



FSP Technology Inc.

2024
Annual Report

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V. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry: None.

VI. Corporate Website: <https://www.fsp-group.com/tw>

Table of Contents

Chapter 1	Letter to Shareholders.....	1
Chapter 2	Corporate Governance Report.....	5
I	Information on the Company's Directors, President, Vice President, Associate Managers, and the Supervisors of All the Company's Divisions and Branch Units	5
II	Remuneration Paid During the Most Recent Fiscal Year to Directors, President, and Vice President.....	16
III	Implementation Status of Corporate Governance	22
IV	Information on CPA Professional Fees.....	72
V	Information on Replacement of CPAs.....	73
VI	The Chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Matters Holding a Position at the CPAs' Accounting Firm or an Affiliate of the Accounting Firm in the Most Recent Fiscal Year	73
VII	Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by a Director, Managerial Officer, or Shareholder with a Stake of More than 10%.....	74
VIII	Relationship among the Company's 10 Largest Shareholders who are Related to, Spouse of, or a Relative Within the Second Degree of Kinship of Another	75
IX	Total Number of Shares and Total Equity Stake Held in any Single Investee Business by the Company, Its Directors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company	76
Chapter 3	Capital Overview	78
I	Capital and Shares	78
II	Corporate Bonds.....	84
III	Preferred Shares.....	84
IV	Global Depository Shares.....	84
V	Employee Stock Options	84
VI	New Restricted Employee Shares	84
VII	Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies	84
VIII	Implementation Status of the Company's Capital Allocation Plans.....	84
Chapter 4	Operational Overview	80
I	Business Activities.....	80
II	Analysis of Market and Production and Marketing Situation	93

III	Information on Employees for the Two Most Recent Fiscal Years and during the Current Fiscal Year Up to the Date of Publication of the Annual Report	100
IV	Disbursements for Environmental Protection	100
V	Labor Relations	100
VI	Information security management	104
VII	Important Contracts	107
Chapter 5	Review and Analysis of the Company's Financial Position and Financial Performance, and Listing of Risks	108
I	Financial Position	108
II	Financial Performance	101
III	Cash Flow	102
IV	Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year	102
V	Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for Coming Year	102
VI	Risk Analysis and Assessment for the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report	102
VII	Other Important Matters	111
Chapter 6	Special Disclosure	112
I	Information on the Company Affiliates	112
II	Private Placement of Securities During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report	113
III	Other Supplementary Information	113
IV	Situations Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which Might Materially Affect Shareholders' Equity or the Price of the Securities, Occurring during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report	113

Chapter 1 Letter to Shareholders

Dear Shareholders,

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.
- 150W P36P series.
- 320W PoE Power ◦
- 300W PBA Series Industrial Application Power Supply.
- 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 all the best

Chairman: Cheng, Ya-Jen

Chapter 2 Corporate Governance Report

I Information on the Company's Directors, President, Vice President, Associate Managers, and the Supervisors of All the Company's Divisions and Branch Units:

(I) Directors:

1. Information on Directors and Independent Directors:

April 13, 2025

Title	Nationality/ Place of Incorporation	Name	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shares Held		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position Concurrently Held at the Company Or Other Companies	Executives or Directors Who are Spouses or Within the Second Degree of Kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	R.O.C.	Cheng, Ya-Jen	Male 61-70	2023.06.12	3 years	1993.04.08	12,167,477	6.50%	11,167,477	5.96%	1,019,992	0.55%	—	—	College of Engineering, Tatung University Chairman, FSP Technology Inc.	Note 1	Executive Assistant to the President	Cheng, Ming- Hsiang	Father-son	Note 4
Vice Chairman	R.O.C.	Yang, Fu-An	Male 61-70	2023.06.12	3 years	1993.04.08	11,792,834	6.30%	11,792,834	6.30%	249,022	0.13%	—	—	Feng Chia University Vice President, FSP Technology Inc.	Note 2	—	—	—	—
Director	R.O.C.	FSP Capital Co., Ltd.	—	2023.06.12	3 years	2023.06.12	15,091,766	8.06%	15,191,766	8.11%	—	—	—	—	—	—	—	—	—	—
	R.O.C.	Representative: Wang, Chung- Shun	Male 71-80	2023.06.12	3 years	1999.06.15 (Note 7)	11,605,794	6.20%	11,605,794 (Note 6)	6.20%	618,892	0.33%	—	—	Feng Chia University Chairman, FSP Technology Inc.	Note 3	—	—	—	—
Director	British Virgin Islands	2K Industries Inc. (BVI)	—	2023.06.12	3 years	2005.06.10	5,793,162	3.09%	5,193,162	2.77%	—	—	—	—	—	—	—	—	—	—
	R.O.C.	Representative: Wang, Po-Wen	Male 51-60	2023.06.12	3 years	2005.06.10	—	—	—	—	—	—	—	—	Bachelor of Arts (Economics) U.C. Berkeley	Other position concurrently held at the Company: None Operations Manager, Fortron/Source Group Ltd Director, Fu Chuang Yuan Corporation	—	—	—	—
Director	R.O.C.	Chu, Hsiu-Yin	Female 61-70	2023.06.12	3 years	2002.06.22 (Note 8)	2,660,070	1.42%	2,660,070	1.42%	—	—	—	—	Department of Life-and- Death Studies, Nanhua University	Other position concurrently held at the Company: None Chairman, Unitel Pty Ltd. Director, Intowell Biomedical Technology, Inc. Representative, Meiyo Holdings Limited	—	—	—	—
Director	R.O.C.	Pachon Investments Limited	—	2023.06.12	3 years	2023.06.12	5,000,000	2.67%	5,000,000	2.67%	—	—	—	—	—	—	—	—	—	—
	R.O.C.	Representative: Chen, Kuang- Chun	Male 61-70	2023.06.12	3 years	1999.06.15 (Note 5)	2,875,913	1.54%	1,666,913	0.89%	—	—	—	—	LeeMing Institute of Technology	Other position concurrently held at the Company: None	—	—	—	—
Director	R.O.C.	Huang, Jr-Wen	Male 51-60	2023.06.12	3 years	2005.06.10	—	—	—	—	—	—	—	—	Master's degree, Saint Louis University, U.S.A. Touch Cloud Inc.	Other position concurrently held at the Company: None President, Wang Ying	—	—	—	—

Title	Nationality/ Place of Incorporation	Name	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shares Held		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position Concurrently Held at the Company Or Other Companies	Executives or Directors Who are Spouses or Within the Second Degree of Kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
															Supervisor Supervisor, Genepharma Biotech Corp. President, Investment Department, IBF Venture Capital Co., Ltd. Independent Director, Bizlink Holding Inc. Supervisor, Tibio Corp.	Capital Co., Ltd. Representative of Institutional Director, Wang Ying Capital Co., Ltd. Independent Director, Netronix, Inc. Supervisor, Viridis Capital Corporation				
Independent Director	R.O.C.	Liu, Shou- Hsiang	Male 71-80	2023.06.12	3 years	2002.06.22	—	—	—	—	—	—	—	—	PhD in Economics, National Taiwan University Associate Professor, Ming Chuan University Research Fellow, Chung- Hua Institution for Economic Research Chairman and President, Ta Hua Investment Trust Independent Director, Hwatai Bank Co., Ltd. Advisory Board Member, Chung-Hua Institution for Economic Research	Other position concurrently held at the Company: None	—	—	—	—
Independent Director	R.O.C.	Cheng, Chia- Jiun	Male 71-80	2023.06.12	3 years	2011.06.15	—	—	—	—	—	—	—	—	Master of Business Administration, National Chengchi University Independent Director, ProbeLeader Co., Ltd. President, Digital United Telecom Co., Ltd. President, Shihlien Energy Technology Co., Ltd. Chairman, ISSDU Inc.	Other position concurrently held at the Company: None Azion Corporation Independent Director Independent Director, Bizlink Holding Inc. Independent Director, Changing Information Technology Inc.	—	—	—	—
Independent Director	R.O.C.	Hsu, Cheng- Hung	Male 61-70	2023.06.12	3 years	2017.06.08	—	—	—	—	1,227	0.00%	—	—	Department of Physics, Tamkang University Unitech Printed Circuit Board Corp. President	Other position concurrently held at the Company: None Director, Shanghai Zhanhua Electronic Co., Ltd. Director, Unitech Electronics International (Nantong) Limited	—	—	—	—
Independent Director	R.O.C.	Li, Shao-Tang	Male 61-70	2023.06.12	3 years	2023.06.12	—	—	—	—	—	—	—	—	Department of International Trade, Tamkang University Associate Manager, IBM Taiwan Branch Oracle Taiwan LLC, Taiwan Branch (U.S.A.) President	Other position concurrently held at the Company: None Director, Avatack Co., Ltd. Director, Symbio, Inc. Director, Kiwi technology Inc. Director, Information Technology Total Services	—	—	—	—

Title	Nationality/ Place of Incorporation	Name	Gender and Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shares Held		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position Concurrently Held at the Company Or Other Companies	Executives or Directors Who are Spouses or Within the Second Degree of Kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
															Director and President of Oracle (China) Corporation Chief Executive Officer of China Doppler Communications Co., Ltd. UC&GN International Corp. President Yodn Lighting Corp. Chief Executive Officer CEO, 1111 Job Bank Director, EasyCard Investment Holding Co., Ltd. Director, Ye Siang Enterprise Co., Ltd.	Co., Ltd.				

*The shareholding ratio is rounded to the second decimal place.

Note 1: Chairman and President of the Company, Chairman of FSP Capital Co., Ltd., Chairman of 3Y Power Technology (Taiwan) Inc., Director of FSP International Inc., Director of Power Electronics Co., Ltd., Director of Famous Holding Ltd., Director of FSP group Inc., Director of AMACROX Technology Co., Ltd., Director of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhong Han Science & Tech. Co., Ltd., Director of FSP Technology Inc., Director of FSP-C R&D Center, Chairman of 3Y Power Technology Inc., Director of FSP International (HK) Limited, Chairman of Amacrox GmbH, Director of Harmony Trading (HK) Limited, Director of Protek Electronics (Samoa) Corp., Director of Luckyield Co, Ltd. , Director of FSP Group USA Corp., Chairman of FSP Technology USA Inc., Director of Haohan Electronic Technology (Ji'an) Co., Ltd., Representative of Corporate Director of Voltronic Power Technology Corp., Director of Fu Chuang Yuan Corporation, Supervisor of Hsiang Tsan Investment Co., Ltd., Chairman of An Wen Investment Co., Ltd., and Chairman of He Feng Investment Co., Ltd.

Note 2: The Company's Vice Chairman serves concurrently as the Company's Vice President, Director of Shenzhen Huili Electronics Co., Ltd. and Director of Zhonghan Electronics Shenzhen Co., Ltd. Director of FSP International Inc., Director of FSP Capital Co., Ltd., Director of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhong Han Science & Tech. Co., Ltd., Director of 3Y Power Technology (Taiwan) Inc., Director of Jiangsu FSP Power Technology R&D Co., Ltd., Director of Fu Chuang Yuan Corporation, Chairman of Yang Chi Investment Co., Ltd., Supervisor of Chin Yu Investment Co., Ltd., Supervisor of An Wen Investment Co., Ltd., and Supervisor of Pachon Investments Limited.

Note 3: The Company's Representative of Director serves concurrently as the Vice President of the Company, Representative of Shenzhen Huili Electronics Co., Ltd., Representative of Zhonghan Electronics Shenzhen Co., Ltd., Director of FSP International Inc., Representative of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhong Han Science & Tech. Co., Ltd., Supervisor of 3Y Power Technology (Taiwan) Inc., and Supervisor of Fu Chuang Yuan Corporation.

Note 4: Where the Chairman of the Board of Directors, President, or individual with equivalent roles (highest-ranking managerial officer) are the same individual, spouses, or relatives within the first degree of kinship, specify related information regarding the reason, reasonableness, necessity, and response measures:

The Chairman of the Board of Directors serves concurrently as the President to strengthen execution in decision making and improve business efficiency. It is a temporary measure and the Company has actively sought suitable candidates within its ranks. In addition, the Chairman has maintained close communication with the Directors regarding the Company's operations and plans to ensure corporate governance. The Company has increased the number of Independent Directors by one seat in 2023 to improve Board functions and strengthen supervisory functions. The Company has implemented the following measures:

- (1) The current four Independent Directors have extensive experience and expertise in finance, business, information technology, human resources and management and perform their supervisory functions effectively.
- (2) Every year, we arrange professional director courses offered by external organizations such as the Securities & Futures Institute for all Directors to enhance the operational efficiency of the Board of Directors.
- (3) The Independent Directors discuss necessary matters and propose recommendations to the Board of Directors in each functional committee to implement corporate governance.
- (4) More than half of the members of the Board of Directors are not employees or managerial officers.

Note 5: Date of initial appointment as the Company's Supervisor. The Company organized an election in the shareholders' meeting on June 8, 2017 to replace all Supervisors. The Company also elected (appointed) Directors on June 16, 2020.

Note 6: Shareholding includes shareholding trust (a specific trust account of First Commercial Bank) with retained legal use rights.

Note 7: Date of initial appointment as a natural person director of the Company.

Note 8: Date of initial appointment as a Representative of Institutional Director of the Company.

