprehensive income			3,666,822	5,665,240	-	-	172,000	306,431	813	305,618	3,494,822	6,867,325 (Note)

Note: Ending balance includes unrealized valuation gain (loss) of financial assets.

5. Acquisition of real estate at costs which exceed NT\$300,000 thousand or 20% of the paid-in capital: None.
6. Disposal of real estate at prices which exceed NT\$300,000 thousand or 20% of the paid-in capital: None.
7. Total purchases from and sales to related parties which exceed NT\$100,000 thousand or 20% of the paid-in capital:

Company	Related Party	Relationship	Transaction Situation				Unusual Transaction Terms and Reasons		Notes and Accounts Receivable (Payable)		Remark
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales) (%)	Credit Period	Unit Price	Credit Period	Balance	Percentage of total notes and accounts receivable (payable)	
The Company	Sparkle Power Inc.	The Chairman of the Company is the second-degree relatives of the entity's Chairman	(Sales)	(187,099)	(3.45)	Note 1			121,800	4.13	
The Company	FSP North America Inc.	Substantive related party of the Company	(Sales)	(220,192)	(4.06)	Note 1			111,232	3.77	
The Company	FSP Power Solution GmbH	Substantive related party of the Company	(Sales)	(378,910)	(6.98)	Note 1			238,058	8.07	
The Company	Fortron/Source (Europa) GmbH	Substantive related party of the Company	(Sales)	(191,399)	(3.53)	Note 1			143,786	4.87	
The Company	WUXI Zhonghan	100% owned investment via indirect shareholding	(Sales)	(144,262)	(2.66)	Note 1			100,962	3.42	Note 6
The Company	Huili	100% owned investment via indirect shareholding	Purchases (Note 2)	315,949	9.14	Note 4		Note 4	(9,851) (Note 3)	(0.33)	Note 6
The Company	Zhonghan	100% owned investment via indirect shareholding	Purchases (Note 2)	143,756	4.16	Note 4		Note 4	(26,462) (Note 3)	(0.89)	Note 6
The Company	WUXI SPI	100% owned investment via indirect shareholding	Purchases (Note 2)	101,453	2.93	Note 4		Note 4	(17,047) (Note 3)	(0.58)	Note 6
The Company	Voltronic	The Company is the Director of this company	Purchases	253,277	7.33	Note 5			(161,154)	(5.44)	
The Company	3Y Power	65.87% owned investment via direct shareholding	Purchases	235,414	6.81	Note 1			(175,575)	(5.92)	Note 6
The Company	Zhong Han	100% owned investment via indirect shareholding	(Sales)	(225,113)	(4.15)	Note 1			-	-	
3Y Power	3Y Power Technolgh Inc.	100% owned investment via direct shareholding	(Sales)	(209,021)	(16.64)	Note 1			59,377	7.85	Note 6
3Y Power	Huili	Affiliate	Purchases (Note 2)	163,637	21.63	Note 4		Note 4	(26,995) (Note 3)	(3.94)	Note 6
3Y Power	Zhong Han	Affiliate	(Sales)	(201,675)	(16.06)	Note 1			-	-	

Notes to Consolidated Financial Statements of FSP Technology Inc. and Subsidiaries (Continued)

Note 1: The Company's trading terms for this related party are not significantly different from those of other customers.

Note 2: Including purchases of products, purchases of raw materials and processing.

Note 3: Including accounts payable arising from purchases of products and raw materials and processing fee.

Note 4: The transaction price is not available for regular customers for comparison, and the credit term is 5 days after the monthly settlement.

Note 5: The Group does not purchase similar products from other manufacturers, so there is no transaction price from regular manufacturers for comparison. The payment terms were not significantly different from those of regular manufacturers.

Note 6: Eliminated under consolidation.

8. Receivables from related parties which exceed NT\$100,000 thousand or 20% of the paid-in capital:

Company with accounts receivable	Related Party	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Recovery from overdue receivables from related parties (Note 1)	Loss allowance
					Amount	Action taken		
The Company	Sparkle Power Inc.	The Chairman of the Company is the second-degree relatives of the entity's Chairman	121,800	2.42	-		49,063	-
The Company	FSP Power Solution GmbH	Substantive related party of the Company	238,058	3.04	-		-	-
The Company	FSP North America Inc.	Substantive related party of the Company	111,232	3.76	-		-	-
The Company	Fortron/Source (Europa) GmbH	Substantive related party of the Company	143,786	4.58	-		30,209	-
The Company	WUXI Zhonghan	100% owned investment via indirect shareholding	100,962 (Note 2)	3.28	-		24,003	-
3Y Power	The Company	65.87% owned reinvestment via indirect shareholding	175,575 (Note 2)	2.71	-		73,979	-

Note 1: As of July 26, 2023.

Note 2: Eliminated under consolidation.

