Stock Code: 3015

全漢企業股份有限公司
FSP Technology Inc.

2025 Annual Shareholders' Meeting

Meeting Handbook

Method of Convening: Physical Shareholders' Meeting

Date: June 11, 2025

Address: No. 147, Yanping Rd., Taoyuan District, Taoyuan City (Center for Women of Taoyuan City)

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FSP Technology Inc.
Agenda for the 2025 Annual Shareholders' Meeting

Method of Convening: Physical Shareholders’ Meeting

Time: 9:00 am, June 11, 2025 (Wednesday)

Address: No. 147, Yanping Rd., Taoyuan District, Taoyuan City (Center for Women of Taoyuan City)

Meeting Called to Order

Chairman's Remarks

Chapter 1. Announcements:

I. The Company's 2024 Business Report.

II. Audit Committee's Review Report on the 2024 Final Statements.

III. Proposal for the compensation for employees and Directors for 2024.

IV. Report on the Company's distribution of cash dividends from earnings for 2024.

Chapter 2. Ratifications:

I. The Company's 2024 Business Report and Financial Statements.

II. The Company's 2024 Earnings Distribution Statement.

Chapter 3. Discussions:

I. Amendment of the Company's "Articles of Incorporation."

Chapter 4. Extempore Motions

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Chapter 1. Announcements

Proposal 1

Proposal: The Company's 2024 Business Report is provided for your review.

Explanation: Refer to Attachment I for the Business Report. (Pages 5-7)

Proposal 2

Proposal: The Audit Committee's Review Report on the 2024 Financial Statements is provided for your review.

Explanation: Refer to Attachment II for the Audit Committee's Review Report. (Page 9)

Proposal 3

Proposal: The proposal of compensation for employees and Directors for 2024 is provided for your review.

Description:

I. Under the Company's Articles of Incorporation, if the Company has profit for the year, it shall allocate no less than 6% as compensation for employees and no more than 3% as compensation for Directors.

II. The distribution proposal is as follows:

(1) Distribute compensation for employees totaling NT$56,000,000 entirely in cash.

(2) Distribute compensation for Directors totaling NT$5,600,000 entirely in cash.

Proposal 4

Proposal: The report on the Company's distribution of cash dividends from earnings for 2024 is provided for your review.

Description:

I. According to Article 21 of the Company's Articles of Incorporation, the Board of Directors is authorized to resolve to distribute earnings, statutory surplus reserve, and capital surplus in cash.

II. The Company proposes to set aside shareholders' dividends totaling NT$561,785,850 from distributable earnings for 2024 and distribute cash dividends of NT$3.0 per share.

III. If the Company's shares in external circulation are subsequently changed due to the issuance of new shares for conversion of stock options, repurchase of the Company's shares, or the transfer and cancellation of treasury stock, which affect on the shareholder dividend ratio, the Chairman is authorized to process such adjustments.

IV. The Chairman of the Board is authorized to determine the ex-dividend date, distribution date, and other related matters.

V. The current cash dividends are calculated pursuant to distribution ratio and rounded down to the whole dollar amounts with decimals rounded off. The fractional amounts less than NT$1 shall be aggregated and rounded up based on the value of decimals from high to low after distribution to shareholders till the amount reaches zero.

Chapter 2. Ratifications

Proposal 1 Proposed by the Board of Directors

Proposal: The Company's 2024 Business Report and Financial Statements are submitted for ratification.

Description:

I. The Company's 2024 Business Report and the Parent Company Only Financial Statements and Consolidated Financial Statements audited by Chang, Chun-I, CPA, and Chiang, Chia-Chi, CPA of KPMG Taiwan have been reviewed by the Audit Committee and submitted to the Board of Directors for resolution and passage in accordance with laws. Please refer to Attachment I and Attachment III. (Page 5-7 and Page 10-25)

II. They are submitted for ratification.

Resolution:

Proposal 2 Proposed by the Board of Directors

Proposal: The Company's 2024 Earnings Distribution Statement is submitted for ratification.

Description:

I. The Company's 2024 Earnings Distribution Statement has been reviewed by the Audit Committee and submitted to the Board of Directors for resolution and passage in accordance with laws. Please refer to Attachment IV. (Page 26)

II. They are submitted for ratification.

Resolution:

Chapter 3. Discussions

Proposal 1 Proposed by the Board of Directors

Cause: the amendment to the Company's "Articles of Incorporation" is submitted for discussion.

Description:

I. In accordance with the provisions of Article 14, Section 6 of the Securities and Exchange Act, as amended by via Letter No. 11300069631 of the Hua-Zong-Yi-Yi, dated August 7, 2024.

II. The Company proposes to amend certain articles of the "Articles of Incorporation" and the Comparison Table of the Articles of Incorporation before and after the amendment is provided in Attachment V. (Page 27-29)

III. Please discuss.

Resolution:

Chapter 4. Extempore Motions

Adjournment

Attachment I

FSP Technology Inc.
Business Report

In 2024, the overall business activities of the FSP showed a decline in both revenue figures and sales quantity. The decline in demand and revenue can primarily be attributed to the emergence of computing power centers driven by Nvidia, which have absorbed nearly all available market resources. This shift has led to decreased demand and investment in traditional electronics manufacturing and the industrial computer sector. The anticipated replacement cycle for PCs and IPCs was delayed, with many companies adopting a wait-and-see approach, resulting in lower procurement needs for power supplies. Additionally, the ongoing Russia-Ukraine conflict has dampened consumer spending across Europe. In the first half of last year, IPC manufacturers were still managing excess inventory, with signs of recovery only beginning to emerge in the latter half. Looking ahead to 2024, the continued integration of AI into edge computing and equipment upgrades is expected to boost demand for high-power supplies, providing FSP with an opportunity to maintain operational stability and achieve steady growth. For 2024, the Company is projected to sell approximately 16.5 million units, generating consolidated operating revenue of NT$11,601,092 thousand—representing an 11.98% decrease compared to NT$13,179,581 thousand in 2023. The results of operations in 2024 and the business outlook for 2025 are explained below:

I. Results of Operations in 2024

(I) Business Plan Implementation Results

FSP's consolidated operating revenue for 2024 was NT$11,601,092 thousand, an decrease of 12% compared to consolidated operating revenue of NT$13,179,581 thousand for 2023; the net income before tax for 2024 was NT$522,698 thousand, a decrease of 33% compared to net income before tax of NT$782,509 thousand for 2023; net income after tax for 2024 was NT$438,019 thousand, a decrease of 32% compared to net income after tax of NT$639,684 thousand for 2023; basic earnings per share before and after tax for 2024 were NT$2.50 and NT$2.16, respectively.

Unit: NT$ thousands; %

Item	2024	2023	Change, by Amount	Change Ratio
Operating Revenue	11,601,092	13,179,581	(1,578,489)	(11.98%)
Gross Profit	2,023,837	2,404,027	(380,190)	(15.81%)
Operating Income	49,203	468,813	(419,610)	(89.50%)
Non-Operating Income and Expenditures	473,495	313,696	159,799	50.94%
Net Income Before Tax	522,698	782,509	(259,811)	(33.20%)
Net income	438,019	639,684	(201,665)	(31.53%)

(II) Budget Implementation Status

The Company did not formulate a financial forecast for 2024.

(III) Analysis of Financial Gains and Losses and Profitability

Unit: NT$ thousands; %

Item	Year	2024	2023	Percentage of Increase (Decrease)
Financial Revenue and Expenditures	Operating Revenue	11,601,092	13,179,581	(11.98%)
	Gross Profit	2,023,837	2,404,027	(15.81%)
	Net Profit After Tax	438,019	639,684	(31.53%)
Profitability Analysis	Return on total assets (%)	2.10	3.24	(35.19%)
	Return on equity (%)	2.87	4.51	(36.36%)
	Ratio of net income before tax to paid-in capital (%)	27.91	41.79	(33.21%)
	Net profit margin (%)	3.78	4.85	(22.06%)
	Earnings Per Share (NT$)	2.16	3.20	(32.50%)

(IV) Research and Development

The R&D results in 2024 were as follows:

- Platinum Large Wattage 2500W.
- Titanium Gold 1.3/1.6KW products.
- Gold ATX Full Series 650/750/850/1KW Products.
- Next-generation networking products with 50/60/65W 54V.
- 65W 24V Next-generation printer products.
- Develop the iconic 400W Adapter to demonstrate the technical capabilities of FSP.
- M-CRPS 2400W, 2700W and 3250W high power density, Titanium-grade efficiency devices.
- 1U Slim 400W DC Input Redundant Power Supply.
- 300W P37P Series Models.
- 150W P36P Series Models.
- 320W PoE Power.
- 300W PBA Series Industrial Power Supplies
- 90W C14 Desktop Adapter (Class I) products.
- 90W C8 Desktop Adapter (Class II) products.
- 65W @ 2”x 4” Open Frame series products.
- 550W @ 3"x 5" Open Frame.
- PS-II ATX 1000W.
- 1U ATX 900W.
- Flex ATX 400W.
- Mobile energy storage EnerX 3000-3000W/110Vac/2.5kWh.
- Mobile energy storage expansion battery pack - 24V/2.5kWh.