2. The Directors of the Company are the major shareholders of the Company's Institutional Shareholders

April 13, 2025

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholder (Note)	Shareholding
British Virgin Islands 2K INDUSTRIES INC.	ALTOS INTERNATIONAL CORPORATION	65.30%
	ETERNAL WELTH HOLDINGS LIMITED	34.70%
FSP Capital Co., Ltd.	Cheng, Ya-Jen	37.50%
	Yang, Fu-An	37.50%
	Cheng, Pi-Ling	9.00%
	Hsiang Tsan Investment Co., Ltd.	7.50%
	Ji Chuang Investment Co., Ltd.	7.50%
	Cheng, Ming-Hsiang	1.00%
Pachon Investments Limited	Yang, Fu-An	49.50%
	Cheng, Ya-Jen	49.50%
	Cheng, Pi-Ling	1.00%

Note: Name of major shareholders, whose shareholding accounts for the top ten, and their respective shareholding ratio of the legal entity.

3. Major Shareholders of Institutional Shareholders are Institutional Shareholder:

April 13, 2025

Name of legal person	Major Shareholders (Note)	Shareholding
ALTOS INTERNATIONAL CORPORATION	WANG,CHUNG-YIN	100%
ETERNAL WELTH HOLDINGS LIMITED	WANG,SHU-MEI	100%
Hsiang Tsan Investment Co., Ltd.	Cheng, Ya-Jen	55%
	Cheng, Ming-Hsiang	45%
Ji Chuang Investment Co., Ltd.	ETERNAL WEALTH HOLDINGS LIMITED	100%

Note: Name of major shareholders, whose shareholding accounts for the top ten, and their respective shareholding ratio of the legal entity.

4. Disclosure of Information on the Professional Qualifications of Directors and Independence of Independent Directors

April 13, 2025

Criteria Name	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Cheng, Ya-Jen	Extensive experience and expertise in finance, business, and management and business administration skills Chairman and President, FSP Technology Inc.	1. President of the Company, Managerial Officer 2. Director of the Company's Affiliates. 3. The natural-person shareholder who holds shares is ranked in the top 10 in shareholdings. 4. The shareholder holding 5% of the Company's issued shares - Chairman of FSP Capital Co., Ltd. 5. The rest have been verified in accordance with the independence requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	None
Yang, Fu-An	Extensive experience and expertise in finance, business, and management Vice Chairman and Vice President, FSP	1. Vice President of the Company, Managerial Officer 2. Director of the Company's Affiliates. 3. The natural-person shareholder who holds shares is	None

Criteria Name	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
	Technology Inc.	ranked in the top 10 in shareholdings. 4. The shareholder holding 5% of the Company's issued shares - Director of FSP Capital Co., Ltd. 5. The rest have been verified in accordance with the independence requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	
FSP Capital Co., Ltd. Representative: Wang, Chung-Shun	Extensive experience and expertise in finance, business, and management Vice President, FSP Technology Inc.	1. FSP Capital Co., Ltd. is one of the top ten natural person shareholders of the Company. 2. Mr. Wang, Chung-Shun was elected as a director as a designated representative of FSP Capital Co., Ltd. 3. The rest have been verified in accordance with the independence requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	None
2K Industries Inc. (BVI) Representative: Wang, Po-Wen	Extensive experience and expertise in economics and management Operations Manager, Fortron/Source Group Ltd Director, Fu Chuang Yuan Corporation	1. 2K Industries Inc. (BVI) is one of the top ten corporate shareholders of the Company. 2. Mr. Wang, Po-Wen was elected as a Director as the 2K Industries Inc. (BVI) Designated Representative. 3. The rest have been verified in accordance with the independence requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	None
Chu, Hsiu-Yin	Extensive experience and expertise in finance, business, and management Chairman, Unitel Pty Ltd. Director, Intowell Biomedical Technology, Inc. Representative, Meiyo Holdings Limited	It has been verified in accordance with the independence requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	None
Pachon Investments Limited Representative: Chen, Kuang-Chun	Extensive experience and expertise in R&D and management	1. Pachon Investments Limited is one of the top ten natural person shareholders of the Company. 2. Mr. Chen, Kuang-Chun was elected as a director as a designated representative of Pachon Investments Limited. 3. The rest have been verified in accordance with the independence requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	None
Huang, Jr-Wen	Extensive experience and expertise in finance, business, and management President, Wang Ying Capital Co., Ltd. Representative of Institutional Director, Wang Ying Capital Co., Ltd. Independent Director, Netronix, Inc. Supervisor, Viridis Capital Corporation Supervisor, Touch Cloud Inc. Supervisor, Genepharm Biotech Corp. President, Investment Department, IBF Venture Capital Co., Ltd. Independent Director, Bizlink Holding Inc. Supervisor, Ttbio Corp.	It has been verified in accordance with the independence requirements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	1
Liu, Shou-Hsiang	Extensive experience and expertise in finance, business, and management	In accordance with the provisions of the Company's Articles of Association and the Corporate Governance Best-Practice	None

Criteria Name	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
	Associate Professor, Ming Chuan University Research Fellow, Chung-Hua Institution for Economic Research Chairman and President, Ta Hua Investment Trust Independent Director, Hwatai Bank Co., Ltd. Advisory Board Member, Chung-Hua Institution for Economic Research	Principles, directors shall be appointed on a nominating system. In the process of nominating and selecting Board members, the Company has obtained the written statement, work experience and family relation form provided by each director to verify the independence of himself, his spouse and his or her three relatives from the Company. The Company has also verified that the four independent directors listed on the left in the two years prior to their election and during their tenure have all met the qualification requirements set out in the	
Cheng, Chia-Jiun	Extensive experience and expertise in finance, business, and management Independent Director, Azion Corporation Independent Director, Bizlink Holding Inc. Independent Director, Changing Information Technology Inc. Independent Director, ProbeLeader Co., Ltd. President, Digital United Telecom Co., Ltd. President, Shihlien Energy Technology Co., Ltd. Chairman, ISSDU Inc.	"Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and in Article 14-2 of the Securities and Exchange Act issued by the Financial Supervisory Commission, and the independent directors have all been granted the right to fully participate in decision-making and express opinions in accordance with Article 14-3 of the Securities Exchange Law, to perform the relevant authority independently.	3
Hsu, Cheng-Hung	Extensive experience and expertise in finance, business, and management Director, Shanghai Zhanhua Electronic Co., Ltd. Director, Unitech Electronics International (Nantong) Limited President, Unitech Printed Circuit Board Corp.		None
Li, Shao-Tang	Extensive experience and expertise in finance, business, information technology, human resources and management Director, Avatack Co., Ltd. Director, Symbio, Inc. Director, Kiwi technology Inc. Director, Information Technology Total Services Co., Ltd. Associate Manager, IBM Taiwan Branch President, Oracle Taiwan LLC, Taiwan Branch (U.S.A.) Director and President of Oracle (China) Corporation Chief Executive Officer of China Doppler Communications Co., Ltd. President, UC&GN International Corp. CEO, Yodn Lighting Corp. CEO, 1111 Job Bank Director, EasyCard Investment Holding Co., Ltd. Director, Ye Siang Enterprise Co., Ltd.		None

Note: All independent directors of the Company have been found to be free from any of the provisions of Article 30 of the Company Act.

5. Diversity and Independence of the Board Directors

(I) Diversity of the Board of Directors:

The election of Directors (including Independent Directors) of the Company shall be based on the "Procedures for Election of Directors" and the candidate nomination system

stipulated in Article 192-1 of the Company Act. The Company shall announce the period for accepting nominations for Directors (including Independent Directors) and the number of candidates for election before the book closure date prior to the shareholders' meeting in accordance with the law. The period of acceptance shall be no less than 10 days. After the Board of Directors reviews the list of candidates for Directors (including Independent Directors) and deems that they meet the requirements for Directors (including Independent Directors), the list shall be submitted to the shareholders' meeting for election.

The Company shall carefully consider the setup and diversity standards for the Board of Directors. It shall select Directors with the necessary knowledge, skills, and education to perform their duties based on their professional background, field, and practical experience. The Company shall also ensure that the number of Directors who are also Managerial Officers of the Company does not exceed one third of the number of Directors as specified in the management targets.

The Company's Board of Directors is diverse and has different core competencies for effectively carrying out its responsibilities, which include establishing a good governance system for the Board of Directors, supervising, appointing, and directing the Company's management, strengthening management functions, and taking responsibility for the overall operations of the Company's economic, social, and environmental development to maximize stakeholders' interests.

The Company's current Board of Directors consists of 11 Directors, including 4 non-executive Directors (including 1 female Director), 4 Independent Directors, and 3 Executive Directors. The members have extensive experience and expertise in finance, business, economics, R&D, information technology, human resources and management, emphasizing professional skills and gender equality in the composition of the Board of Directors.

The percentage of directors who are employees of the Company is approximately 27%. The percentage of independent directors is approximately 36%, while the percentage of female directors is approximately 9%. 1 Seniority of Independent Director for less than 3 years, 4 directors aged 70 and above, 5 directors aged between 60 and 69, and 2 directors aged below 60.

If the representation of either gender on the Board of Directors of the Company falls below one-third, the reasons for this shall be stated, along with the planned measures to enhance gender diversity among the directors:

Reason for Explanation: According to the Company's Articles of Incorporation, there are 11 seats for directors. The current directors were elected at the shareholders' meeting on June 12, 2023. However, there is only one female director, which, while compliant with the relevant regulations at that time, does not meet the one-third requirement. This is due to the characteristics of the industry, making it difficult to seek talent in a short period.

Measures: Before the re-election of the Board of Directors at the end of its term, the Company will solicit candidate recommendations from a variety of sources,

including industry associations and academic institutions, to enhance the effectiveness of corporate governance and promote diversity among Board members.

In order to implement the corporate governance policy and diversify the composition of the Board of Directors, the Board of Directors strengthened the implementation of the diversification of director nominations by setting up a "Nominating Committee" on November 4, 2021. The Nominating Committee shall, in accordance with the number of directors of the Company's Articles of Association, nominate a list of recommendations and submit it to the Board of Directors. The criteria for nominating members are based on the required diversity policy of expertise, technology, experience, gender, nationality, age, etc., and considering the overall configuration of the Board.

The overall capabilities of the Board of Directors are specified in Article 20 of the Company's "Corporate Governance Best-Practice Principles". All members of the Board of Directors shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goals of corporate governance, the Board of Directors shall possess the following abilities:

- I. Ability to make operational judgments.
- II. Ability to perform accounting and financial analysis.
- III. Ability to conduct management administration.
- IV. Ability to conduct crisis management.
- V. Knowledge of the industry.
- VI. An international market perspective.
- VII. Ability to lead.
- VIII. Ability to make policy decisions.

The implementation status is listed in the table below:

The implementation status is listed in the table below.

Diversified Core Items Name of Director	Basic Composition						Industry Experience				Professional Skills							
	Nationality	Gender	Age			A Concurrent Employee of the Company	Seniority of Independent Director			Production management	Sales and marketing	Innovation and R&D	Asset management	Accounting	Finance	Law	Risk management	International market perspective
			41-50	51-60	61-75		Less than 3 years	3 to 9 years	More than 9 years									
Cheng, Ya-Jen	R.O.C.	Male			✓	✓				✓	✓	✓	✓	✓	✓		✓	✓
Yang, Fu-An	R.O.C.	Male			✓	✓				✓			✓	✓	✓		✓	✓
FSP Capital Co., Ltd. Representative: Wang, Chung-Shun	R.O.C.	Male			✓	✓				✓			✓				✓	✓
2K Industries Inc. (BVI) Representative: Wang, Po-Wen	R.O.C.	Male		✓									✓	✓	✓		✓	✓
Chu, Hsiu-Yin	R.O.C.	Female			✓								✓	✓	✓		✓	✓
Pachon Investments Limited Representative: Chen, Kuang-Chun	R.O.C.	Male			✓							✓	✓				✓	✓
Huang, Jr-Wen	R.O.C.	Male		✓									✓	✓	✓		✓	✓
Liu, Shou-Hsiang	R.O.C.	Male			✓				✓Note				✓	✓	✓		✓	✓
Cheng, Chia-Jiun	R.O.C.	Male			✓				✓Note				✓	✓	✓		✓	✓
Hsu, Cheng-Hung	R.O.C.	Male			✓			✓		✓	✓	✓	✓	✓	✓		✓	✓
Li, Shao-Tang	R.O.C.	Male			✓		✓			✓	✓	✓	✓	✓	✓		✓	✓

Note: Considering that the financial and accounting expertise and industry experience of the independent directors Liu, Shou-Hsiang and Cheng, Chia-Jiun is of obvious benefit to the Company, although they have been re-elected as independent directors of the Company for three terms, the Company still needs to rely on their expertise to supervise and provide professional advice to the Board of Director.

Diversified Items Name of Director	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Industrial Knowledge	International market perspective	Ability to lead	Ability to make policy decisions
Cheng, Ya-Jen	✓	✓	✓	✓	✓	✓	✓	✓
Yang, Fu-An	✓	✓	✓	✓	✓	✓	✓	✓
FSP Capital Co., Ltd. Representative: Wang, Chung-Shun	✓	*	✓	✓	✓	✓	✓	✓
2K Industries Inc. (BVI) Representative: Wang, Po-Wen	✓	✓	✓	✓	✓	✓	*	✓
Chu, Hsiu-Yin	✓	✓	✓	✓	✓	✓	✓	✓
Pachon Investments Limited Representative: Chen, Kuang-Chun	✓	*	✓	✓	✓	✓	✓	✓
Huang, Jr-Wen	✓	✓	✓	✓	✓	✓	✓	✓
Liu, Shou-Hsiang	✓	✓	*	✓	✓	✓	✓	✓
Cheng, Chia-Jiun	✓	✓	✓	✓	✓	✓	✓	✓
Hsu, Cheng-Hung	✓	✓	✓	✓	✓	✓	✓	✓
Li, Shao-Tang	✓	✓	✓	✓	✓	✓	✓	✓

Note: * The Director has certain skills in this category

(II) Independence of the Board Directors:

The current Board of Directors consists of 11 members, who were all elected by shareholders. the Board of Directors consists of four natural-person Directors, three representatives of Corporate Directors, and four Independent Directors. All directors have been found to be free from any of the provisions of Article 30 of the Company Act.