9. Derivative instruments transactions: None.

10. Business relationship and significant intercompany transactions:

Number (Note 1)	Company	Counterparty	Nature of Relationship (Note 2)	Description of Transactions			Percentage of total consolidated operating revenue or total assets (Note 3)
				Ledger Account	Amount	Transaction Term	
0	The Company	3Y Power	1	Cost of goods sold	235,414	No significant difference from other suppliers	3.45%
0	The Company	Huili	1	Cost of goods sold	315,949	No comparison is available	4.63%
0	The Company	Zhonghan	1	Cost of goods sold	143,756	No comparison is available	2.11%
0	The Company	WUXI SPI	1	Cost of goods sold	101,453	No comparison is available	1.49%
0	The Company	WUXI Zhonghan	1	Operating revenue	144,262	No significant difference from other customers	2.11%
0	The Company	Zhong Han	1	Operating revenue	225,113	No significant difference from other customers	3.30%
1	3Y Power	3Y Power Technology Inc.	3	Operating revenue	209,021	No significant difference from other customers	3.06%
1	3Y Power	Huili	3	Cost of goods sold	163,637	No comparison is available	2.40%
1	3Y Power	Zhong Han	3	Operating revenue	201,675	No significant difference from other customers	2.95%

Note 1: Fill in the number as per below:

- 0 represents the parent company.
- Subsidiaries are sorted in a numerical order starting from 1.

Note 2: The relationships with counterparty are as follows:

- The parent company to subsidiaries.
- Subsidiaries to the parent company.
- Subsidiaries to subsidiaries.

Notes to Consolidated Financial Statements of FSP Technology Inc. and Subsidiaries (Continued)

Note 3: Information is disclosed only for the amounts that exceed 1% of total consolidated assets (balance sheet items) and 1% of total revenue (income statement items).

Notes to Consolidated Financial Statements of FSP Technology Inc. and Subsidiaries (Continued)

(IV) Information on Major Shareholders:

Name of Major Shareholders	Shareholding	Shares	Percentage of Ownership
Chuan Han Investment Co., Ltd.		15,091,766	8.05%
Cheng, Ya-Jen		12,167,477	6.49%
Yang, Fu-An		11,792,834	6.29%

- The information of major shareholders in this table was calculated by Taiwan Depository & Clearing Corporation on the last business day at the end of each quarter, and the shareholders who held more than 5% of the common shares and preferred shares of the Company that have been delivered (including treasury shares) were disclosed. The number of shares recorded in the Company's financial statements and the number of shares actually delivered by the Company without physical registration may differ due to different basis of preparation of the calculations.
- If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. As for the insider declaration for shareholding more than 10% of total shares in accordance with the Securities and Exchange Act, their shareholding shall include the shares held by themselves plus the shares that they have delivered to the trust and have the right to exercise decision-making power over the trust property. For more information, please refer to Market Observation Post System website.
- The percentage of shareholding is calculated by rounding to two decimal places.

XIV. Segment Information

The Group's operating segment information and reconciliation were as follows:

	The Company and its processing subsidiaries	3Y Power	Zhong Han	WUXI Zhonghan	Others	Adjustment and elimination	Total
April to June, 2023							
Revenue:							
Revenue from external customers	\$ 2,377,373	306,128	376,528	130,505	202,570	-	3,393,104
Intersegment revenue	639,020	299,122	5,172	2,751	19,395	(965,460)	-
Total revenues	\$ 3,016,393	605,250	381,700	133,256	221,965	(965,460)	3,393,104
Reportable segment profit or loss	\$ 149,947	42,932	(3,274)	5,162	(23,186)	(523)	171,058
April to June, 2022							
Revenue:							
Revenue from external customers	\$ 2,442,830	199,601	455,402	155,044	213,061	-	3,465,938
Intersegment revenue	711,399	373,316	1,044	2,645	16,210	(1,104,614)	-
Total revenues	\$ 3,154,229	572,917	456,446	157,689	229,271	(1,104,614)	3,465,938
Reportable segment profit or loss	\$ 148,152	60,743	(534)	704	10,316	(1,623)	217,758
January to June, 2023							
Revenue:							
Revenue from external customers	\$ 4,871,315	556,069	706,427	253,222	440,930	-	6,827,963
Intersegment revenue	1,299,362	693,141	8,767	5,314	37,963	(2,044,547)	-
Total revenues	\$ 6,170,677	1,249,210	715,194	258,536	478,893	(2,044,547)	6,827,963
Reportable segment profit or loss	\$ 222,919	97,881	(13,668)	8,086	(13,954)	(17)	301,247
January to June, 2022							
Revenue:							
Revenue from external customers	\$ 4,903,995	400,200	904,662	273,941	419,020	-	6,901,818
Intersegment revenue	1,336,172	668,532	2,177	6,819	30,841	(2,044,541)	-
Total revenues	\$ 6,240,167	1,068,732	906,839	280,760	449,861	(2,044,541)	6,901,818
Reportable segment profit or loss	\$ 271,984	107,885	6,225	(3,711)	24,582	(432)	406,533

Notes to Consolidated Financial Statements of FSP Technology Inc. and Subsidiaries (Continued)

The significant adjustment items of the above reportable segment information are described as follows:

The sum of reportable segment revenue should be deducted by the intersegment revenue amounted to NT\$965,460 thousand, NT\$1,104,614 thousand, NT\$2,044,547 thousand and NT\$2,044,541 thousand, respectively, for the three months and six months ended June 30, 2023 and 2022.