II. Summary of 2025 Business Plan

Looking ahead to 2025, the trend in AI hardware construction is expected to shift from centralized computing power to edge computing. Products related to industrial computers, networking, and servers are anticipated to experience an increase in power consumption due to the incorporation of graphics processing chips. Nvidia has planned the MGX platform with a 12V output, the HGX platform with a 48V output, and the GB200 OCP platform featuring a Power Shelf to align with this trend. In the MGX platform, Nvidia aims to reduce hardware development costs for chip application vendors by standardizing rack layouts and utilizing the CRPS specification for power supply. It is noteworthy that FSP and its subsidiary, 3Y Power, have long been engaged in the server power supply market. They are well-acquainted with the design and manufacturing of CRPS and possess a product line of standard products across various power ratings, enabling them to respond swiftly to the future power demands of the MGX platform. Currently, they have achieved mass production of 2700W power supplies, with plans to develop up to 3600W by 2025. Furthermore, Nvidia is set to launch its 5090 series chips in 2025, which is expected to drive up power requirements for gaming computers and trigger a new wave of hardware upgrades. This development is anticipated to benefit FSP's sales in this segment. Although AI-enabled personal computers were introduced last year, they did not spark a significant wave of PC upgrades. However, in 2025, the growing adoption and application of AI technologies may drive an increase in PC replacements, which would positively impact FSP's PC power supply sales. In these markets, some consumers prefer non-standard PCs or Mini PCs. To meet this demand, the Company has developed high power density slim adapters. In summary, by 2025, FSP will offer a comprehensive product portfolio covering networking, high-performance computing, server power supplies, and white-label CRPS power supplies. Building on the recovery seen in the latter half of the previous year, the Company is expected to maintain its growth momentum. The overall target for total sales of power supply quantity is 1800 million units.

III. Future Development Strategy

FSP is committed to its corporate mission of "maximizing value for customers, employees, and shareholders with innovative services and high-quality products." Continuously research and develop advanced technology, develop power sources for innovative industries, to provide high value added power products. Since last year, AI chips have been increasingly utilized in related products, leading to a significant increase in power demands and the output of power supplies. Within the framework of environmental and sustainable development, the role of high-power and high-efficiency power supply products becomes even more important. FSP will allocate more and better research and development resources, dedicating to create high-power and high-efficiency power supply products with technological strength, meeting market demands for durability and efficiency, as well as the explosive growth in the AI industry.

IV. Impact of the External Competitive Environment, Regulatory Environment, and Overall Business Environment

FSP has set up the Sustainable Development Committee under the jurisdiction of the Board of Directors. With regard to current domestic and foreign laws and regulations that govern our operations, and our management team will continue to pay close attention to policies and laws on corporate governance issues that may affect the Company's financial and business. We shall provide guidance and review environmental issues related to the environment between operations and production, and social issues related to coexistence and mutual prosperity with society and stakeholders on all levels.

FSP is committed to protecting the environment with green energy, respecting customers, and creating a high-quality work environment. We seek to become the most reliable partner for customers, consumers, suppliers, and employees and maximize value for customers, shareholders, and employees.

I wish you

good health and prosperity

Chairman: Cheng, Ya-Jen **Managerial Officer: Cheng, Ya-Jen** **Chief Accounting Officer: Sang, Hsi-Yun**

Attachment II

FSP Technology Inc.

Audit Committee's Review Report

The Company's 2024 Parent Company Only Financial Statements and Consolidated Financial Statements have been audited by Chang, Chun-I, CPA, and Chiang, Chia-Chi, CPA of KPMG Taiwan, and have been submitted, along with the 2024 Business Report and Earnings Distribution Proposal to the Audit Committee for review. The Audit Committee found them to be compliant with the Company Act and related regulations. It therefore prepares this Review Report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act and filed for approval for your review.

Sincerely,

FSP Technology Inc.

2025 Annual Shareholders' Meeting

Convener of the Audit Committee: Liu, Shou-Hsiang

March 7, 2025

Attachment III

Independent Auditors' Report

To the Board of Directors of FSP Technology Inc.:

Opinions

We have audited the Parent Company Only Financial Statements of FSP Technology Inc. (the "Company"), which comprise the Parent Company Only Balance Sheets as of December 31, 2024 and 2023, and the Parent Company Only Statements of Comprehensive Income, the Parent Company Only Statements of Changes in Equity, the Parent Company Only Statements of Cash Flows, and Notes to the Parent Company Only Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2024 and 2023.

In our opinion, based on our audit results and the audit reports prepared by other independent auditors (please refer to Other Matters section), the accompanying Parent Company Only Financial Statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and cash flows for the periods from January 1 to December 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinions

Our accountant conducted the audit work in accordance with the Certified Public Accountants' Rules for Attestation of Financial Statements and Audit Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (the "Code"), and we have fulfilled other ethical responsibilities in accordance with the Code. Based on our audit results and the reports of other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Parent Company Only Financial Statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, revenue recognition is the key audit matter that should be communicated in the audit report.

Please refer to Note IV (XV) for the accounting policy of revenue recognition and Note VI (XIX) for the related disclosure of revenue.

Description of key audit matter:

Sales revenue of the Company is a key indicator for investors and management to evaluate financial or business performance. As a listed company, there is a high inherent risk of misrepresentation for the Company. Furthermore, the timing of revenue recognition may vary depending on the transaction conditions with customers, which poses a risk of income not being recorded in the appropriate period near the balance sheet date. Hence, it is crucial to determine the recognition of revenue and the timing of transferring control over goods close to the balance sheet date in order to accurately present the financial statements. The accountant acknowledges that revenue is a crucial aspect to consider during the audit of the financial statements for the current fiscal year.

Audit procedure to address the matter:

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

- Tested the effectiveness of the design and implementation of the internal control mechanism in relation to revenue recognition.
- Conducted trend analysis for the top ten customers, including comparison of customer lists and sales revenue between the current period and the most recent period as well as the same period last year, in order to assess whether there is any significant irregularity, and to identify and analyze the reasons for any material changes.
- Performed random sample checking on the sales transactions of the year to evaluate the authenticity of these transactions, the correctness of the recognized amount of sales revenue and the reasonableness of the timing of recording.
- Reviewed samples of sales transactions for a specified period before and after the end of the year to assess whether the timing of revenue recognition is appropriate.

Other Matters

Under the equity method of investment adopted by FSP Technology Inc., our accountants have not audited the financial reports of certain invested companies. Instead, these reports have been audited by other accountants. Hence, the accountant's assessment of the financial statements of the mentioned entity suggests that certain figures mentioned in the financial statements of the invested companies rely on audit reports from other accountants. As of December 31, 2024, and December 31, 2023, the recognized amounts of long-term equity investments accounted for 4.15% and 4.29% of total assets, respectively. From January 1 to December 31 of the same years, the shares of subsidiaries, associates, and joint ventures' profits or losses, recognized using the equity method, represented 12.70% and 11.69% of pre-tax net income, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the Parent Company Only Financial Statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and maintain internal controls which are necessary for the preparation of the Parent Company Only Financial Statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the Parent Company Only Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing related matters and adopting the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's governance body, including the Audit Committee, is responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent Company Only Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a significant level of assurance. However, the audit work conducted in compliance with auditing standards cannot ensure the identification of significant errors in the individual financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if misstated individual or aggregate amounts could reasonably be expected to influence the economic decisions of users taken on the basis of these Parent Company Only Financial Statements.

The auditor exercised professional judgment and professional skepticism in accordance with auditing standards. We also perform the following tasks:

1. Identify and assess the risks of material misstatement of the Parent Company Only Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Parent Company Only Financial Statements, including the disclosures, and whether the Parent Company Only Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investee companies under the equity method to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine the key audit matters in the audit of the Company's Parent Company Only Financial Statements for the year ended December 31, 2024. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chang, Chun-I and Chiang, Chia-Chi.

KPMG Taiwan

Taipei, Taiwan (Republic of China)

March 7, 2025

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows by accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report consolidated financial statements shall prevail.

FSP Technology Inc.