More than half of the members of the Board of Directors are not employees or managerial officers. They are also not a spouse or a relative within the second degree of kinship.

As required by the rules for public listing, the Company has obtained a written statement from each Independent Non-Executive Director for confirming the independence of the Director or his or her immediate family members with respect to the Company.

The Company has established the Performance Evaluation Method of the Board of Directors and Functional Committee, which includes conducting an annual internal assessment of the Board of Directors and Functional Committee members. The performance evaluation items for the Board of Directors include: (1) the degree of participation in the Company's operations, (2) the quality of the Board of Directors' decision making, (3) Composition and structure of the Board of Directors, (4) Election and continuing education of the Directors, and (5) Internal control. The evaluation items for the Functional Committees include: (1) the degree of participation in the Company's operations, (2) Understanding of committee responsibilities, (3) Improvement of the quality of the Functional committee's decision making, (4) The composition and election of members in Functional committee and (5) Internal controls. The self-evaluation of Board members includes: (1) Alignment of the goals and missions of the Company, (2) Awareness of the duties of a Director, (3) the degree of participation in the Company's operations, (4) Management of internal relationship and communication, (5) The Director's professionalism and continuing education, and (6) Internal control. The above self-evaluation results are disclosed in the Company's annual report and official website after being submitted to the Board of Directors. .

In addition, in order to let all investors fully understand the implementation status of the remaining Board of Directors of the Company, relevant information is also disclosed in the

Company's annual report, official website or public information observatory: (1) Attendance of Board members at meetings, (2) Proposals and decisions of the Board, (3) Continuing training of directors, and (4) Changes in the shareholding of directors (including shareholding ratio, share transfer and pledge creation, etc.) (please refer to the Market Observation Post System website of Taiwan Stock Exchange).

All independent directors comply with the requirements of the FSC for independent directors, and the independence criteria is as follows:

Name	Whether the director, the spouse of the director, relatives of the director are directors, supervisors or employees of the Company or its affiliates	The number and proportion of the Company's shares held by the director, the spouse of the director, relatives of the director (or others).	Whether as a director, supervisor or employee of a company with which the Company has a specific relationship	Amount of remuneration obtained in the last 2 years for providing business, legal, financial and accounting services to the Company or its affiliates
Liu, Shou-Hsiang	No	None	No	None
Cheng, Chia-Jiun	No	None	No	None
Hsu, Cheng-Hung	No	None	No	None
Li, Shao-Tang	No	None	No	None

Opinions of the Company on Independence

the Board of Directors is committed to performing a continuous assessment of the independence of its Directors and it will consider all relevant factors including whether the Director continuously proposes constructive questions of the management and other Directors, whether the Director expresses views independent of the management or other Directors, and whether the Director acts appropriately inside the Board of Directors and in interactions with external entities. The conduct of the Company's Independent Non-Executive Directors is consistent with expectations under applicable conditions and demonstrates these requirements. After considering all conditions specified in this section, the Company considers that all Independent Non-Executive Directors to be individuals independent of the Company.

(II) Information on the Company's President, Vice President, Associate Managers, and the Supervisors of All the Company's Divisions and Branch Units

April 13, 2025

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Positions	Managerial Officers Who are Spouses or Within the Second Degree of Kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
President	R.O.C.	Cheng, Ya-Jen	Male	1993.05.01	12,167,477	5.96%	1,019,992	0.55%	—	—	College of Engineering, Tatung University/ Chairman, FSP Technology Inc.	Note 1	—	—	—	Note 4
Vice President	R.O.C.	Yang, Fu-An	Male	1993.10.23	11,792,834	6.30%	249,022	0.13%	—	—	Feng Chia University/ Vice President, FSP Technology Inc.	Note 2	—	—	—	—
Vice President	R.O.C.	Wang, Chung-Shun	Male	1993.10.23	11,605,794 (Note 6)	6.20%	618,892	0.33%	—	—	Feng Chia University/ Chairman, FSP Technology Inc.	Note 3	—	—	—	—
President, Kaohsiung Branch	R.O.C.	Chen, Kuo-Ruey	Male	2007.12.01	644,345	0.34%	33,333	0.02%	—	—	Master of Electrical Engineering, National Cheng Kung University/ President, Kaohsiung Branch, FSP Technology Inc.	None	—	—	—	—
Associate Manager, Material Division	R.O.C.	Wang, Ya-Chen	Female	1998.05.01	238,883	0.13%	47,502	0.03%	—	—	Feng Chia University/ Assistant Vice President, Material Division., FSP Technology Inc.	None	—	—	—	Note 7
Vice President, Kaohsiung Branch	R.O.C.	Hsu, Pei-Ching	Male	2007.12.01	130,067	0.07%	—	—	—	—	Feng Chia University/ Vice President, Kaohsiung Branch, FSP Technology Inc.	None	—	—	—	Note 8
Corporate Governance Officer	R.O.C.	Yao, Wen-Chun	Male	2019.01.08	—	—	—	—	—	—	Master's degree, National Yang-Ming University/ Corporate Governance Officer, FSP Technology Inc.	Note 5	—	—	—	—
Financial Supervisor	R.O.C.	Li, Fu-Jung	Female	2005.04.01	104,740	0.06%	8,281	0.00%	—	—	Fu-Jen Catholic University/ Manager, Finance Division, FSP Technology Inc.	None	—	—	—	—
Chief Accounting Officer	R.O.C.	Sang, Hsi-Yun	Female	2005.04.01	84,045	0.04%	—	—	—	—	Master's degree, National Central University/ Manager, Accounting Division, FSP Technology Inc.	None	—	—	—	—

*The shareholding ratio is rounded to the second decimal place.

Note 1: Note 1: Chairman and President of the Company, Chairman of FSP Capital Co., Ltd., Chairman of 3Y Power Technology (Taiwan) Inc., Director of FSP International Inc., Director of Power Electronics Co., Ltd., Director of Famous Holding Ltd., Director of FSP Group Inc., Director of AMACROX Technology Co., Ltd., Director of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhong Han Science & Tech. Co., Ltd., Director of FSP Technology Inc., Director of FSP-C R&D Center, Chairman of 3Y Power Technology Inc., Director of FSP International (HK) Limited, Chairman of Amacrox GmbH, Director of Harmony Trading (HK) Limited, Director of Protek Electronics (Samoa) Corp., Director of Luckyfield Co., Ltd., Director of FSP Group USA Corp., Chairman of FSP Technology USA Inc., Director of Haohan Electronic Technology (Ji'an) Co., Ltd., Representative of Corporate Director of Voltronic Power Technology Corp., Director of Fu Chuang Yuan Corporation, Supervisor of Hsiang Tsan Investment Co., Ltd., Chairman of An Wen Investment Co., Ltd., and Chairman of He Feng Investment Co., Ltd.

Note 2: The Company's Vice Chairman serves concurrently as the Company's Vice President, Director of Shenzhen Huili Electronics Co., Ltd. and Director of Zhonghan Electronics Shenzhen Co., Ltd. Director of FSP International Inc., Director of FSP Capital Co., Ltd., Director of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhong Han Science & Tech. Co., Ltd., Director of 3Y Power Technology (Taiwan) Inc., Director of Jiangsu FSP Power Technology R&D Co., Ltd., Director of Fu Chuang Yuan Corporation, Chairman of Yang Chi Investment Co., Ltd., Supervisor of Chin Yu Investment Co., Ltd., Supervisor of An Wen Investment Co., Ltd., and Supervisor of Pachon Investments Limited.

Note 3: The Company's Representative of Director serves concurrently as the Vice President of the Company, Representative of Shenzhen Huili Electronics Co., Ltd., Representative of Zhonghan Electronics Shenzhen Co., Ltd., Director of FSP International Inc., Representative of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhong Han Science & Tech. Co., Ltd., Supervisor of 3Y Power Technology (Taiwan) Inc., and Supervisor of Fu Chuang Yuan Corporation.

Note 4: Where the President or individual with equivalent roles (highest-ranking managerial officer) and the Chairman of the Board of Directors are the same individual, spouses, or relatives within the first degree of kinship, specify related information regarding the reason, reasonableness, necessity, and response measures:

The Chairman of the Board of Directors serves concurrently as the President to strengthen execution in decision making and improve business efficiency. It is a temporary measure and the Company has actively sought suitable candidates within its ranks. In addition, the Chairman has maintained close communication with the Directors regarding the Company's operations and plans to ensure corporate governance. The Company has increased the number of Independent Directors by one seat in 2023 to improve Board functions and strengthen supervisory functions. The Company has implemented the following measures:

- (1) The current four Independent Directors are experts in finance, accounting, economics, and their own fields in the industry and perform their supervisory functions effectively.
- (2) Every year, we arrange professional director courses offered by external organizations such as the Securities & Futures Institute for all Directors to enhance the operational efficiency of the Board of Directors.
- (3) The Independent Directors discuss necessary matters and propose recommendations to the Board of Directors in each functional committee to implement corporate governance.
- (4) More than half of the members of the Board of Directors are not employees or managerial officers.

Note 5: Supervisor of Neurobit Technologies Co., Ltd. and Supervisor of Stockfeel.

Note 6: Shareholding includes shareholding trust (a specific trust account of First Commercial Bank) with retained legal use rights.

Note 7: Wang, Ya-Chen, the Associate Manager, passed away and was consequently relieved of her duties in August 2024.

Note 8: Hsu, Pei-Ching, Vice President, retired and was officially relieved of his duties in July 2024.

II Remuneration Paid During the Most Recent Fiscal Year to Directors, President, and Vice President

(I) Remuneration to General Directors and Independent Directors

Unit: NT\$ thousands

Title	Name (Note 1)	Remuneration to Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (Note 10)		Relevant Remuneration Received By Directors Who are Also Employees								Total remuneration (A+B+C+D+E+F+G) and Ratio to Net Income (Note 10)		Compensation from Investee Business Other Than Subsidiaries or from the Parent Company (Note 11)
		Base Compensation (A) (note 2)		Severance Pay and Pension (B)		Director Remuneration (C) (Note 3)		Business Execution Expenses (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Severance Pay and Pension (F)		Employee Compensation (G) (Note 6)						
		The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company		Companies in the Consolidated Financial Statements (Note 7)		The Company	Companies in the Consolidated Financial Statements (Note 7)	
Cash Amount	Stock Amount															Cash Amount	Stock Amount					
Chairman and President	Cheng, Ya-Jen	0	0	0	0	5,600	6,350	368	380	5,968 1.48%	6,730 1.66%	13,406	13,406	0	0	11,250	0	11,250	0	30,624 7.57%	31,386 7.76%	3,600
Vice Chairman and Vice President	Yang, Fu-An																					
Director Representative and Vice President	FSP Capital Co., Ltd. Representative: Wang, Chung-Shun																					
Director	2K Industries Inc. (BVI) Representative: Wang, Po-Wen																					
Director	Chu, Hsiu-Yin																					
Director	Pachon Investments Limited Representative: Chen, Kuang-Chun																					
Director	Huang, Jr-Wen																					
Independent Director	Liu, Shou-Hsiang	2,400	2,400	0	0	0	0	216	216	2,616 0.65%	2,616 0.65%	0	0	0	0	0	0	0	2,616 0.65%	2,616 0.65%	0	
Independent Director	Cheng, Chia-Jiun																					
Independent Director	Hsu, Cheng-Hung																					
Independent Director	Li, Shao-Tang																					

- Please specify the independent director remuneration policy, system, standard, and structure, and the connection between the amount of remuneration and the factors, such as their job responsibilities, risks, and time contributed.
The remuneration of the Independent Directors of the Company shall be processed in accordance with Paragraph 3, Article 3 of the "Regulations Governing the Remuneration of Directors and Members of Functional Committees" passed by the Board of Directors on March 18, 2021. Independent Directors are not eligible for the remuneration for Directors specified in Article 20 of the Company's "Articles of Incorporation." However, the Company shall pay each Independent Director a fixed amount of remuneration each quarter regardless of whether the Company turns a profit. If an Independent Director resigns during the quarter, his or her remuneration shall be calculated proportionally based on the period of services in the quarter.
- Other than disclosures in the above table, remuneration paid to Directors for providing services (e.g., providing consulting services as a non-employee for the parent company/all companies in consolidated financial statements/investee business) in the most recent fiscal year: NT\$ 0.

Range of Remuneration

Range of Remuneration Paid to Directors	Name of Director			
	Total remuneration (A+B+C+D)		Total remuneration (A+B+C+D+E+F+G)	
	The Company (Note 8)	Companies in the Consolidated Financial Statements (Note 9)H	The Company (Note 8)	Parent Company and All Investee Business (Note 9)I
Less than NT\$1,000,000	General Directors: Representative of FSP Capital Co., Ltd.: Wang, Chung-Shun Yang, Fu-An 2K INDUSTRIES Representative: Wang, Po-Wen Chu, Hsiu-Yin Representative of Pachon Investments Limited: Chen, Kuang-Chun Huang, Jr-Wen Independent Director: Liu, Shou-Hsiang Cheng, Chia-Jiun Hsu, Cheng-Hung Li, Shao-Tang	General Directors: Representative of FSP Capital Co., Ltd.: Wang, Chung-Shun Yang, Fu-An 2K INDUSTRIES Representative: Wang, Po-Wen Chu, Hsiu-Yin Representative of Pachon Investments Limited: Chen, Kuang-Chun Huang, Jr-Wen Independent Director: Liu, Shou-Hsiang Cheng, Chia-Jiun Hsu, Cheng-Hung Li, Shao-Tang	General Directors: 2K INDUSTRIES Representative: Wang, Po-Wen Chu, Hsiu-Yin Representative of Pachon Investments Limited: Chen, Kuang-Chun Huang, Jr-Wen Independent Director: Liu, Shou-Hsiang Cheng, Chia-Jiun Hsu, Cheng-Hung Li, Shao-Tang	General Directors: 2K INDUSTRIES Representative: Wang, Po-Wen Chu, Hsiu-Yin Representative of Pachon Investments Limited: Chen, Kuang-Chun Huang, Jr-Wen Independent Director: Liu, Shou-Hsiang Cheng, Chia-Jiun Hsu, Cheng-Hung Li, Shao-Tang
NT\$1,000,000 (Including) - NT\$2,000,000 (Excluding)	General Directors: Cheng, Ya-Jen	General Directors: Cheng, Ya-Jen	—	—
NT\$2,000,000 (Including) - NT\$3,500,000 (Excluding)	—	—	—	—
NT\$3,500,000 (Including) - NT\$5,000,000 (Excluding)	—	—	General Directors Representative of FSP Capital Co., Ltd.: Wang, Chung-Shun	General Directors Representative of FSP Capital Co., Ltd.: Wang, Chung-Shun
NT\$5,000,000 (Including) - NT\$10,000,000 (Excluding)	—	—	—	—
NT\$10,000,000 (Including) - NT\$15,000,000 (Excluding)	—	—	General Directors Cheng, Ya-Jen Yang, Fu-An	General Directors Cheng, Ya-Jen Yang, Fu-An
NT\$15,000,000 (Including) - NT\$30,000,000 (Excluding)	—	—	—	—
NT\$30,000,000 (Including) - NT\$50,000,000 (Excluding)	—	—	—	—
NT\$50,000,000(incl.) - NT\$100,000,000(not incl.)	—	—	—	—
Greater Than or Equal to NT\$100,000,000	—	—	—	—
Total	There were eleven individuals.	There were eleven individuals.	There were eleven individuals.	There were eleven individuals.

Note 1: The names of the Directors must be listed separately (for institutional shareholders, the names of institutional shareholders and representatives should be listed respectively) and the various payment amounts using the summary disclosure method for general Directors and Independent Directors. If a Director serves concurrently as the President or Vice President, fill out this table and Table 2(2) below.

Note 2: Remuneration to Directors in the most recent fiscal year (including the Directors' salary, additional duty payments, severance pay, various bonuses, or incentive payments).

Note 3: The amount is the proposed remuneration to Directors passed by the Board of Directors for the most recent fiscal year.

Note 4: This refers to the business execution expenses of Directors in the most recent fiscal year (including transportation expenses, special allowance, stipends, dormitory, and car). If housing, cars, and transportation vehicles or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel cost calculated based on the actual amount or fair market value, and other payments shall be disclosed. Where a driver is also provided, the compensation paid by the Company to the driver shall be specified in the notes but the amount shall not be included in the remuneration.

Note 5: All payments to Directors who are also employees of the Company (including the position of President, Vice President, other managerial officer and staff), including salary, additional pay, severance pay, bonuses, rewards, transportation allowance, special allowance, stipends, dormitory, and car. If housing, cars, and transportation vehicles or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel cost calculated based on the actual amount or fair market value, and other payments shall be disclosed. Where a driver is also provided, the compensation paid by the Company to the driver shall be specified in the notes but the amount shall not be included in the remuneration. Furthermore, any compensation recognized in the IFRS 2 "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares, and capital increase by stock subscription, shall be included in the calculation of the remuneration.

Note 6: For Directors concurrently serving as employees (including the President, Vice Presidents, other Managerial Officers and employees) who receive employee compensation (including shares and cash), the amount of employee compensation that have been passed by the Board of Directors and are distributed to them in the most recent fiscal year shall be disclosed. If the amount of compensation cannot be estimated, the amount of compensation in the current fiscal year shall be calculated based on the ratio of the amount of compensation distributed in the previous fiscal year, and this amount shall also be specified in Table 2(3) below.

Note 7: Total remuneration to Directors from all companies in the consolidated statements (including the Company) shall be disclosed.

Note 8: The name of each Director shall be disclosed in the range of remuneration corresponding to the amount of total remuneration paid to the Director by the Company.

Note 9: Total remuneration paid to each Director of the Company by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed. The name of each Director shall be disclosed in the range of remuneration.

Note 10: The net income refers to the net income in the parent company only or individual financial report in the most recent fiscal year.

Note 11: a. The amount of remuneration received from investee business other than subsidiaries or the parent company by the Company's Directors shall be stated clearly in this column (please specify "none" if there is no remuneration).

b. If a Director of the Company receives remuneration from investee business other than subsidiaries or the parent company, the amount of remuneration received by the Director from investee business other than subsidiaries or the parent company shall be combined into Column I of the table for ranges of remuneration, and this column shall be renamed as "Parent Company and All Investee Business."

c. Remuneration refers to pay, compensation (including compensation of employees, directors and supervisors) and remuneration for conducting business received by a Director of the Company serving as a director, supervisor or managerial officer of an investee business of the Company other than subsidiaries or the parent company.

* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation.

(II) Remuneration to the President and Vice President

Unit: NT\$ thousands

Title	Name	Salary (A) (Note 2)		Severance Pay and Pension (B)		Bonuses and Allowances, etc. (C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 8)		Compensation from Investee Business Other Than Subsidiaries or from the Parent Company (Note 9)
		The Company	Companies in the Consolidated Financial Statements (Note 5)	The Company	Companies in the Consolidated Financial Statements (Note 5)	The Company	Companies in the Consolidated Financial Statements (Note 5)	The Company		Companies in the Consolidated Financial Statements (Note 5)		The Company	Companies in the Consolidated Financial Statements (Note 5)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman and President	Cheng, Ya-Jen	10,805	10,805	5,671 Note	5,671 Note	7,295	7,295	11,880	0	11,880	0	35,651 8.81%	35,651 8.81%	3,600
Vice Chairman and Vice President	Yang, Fu-An													
Director Representative and Vice President	Wang, Chung-Shun													
Kaohsiung Branch President	Chen, Kuo-Ruey													
Vice President, Kaohsiung Branch	Hsu, Pei-Ching (Note 10)													

Note: All items are recognized as severance pay and pension

* Regardless of titles, remunerations of employees with positions equivalent to the President or Vice President (Examples: president, CEO, and director) shall be disclosed.

Range of Remuneration

Range of Remuneration Paid to the President and Vice President	Name of the President and Vice President	
	The Company (Note 6)	Parent Company and all Investee business (Note 7) E
Less than NT\$1,000,000	—	—
NT\$1,000,000 (Including) - NT\$2,000,000 (Excluding)	—	—
NT\$2,000,000 (Including) - NT\$3,500,000 (Excluding)	Wang, Chung-Shun	Wang, Chung-Shun
NT\$3,500,000 (Including) - NT\$5,000,000 (Excluding)	Chen, Kuo-Ruey	Chen, Kuo-Ruey
NT\$5,000,000 (Including) - NT\$10,000,000 (Excluding)	Yang, Fu-An Hsu, Pei-Ching	Yang, Fu-An Hsu, Pei-Ching
NT\$10,000,000 (Including) - NT\$15,000,000 (Excluding)	Cheng, Ya-Jen	Cheng, Ya-Jen
NT\$15,000,000 (Including) - NT\$30,000,000 (Excluding)	—	—
NT\$30,000,000 (Including) - NT\$50,000,000 (Excluding)	—	—
NT\$50,000,000(incl.) - NT\$100,000,000(not incl.)	—	—
Greater Than or Equal to NT\$100,000,000	—	—
Total	There were five individuals.	There were five individuals.

Note 1: The names of President and Vice Presidents shall be listed separately and the amounts paid shall be disclosed in a summary. If a Director serves concurrently as the President or Vice President, fill out this table and Table 2(1) above.

Note 2: Salary, additional duty payments, and severance pay received by the President and Vice Presidents in the past year.

Note 3: Bonus, incentive payments, transportation expenses, special allowance, stipends, dormitory, car, and other payments received by the President or Vice President in the past year. If housing, cars, and transportation vehicles or personal expenses are provided, the nature and cost of the assets provided, the rental fees and fuel cost calculated based on the actual amount or fair market value, and other payments shall be disclosed. Where a driver is also provided, the compensation paid by the Company to the driver shall be specified in the notes but the amount shall not be included in the remuneration. Furthermore, any compensation recognized in the IFRS 2 "Share-Based Payment" section, including issuance of employee stock options, new restricted employee shares, and capital increase by stock subscription, shall be included in the calculation of the remuneration.

Note 4: The amount of employee compensation (including shares and cash) that have been passed by the Board of Directors and distributed to the President and Vice Presidents in the most recent fiscal year. If the amount of remuneration cannot be estimated, the amount of remuneration in the current fiscal year shall be calculated based on the ratio of the amount of remuneration distributed in the previous fiscal year, and this amount shall also be filled in Table 2(3) below.

Note 5: Total remuneration to the Company's President and Vice Presidents from all companies in the consolidated statements (including the Company) shall be disclosed.

Note 6: The names and total remuneration of President and Vice Presidents paid by the Company shall be disclosed in their respective range of remuneration.

Note 7: Total remuneration paid to each President and Vice President of the Company by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed. The name of each President and Vice President shall be disclosed in the range of remuneration.

Note 8: The net income refers to the net income in the parent company only or individual financial report in the most recent fiscal year.

Note 9: a. The amount of remuneration received from investee business other than subsidiaries or the parent company by the Company's President and Vice Presidents shall be stated clearly in this column (please specify "none" if there is no remuneration).

b. If a President or Vice President of the Company receives remuneration from investee business other than subsidiaries or the parent company, the amount of remuneration received by the President or Vice President from investee business other than subsidiaries or the parent company shall be combined into Column E of the table for ranges of remuneration, and this column shall be renamed as "Parent Company and All Investee Business."

c. Remuneration refers to pay, compensation (including compensation of employees, directors and supervisors) and remuneration for conducting business received by the President and Vice President of the Company serving as a director, supervisor or managerial officer of an investee business of the Company other than subsidiaries or the parent company.

Note 10: Hsu, Pei-Ching, Vice President, retired and was officially relieved of his duties in July 2024.

* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation.

(III) Employee Compensation Paid to Managerial Officers

December 31, 2024; Unit: NT\$ thousands

	Title	Name	Stock Amount	Cash Amount	Total	Ratio of Total Remuneration to Net Income (%)
Managerial Officer	President	Cheng, Ya-Jen	0	13,005	13,005	3.21%
	Vice President	Yang, Fu-An				
	Vice President	Wang, Chung-Shun				
	President, Kaohsiung Branch	Chen, Kuo-Ruey				
	Associate Managers	Wang, Ya-Chen (Note 5)				
	Vice President, Kaohsiung Branch	Hsu, Pei-Ching (Note 6)				
	Corporate Governance Officer	Yao, Wen-Chun				
	Financial Supervisor	Li, Fu-Jung				
	Chief Accounting Officer	Sang, Hsi-Yun				

Note 1: The names and titles of the individuals must be disclosed, but the distribution of profits may be disclosed in a summary.

Note 2: The amount of employee compensation (including shares and cash) that have been passed by the Board of Directors and distributed to the managerial officers in the most recent fiscal year. If the amount of remuneration cannot be estimated, the amount of remuneration in the current fiscal year shall be calculated based on the ratio of the amount of remuneration distributed in the previous fiscal year. The net income refers to the net income for the most recent fiscal year; for those that have already adopted the IFRS principles, net income refers to the net income in the parent company only or individual financial report in the most recent fiscal year.

Note 3: The scope of application for the term "managerial officer" shall be pursuant to the FSC's Tai-Cai-Zheng-3 No. 0920001301 Order dated March 27, 2003. Its scope of application shall be as follows:

- (1) President and those with equivalent powers
- (2) Vice President and those with equivalent powers
- (3) Associate Managers and those with equivalent powers
- (4) Manager of the Finance Division
- (5) Manager of the Accounting Division
- (6) Other individuals with the authority for managing company affairs and signatory rights

Note 4: Directors, Presidents, and Vice Presidents who receive employee compensation (including shares and cash) must be listed in Table 2(1) and this table.

Note 5: Wang, Ya-Chen, the Associate Manager, passed away and was consequently relieved of her duties in August 2024.

Note 6: Hsu, Pei-Ching, Vice President, retired and was officially relieved of his duties in July 2024.

(IV) Comparison and Explanation of Total Remuneration, as a Percentage of Net Income Stated in the Parent Company Only or Individual Financial Statements, Paid by the Company and Companies in the Consolidated Financial Statements during the Past 2 Fiscal Years to the Directors, President, and Vice Presidents, Along with Description of the policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance:

1. Analysis of the total remuneration paid to the directors, President and Vice President of the Company in the most recent two years by the Company and companies in the Consolidated Financial Statements as a proportion of the net income of individual or individual financial reports

Unit: NT\$ thousands

Item Title	The Company				Companies in the Consolidated Financial Statements			
	2023		2024		2023		2024	
	Total remuneration	Ratio to Net Income (%)	Total remuneration	Ratio to Net Income (%)	Total remuneration	Ratio to Net Income (%)	Total remuneration	Ratio to Net Income (%)
Director	40,108	6.69%	33,240	8.22%	41,245	6.88%	34,002	8.41%
President and Vice Presidents	36,810	6.14%	35,651	8.81%	36,810	6.14%	35,651	8.81%
Net income	599,238	—	404,559	—	599,238	—	404,559	—

The decrease in the total remuneration of directors in 2024 compared with 2023 was mainly due to the decrease in salary and employee compensation. The decrease in the total Remuneration to the President and Vice President compared with 2023 was due to the decrease in salary, bonus, and employee compensation.