Parent Company Only Balance Sheets

December 31, 2024 and 2023

Unit: NT$ thousands

		2024.12.31		2023.12.31	
	Assets	**Amount**	**%**	**Amount**	**%**
11xx	**Current assets:**				
1100	Cash and cash equivalents (Note VI(I))	$ 2,333,218	12	2,760,841	15
1110	Financial assets at fair value through profit or loss - current (Note VI(II))	529,517	3	417,543	2
1150	Notes receivable, net (Notes VI(IV) and (XIX))	2,272	-	1,357	-
1170	Accounts receivable, net (Notes VI(V) and (XIX))	1,701,503	9	1,425,871	8
1180	Accounts receivable - related parties, net (Notes VI(IV), (XIX) and VII)	872,157	4	701,256	4
1200	Other receivables (Notes VI (III) and (V))	117,602	1	155,729	1
1210	Other receivables - related parties (Notes VI (V) and VII)	53,958	-	54,146	-
130x	Inventories (Note VI(VI))	1,414,579	7	1,552,915	9
1410	Prepayments	35,991	-	39,031	-
1470	Other current assets (Note VIII)	49,251	-	10,011	-
	Total current assets	7,110,048	36	7,118,700	39
15xx	**Non-current assets:**				
1510	Financial assets at fair value through profit or loss - non-current (Note VI(II))	31,860	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note VI(III) and (XVII))	7,851,407	41	6,990,413	39
1550	Investment under equity method (Note VI(VII))	3,341,326	17	2,986,585	16
1600	Property, plant, and equipment (Notes VI(VIII), (XI), (XII), VIII and IX)	990,251	5	993,198	5
1755	Right-of-use assets (Notes VI (IX) and (XIII))	43,700	-	47,156	-
1780	Intangible assets (Note VI(X))	124,035	1	117,892	1
1840	Deferred income tax assets (Note VI(XVI))	54,872	-	65,218	-
1900	Other non-current assets (Notes VIII and IX)	4,862	-	4,734	-
1975	Net defined benefit assets - non-current (Note VI(XV))	19,439	-	781	-
	Total non-current assets	12,461,752	64	11,205,977	61
1xxx	**Total assets**	$ 19,571,800	100	18,324,677	100

		2024.12.31		2023.12.31	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**				
2150	Notes payable	$ 14,297	-	11,450	-
2170	Accounts payable	2,545,649	13	2,299,409	13
2180	Accounts payable - related parties (Note VII)	327,639	2	298,189	2
2200	Other payables (Notes VI(XV) and (XX))	771,915	4	843,239	5
2220	Other payables - related parties (Note VII)	57,112	-	38,882	-
2230	Current income tax liabilities	13,717	-	67,669	-
2250	Provisions - current (Note VI(XIV))	138,268	1	130,311	1
2280	Lease liabilities - current (Note VI (XIII))	5,239	-	4,337	-
2300	Other current liabilities (Notes VI (XII), (XIX) and VII)	145,583	1	183,757	1
2320	Long-term liabilities due within one year or one operating cycle (Notes VI(VIII), (XII), and VIII)	47,565	-	75,616	-
	Total current liabilities	4,066,984	21	3,952,859	22
25xx	**Non-current liabilities:**				
2540	Long-term borrowings (Notes VI(VIII), (XII), and VIII)	1,223	-	48,788	-
2570	Deferred income tax liabilities (Note VI(XVI))	13,450	-	6,360	-
2580	Lease liabilities - non-current (Note VI(XIII))	41,561	-	45,684	-
2670	Other non-current liabilities - others (Notes VI (XII) and VII)	2,769	-	3,550	-
	Total non-current liabilities	59,003	-	104,382	-
2xxx	**Total liabilities**	4,125,987	21	4,057,241	22
31xx	**Equity (Notes VI(III), (VII), (XV), (XVI) & (XVII)):**				
3100	Capital stock	1,872,620	10	1,872,620	10
3200	Capital surplus	861,396	4	861,207	5
3300	Retained earnings:				
3310	Legal reserve	1,411,213	7	1,301,707	7
3350	Unappropriated earnings	4,382,326	23	4,126,229	23
	Total retained earnings	5,793,539	30	5,427,936	30
34xx	Other equity:				
3410	Exchange differences on translation of financial statements of foreign operations	(47,247)	-	(126,335)	(1)
3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	6,965,505	35	6,232,008	34
	Total other equity	6,918,258	35	6,105,673	33
3xxx	**Total equity**	15,445,813	79	14,267,436	78
2-3xxx	**Total liabilities and equity**	$ 19,571,800	100	18,324,677	100

(Please see accompanying notes to the Parent Company Only Financial Statements)

Chairman: Cheng, Ya-Jen **Managerial Officer: Cheng, Ya-Jen** **Chief Accounting Officer: Sang, Hsi-Yun**

FSP Technology Inc.
Parent Company Only Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NT$ thousands

Code	Item	2024 Amount	2024 %	2023 Amount	2023 %
4000	**Operating revenue (Notes VI (XIX) and VII)**	$ 9,083,672	100	10,306,305	100
5000	**Operating costs (Notes VI (VI), (VIII), (IX), (X), (XIV), (XV), VII and XII)**	7,546,377	83	8,496,076	82
5910	Add: Unrealized sales gains (losses)	9,272	-	(12,065)	-
5900	**Gross profit**	1,546,567	17	1,798,164	18
6000	**Operating expenses (Notes VI(IV), (VIII), (IX), (X), (XIII), (XV), (XX), VII and XII):**				
6100	Selling and marketing expenses	446,275	5	524,144	5
6200	General and administrative expenses	432,348	5	423,636	4
6300	Research and development expenses	497,742	5	439,990	4
6450	Expected credit impairment losses (reversal of gains)	4,479	-	(15,912)	-
	Total operating expenses	1,380,844	15	1,371,858	13
6900	**Net operating margin**	165,723	2	426,306	5
7000	**Non-operating income and expenses (Notes VI(II), (III), (VII), (XII), (XIII), (XXI) and VII)**				
7100	Interest income	38,673	-	49,974	-
7010	Other income	220,384	3	208,553	2
7020	Other gains and losses	115,009	1	18,236	-
7050	Finance costs	(2,380)	-	(14,719)	-
7070	Share of profits (losses) of subsidiaries, associates and joint ventures under equity method	(69,237)	(1)	23,526	-
	Total non-operating income and expenses	302,449	3	285,570	2
7900	**Income before income tax from continuing operations**	468,172	5	711,876	7
7950	**Less: Income tax expense (Note VI(XVI))**	63,613	1	112,638	1
8200	**Current net income**	404,559	4	599,238	6
8300	**Other comprehensive income:**				
8310	**Items that will not be reclassified to profit or loss (Notes VI(XV), (XVI) and (XVII))**				
8311	Gains (losses) on re-measurements of defined benefit plans	11,302	-	(1,046)	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	1,255,930	14	1,100,229	10
8330	Share of other comprehensive income (losses) of subsidiaries, associates and joint ventures under equity method	28,808	-	136	-
8349	Less: Income tax related to components that will not be reclassified to profit or loss	2,261	-	(209)	-
	Total items that will not be reclassified to profit or loss	1,293,779	14	1,099,528	10
8360	**Items that may be reclassified subsequently to profit or loss (Note VI(VII) and (XVII))**				
8361	Exchange differences on translation of financial statements of foreign operations	10,105	-	(48,945)	-
8380	Share of other comprehensive income (losses) of subsidiaries, associates and joint ventures under equity method	68,983	1	(41)	-
8399	Less: Income tax related to items that may be reclassified subsequently	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	79,088	1	(48,986)	-
8300	**Other current comprehensive income**	1,372,867	15	1,050,542	10
8500	**Total current comprehensive income**	$ 1,777,426	19	1,649,780	16
	Earnings per share (unit: NT$) (Note VI(XVIII))				
9750	Basic earnings per share	$ 2.16		3.20	
9850	Diluted earnings per share	$ 2.15		3.17	

(Please see accompanying notes to the Parent Company Only Financial Statements)

Chairman: Cheng, Ya-Jen **Managerial Officer: Cheng, Ya-Jen** **Chief Accounting Officer: Sang, Hsi-Yun**

FSP Technology Inc.

Parent Company Only Statements of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: NT$ thousands

			Retained Earnings			Other Equity Items			
	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	Total Equity
Balance 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
Appropriation and distribution of earnings:									
Legal reserve	-	-	126,385	(126,385)	-	-	-	-	-
Cash dividends of common stock	-	-	-	(561,786)	(561,786)	-	-	-	(561,786)
Changes in other capital surplus:									
Cash dividends appropriated from capital surplus	-	(149,809)	-	-	-	-	-	-	(149,809)
Current net income	-	-	-	599,238	599,238	-	-	-	599,238
Other current comprehensive income	-	-	-	(701)	(701)	(48,986)	1,100,229	1,051,243	1,050,542
Total current comprehensive income	-	-	-	598,537	598,537	(48,986)	1,100,229	1,051,243	1,649,780
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	496,528	496,528	-	(496,528)	(496,528)	-
Balance as of December 31, 2023	1,872,620	861,207	1,301,707	4,126,229	5,427,936	(126,335)	6,232,008	6,105,673	14,267,436
Appropriation and distribution of earnings:									
Legal reserve	-	-	109,506	(109,506)	-	-	-	-	-
Cash dividends of common stock	-	-	-	(599,238)	(599,238)	-	-	-	(599,238)
Current net income	-	-	-	404,559	404,559	-	-	-	404,559
Other current comprehensive income	-	-	-	9,041	9,041	79,088	1,284,738	1,363,826	1,372,867
Total current comprehensive income	-	-	-	413,600	413,600	79,088	1,284,738	1,363,826	1,777,426
Proceeds received from the disposal of employee stock ownership trust shares	-	189	-	-	-	-	-	-	189
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	551,241	551,241	-	(551,241)	(551,241)	-
Balance as of December 31, 2024	**$ 1,872,620**	**861,396**	**1,411,213**	**4,382,326**	**5,793,539**	**(47,247)**	**6,965,505**	**6,918,258**	**15,445,813**

(Please see accompanying notes to the Parent Company Only Financial Statements)

Chairman: Cheng, Ya-Jen **Managerial Officer: Cheng, Ya-Jen** **Chief Accounting Officer: Sang, Hsi-Yun**

FSP Technology Inc.