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance:

- (1) Remuneration to Directors

The remuneration of the Company's Directors is processed in accordance with Article 20 of the Company's Articles of Incorporation, which stipulates that no more than 3% of the annual profit shall be set aside for the remuneration of the Directors. The Company also evaluates the remuneration of the Directors in accordance with the items in the Company's "Regulations Governing the Evaluation of the Board of Directors": alignment of the goals and missions of the Company, awareness of the duties of a Director, participation in the operation of the Company, management of internal relationship and communication, the Director's professionalism and continuing education, and internal control, which are included in the performance evaluation and factors for determining the distribution of remuneration. The payment standards for transportation expenses are based on the payment standards set forth in the Regulations Governing the Remuneration of Directors and Members of Functional Committees and each member receives transportation expenses of NT\$5,000 for each meeting. If a Director is also an employee, remuneration shall also be paid in accordance with the terms in (3) and (4).

The Company's relevant performance appraisal and compensation rationality are reviewed by the Remuneration Committee and the Board of Directors.

- (2) Remuneration of Independent Directors

Independent Directors of the Company are not eligible for the remuneration for Directors specified in Article 20 of the Company's "Articles of Incorporation". However, the Company shall pay each Independent Director a fixed amount of remuneration each quarter regardless of whether the Company turns a profit in accordance with the "Regulations Governing the Remuneration of Directors and Members of Functional Committees." If an Independent Director resigns during the quarter, his or her remuneration shall be calculated proportionally based on the period of services in the quarter.

- (3) Remuneration of managerial officers

The remuneration paid to the managerial officers of the Company is determined based on the Company's "Managerial Officer Salary and Compensation Management Regulations" and the salary standards of the position in the industry. The Company also considers the scope of duties of the position in the Company, contributions to the attainment of the Company's operating targets, and profitability before proposing a reasonable remuneration. Remuneration is linked to performance indicators, which include both financial and non-financial metrics—such as contributions to corporate sustainability (ESG), which shall be reviewed and approved by the Remuneration Committee and passed by the Board of Directors before implementation.

Performance Indicators		Description
Financial Indicators (70%)		Establish performance indicators with a focus on operations and business objectives. (Including annual revenue, pre-tax profit, and related achievement rates)
Non-financial Indicators (30%)	Sustainable development (20%)	The aspects include corporate governance, risk management, supply chain management, environmental management, carbon management, green design, workplace well-being, and social participation. (Responding to the Company's six ESG working groups)
	Management and Behavioral Indicators (10%)	Focus on the performance of senior managerial officers in leadership and management areas, including talent development and organizational effectiveness. Their behavior also reflects the Company's core values (integrity and pragmatism, teamwork, innovation and excellence, customer orientation).

- (4) Procedures for determining remuneration, and the correlation with risks and business performance

The Company shall establish procedures for determining the remuneration which shall be assessed based on the Company's "Regulations Governing the Evaluation of the Board of Directors" and the "Managerial Officer Salary and Compensation Management Regulations." In addition to the Company's overall performance, future risks in the industry, and development trends, the Company shall also consider the extent of personal performance and contributions to the Company for providing reasonable remuneration. Related performance evaluation and the reasonableness of salary and remuneration shall be reviewed by the Remuneration Committee and the Board of Directors. They shall review the remuneration system based on actual business operations and related laws to maintain a balance between sustainable management and risk management.

III Implementation Status of Corporate Governance:

- (I) Information on the Implementation Status of the Board of Directors

A total of 10 (A) meetings of the Board of Directors was held in 2024 and 2025 as of the publication date of the Annual Report. The attendance of Directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance rate (B/A)	Remark
Chairman	Cheng, Ya-Jen	10	0	100%	—
Vice Chairman	Yang, Fu-An	9	1	90%	—
Director	FSP Capital Co., Ltd. Representative: Wang, Chung-Shun	10	0	100%	—
Director	2K Industries Inc. (BVI) Representative: Wang, Po-Wen	8	2	80%	—
Director	Chu, Hsiu-Yin	10	0	100%	—
Director	Pachon Investments Limited Representative: Chen, Kuang-Chun	10	0	100%	—
Director	Huang, Jr-Wen	9	1	90%	—
Independent Director	Liu, Shou-Hsiang	10	0	100%	—
Independent Director	Cheng, Chia-Jiun	9	1	90%	—
Independent Director	Hsu, Cheng-Hung	10	0	100%	—
Independent Director	Li, Shao-Tang	10	0	100%	—

Other matters:

- With regard to the operations of the Board of Directors, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all independent directors' opinions, and the Company's response shall be specified:
 - Matters referred to in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee and the requirements in Article 14-3 of the Securities and Exchange Act do not apply. Please refer to the Implementation Status of the Audit Committee in the Annual Report for detailed information.
 - Any recorded or written Board resolutions to which independent directors have dissenting or qualified opinions to be noted in addition to the above: None.
- Regarding recusal of directors due to conflicts of interests, the names of the directors, contents of motions, reasons for recusal, and results of voting shall be specified:
 - 4th meeting of the 11th Board of Directors on January 25, 2024
 Contents of Motions: Passed the proposal for the year-end bonus for the Company's managerial officers for 2023 proposed by the Remuneration Committee.
 Directors who recused themselves due to conflict of interest: Cheng, Ya-Jen, Representative of legal person director of FSP Capital Co., Ltd.: Wang, Chung-Shun, and Yang, Fu-An.
 Reasons for recusal and participation in voting: According to Article 206 of the Company Act, the Directors Cheng, Ya-Jen, Representative of legal person director of FSP Capital Co., Ltd.: Wang, Chung-Shun, and Yang, Fu-An may not participate in the vote. The other Directors and Independent Director in attendance passed the proposal unanimously.

- (2) 5th meeting of the 11th Board of Directors on March 14, 2024
Contents of Motions: Passed the proposal for the remuneration of the managerial officers for 2023 proposed by the Remuneration Committee.
Directors who recused themselves due to conflict of interest: Cheng, Ya-Jen, Representative of legal person director of FSP Capital Co., Ltd.: Wang, Chung-Shun, and Yang, Fu-An.
Reasons for recusal and participation in voting: According to Article 206 of the Company Act, the Directors Cheng, Ya-Jen, Representative of legal person director of FSP Capital Co., Ltd.: Wang, Chung-Shun, and Yang, Fu-An may not participate in the vote. The other Directors and Independent Director in attendance passed the proposal unanimously.
- (3) The 11th meeting of the 11th Board of Directors on January 16, 2025
Contents of Motions: Passed the proposal for the year-end bonus for the Company's managerial officers for 2024 proposed by the Remuneration Committee.
Directors who recused themselves due to conflict of interest: Cheng, Ya-Jen, Representative of legal person director of FSP Capital Co., Ltd.: Wang, Chung-Shun, and Yang, Fu-An.
Reasons for recusal and participation in voting: According to Article 206 of the Company Act, the Directors Cheng, Ya-Jen, Representative of legal person director of FSP Capital Co., Ltd.: Wang, Chung-Shun, and Yang, Fu-An may not participate in the vote. The other Directors and Independent Director in attendance passed the proposal unanimously.
- (4) The 11th meeting of the 11th Board of Directors on January 16, 2025
Contents of Motions: Passed the Company's proposed "Policy on Linking Managerial Officers' Remuneration with ESG-Related Performance," as submitted by the Remuneration Committee.
Directors who recused themselves due to conflict of interest: Cheng, Ya-Jen, Representative of legal person director of FSP Capital Co., Ltd.: Wang, Chung-Shun, and Yang, Fu-An.
Reasons for recusal and participation in voting: According to Article 206 of the Company Act, the Directors Cheng, Ya-Jen, Representative of legal person director of FSP Capital Co., Ltd.: Wang, Chung-Shun, and Yang, Fu-An may not participate in the vote. The other Directors and Independent Director in attendance passed the proposal unanimously.
- (5) The 12th meeting of the 11th Board of Directors on March 7, 2025
Contents of Motions: Passed the proposal for the remuneration of the managerial officers for 2024 proposed by the Remuneration Committee.
Directors who recused themselves due to conflict of interest: Cheng, Ya-Jen, Representative of legal person director of FSP Capital Co., Ltd.: Wang, Chung-Shun.
Reasons for recusal and participation in voting: According to Article 206 of the Company Act, the Directors Cheng, Ya-Jen, Representative of legal person director of

FSP Capital Co., Ltd.: Wang, Chung-Shun may not participate in the vote. The other Directors and Independent Director in attendance passed the proposal unanimously.

3. The evaluation cycle, duration, scope, method and content of the performance evaluation of the Board of Directors and functional committees:

Frequency	Period	Scope	Method	Content
1. the Board of Directors and Functional Committee shall carry out at least one internal Board of Directors and Functional committee performance evaluation every year	2024/1/1~2024/12/31	Performance evaluation of the Board and functional committees and individual Board members	1. Internal self evaluation of the Board of Directors and functional committees, and self evaluation of the directors.	Note 1
2. the Board of Directors shall appoint an external professional independent agency or a team of external experts and scholars to conduct an external performance evaluation at least once every three years.	2022/1/1~2023/10/27	Performance evaluation of the Board of Directors and its functional committees	2. Appoint an external professional independent agency or a team of external experts and scholars to conduct an external performance evaluation.	Note 2

Note 1: The evaluation contents include the following items according to the scope of evaluation:

- (1) Performance evaluation of the Board of Directors: Including participation in the operation of the Company, improvement of the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the Directors, and internal control.
- (2) The Functional Committee evaluates performance: Participation in the operation of the Company, the awareness of the duties of Functional committee, improvement of the quality of the Functional committee's decision making, the composition and election of members in Functional committee and internal control.
- (3) Performance evaluation of individual Directors Including alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control.

The results of the internal performance evaluation of the Board of Directors and the Functional Committee have been submitted to the Report of the Board of Directors dated March 7, 2025 as a reference for the continuous strengthening of the functions of the Board of Directors, and disclosed on the Company's website for investors' reference.

Note 2:

On April 28, 2022, the Board of Directors of the Company passed a resolution to amend the "Performance evaluation Method of the Board of Directors and Functional Committee," and carry out the performance evaluation of the Board of Directors and Functional committee once a year,

including the internal self-evaluation of the Board of Directors, self-assessment by Board members and internal self-assessment by the Functional Committee. Performance evaluation of the Board of Directors shall be conducted by an external professional independent agency or a team of external experts and scholars to conduct an external performance evaluation at least once every three years. In October 2023, the Company appointed the "Taipei Foundation of Finance" as the external auditor for the effectiveness assessment of the Board of Directors for 2023 (period from January 2022 to October 2023). The organization and its executive committee meet the criteria outlined in the independence declaration of the Board of Directors' effectiveness assessment report, thus demonstrating independence. The assessment covered seven main aspects, including safeguarding shareholder rights, strengthening the structure and operation of the Board of Directors, participation degree in the Company operations, enhancing the quality of the Board of Directors' decision making, improving information transparency, internal control, and promoting sustainable development. Other relevant evaluation considerations were also appropriately included. Taipei Foundation of Finance issued the Board of Directors' effectiveness assessment report on December 27, 2023.

I. Comprehensive analysis of the assessment report

- (I) The evaluated company is a globally renowned manufacturer of power supplies, known for its stable operations. Its vision is to become a leader in global green energy solutions, offering innovative services and excellent products to create maximum value for customers, employees, and shareholders. In the highly competitive industry environment for high-tech products, the Board of Directors is composed of individuals with diverse backgrounds. Currently, there is one female director on the Board. The directors have extensive expertise and experience in finance, business, economics, research and development, and management. Furthermore, the evaluated company has recently appointed an independent director, increasing to four independent directors with financial accounting and industry experience.
- (II) In order to safeguard shareholder rights, the evaluated company has implemented disclosure and prevention procedures for insider trading, explicitly prohibit directors or employees from engaging in securities trading based on undisclosed market information. Consistent with the trend of transparently disclosing corporate governance information, the evaluated company has appropriately disclosed the table for ranges of remuneration received by directors in its annual report.
- (III) the Board of Directors of the evaluated company has implemented corporate governance guidelines and has established four functional committees: Audit Committee, the Remuneration Committee, the Nominating Committee, and the Corporate Sustainability Committee. Each committee is able to participate in company operations, establish risk management policies and procedures, and effectively assess and oversee various risks and opportunities that the company may face in response to the dynamic business environment.
- (IV) All resolutions from the evaluated companies' meetings have been implemented and followed up. Additionally, the Board of Directors adheres to corporate governance strategy by periodically commissioning external independent professional agency to conduct performance evaluations. The evaluated company establishes strategic plans and annual budgets, and relevant managers engage in advance communication and coordination, effectively enhancing the speed and quality of decision-making during formal meetings. Prior to submitting the overall operational report to the Board of

Directors, the evaluated company ensures communication and confirmation with divisions such as finance, human resources, sales, and manufacturing. Additionally, it makes appropriate adjustments based on customer revenue to meet operational needs.

(V) The evaluated company's Board of Directors has established comprehensive data, ensuring transparency in board member information, meeting information, and shareholder meeting information. They have also set up a whistleblower channel and protection system, with the Auditing Staff Office handling whistleblower cases. However, no specific whistleblower cases have been reported as of now. In general, the Board of Directors of the evaluated company has successfully established an ethical and transparent corporate culture, which promotes sound business operations.