Parent Company Only Statements of Cash Flows

January 1 to December 31, 2024 and 2023

Unit: NT$ thousands

	2024	2023
Cash flows from operating activities:		
Income before income tax	$ 468,172	711,876
Adjustments for:		
Adjustments to reconcile profit or loss		
Depreciation expenses	81,134	71,916
Amortization expenses	5,322	4,424
Expected credit impairment losses (gains)	4,479	(15,912)
Interest expenses	2,380	14,719
Interest income	(38,673)	(49,974)
Dividend income	(175,553)	(192,370)
Share of profits (losses) of subsidiaries, associates and joint ventures under equity method	69,237	(23,526)
Loss on disposal of property, plant, and equipment	112	443
Expenses transfer from property, plant, and equipment	176	-
Unrealized sales gains (losses)	(9,272)	12,065
Unrealized foreign currency exchange gain	(15,524)	(10,545)
Total adjustments for profit or loss	(76,182)	(188,760)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(142,443)	(124,253)
Notes receivable	(915)	434
Accounts receivable	(170,972)	451,537
Accounts receivable - related parties	(170,901)	101,466
Other receivables	31,214	(110,785)
Other receivables - related parties	188	(18,039)
Inventories	138,336	326,499
Prepayments	3,040	(12,705)
Other current assets	(5,670)	2,086
Net defined benefit assets	(7,356)	-
Total changes in operating assets	(325,479)	616,240
Changes in operating liabilities:		
Notes payable	2,847	(1,607)
Accounts payable	168,537	(249,339)
Accounts payable - related parties	13,430	(132,113)
Other payables	(62,725)	(48,177)
Other payables - related parties	16,122	8,901
Provisions for liabilities	7,957	(844)
Other current liabilities	(38,396)	45,614
Net defined benefit liabilities	-	(10,338)
Other non-current liabilities	(564)	(978)
Total changes in operating liabilities	107,208	(388,881)
Total changes in operating assets and liabilities	(218,271)	227,359
Total adjustments	(294,453)	38,599
Cash flows generated by operating activities	173,719	750,475
Interest received	40,904	46,483
Interest paid	(2,380)	(14,719)
Income tax paid	(102,390)	(141,834)
Net cash flows generated from operating activities	109,853	640,405
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(228,730)	(50,745)
Disposal of financial assets at fair value through other comprehensive income	631,169	502,498
Acquisition of investments accounted for using the equity method	(355,739)	(92,600)
Acquisition of property, plant, and equipment	(85,029)	(88,791)
Disposal of property, plant, and equipment	893	-
Increase in refundable deposits	(128)	(967)
Acquisition of intangible assets	(11,465)	(3,177)
Dividends received	224,120	254,345
Increase in restricted time deposits	(32,785)	-
Net cash flows from investing activities	142,306	520,563
Cash flows from financing activities:		
Repayments of long-term loans	(75,616)	(74,930)
Increase in deposited margin	5	-
Repayment of the principal of lease liabilities	(5,122)	(4,089)
Cash dividends paid	(599,238)	(711,595)
Proceeds received from the disposal of employee stock ownership trust shares	189	-
Net cash flows used in financing activities	(679,782)	(790,614)
Net increase (decrease) in cash and cash equivalents	(427,623)	370,354
Cash and cash equivalents at the beginning of the period	2,760,841	2,390,487
Cash and cash equivalents at the end of the year	$ 2,333,218	2,760,841

(Please see accompanying notes to the Parent Company Only Financial Statements)

Chairman: Cheng, Ya-Jen **Managerial Officer: Cheng, Ya-Jen** **Chief Accounting Officer: Sang, Hsi-Yun**

Independent Auditors' Report

To the Board of Directors of FSP Technology Inc.:

Opinions

We have audited the Consolidated Financial Statements of FSP Technology Inc. and its subsidiaries (the "Group"), which comprise the Consolidated Balance Sheets as of December 31, 2024 and 2023, and the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Changes in Equity, the Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2024 and 2023.
In our opinion, based on our audit results and the audit reports prepared by other independent auditors (please refer to Other Matters section), the accompanying Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and consolidated cash flows for the periods from January 1 to December 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), and interpretations from International Financial Reporting Interpretations Committee ("IFRIC") and Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinions

Our accountant conducted the audit work in accordance with the Certified Public Accountants' Rules for the Attestation of Financial Statements and Audit Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of FSP Technology Inc. in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (the "Code"), and we have fulfilled other ethical responsibilities in accordance with the Code. Based on our audit results and the reports of other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Consolidated Financial Statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, revenue recognition is the key audit matter that should be communicated in the audit report.
Please refer to Note IV (XV) for the accounting policy of revenue recognition and Note VI (XIX) for the related disclosure of revenue.

Description of key audit matter:
Sales revenue of the Company is a key indicator for investors and management to evaluate financial or business performance. As a listed company, there is a high inherent risk of misrepresentation for the Company. Additionally, there is a risk that revenue may not be recorded in the correct period close to the balance sheet date due to variations in the timing of revenue recognition based on different transaction conditions with customers. Hence, it is crucial to determine the recognition of revenue and the timing of transferring control over goods close to the balance sheet date in order to accurately present the financial statements. The accountant acknowledges that revenue is a crucial aspect to consider during the audit of the financial statements for the current fiscal year.
Audit procedure to address the matter:
We performed the following audit procedure in respect of the above key audit matter:

- Tested the effectiveness of the design and implementation of the internal control mechanism in relation to revenue recognition.
- Conducted trend analysis for the top ten customers, including comparison of customer lists and sales revenue between the current period and the most recent period as well as the same period last year, in order to assess whether there is any significant irregularity, and to identify and analyze the reasons for any material changes.
- Performed random sample checking on the sales transactions of the year to evaluate the authenticity of these transactions, the correctness of the recognized amount of sales revenue and the reasonableness of the timing of recording.
- Reviewed samples of sales transactions for a specified period before and after the end of the year to assess whether the timing of revenue recognition is appropriate.

Other Matters

Some subsidiary financial statements included in the FSP Technology Inc.'s consolidated financial report were not audited by our accountant but were audited by other auditors. Therefore, our accountant's opinion on the aforementioned consolidated financial report is based on the audit reports of other auditors for the amounts listed in the financial statements of those subsidiary companies. The total assets of these subsidiaries as of December 31, 2024, and December 31, 2023, accounted for 9.11% and 9.22% of the consolidated total assets, respectively. Meanwhile, the net operating revenue for the period from January 1 to December 31, 2024 and 2023 accounted for 9.75% and 11.36% of the consolidated net operating revenue, respectively.
FSP Technology Inc. has prepared its parent-company-only financial statements for the years ended December 31, 2024 and 2023, on which we have issued an unqualified opinion with the section of Other Matters in the audit report.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission, and maintain internal controls which are necessary for the preparation of the Consolidated Financial Statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing related matters and adopting the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The governance of the Company, including the Audit Committee, is responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Having a reasonable assurance is having a high level of confidence, but performing audit work in accordance with auditing standards cannot guarantee the detection of all material misstatements in the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if misstated individual or aggregate amounts could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

The auditor exercised professional judgment and professional skepticism in accordance with auditing standards. We also perform the following tasks:

1. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine the key audit matters in the audit of the Company's Consolidated Financial Statements for the year ended December 31, 2024. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors’ report are Chang, Chun-I and Chiang, Chia-Chi.

KPMG Taiwan

Taipei, Taiwan (Republic of China)

March 7, 2025

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows by accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ report consolidated financial statements shall prevail.

FSP Technology Inc. and Subsidiaries

Consolidated Balance Sheets

December 31, 2024 and 2023

Unit: NT$ thousands

Code	Assets	2024.12.31 Amount	%	2023.12.31 Amount	%
11xx	**Current assets:**				
1100	Cash and cash equivalents (Note VI(I))	$ 3,879,851	18	4,225,848	21
1110	Financial assets at fair value through profit or loss - current (Note VI(II))	983,657	4	698,828	3
1150	Notes receivable, net (Notes VI(IV) and (XIX))	235,225	1	126,773	1
1170	Accounts receivable, net (Notes VI(V) and (XIX))	2,532,685	12	2,331,178	11
1180	Accounts receivable - related parties, net (Notes VI(IV), (XIX) and VII)	622,078	3	541,208	3
1200	Other receivables (Notes VI(III), (V) and VII)	451,059	2	430,235	2
1220	Current income tax assets	6,859	-	8,351	-
130x	Inventories (Note VI(VI))	2,172,006	10	2,540,765	12
1410	Prepayments	81,292	-	63,325	-
1470	Other current assets (Note VIII)	60,843	-	23,537	1
	Total current assets	11,025,555	50	10,990,048	54
15xx	**Non-current assets:**				
1510	Financial assets at fair value through profit or loss - non-current (Note VI(II))	46,287	-	-	-
1517	Financial assets at fair value through other comprehensive income - non-current	7,906,709	36	7,016,906	34
	(Note VI(III))	-	-	-	-
1550	Investment under equity method (Note VI(VII))	38,978	-	34,561	-
1600	Property, plant, and equipment (Notes VI(VIII), (XI), (XII), VIII and IX)	1,670,658	8	1,481,716	7
1755	Right-of-use assets (Notes VI(IX), (XIII) and VII)	692,097	3	434,682	3
1780	Intangible assets (Note VI(X))	232,124	1	223,440	1
1840	Deferred income tax assets (Note VI(XVI))	238,341	1	171,954	1
1900	Other non-current assets (Notes VI(VIII), (XV), VIII and IX)	166,036	1	69,515	-
	Total non-current assets	10,991,230	50	9,432,774	46
1xxx	**Total assets**	$ 22,016,785	100	20,422,822	100

Code	Liabilities and equity	2024.12.31 Amount	%	2023.12.31 Amount	%
21xx	**Current liabilities:**				
2100	Short-term borrowings (Notes VI(VIII), (XI), and VIII)	$ 3,253	-	1,536	-
2150	Notes payable	14,297	-	11,450	-
2170	Accounts payable	3,255,750	15	2,993,921	15
2180	Accounts payable - related parties (Note VII)	63,626	-	87,065	-
2200	Other payables (Notes VI(XV), (XX) and VII)	1,530,177	7	1,535,992	8
2230	Current income tax liabilities	53,871	-	133,695	1
2250	Provisions - current (Note VI(XIV))	138,268	1	130,311	1
2280	Lease liabilities - current (Notes VI(XIII) and VII)	173,749	1	190,025	1
2300	Other current liabilities (Notes VI(XII) and (XIX))	189,459	1	200,961	1
2320	Long-term liabilities due within one year or one operating cycle (Notes VI(VIII), (XII), and VIII)	48,200	-	75,616	-
	Total current liabilities	5,470,650	25	5,360,572	27
25xx	**Non-current liabilities:**				
2540	Long-term borrowings (Notes VI(VIII), (XII), and VIII)	1,381	-	48,788	-
2570	Deferred income tax liabilities (Note VI(XVI))	162,950	1	86,100	-
2580	Lease liabilities - non-current (Notes VI(XIII) and VII)	518,374	2	255,209	2
2645	Guarantee deposits received	522	-	500	-
2670	Other non-current liabilities (Note VI(XII))	2,433	-	2,429	-
	Total non-current liabilities	685,660	3	393,026	2
2xxx	**Total liabilities**	6,156,310	28	5,753,598	29
31xx	**Equity attributable to owners of the parent (Notes VI(III), (VII), (XV), (XVI) & (XVII)):**				
3100	Capital stock	1,872,620	9	1,872,620	9
3200	Capital surplus	861,396	4	861,207	4
3300	Retained earnings:				
3310	Legal reserve	1,411,213	6	1,301,707	6
3350	Unappropriated earnings	4,382,326	20	4,126,229	20
	Total retained earnings	5,793,539	26	5,427,936	26
34xx	Other equity:				
3410	Exchange differences on translation of financial statements of foreign operations	(47,247)	-	(126,335)	(1)
3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	6,965,505	31	6,232,008	31
	Total other equity	6,918,258	31	6,105,673	30
	Total equity attributable to shareholders of the parent	15,445,813	70	14,267,436	69
36xx	**Non-controlling interests (Note VI(XVII))**	414,662	2	401,788	2
3xxx	**Total equity**	15,860,475	72	14,669,224	71
2-3xxx	**Total liabilities and equity**	$ 22,016,785	100	20,422,822	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
January 1 to December 31, 2024 and 2023

Unit: NT$ thousands

		2024		2023	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (Notes VI(XIX) and VII)**	$ 11,601,092	100	13,179,581	100
5000	**Operating costs (Notes VI(VI), (VIII), (IX), (X), (XIII), (XIV), (XV), VII and XII)**	9,577,853	83	10,773,503	82
5920	Add: Realized (unrealized) profit on sales	598	-	(2,051)	-
5900	**Gross profit**	2,023,837	17	2,404,027	18
6000	**Operating expenses (Notes VI(IV), (V), (VIII), (IX), (X), (XIII), (XV), (XX), VII and XII):**				
6100	Selling and marketing expenses	627,220	6	710,183	5
6200	General and administrative expenses	691,098	6	648,076	5
6300	Research and development expenses	621,609	5	559,978	4
6450	Expected credit impairment losses	34,707	-	16,977	-
	Total operating expenses	1,974,634	17	1,935,214	14
6900	**Net operating margin**	49,203	-	468,813	4
7000	**Non-operating income and expenses (Notes VI(II), (III), (VII), (VIII), (IX), (X), (XII), (XIII), (XVII), (XXI), and VII):**				
7100	Interest income	66,911	1	74,461	1
7010	Other income	270,097	3	251,049	2
7020	Other gains and losses	143,275	1	9,879	-
7050	Finance costs	(9,045)	-	(24,146)	-
7060	Share of profits (losses) of associates and joint ventures under equity method	2,257	-	2,453	-
	Total non-operating income and expenses	473,495	5	313,696	3
7900	**Income before income tax from continuing operations**	522,698	5	782,509	7
7950	**Less: Income tax expense (Note VI(XVI))**	84,679	1	142,825	1
8200	**Current net income**	438,019	4	639,684	6
8300	**Other comprehensive income:**				
8310	**Items that will not be reclassified to profit or loss (Notes VI(XV), (XVI) and (XVII))**				
8311	Gains (losses) on re-measurements of defined benefit plans	11,302	-	(788)	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	1,284,738	11	1,100,229	8
8349	Less: Income tax related to components that will not be reclassified to profit or loss	2,261	-	(157)	-
	Total items that will not be reclassified to profit or loss	1,293,779	11	1,099,598	8
8360	**Items that may be reclassified subsequently to profit or loss (Note VI(VII) and (XVII))**				
8361	Exchange differences on translation of financial statements of foreign operations	81,284	1	(49,896)	-
8370	Share of other comprehensive income (losses) of associates and joint ventures under equity method	2,570	-	(41)	-
8399	Less: Income tax related to items that may be reclassified subsequently	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	83,854	1	(49,937)	-
8300	**Other current comprehensive income**	1,377,633	12	1,049,661	8
8500	**Total current comprehensive income**	$ 1,815,652	16	1,689,345	14
	Current net income attributable to:				
8610	Shareholders of the parent	$ 404,559	4	599,238	6
8620	Non-controlling interests	33,460	-	40,446	-
		$ 438,019	4	639,684	6
	Total comprehensive income (losses) attributable to:				
8710	Shareholders of the parent	$ 1,777,426	16	1,649,780	14
8720	Non-controlling interests	38,226	-	39,565	-
		$ 1,815,652	16	1,689,345	14
	Earnings per share (unit: NT$) (Note VI(XVIII))				
9750	Basic earnings per share	$	2.16		3.20
9850	Diluted earnings per share	$	2.15		3.17

(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 December 31, 2024 and 2023

Unit: NT$ thousands

	Equity Attributable to Owners of the Parent										
			Retained Earnings			Other Equity Items					
	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	Total Equity Attributable to Shareholders of the Parent	Non-controlling interests	Total Equity
Balance 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	-	-	126,385	(126,385)	-	-	-	-	-	-	-
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)
Current net income	-	-	-	599,238	599,238	-	-	-	599,238	40,446	639,684
Other current comprehensive income	-	-	-	(701)	(701)	(48,986)	1,100,229	1,051,243	1,050,542	(881)	1,049,661
Total current comprehensive income	-	-	-	598,537	598,537	(48,986)	1,100,229	1,051,243	1,649,780	39,565	1,689,345
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	496,528	496,528	-	(496,528)	(496,528)	-	-	-
Distribution of cash dividends for non-controlling interests	-	-	-	-	-	-	-	-	-	(32,111)	(32,111)
Balance as of December 31, 2023	1,872,620	861,207	1,301,707	4,126,229	5,427,936	(126,335)	6,232,008	6,105,673	14,267,436	401,788	14,669,224
Appropriation and distribution of earnings:											
Legal reserve	-	-	109,506	(109,506)	-	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	(599,238)	(599,238)	-	-	-	(599,238)	-	(599,238)
Current net income	-	-	-	404,559	404,559	-	-	-	404,559	33,460	438,019
Other current comprehensive income	-	-	-	9,041	9,041	79,088	1,284,738	1,363,826	1,372,867	4,766	1,377,633
Total current comprehensive income	-	-	-	413,600	413,600	79,088	1,284,738	1,363,826	1,777,426	38,226	1,815,652
Proceeds received from the disposal of employee stock ownership trust shares	-	189	-	-	-	-	-	-	189	-	189
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	551,241	551,241	-	(551,241)	(551,241)	-	-	-
Distribution of cash dividends for non-controlling interests	-	-	-	-	-	-	-	-	-	(25,352)	(25,352)
Balance as of December 31, 2024	$ 1,872,620	861,396	1,411,213	4,382,326	5,793,539	(47,247)	6,965,505	6,918,258	15,445,813	414,662	15,860,475