(VI) the Board members of the evaluated company are committed to continuous professional development in the field of sustainable development, promoting ESG and corporate sustainable development. The evaluated companies compile corporate sustainability reports based on international standards such as GRI, SASB, and TCFD. They collaborate with external expert advisory teams to develop strategies for mitigating the operational impacts of climate change. Additionally, they take a leading role in the industry by establishing governance, strategy, risk management, indicators, and goals based on the TCFD framework, and they regularly report to the Board of Directors.

II. Related recommendations, and measures to be taken by the Company are as follows:

Recommendations in the Evaluation Report	Measures to be Taken by the Company
The group has multiple subsidiaries, and the financial operations are closely interconnected. To adhere to the principles of corporate governance, it is recommended that the Company establish operational guidelines related to financial transactions and business dealings with related parties to ensure compliance.	The Company approved an amendment to the "Regulations on Financial Transactions among Related Parties" on April 26, 2024, passed by the Board of Directors.
Corporate governance is the core of corporate ESG sustainable development. It is recommended that the Corporate Governance Supervisor be a dedicated position, or depending on actual needs, may also concurrently serve as the supervisor of other divisions.	On December 15, 2023, the Company designated Senior Manager Yao, Wen-Chun from the President Staff Office as the dedicated supervisor for corporate governance.
To effectively tackle the long-term challenges in the current and future industry landscape, it is advisable to proactively promote a succession and transition plan for the senior executive and Board members of the Company.	The Company has established succession plans for members of the Board of Directors and important managers.

4. Measures taken to strengthen the function of the Board of Directors (including establishing the Audit Committee and enhancing information transparency) and implementation status thereof:

- (1) Objectives for enhancing the functioning of the Board of Directors for the current year and the most recent year:

The functional committees under the jurisdiction of the Board of Directors, including the Audit Committee and Remuneration Committee, assist the Board of Directors in the performance of their supervisory duties. The members of the Audit Committee and Remuneration Committee consist of the four Independent Directors.

To meet requirements for sustainability and governance in the current international community, the Company's Board of Directors passed a resolution in March 2021 to establish the "Sustainable Development Committee" to take charge of the establishment of sustainability policies, decision making, and supervision of sustainability operations. An "Executive Office" was set up under its jurisdiction. It promotes and implements operations related to corporate governance, responsible supply chain, green operations, green products, happy workplace, and social engagement based on its duties for ensuring sustainability.

The members of the Committee include the Chairman and four Independent Directors, reporting to the Board of Directors on a regular basis.

To meet corporate governance requirements and to strengthen the operations of the Board of Directors, the Company established the "Nominating Committee Charter" in November 2021 and approved the establishment of the "Nominating Committee" to set the qualifications of the Directors and senior managerial officers and the criteria for independence. We also follow the standards to identify, review, and nominate candidates for Directors and managerial officers, set up and develop the organizational structure of the Board and committees, conduct performance evaluations of the Board, committees, Directors and managerial officers, and evaluate the independence of Independent Directors. We establish and regularly review Directors' continuing education programs and succession plans for Directors and senior managerial officers. We also review amendments of the Company's Corporate Governance Best-Practice Principles.

In order to strengthen corporate governance and improve corporate risk control, the company formulated "Risk Management Policies and Procedures" in November 2022, established a risk management mechanism of early identification, accurate measurement, effective supervision and strict control, prevented possible losses within the range of tolerable risks, and continuously adjusted and improved the best risk management practices according to internal and external environment changes. To protect the interests of employees, shareholders, partners and customers, increase the value of the company, and achieve the optimal allocation principle of company resources. In addition, the annual implementation status and plan of risk management have been reported by the Corporate Sustainability Committee and the Audit Committee in 2024, and then submitted by the audit Committee to the Board of Directors.

(2) Evaluation of the Implementation Status:

The Company established the "Regulations Governing the Evaluation of the Board of Directors" in accordance with Article 37 of the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies." It shall conduct the performance evaluation of the Board of Directors each year. In addition, an external independent professional agency or a team of external experts and scholars shall be appointed to conduct an evaluation at least once every three years. The Company has completed the internal evaluation of the previous year at the beginning of each year and an evaluation by an external professional agency at least every three years. Related evaluation results have been published on the Company's website. Refer to the explanation provided in the "Implementation Status of Corporate Governance" in this Annual Report.

The "Performance Evaluation Method of the Board of Directors and Functional Committee" and the performance evaluation results of the Board of Directors and Functional Committee of the Company are disclosed in the Corporate Governance section of the Company's website. (<https://www.fsp-group.com/tw/CorporateGovernance.html>)

(II) Key work items and implementation status of the Audit Committee for the year:

This Company's Audit Committee is composed of the 4 Independent Directors. The Audit Committee is created to assist the Board of Directors in its supervision of the Company's execution of related accounting, auditing, and financial report procedures and the quality and integrity of its financial control.

1. Professional qualifications and experience of the members of the Audit Committee:

Title	Criteria Name	Professional Qualifications and Experience	Remark
Independent Director Convener	Liu, Shou-Hsiang	Extensive experience and expertise in finance, business, and management Associate Professor, Ming Chuan University Research Fellow, Chung-Hua Institution for Economic Research Chairman and President, Ta Hua Investment Trust Independent Director, Hwatai Bank Co., Ltd. Advisory Board Member, Chung-Hua Institution for Economic Research	—
Independent Director	Cheng, Chia-Jiun	Extensive experience and expertise in finance, business, and management Independent Director, Azion Corporation Independent Director, Bizlink Holding Inc. Independent Director, Changing Information Technology Inc. Independent Director, ProbeLeader Co., Ltd. President, Digital United Telecom Co., Ltd. President, Shihlien Energy Technology Co., Ltd. Chairman, ISSDU Inc.	—
Independent Director	Hsu, Cheng-Hung	Extensive experience and expertise in finance, business, and management Director, Shanghai Zhanhua Electronic Co., Ltd. Director, Unitech Electronics International (Nantong) Limited President, Unitech Printed Circuit Board Corp.	—

Title	Criteria	Professional Qualifications and Experience	Remark
	Name		
Independent Director	Li, Shao-Tang	Extensive experience and expertise in finance, business, information technology, human resources and management Director, Avatack Co., Ltd. Director, Symbio, Inc. Director, Kiwi technology Inc. Director, Information Technology Total Services Co., Ltd. Associate Manager, IBM Taiwan Branch President, Oracle Taiwan LLC, Taiwan Branch (U.S.A.) Director and President of Oracle (China) Corporation Chief Executive Officer of China Doppler Communications Co., Ltd. President, UC&GN International Corp. CEO, Yodn Lighting Corp. CEO, 1111 Job Bank Director, EasyCard Investment Holding Co., Ltd. Director, Ye Siang Enterprise Co., Ltd.	—

2. The main items reviewed by the Audit Committee in 2024 and 2025 as of the publication date of the Annual Report mainly included:
- (1) Establishment or amendments to the internal control system according to Article 14-1 of the Securities and Exchange Act.
 - (2) Evaluation of the effectiveness of the internal control system.
 - (3) Amendment of procedures for major financial or operational activities such as the acquisition or disposal of assets, extension of monetary loans to others, and endorsements or guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
 - (4) Annual audit plan.
 - (5) Matters involving Directors' personal interests.
 - (6) Material asset transactions.
 - (7) Appointment, dismissal, or compensation of the CPAs.
 - (8) Review of financial reports.
 - (9) Earnings distribution proposals.
 - (10) Other material items required by the Company or the competent authority.
3. A total of 10 (A) meetings of the Audit Committee was held in 2024 and 2025 as of the publication date of the Annual Report. The attendance of Independent Directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance rate (B/A)	Remark
Independent Director	Liu, Shou-Hsiang	10	0	100%	—
Independent Director	Cheng, Chia-Jiun	9	1	90%	—
Independent Director	Hsu, Cheng-Hung	10	0	100%	—

Title	Name	Attendance in Person (B)	By Proxy	Attendance rate (B/A)	Remark
Independent Director	Li, Shao-Tang	10	0	100%	—

Other matters:

- With regard to the implementation of the Audit Committee, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, objections of Independent Directors, qualified opinions, important recommendations, resolution results of the Audit Committee, and the Company's handling of such resolutions shall be specified:

Audit Committee	Content of Motion and Follow-up	Matters referred to in Article 14-5 of the Securities and Exchange Act	Other resolutions not approved by the Audit Committee but passed by two thirds of all Directors
The 4th meeting of the 3rd term 2024.01.25	1. The Company formulated the provisions of the "Regulations on Financial Transactions among Related Parties."	✓	
	2. Proposal for the Company's replacement of the CPAs due to internal adjustment of KPMG Taiwan.	✓	
	3. Proposal for the Company's appointment of the CPA firm for 2024 and its remuneration.	✓	
	4. The company plans to appoint KPMG Corporate Advisory (China) Limited for non-assurance services.	✓	
	Resolution results (January 25, 2024): Passed by all members of the Committee in attendance.		
	The Company's handling of the opinions of the Audit Committee: Passed by all members in attendance and submitted to the Board of Directors.		
The 5th meeting of the 3rd term 2024.03.14	1. The Company's audit plan.	✓	
	2. Proposal for the compensation for employees and Directors for 2023.	✓	
	3. The Company's 2023 Business Report and Financial Statements.	✓	
	4. The Company's 2023 Statement on Internal Control.	✓	
	5. The Company's distribution of earnings for 2023.	✓	
	6. Revisions to certain articles of the Company's "Audit Committee Organizational Procedures" are proposed.	✓	
	7. Amendments to certain articles of the Company's "Rules of Procedure for Board of Directors' Meetings."	✓	

Audit Committee	Content of Motion and Follow-up	Matters referred to in Article 14-5 of the Securities and Exchange Act	Other resolutions not approved by the Audit Committee but passed by two thirds of all Directors
	8. The Company intends to increase its investment in its Vietnam subsidiary.	✓	
	Resolution results (March 14, 2024): Passed by all members of the Committee in attendance.		
	The Company's handling of the opinions of the Audit Committee: Passed by all members in attendance and submitted to the Board of Directors.		
The 6th meeting of the 3rd term 2024.04.26	1. The Company's audit plan.	✓	
	2. The Company's consolidated financial statements for the first quarter of 2024.	✓	
	3. The Company's proposal to amend certain provisions of the "Regulations on Financial Transactions among Related Parties."	✓	
	4. The Company intends to provide endorsement and guarantee for its Vietnam subsidiary.	✓	
	5. The Company's overdue uncollected receivables are not included in the capital lending case.	✓	
	Resolution results (April 26, 2024): Passed by all members of the Committee in attendance.		
	The Company's handling of the opinions of the Audit Committee: Passed by all members in attendance and submitted to the Board of Directors.		
The 7th meeting of the 3rd term 2024.06.07	1. The Company's subsidiary, Shenzhen Huili Electronic Co., Ltd., intends to engage in a real estate transaction.	✓	
	2. The Company's subsidiary, 3Y Power Technology (TAIWAN) Inc., intends to engage in a real estate transaction.	✓	
	3. The Company intends to change the pledged bank for the endorsement and guarantee case of its Vietnam subsidiary.	✓	
	Resolution results (June 7, 2024): Passed by all members of the Committee in attendance.		
	The Company's handling of the opinions of the Audit Committee: Passed by all members in attendance and submitted to the Board of Directors.		
The 8th meeting of the 3rd term 2024.08.05	1. The Company's audit plan.	✓	
	2. The Company's Consolidated Financial Statements for the first half of 2024.	✓	
	3. The Company's overdue uncollected receivables are not included in the capital lending case.	✓	
	Resolution results (June 7, 2024): Passed by all members of the Committee in attendance.		

Audit Committee	Content of Motion and Follow-up	Matters referred to in Article 14-5 of the Securities and Exchange Act	Other resolutions not approved by the Audit Committee but passed by two thirds of all Directors
	The Company's handling of the opinions of the Audit Committee: Passed by all members in attendance and submitted to the Board of Directors.		
The 10th meeting of the 3rd term 2024.11.05	1. The Company's audit plan.	✓	
	2. The Company's consolidated financial statements for the third quarter of 2024.	✓	
	3. The Company proposed the establishment of internal control systems for the "Management of Sustainability Information" and the "Preparation and Assurance Procedures for Sustainability Reports."	✓	
	4. Amendment of certain articles of the Company's "Corporate Governance Best-Practice Principles."	✓	
	5. The Company's proposal to amend certain provisions of the "Internal Audit System," "Internal Control Self-Assessment Measures," and "Electronic Data Processing Operations Cycle."	✓	
	6. The proposal to amend certain articles of the Company's "Corporate Sustainability Development Committee Charter."	✓	
	7. The Company's Audit Plan for 2025.	✓	
	Resolution results (November 5, 2024): Passed by all members of the Committee in attendance.		
	The Company's handling of the opinions of the Audit Committee: Passed by all members in attendance and submitted to the Board of Directors.		
The 11th meeting of the 3rd term 2025.01.16	1. Proposal for the Company's appointment of the CPA firm for 2025 and its remuneration.	✓	
	Resolution results (January 16, 2025): Passed by all members of the Committee in attendance.		
	The Company's handling of the opinions of the Audit Committee: Passed by all members in attendance and submitted to the Board of Directors.		
The 12th meeting of the 3rd term 2025.03.07	1. The Company's audit plan.	✓	
	2. Proposal for the compensation for employees and Directors for 2024.	✓	
	3. The Company's 2024 Business Report and Financial Statements.	✓	
	4. The Company's 2024 Statement on Internal Control.	✓	
	5. The Company's distribution of earnings for 2024.	✓	

Audit Committee	Content of Motion and Follow-up	Matters referred to in Article 14-5 of the Securities and Exchange Act	Other resolutions not approved by the Audit Committee but passed by two thirds of all Directors
	6. Amendment to certain articles of the Company's "Articles of Incorporation."	✓	
	7. Amendment to certain provisions related to the Company's "Internal Control System" operational procedures.	✓	
	8. The Company intends to increase its investment in its Vietnam subsidiary.	✓	
	Resolution results (March 7, 2025): Passed by all members of the Committee in attendance.		
	The Company's handling of the opinions of the Audit Committee: Passed by all members in attendance and submitted to the Board of Directors.		
The 13th meeting of the 3rd term 2025.04.30	1. The Company's audit plan.	✓	
	2. The Company's consolidated financial statements for the first quarter of 2025.	✓	
	Resolution results (April 30, 2025): Passed by all members of the Committee in attendance.		
	The Company's handling of the opinions of the Audit Committee: Passed by all members in attendance and submitted to the Board of Directors.		