(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 December 31, 2024 and 2023

Unit: NT$ thousands

	2024	2023
Cash flows from operating activities:		
Income before income tax	$ 522,698	782,509
Adjustments for:		
Adjustments to reconcile profit or loss		
Depreciation expenses	401,414	379,163
Amortization expenses	7,852	6,349
Expected credit impairment losses	34,707	16,977
Interest expense	9,045	24,146
Interest income	(66,911)	(74,461)
Dividend income	(175,553)	(192,437)
Share of profits (losses) of associates and joint ventures under equity method	(2,257)	(2,453)
Loss (gain) on disposal and scrap of property, plant, and equipment	(5,976)	607
Expenses transfer from property, plant, and equipment	176	-
Loss (gain) on disposal and write-off of intangible assets	36	11
Loss on disposal of investments	-	549
Unrealized (realized) profit on sales	(598)	2,051
Gains on lease modifications	(1,208)	(12)
Total adjustments for profit or loss	200,727	160,490
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(331,116)	(138,379)
Notes receivable	(108,452)	(45,205)
Accounts receivable	(236,214)	820,961
Accounts receivable - related parties	(80,870)	180,630
Other receivables	(30,572)	(356,952)
Inventories	368,759	517,874
Prepayments	(17,967)	(18,747)
Other current assets	(4,521)	7,321
Other non-current assets	(9,120)	(10,581)
Total changes in operating assets	(450,073)	956,922
Changes in operating liabilities:		
Notes payable	2,847	(1,607)
Accounts payable	261,829	(860,898)
Accounts payable - related parties	(23,439)	(64,708)
Other payables	5,112	283,908
Provisions for liabilities	7,957	(844)
Other current liabilities	(11,825)	32,140
Other non-current liabilities	-	(9,556)
Total changes in operating liabilities	242,481	(621,565)
Total changes in operating assets and liabilities	(207,592)	335,357
Total adjustments	(6,865)	495,847
Cash flows generated by operating activities	515,833	1,278,356
Interest received	69,518	72,385
Interest paid	(9,048)	(24,227)
Income tax paid	(153,891)	(183,401)
Net cash flows generated from operating activities	422,412	1,143,113
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(228,730)	(50,745)
Disposal of financial assets at fair value through other comprehensive income	631,169	502,498
Acquisition of property, plant, and equipment	(394,985)	(195,910)
Disposal of property, plant, and equipment	9,806	5,784
Acquisition of intangible assets	(16,550)	(4,906)
Increase in refundable deposits	(3,462)	(5,800)
Increase in prepayments for equipment	(74,130)	(2,006)
Dividends received	176,199	192,437
Increase in restricted time deposits	(32,785)	-
Net cash flows from investing activities	66,532	441,352
Cash flows from financing activities:		
Proceeds from short-term borrowings	7,165	1,560
Decrease in short-term loans	(5,365)	(7,697)
Repayments of long-term loans	(74,823)	(74,930)
Increase in deposited margin	5	-
Repayment of the principal of lease liabilities	(204,925)	(186,867)
Cash dividends paid	(599,238)	(711,595)
Proceeds received from the disposal of employee stock ownership trust shares	189	-
Cash dividends paid to non-controlling interests	(25,352)	(32,111)
Net cash flows used in financing activities	(902,344)	(1,011,640)
Effects of exchange rate changes on the balance of cash held in foreign currencies	67,403	(42,947)
Net increase (decrease) in cash and cash equivalents	(345,997)	529,878
Cash and cash equivalents at the beginning of the period	4,225,848	3,695,970
Cash and cash equivalents at the end of the period	$ 3,879,851	4,225,848

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng, Ya-Jen **Managerial Officer: Cheng, Ya-Jen** **Chief Accounting Officer: Sang, Hsi-Yun**

Attachment IV

FSP Technology Inc.
2024 Earnings Distribution Statement

Unit: NT$

Item	Amount	Subtotal
Beginning balance of undistributed retained earnings	3,417,484,612	
Add: Disposal of equity instruments in other comprehensive income measured at fair value through profit and loss	551,240,810	
Add: Changes in the current period of remeasurements of defined benefit plans	9,041,522	
Current net income	404,559,092	
Total distributable income for this period		4,382,326,036
Appropriation of 10% as statutory surplus reserve	96,484,142	
Shareholder bonus (distributed entirely in cash)	561,785,850	
Total distributable amount		658,269,992
Unappropriated retained earnings at the end of period		3,724,056,044
Note:		

Chairman: Cheng, Ya-Jen   Managerial Officer: Cheng, Ya-Jen   Chief Accounting Officer: Sang, Hsi-Yun

Attachment V

FSP Technology Inc.

Comparison Table of the Articles of Incorporation before and after the amendment

Article	Current Article	Article after Amendment	Description
Article 20	In case the Company makes a profit in the current year (profits refer to the income before tax and before the distribution of remuneration to employees and Directors), no less than 6% shall be allocated as the employees' remuneration and no more than 3% as the Directors' remuneration. However, if the Company has accumulated losses (including adjustment on undistributed earnings), the Company shall set aside a part of the surplus first for making up the losses. The remuneration in the preceding paragraph to the employees may be distributed in stock or cash. The recipients of employee stock dividends or cash dividends include the employees of the companies controlled by or subordinate to the Company that meet certain criteria. The Board of Directors is authorized to determine the method of distribution. The director remuneration shall be distributed in cash. The procedures in the two preceding paragraphs must be approved by the Board of	In case the Company makes a profit in the current year (profits refer to the income before tax and before the distribution of remuneration to employees and Directors), no less than 6% shall be allocated as the employees' remuneration (At least 10% of the employee compensation shall be allocated to entry-level employees.) and no more than 3% as the Directors' remuneration. However, if the Company has accumulated losses (including adjustment on undistributed earnings), the Company shall set aside a part of the surplus first for making up the losses. The remuneration in the preceding paragraph to the employees may be distributed in stock or cash. The recipients of employee stock dividends or cash dividends include the employees of the companies controlled by or subordinate to the Company that meet certain criteria. The Board of Directors is authorized to determine the method of distribution. The director remuneration shall be distributed in cash.	I. Amendments were made via Letter No. 11300069631 of the Zong-Tong-Hua-Zong-Yi-Yi on August 7, 2024. II. The Company shall specify in its Articles of Association that a designated percentage of annual profits will be allocated to adjust salaries or distribute compensation to entry-level employees. However, when the Company has accumulated losses, these should be addressed by amending Article 20, Section 1.

Article	Current Article	Article after Amendment	Description
	Directors and reported to the shareholders' meeting.	The procedures in the two preceding paragraphs must be approved by the Board of Directors and reported to the shareholders' meeting.	
Article 24	The Articles of Incorporation were established on April 8, 1993. The 1st amendment was made on January 20, 1994. The 2nd amendment was made on October 9, 1994. The 3rd amendment was made on August 9, 1997. The 4th amendment was made on October 28, 1998. The 5th amendment was made on June 15, 1999. The 6th amendment was made on June 15, 2000. The 7th amendment was made on June 16, 2001. The 8th amendment was made on June 22, 2002. The 9th amendment was made on December 26, 2003. The 10th amendment was made on June 3, 2004. The 11th amendment was made on June 10, 2005. The 12th amendment was made on June 14, 2006. The 13th amendment was made on June 15, 2007. The 14th amendment was made on June 13, 2008. The 15th amendment was made on June 10, 2009.	The Articles of Incorporation were established on April 8, 1993. The 1st amendment was made on January 20, 1994. The 2nd amendment was made on October 9, 1994. The 3rd amendment was made on August 9, 1997. The 4th amendment was made on October 28, 1998. The 5th amendment was made on June 15, 1999. The 6th amendment was made on June 15, 2000. The 7th amendment was made on June 16, 2001. The 8th amendment was made on June 22, 2002. The 9th amendment was made on December 26, 2003. The 10th amendment was made on June 3, 2004. The 11th amendment was made on June 10, 2005. The 12th amendment was made on June 14, 2006. The 13th amendment was made on June 15, 2007. The 14th amendment was made on June 13, 2008. The 15th amendment was made on June 10, 2009.	I. Amended to include the last amendment date.

Article	Current Article	Article after Amendment	Description
	The 16th amendment was made on June 17, 2010. The 17th amendment was made on June 15, 2011. The 18th amendment was made on June 18, 2012. The 19th amendment was made on June 10, 2013. The 20th amendment was made on June 10, 2015. The 21st amendment was made on June 8, 2016. The 22nd amendment was made on June 8, 2017. The 23rd amendment was made on June 16, 2020. The 24th amendment was made on July 20, 2021. The 25th amendment was made on June 9, 2022. The 26rd amendment was made on June 12, 2023.	The 16th amendment was made on June 17, 2010. The 17th amendment was made on June 15, 2011. The 18th amendment was made on June 18, 2012. The 19th amendment was made on June 10, 2013. The 20th amendment was made on June 10, 2015. The 21st amendment was made on June 8, 2016. The 22nd amendment was made on June 8, 2017. The 23rd amendment was made on June 16, 2020. The 24th amendment was made on July 20, 2021. The 25th amendment was made on June 9, 2022. The 26rd amendment was made on June 12, 2023. <u>The 27th amendment was made on June 11, 2025.</u>	

Appendix 1.

FSP Technology Inc.

Rules of Procedure for Shareholders' Meetings

Passed in the annual shareholders' meeting on June 10, 2015

Article 1: The shareholders' meetings of the Company shall be processed in accordance with these Rules.

Article 2: When shareholders (or proxies) attend the meeting, they must wear their attendance pass, submit an attendance card for the purpose of signing in, and use it calculate the number of shares in attendance. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

Article 3: When a shareholders' meeting is attended by shareholders (or proxies) representing more than half of all outstanding shares, the chair shall call the meeting to order. When the attending shareholders do not represent a majority of the total number of issued shares at the appointed meeting time, the chair may announce a postponement. If the number of shares in attendance is still insufficient but after two postponements but shareholders (or proxies) representing more than one third of the outstanding shares are in attendance, a tentative resolution may be passed by a majority of those present for general items. After the tentative resolution specified in the preceding paragraph is adopted, if the number of shares represented by the shareholders (or proxies) in attendance constitute a quorum, the chair may put the tentative resolution to vote in the meeting.

Article 4: The agenda of the meeting shall be set by the Board of Directors. Unless a resolution is passed, the meeting shall proceed in accordance with the agenda.

Unless otherwise resolved at the shareholders' meeting, the chair may not announce the adjournment of the meeting before the scheduled agenda items (including special motions) set forth in the agenda in the preceding paragraph are concluded, If the chair announces the adjournment of the meeting and violates these rules of procedure during the shareholders' meeting, the meeting may be continued after those in attendance elect one of the attendees to be the chair based on the approval of the majority of the votes represented by the attending shareholders. Shareholders may not designate any other person as chair and continue the meeting in the same or another place after the meeting is adjourned.

Article 5: Before speaking, an attending shareholder (or proxy) must specify on a speaker's slip his/her attendance pass number, account name, and the subject of the speech. The order in which shareholders speak will be set by the chair. A shareholder (or proxy) in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Article 6: Deleted.

Article 7: The explanation for a proposal may not exceed 5 minutes. The response shall be limited to 3 minutes per person, which may be extended by 3 minutes with the permission of the chair. If the speech by the shareholder (or proxy) exceeds the duration, number of speeches, or the scope of the agenda item, the chair may stop him/her from speaking.

When a shareholder (or proxy) is speaking, other shareholders (or proxies) must not interfere with the speech except with the consent of the chair. The chair shall stop violators and regulations in Article 15 shall apply mutatis mutandis to those who fail to comply with the chair's decision.

Article 8: Each shareholder shall not speak more than two times on each agenda item. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

Article 9: After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. During the discussion of a motion, the chair may announce the termination of the discussion after an appropriate period of time, and may announce the suspension of discussions if necessary.

Article 10: The chair shall submit agenda items for which discussions are terminated or suspended to a vote. An item that is not an agenda item shall not be discussed or voted on.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Article 11: Unless otherwise specified in the regulations, a vote on an agenda item shall be passed by a majority of the votes represented by the shareholders (or proxies) present at the meeting. An agenda is considered passed if the chair receives no objections from any attendants. The matter will be deemed approved with the same effect as approval by vote. When there is an amendment or an alternative to a proposal, the chair shall decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.

Article 11-1: The exercise of voting rights through electronic means is included as one of the means for exercising voting rights. The method of exercise shall be processed in accordance with relevant laws and regulations.

Article 12: When a meeting is in progress, the chair may announce a break based on time considerations.

Article 13: If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

Article 14: The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband.

Article 15: Shareholders (or proxies) must follow the instructions of the chair and proctors (or security personnel) for maintaining order. The chair and proctors (or security personnel) may remove individuals who obstruct the proceedings of the shareholders' meeting.

Article 16: Matters not prescribed in these Rules shall be processed in accordance with the provisions of the Company Act, Securities and Exchange Act, and other relevant laws and regulations.

Article 17: These Rules shall take effect after they are passed by the shareholders' meeting. The same applies to all subsequent amendments.

Appendix 2.

FSP Technology Inc.
Articles of Incorporation
Chapter 1. General Principles

Article 1: The Company is organized pursuant to the Company Act and it is named "FSP Technology Inc."

Article 2: The business scope of the Company is as follows:

I. CB01010 Manufacture of machinery and equipment.
II. CC01010 Power generation, transmission and distribution machinery manufacturing.
III. CC01080 Electronic parts and components manufacturing.
IV. CE01010 Precision instruments manufacturing.
V. E603050 Automated control equipment engineering.
VI. EZ05010 Apparatus installation construction.
VII. F113030 Precision equipment wholesale.
VIII. F213040 Precision equipment retail.
IX. F401010 International trade.
X. CC01100 Restricted telecom radio frequency equipment and materials manufacturing.
XI. F113110 Battery wholesale.
XII. CC01990 Other electrical engineering and electronic machinery equipment manufacturing.
XIII. IG03010 Energy technical services.
XIV. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The Company may provide external guarantees.

Article 2-2: The Company may invest in other business entities and the Company's investments in other businesses shall not be restricted by the 40% of the Company's paid-up capital as specified in Article 13 of the Company Act.

Article 3: The Company's headquarters is located in Taoyuan City. The Company may set up branch offices in locations in Taiwan or foreign countries as resolved by the Board of Directors, if necessary.

Article 4: (Deleted).

Chapter 2. Shareholding

Article 5: The Company's authorized capital is NT$3.6 billion divided into 360 million shares with a par value of NT$10 per share. The Board of Directors is authorized to issue the unissued shares in installments if deemed necessary.

Of the authorized capital specified in the preceding paragraph, NT$100 million is reserved and divided into 10 million shares priced at NT$10 per share for the exercise of stock options on warrants, preferred shares with warrants, or corporate bonds with warrants.

Where the Company reports the issuance of employee stock warrants at a strike price which is lower than the closing price of the Company's common stocks on the date of issuance, it shall obtain the approval of at least two thirds of the voting rights present at the shareholders meeting attended by shareholders representing a majority of total issued shares before issuance.

Transfer of shares to employees at prices below the Company's average repurchase price must be approved by a resolution of the most recent shareholders' meeting, in which the resolution must be approved by at least two thirds of the voting rights present at the shareholders meeting attended by shareholders representing a majority of total issued shares.

Article 5-1: The recipients of the Company's treasury stock buyback, distribution of employee stock warrants, employee subscription of new shares, and issuance of new restricted employee shares include employees of controlling or subordinate companies that meet the criteria.

Where the scope of the employees in the preceding paragraph is otherwise specified by the competent authority of securities, such regulations shall prevail.

Article 6: (Deleted).

Article 7: Stocks issued by the Company are not required to be printed. The Company, however, shall contact the centralized securities depository enterprise for the registration of the share certificates.

Article 8: The transfer of shares shall be suspended within 60 days prior to the date of an annual shareholders' meeting, within 30 days prior to the date of a special shareholders' meeting, or within 5 days prior to the baseline date set by the Company for distribution of dividends, bonus or other benefits.

Chapter 3. Shareholders' Meeting

Article 9: Shareholders' meeting can be divided into general meetings and special meetings. General meetings are convened by the Board of Directors once a year within six months of the end of each fiscal year in accordance with laws. Special meetings may be convened according to the law when necessary.

Article 9-1: The Company shall administer stock transfer operations in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies."

Article 10: A shareholder may appoint a proxy to attend a shareholders’ meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy.

Article 11: Each share held by the shareholders of the Company is entitled to one voting right. No voting power shall be granted, however, to company shares prescribed in Article 179 of the Company Act.

Article 12: Unless otherwise stipulated in the Company Act, any resolutions in a shareholders' meeting should be approved by a majority vote at a shareholders' meeting attended by shareholders representing a majority of total issued shares before issuance. The meeting minutes shall be disseminated to each shareholder no later than 20 days after the meeting. The aforementioned meeting minutes may be distributed in the form of announcements.