2. Regarding recusals of independent directors due to conflicts of interests, the names of the independent directors, contents of motions, reasons for recusal, and results of voting shall be specified: None.
3. Communications between the independent directors, the Company's chief internal auditor, and CPAs (shall include the material items, methods and results of audits of corporate finance or operations, etc.):
 - (1) The Chief Internal Auditor shall provide an audit report to the Independent Directors at least once every quarter in the Audit Committee meeting. The Chief Internal Auditor must communicate the results of the audit report and follow-up procedures implementation status. The communication between Independent Directors and the Chief Internal Auditor is shown in the table below:

Date	Attendees	Location	Main Points of Communication	Results
2024/03/14 Audit Committee	Independent Director Liu, Shou-Hsiang Independent Director Cheng, Chia-Jiun Independent Director Hsu, Cheng-Hung Independent Director Li, Shao-Tang	Headquarters 7F Conference Room	1. 2023 Statement on Internal Control 2. Audit report	Passed unanimously by all attendees

Date	Attendees	Location	Main Points of Communication	Results
	Hsieh, Chieh-Cheng, Chief Auditor			
2024/04/26 Audit Committee	Independent Director Liu, Shou-Hsiang Independent Director Cheng, Chia-Jiun Independent Director Hsu, Cheng-Hung Independent Director Li, Shao-Tang Hsieh, Chieh-Cheng, Chief Auditor	(Videoconference) Headquarters 7F Conference Room	1. Audit report	Passed unanimously by all attendees
2024/08/05 Audit Committee	Independent Director Liu, Shou-Hsiang Independent Director Cheng, Chia-Jiun Independent Director Hsu, Cheng-Hung Independent Director Li, Shao-Tang Hsieh, Chieh-Cheng, Chief Auditor	(Videoconference) Headquarters 7F Conference Room	1. Audit report	Passed unanimously by all attendees
2024/11/05 Audit Committee	Independent Director Liu, Shou-Hsiang Independent Director Cheng, Chia-Jiun Independent Director Hsu, Cheng-Hung Independent Director Li, Shao-Tang Hsieh, Chieh-Cheng, Chief Auditor	(Videoconference) Headquarters 7F Conference Room	1. 2025 annual audit plan 2. Audit report	Passed unanimously by all attendees
2025/03/07 Audit Committee	Independent Director Liu, Shou-Hsiang Independent Director Cheng, Chia-Jiun Independent Director Hsu, Cheng-Hung Independent Director Li, Shao-Tang Hsieh, Chieh-Cheng, Chief Auditor	Headquarters 7F Conference Room	1. 2024 Statement on Internal Control 2. Audit report	Passed unanimously by all attendees
2025/04/30	Independent	Headquarters	1. Audit report	Passed

Date	Attendees	Location	Main Points of Communication	Results
Audit Committee	Director Liu, Shou-Hsiang Independent Director Cheng, Chia-Jiun Independent Director Hsu, Cheng-Hung Independent Director Li, Shao-Tang Hsieh, Chieh-Cheng, Chief Auditor	7F Conference Room		unanimously by all attendees

- (2) The CPA and Independent Directors convene a meeting at least once every year. The CPA files a report on the financial operations implementation status and audits on internal control to the Independent Directors. In the event of material irregularities, the Company may convene a meeting whenever necessary.

The communication between Independent Directors and the CPA are shown in the table below:

Date	Attendees	Location	Main Points of Communication	Results
2024/03/14	Independent Director Liu, Shou-Hsiang Independent Director Cheng, Chia-Jiun Independent Director Hsu, Cheng-Hung Independent Director Li, Shao-Tang Chang, Chun-I, CPA of KPMG	VIP Room on the seventh floor of the first factory of the Company	Recent areas of regulatory focus by the competent authority, particularly concerning information security issues.	It is recommended that the relevant departments of the Company address and respond to issues related to information security and systems. The independent directors have fully understood the content of the communication and have no other opinions.

(III) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
I. Does the Company establish and disclose its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and placed it in the corporate governance section on the website for stakeholders to download and read. The Company's corporate governance strategy complies with laws and the Articles of Associations and it also focuses on the establishment of an effective company governance structure, protection of shareholder interests, strengthening of the roles and powers of the Board of Directors, respecting the rights of stakeholders, and increasing information transparency.	No significant difference.
II. Shareholding structure & shareholders' rights				
(I) Does the Company establish internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations, and implement based on the procedures?	V		(I) The Company has established management regulations for stock transfer agency and implemented procedures accordingly. The Company also appointed a spokesperson and an acting spokesperson and disclosed their contact method on the Company's web page. Shareholders may voice their opinions by telephone or e-mail, and the Company shall process them in accordance with related operating procedures.	No significant difference.
(II) Does the Company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	V		(II) The Company's major shareholders report the changes in their shareholding to the Company each month in accordance with regulations. We also announce the list of top ten shareholders in our Annual Report and official website every year and report required information in accordance with regulations.	No significant difference.
(III) Has the Company established, and does it execute, a risk management and firewall system within its affiliated companies?	V		(III) The Company has established the "Operational Guidelines for Financial Transactions among Related Parties." On April 26, 2024, the Board of Directors approved an amendment to these guidelines to ensure compliance in transactions with associates.	No significant difference.
(IV) Has the Company established internal rules against insiders trading with undisclosed information?	V		(IV) The Company established the "Ethical Corporate Management Best-Practice Principles," "Codes of Ethical Conduct," "Regulations Governing the Operating Procedures of	No significant difference.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons						
	Yes	No	Description							
			<p>Whistleblower Channels and Protection System," and "Operating Procedures for the Prevention of Insider Trading." We also require members to recuse themselves in case of conflicts of interest with their duties, and we set up a whistleblower mailbox to prevent insider trading. On 4 August 2022, the Company amended the Company's "Operating Procedures for the Prevention of Insider Trading," adding "Measures for the control of stock trading from the date when the Company's insider becomes aware of the company's financial report or related performance contents, including (but not limited to) that the directors shall not, 30 days before the announcement of the annual financial report, and the closed period of 15 days prior to the announcement of the quarterly financial report."</p> <p>The implementation status in 2024:</p> <p>1. The Company arranges six hours of continuing education for the Board of Directors annually and regularly provides internal insiders with common missing letters and reminds them to comply with relevant laws and regulations according to the exchange publicity.</p> <p>2. In 2022, the Company launched the "Business Conduct and Ethics Concept Promotion" course, which teaches legal responsibilities in prohibited situations through internal information transactions of the Company, and is listed as compulsory course for all employees.</p> <p>Training courses in 2024: (Unit: hour)</p> <table><tr><th>Number of Participants</th><th>Number of Hours</th><th>Total Training Hours</th></tr><tr><td>472</td><td>0.5</td><td>243</td></tr></table> <p>3. Remind the directors by E-mail before the commencement of the lock-up period that they shall not trade their shares during the lock-up period 30 days before the announcement of the annual financial report and 15 days</p>	Number of Participants	Number of Hours	Total Training Hours	472	0.5	243	
Number of Participants	Number of Hours	Total Training Hours								
472	0.5	243								

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			before the announcement of the quarterly financial report, so as to avoid the directors' miscontact with this specification.	
III. Composition and responsibilities of the Board of Directors (I) Has the Board developed a diversity policy, set specific management objectives, and implemented them effectively?	V		(I) In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company formulated the "Corporate Governance Best-Practice Principles" in 2016. The policy states that: The composition of the Board of Directors should take diversity into consideration and formulate appropriate diversity policies for its own operation, operation style and development needs. In the future, the diversity policy should be updated in the light of the operation, operation style and development needs of the Board of Directors. It should include but not be limited to the following criteria to ensure that the Board members generally have the necessary knowledge, skills and qualities to perform their duties. <ol style="list-style-type: none"> 1. Basic qualifications and values: Gender, age, nationality, culture, etc. 2. Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, industry experience, etc. The Company's current Board of Directors consists of 10 Directors, including 4 non-executive Directors (40%; including 1 female Director who accounted for 10%), 3 Independent Directors (30%), and 3 Executive Directors (30%). The members have extensive experience and expertise in finance, business, information technology, human resources and management. The Company shall also ensure that the number of Directors who are also Managerial Officers of the Company does not exceed one third of the number of Directors as specified in the management targets. The percentage of directors who are employees of the Company is approximately 27%. The percentage	No significant difference.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
(II) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		<p>of independent directors is approximately 36%, while the percentage of female directors is approximately 9%. 1 Seniority of Independent Director for less than 3 years, 4 directors aged 70 and above, 5 directors aged between 60 and 69, and 2 directors aged below 60. The Company values gender equality and professional diversity in the composition of the Board of Directors. It actively seeks female directors. Before the re-election of the Board of Directors at the end of its term, the Company will solicit candidate recommendations from a variety of sources, including industry associations and academic institutions, to enhance the effectiveness of corporate governance and promote diversity among Board members.</p> <p>In order to implement the corporate governance policy and diversify the composition of the Board of Directors, the Board of Directors strengthened the implementation of the diversification of director nominations by setting up a "Nominating Committee" on November 4, 2021. The Nominating Committee shall, in accordance with the number of directors of the Company's Articles of Association, nominate a list of recommendations and submit it to the Board of Directors. The criteria for nominating members are based on the required diversity policy of expertise, technology, experience, gender, nationality, age, etc., and considering the overall configuration of the Board.</p> <p>(II) The Company has set up the Remuneration Committee and Audit Committee in accordance with laws and has set up:</p> <ol style="list-style-type: none"> 1. The Sustainable Development Committee (Passed by the Board of Directors on March 18, 2021 for establishment) to take charge of the establishment of sustainability policies, decision making, and supervision of sustainability related operations. An "Executive Office" was set 	No significant difference.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
(III) Has the Company established standards to measure the performance of the Board, and does the Company implement such annually, and report the results of evaluations to the Board, and use them as a reference for individual directors' remuneration and nomination and renewal?	V		<p>up under its jurisdiction to ensure the implementation of sustainable development tasks.</p> <p>2. The "Nominating Committee Charter" (established on November 4, 2021) is responsible for setting the qualifications of the Directors and senior managerial officers and the criteria for independence. We also follow the standards to identify, review, and nominate candidates for Directors and managerial officers, set up and develop the organizational structure of the Board and committees, conduct performance evaluations of the Board, committees, Directors and managerial officers, and evaluate the independence of Independent Directors. We establish and regularly review Directors' continuing education programs and succession plans for Directors and senior managerial officers. We also review amendments of the Company's Corporate Governance Best-Practice Principles.</p> <p>(III) the Board of Directors of the Company passed a resolution to amend the "Performance evaluation Method of the Board of Directors and Functional Committee", and carry out the performance evaluation of the Board of Directors and Functional committee once a year, including the internal self-evaluation of the Board of Directors. Appointment of an external professional independent body or a team of experts and scholars to conduct a performance review of the Board of Directors every three years shall be completed by the end of the first quarter of the following year.</p> <p>The Nominating Committee discusses the performance results and evaluation methods of the Board of Directors for the previous year. The results are reported to the Board of Directors for reference.</p> <p>The internal evaluation of the Company was completed at the beginning of 2025, and the relevant</p>	No significant difference.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
(IV) Does the Company regularly evaluate the independence of the CPAs?	V		<p>evaluation results were submitted to the Nominating Committee and the Board of Directors on March 7, 2025, and used as a reference for the remuneration of individual directors and the renewal of nominations and as a reference for the continuous strengthening of the functions of the Board of Directors.</p> <p>The results of the performance evaluation of the Board of Directors are disclosed in the corporate governance section on the Company website: https://www.fsp-group.com/tw/CorporateGovernance.html °</p> <p>(IV) The Audit Committee of the Company regularly evaluates the independence and competence of its visa accountants once a year, in addition to requiring the visa accountants to provide "Audit Quality Indicators (AQI)" and "Statement of Independence," and evaluates according to the criteria of Note 2. After confirming that the accountant and the company have no other financial interests and business relationships except for the expenses of visa and fiscal cases, and that the accountant's family members do not violate the independence requirements, the latest annual assessment results have been discussed and approved by the Audit Committee on January 16, 2025, and reported to the Board of Directors on January 16, 2025 to pass the independent assessment of the accountant.</p>	No significant difference.
IV. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and to perform their functions, assisting directors with compliance, handling work related to meetings of the Board of Directors and the shareholders' meetings, and producing minutes of Board meetings and shareholders' meetings)?	V		<p>The Company was approved by the resolution of the Board of Directors on January 8, 2019, and a Corporate Governance Supervisor was set up, who has more than three years of management experience in legal affairs of a publicly-issued company. By assisting the Board of Directors to continue to promote the implementation of corporate governance and sustainable management to strengthen the constitution of corporate governance for the purpose of.</p> <p>(I) The main duties for the Corporate Governance Officer are as follows:</p> <ol style="list-style-type: none"> 1. Assist Independent Directors and general Directors in performing their duties by 	No significant difference.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			<p>providing the necessary information and arranging continuing education.</p> <p>2. Assist in matters related to the proceedings of Board of Directors' meetings and shareholders' meetings as well as legal compliance of resolutions.</p> <p>3. Maintain relations with investors: Arrange for Directors to interact and communicate with major shareholders, institutional investors, or general shareholders so that investors can obtain sufficient information to evaluate and determine the Company's reasonable market value, and ensure adequate protection of shareholders' interests.</p> <p>4. Draw up agendas for meetings of the Board of Directors and notify Directors of the agendas seven days before the meeting, convene meetings and provide information about the meetings, send out reminders regarding agendas that require recusal of Directors and complete the minutes of the Board of Directors' meeting within 20 days after the meeting.</p> <p>5. Handle prior registration for shareholders meetings, prepare meeting notices, agenda handbook, meeting minutes within the statutory period, as well as handle registration of changes due to amendment of regulations and election of Directors.</p> <p>6. Review, suggest and track the implementation results of corporate governance evaluation and annual implementation plan and progress.</p> <p>7. Report to the Board of Directors the results of the examination on whether the qualifications of independent directors comply with relevant laws and regulations during the nomination, appointment, and tenure.</p> <p>8. Handle matters related to changes in directors.</p>	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			(II) Continuing education of the Corporate Governance Officer: The Company's Corporate Governance Officer completed 12 hours of continuing education in 2024 in accordance with the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers." Refer to Note 3 for details of the continuing education in 2024.	
V. Has the Company established communication channels and built a dedicated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	V		<p>(I) The Company's Corporate Sustainability Committee identifies key stakeholders based on the five principles of the AA1000 Stakeholder Engagement Standard (SES), which include Dependence, Responsiveness, Influence, Diversity of Perspectives, and Engagement Tension. The major stakeholders identified are employees, customers, suppliers, banks, government agencies, shareholders/investors, and communities. Please refer to the "stakeholders section" on the Company's website https://www.fsp-group.com/tw/StakeholderEngagement.html. The Company compiles the results of stakeholder communications on an annual basis, incorporates them into the ESG sustainability report, and presents them to the Board of Directors in August 2024.</p> <p>(II) The Company has appointed a spokesperson and an acting spokesperson to serve as the Company's communication channel with external entities. The Company has also established dedicated contact emails: cqe@fsp-group.com.tw for stakeholder communications and whistleblower@fsp-group.com.tw for whistleblower reports, ensuring smooth communication and the protection of stakeholders' legitimate rights and interests.</p> <p>(III) Stakeholders can monitor corporate information and relevant issues in real-time through the MOPS and the Company's website, "Stakeholder section." The Company is committed to transparency in information dissemination and proactive responses, ensuring effective</p>	No significant difference.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			communication and the implementation of corporate social responsibility.	
VI. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	V		The Company has appointed Stock Transfer Agency Department of Mega Securities Co., Ltd., a professional stock transfer agency, to process stock transfer affairs of the Company. We also established management regulations for stock transfer agency and implemented procedures accordingly.	No significant difference.
VII. Information disclosure (I) Does the Company have a corporate website to disclose both the Company's financial standings and corporate governance status?	V		(I) The Company has set up an investor service section on the company website to disclose financial, business, and corporate governance information.	No significant difference.
(II) Does the Company have other information disclosure channels (e.g., setting up an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and webcasting investor conferences)?	V		(II) The Company has set up an English website and assigned designated personnel to take charge of the collection and disclosure of company information. The Company also appointed a spokesperson to answer questions on behalf of the Company. The presentations used for investor conferences are also disclosed on the company website as reference for shareholders and stakeholders.	No significant difference.
(III) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report the financial statements of the first three quarters, as well as monthly operation results, before the prescribed time limit?	V		(III) The Company publicly announce and file financial reports and the operation of each month ahead of the required deadline in accordance with the regulations for the publication of financial reports and deadlines for reporting specified in Article 36 of the Securities and Exchange Act.	No significant difference.
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance implementation status (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, Directors' continuing education, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by directors and supervisors)?	V		Please refer to the explanation in Note 1.	No significant difference.
IX. Please explain the completed improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved.				