Article 12-1: When the Company convenes a shareholders' meeting, it may include electronic voting as one of the methods for exercising voting rights. A shareholder who exercises voting rights at a shareholders' meeting by electronic voting shall be deemed to have attended the shareholders' meeting in person. Other related matters shall be carried out in accordance with regulations.

Article 12-2: When the Company convenes a shareholders' meeting, it may use a video conference or other methods announced by the central competent authority. The method of implementation and relate matters shall be processed in accordance with related regulations.

Chapter 4. Directors and Supervisors

Article 13: The Company shall have five to thirteen Directors, who are elected during shareholders' meetings from among persons of adequate capacity to serve a term of three years. They may be re-elected to serve consecutive terms.

According to Article 14-2 of the Securities and Exchange Act, the number of Independent Directors among the Directors in the preceding paragraph shall be no fewer than two and they shall constitute no less than one fifth of the Directors.

The election of the Company's Directors (including Independent Directors) is held via a candidate nomination system and Directors shall be elected from the list of candidates in the shareholders' meeting. The compliance matters of Independent Directors shall be processed in accordance with the Company Act and regulations of the competent authority of securities.

The Company may purchase liability insurance for Directors.

Article 13-1: Article 13-1: The Company has established the Audit Committee in accordance with Article 14-4 of the Company Act, and its members are responsible for carrying out the duties of Supervisors specified in the Company Act, Securities and Exchange Act, and other relevant regulations.

Article 14: The Board of Directors is formed by the Directors. The Chairman shall be elected by a majority voting of the Directors present at a meeting of its Board of Directors attended at least two thirds of the Directors of the Company. The Board of Directors may elect one person to serve as the Vice Chairman in the same manner. The Chairman shall represent the Company externally.

Article 14-1: Directors shall be notified of Board meetings seven days prior to the meeting with the reason indicated. A board meeting may be called at any time in the event of an emergency.

Board meetings may be called by means written notice, email, or fax.

Article 14-2: The Board of Directors may establish different functional committees (they also may appoint external experts and academics to serve as members of the committees). The charters for the exercise of powers by functional committees shall be established by the Board of Directors.

Article 15: If the Chairman is on leave or cannot exercise powers due to other reasons, the Vice Chairman shall act on his/her behalf. If no Vice Chairman is appointed or if the Vice Chairman is also on leave or cannot exercise powers due to other reasons, the exercise of power shall be processed in accordance with Article 205 and Article 208 of the Company Act. If the Chairman is on leave or cannot exercise powers due to other reasons, the exercise of power shall be processed in accordance with Article 205 and Article 208 of the Company Act.

Article 16: The Company's remuneration for Directors shall be evaluated by the Remuneration Committee and the meeting of the Board of Directors is authorized to determine the remuneration.

Chapter 5. Managerial Officer

Article 17: The Company shall appoint one President and several Vice Presidents to assist the President. The President is responsible for all business operations of the Company based on the instructions of the Board of Directors. The appointment and dismissal of the President shall be processed in accordance with laws.

Chapter 6. Accounting

Article 18: At the end of each fiscal year, the Board of Directors of the Company shall submit (1) Business Report; (2) financial statements; (3) proposals on distribution of earnings or make-up of deficits, etc. to the annual shareholders' meeting to request ratification.

Article 19: (Deleted).

Article 20: In case the Company makes a profit in the current year (profits refer to the income before tax and before the distribution of remuneration to employees and Directors), no less than 6% shall be allocated as the employees' remuneration and no more than 3% as the Directors' remuneration. However, if the Company has accumulated losses (including adjustment on undistributed earnings), the Company shall set aside a part of the surplus first for making up the losses.

The remuneration in the preceding paragraph to the employees may be distributed in stock or cash. The recipients of employee stock dividends or cash dividends include the employees of the companies controlled by or subordinate to the Company that meet certain criteria. The Board of Directors is authorized to determine the method of distribution. The director remuneration shall be distributed in cash.

The procedures in the two preceding paragraphs must be approved by the Board of Directors and reported to the shareholders' meeting.

Article 20-1: (Deleted).

Article 21: If the Company has net profit after tax in its final accounts of the year, it shall first make up for accumulated losses (including adjustments of the unappropriated retained earnings) and then set aside 10% as legal surplus reserve. However, no additional legal surplus reserve shall be appropriated once it reaches the Company's paid-in capital. The Company shall also appropriate or reverse special reserve based on the requirements for the Company's operations and legal requirements. The Board of Directors shall draft the proposal for appropriation of earnings based on the remaining earnings, if any, combined with accumulated unappropriated earnings at the beginning of the period and submit it to the shareholders' meeting for resolution on distribution of bonus to shareholders.

The basis for the appropriation of the aforementioned legal surplus reserve is "the net profit after tax of this period plus items other than the net profit after tax of this period are included in the undistributed earnings of the current year."

Where the earnings, statutory surplus reserve, and capital reserve is distributed in cash, the Board of Directors shall be authorized to determine the distribution with a resolution adopted by a majority vote in a meeting of the Board of Directors attended by more than two thirds of the Directors and report to the shareholder's meeting. Where the Company intends to distribute earnings by issuing new shares, it shall file a proposal to the shareholders' meeting and obtain approval in a resolution.

Article 22: The Company's Dividend Policy is based on the Company's capital budgeting, plans for future capital demand, financial structure, and earnings. The Board of Directors shall formulate the earnings distribution proposal which shall be passed in a resolution of the shareholders' meeting.

As the Company is in a stable growth phase and the industry continues to centralize, the Company seeks to continue to expand its scale in order to achieve sustainable operations and stable growth. The Company's Dividend Policy is that when it has no accumulated losses for the previous period, the Company will distribute dividends to shareholders at a rate of not less than 50% of the Company's annual net profit after tax. The distribution may be made in the form of stock dividends or cash dividends and the distribution of cash dividends shall be no less than 30% of the shareholders' bonus.

Where the Company has no distributable earnings in the current year or has distributable earnings that are far lower than the earnings distributed by the Company in the previous year or where the Company makes a decision based on its finances, business, and operations, it may distribute all or parts of the surplus reserve in accordance with laws or regulations of the competent authority.

Chapter 7. Miscellaneous

Article 23: Matters not prescribed in the Articles of Incorporation, if any, shall be processed in accordance with the provisions of the Company Act.

Article 24: The Articles of Incorporation were established on April 8, 1993.

The 1st amendment was made on January 20, 1994.

The 2nd amendment was made on October 9, 1994.

The 3rd amendment was made on August 9, 1997.

The 4th amendment was made on October 28, 1998.

The 5th amendment was made on June 15, 1999.

The 6th amendment was made on June 15, 2000.

The 7th amendment was made on June 16, 2001.

The 8th amendment was made on June 22, 2002.

The 9th amendment was made on December 26, 2003.
The 10th amendment was made on June 3, 2004.
The 11th amendment was made on June 10, 2005.
The 12th amendment was made on June 14, 2006.
The 13th amendment was made on June 15, 2007.
The 14th amendment was made on June 13, 2008.
The 15th amendment was made on June 10, 2009.
The 16th amendment was made on June 17, 2010.
The 17th amendment was made on June 15, 2011.
The 18th amendment was made on June 18, 2012.
The 19th amendment was made on June 10, 2013.
The 20th amendment was made on June 10, 2015.
The 21st amendment was made on June 8, 2016.
The 22nd amendment was made on June 8, 2017.
The 23rd amendment was made on June 16, 2020.
The 24th amendment was made on July 20, 2021.
The 25th amendment was made on June 9, 2022.
The 26rd amendment was made on June 12, 2023.

FSP Technology Inc.

Chairman: Cheng, Ya-Jen

Appendix 3.

FSP Technology Inc.

Shareholding of Directors of the Company

Base date: April 13, 2025

Title	Name	Current Shareholding		
		Type	Shares (including shares under trust)	%
Chairman	Cheng, Ya-Jen	Common stock	11,167,477	5.96%
Vice Chairman	Yang, Fu-An	Common stock	11,792,834	6.30%
Director	FSP Capital Co., Ltd. Representative: Wang, Chung-Shun	Common stock	15,191,766	8.11%
Director	2K Industries Inc. (BVI) Representative: Wang, Po-Wen	Common stock	5,193,162	2.77%
Director	Huang Jr-Wen	—	—	—
Director	Chu, Hsiu-Yin	Common stock	2,660,070	1.42%
Director	Pachon Investments Limited Representative: Chen, Kuang-Chun	Common stock	5,000,000	2.67%
Independent Director	Liu Shou-Hsiang	—	—	—
Independent Director	Cheng Chia-Jiun	—	—	—
Independent Director	Hsu Cheng-Hung	—	—	—
Independent Director	Li Shao-Tang	—	—	—
Total		—	51,005,309	27.23%

Total number of shares issued as of April 13, 2025: 187,261,950.

Statutory number of shares to be held by all directors of the Company: 11,235,717, shares held as of April 13, 2025: 51,005,309

(shares held by independent directors are not included in the aforementioned total)