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
The Company was ranked among the top 6% to 20% segment in the 11th "Corporate Governance Evaluation" in 2024. The items in which the Company failed to score are described below:				
<u>Completed improvements</u>				
(I) Does the Company disclose its policy linking senior managerial officers' compensation to ESG-related performance evaluations? On January 16, 2025, the Company’s Board of Directors approved the establishment of the "Policy on Linking Managerial Officers' Remuneration with ESG-Related Performance," which has been disclosed on the Company’s official website.				
(II) Has the company established written regulations regarding financial and business operations among related parties? The content should include management procedures for transactions such as sales and purchases, as well as the acquisition or disposal of assets. Additionally, significant transactions should be submitted for approval by the Board of Directors and reported to or approved by the shareholders' meeting. On April 26, 2024, the Board of Directors approved amendments to certain articles of the "Regulations on Financial Transactions among Related Parties." In 2024, there were no significant transactions that required submission for approval by the Board of Directors or reporting to the shareholders' meeting.				
<u>Items prioritized for future improvement</u>				
The Company has consistently enhanced relevant issues and measures based on the findings of the corporate governance evaluation, in line with the Corporate Governance Best-Practice Principles.				

Note 1:

1. Employee rights, interests, and wellness:
 - (1) As a principle, the Company shall recruit new employees based on the principle of equal employment and hire people with disabilities. The Company shall also comply with the Labor Standards Act and set up work rules to protect and ensure the rights and interests of employees.
 - (2) The Company provides a high-quality benefits system, a safe and healthy work environment, and systematic training and development to help employees enjoy a healthy and balanced work life.
 - (3) High-quality work environment and employee wellness
 - (A) The Company provides a high-quality work environment with an employee café, an indoor parking lot for cars and motorcycles, and an employee gym. We also appoint professional doctors to provide regular onsite services each month and we have a gallery for art exhibitions.
 - (B) We have established a health management operation model and we are committed to creating a healthy workplace environment by organizing activities such as annual health check-ups, screenings for the five major cancers, vaccination programs, technological fitness assessments, promotion of a tobacco-free environment, health promotion activities, and supply of health education information.
 - (C) We have appointed health professionals to provide medical consultation services and we organize disease screenings and seminars on healthy life from time to time to maintain the balance of employees' physical and mental health and meet the requirements for health of employees and their family members.
2. Investor relations:

The Company attaches great importance to the opinions of its stakeholders, especially shareholders, institutional shareholders, and foreign investors who are concerned about FSP's operations. The spokesperson responds to all inquiries by phone or email through our website or spokesperson contact window. We also arrange company visits for the spokesperson to explain the operation status and future development direction of the Company to help shareholders, institutional shareholders, and foreign investors understand the Company's ethical corporate management. The management team strives to create better value for shareholders and employees, and focuses on Innovation and R&D of green energy to increase energy efficiency and improve the environment.

The website of the Company has an investor special area to provide investors with relevant information on the Company and from time to time invited to participate in the method meetings organized by investment institutions. In 2024, the Company was invited to participate in 4 law meetings to strengthen the transparency of information. The Company also handles information disclosure matters in accordance with the regulations of the competent authorities and provides investors with reference.
3. Supplier relationship:

The Company has always maintained good relationships with suppliers. We work together to increase the added value and create a stable green supply chain. We comply with the RBA Code of Conduct, with a focus on human rights, and prohibit the use of conflict minerals, ensuring the provision of environmentally friendly products that meet ethical standards. We hope to create a better social environment and relationship with suppliers.
4. Stakeholder rights:

The Company attaches importance to its stakeholders, and in order to maintain an open communication channel and respect and safeguard their legitimate rights and interests, the Company's website has set up a special stakeholder zone, and the stakeholders may communicate with the Company and make suggestions to safeguard their legitimate rights and interests. We also respond to material corporate social responsibility issues of concern to stakeholders in a proper manner.

5. Directors' continuing education: Shown in Appendix 1.

6. The implementation status of the risk management policy and assessment standards:

The company's risk management policy is to define various risks in accordance with the company's overall operating policy, establish a risk management mechanism with early identification, accurate measurement, effective supervision and strict control, prevent possible losses within the range of acceptable risks, and continuously adjust and improve the best risk management practice according to internal and external environment changes, so as to protect the interests of employees, shareholders, partners and customers. Increase company value and achieve the optimal allocation principle of company resources.

The Company upholds the principle of prudence and focuses on operations in its main business. We formulate all business strategies based on the premises that all risks must be controlled and tolerable. Internal auditors perform regular audits according to the audit plan to reduce risks in operations. We also purchase related insurance policies such as property insurance and product liability insurance to mitigate risks.

In addition, the annual implementation status and plan of risk management have been reported by the Corporate Sustainability Committee and the Audit Committee on November 5, 2024 and submitted to the Board of Directors.

7. Implementation status of the customer policy:

The company adheres to the principle of customer first, design, production of high quality products and meet customer quality needs, regular review of customer relationship maintenance condition, and fully communicate with customers, in order to maintain a good long-term cooperative relationship.

For quality policy management, follow the "customer demand-oriented, and better than customer requirements as a measure indicator," in line with ISO 9001:2015 specification, in order to provide customers with the best quality.

8. Purchase of liability insurance for Directors: Shown in Appendix 2.

9. Succession plans for members of the Board of Directors and important managers:

(1) Succession plans for members of the Board of Directors and implementation:

The Company has implemented the diversity policy of the Board of Directors in accordance with the "Corporate Governance Best-Practice Principles." The Company currently has 11 Directors (including 4 Independent Directors) with diversified and complementary industry experience and management expertise in finance, business, finance, and accounting or the Company's operations. Three of Directors serve concurrently as senior managers of the Company. The composition of the Company's Board of Directors and the background of its members will continue to be the same in the future. The results of the "performance evaluation results of the Board of Directors and Functional Committee" each year shall be used as a reference for the nomination and re-appointment of the Directors.

The Group currently has several senior management personnel and the Company therefore has a large talent pool to draw from to fill future vacancies of Directors. Independent Directors are required to have work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business. There is an abundant supply of such professionals in Taiwan. Therefore, the succession plans for Directors may be achieved by appointing professionals from different fields to implement corporate governance functions.

With regard to the succession plans for members of the Board of Directors, the Company shall train senior Managerial Officers by including them in the Board of Directors to familiarize themselves with the operations of the Board and each unit of the Group. We also enhance their industry experience with job rotations.

The Group currently has several senior management personnel and the Company therefore has a large talent pool to draw from and elect future Directors. In addition to diversity, the Directors who are also Managerial Officers of the Company should not exceed one third of the number of Directors. The Company shall also focus on gender equality and ensure that Directors have the necessary knowledge, skills, and qualifications for their duties.

(2) Succession plans for important managers and implementation:

Employees ranked deputy heads of divisions of the Group are considered important managers. The 21 managers are provided with training for their succession in actual company operations. The management is set up based on the hierarchy of the organization and each division has mid-level managers such as managers and deputy managers. We also have clear job descriptions, and provide training for mid-level managers to act as proxies for senior managers whenever necessary. The Company learns about items that require improvement and personal expectations through regular observation and performance evaluation interviews, which serve as a reference for determining future succession.

The successors of the Group must have excellent professional skills and leadership skills, and must share the Company's values and ideals so that they can lead the Company and generate more profits for shareholders.

In addition, we conduct key personnel divisions rotation in accordance with the Group's investment plans and the turnover status of employees. We aim to cultivate a wide range of talents to complete the talent succession plan in the next 10 years.

The Human Resources Division coordinates the establishment of talent development mechanisms. It defined the senior management functions in 2018 and provides training and development for strategic planning, accountability, leadership, and execution. It continues to develop the leadership skills of senior managers every year.

It organizes strategic consensus camps for senior managers (including the President) twice a year. It organizes thematic courses and discussions for future strategic planning. The course topics include systematic thinking,

accounting and accountability, vision and core values, vision consensus and strategic planning, business operation simulation, management of changes, KT-method for problem analysis and decision logic, and the strategy map. The Company aims to effectively develop leadership skills and an international perspective to prepare high-quality talents for the long-term development of the Company.

Note 2: CPA independence evaluation criteria

Evaluation Item	Result	Independence of the CPAs
1. Direct or indirect material financial interests between the CPA and the Company	No	Yes
2. Financing or guarantee activities with the Company or its Directors and Supervisors	No	Yes
3. The CPA considers the possibility of losing the Company as a client	No	Yes
4. The CPA has close business relations with the Company	No	Yes
5. The CPA has potential employment relations with the Company	No	Yes
6. The CPA collects fees associated with or contingent on audit cases	No	Yes
7. A member of the audit service team serves as the Company's Director, Supervisor, managerial officer, or other positions with significant influence on the audit work of the Company at present or in the past 2 years	No	Yes
8. The CPA provides non-audit services that may directly affect the audit work	No	Yes
9. The CPA is an advocate or intermediary of the shares or other securities issued by the Company	No	Yes
10. The CPA serves as a defense counsel of the Company or represents the Company in mediating conflicts with third parties	No	Yes
11. The CPA is a family member or relative of a Director, managerial officer, or person holding a position that has a significant impact on the audit work of the Company	No	Yes
12. Another CPA in the same firm that has resigned within the past year serves as the Company's Director, Supervisor, managerial officer, or other positions with significant influence on the audit work of the Company	No	Yes
13. The CPA has accepted valuable gifts or presents from the Company or its Director, Supervisor, or managerial officer	No	Yes
14. Whether to require CPA to accept management's improper accounting policy choices or improper disclosures in financial statements	No	Yes
15. The Company exerted pressure on the CPA to inappropriately reduce mandatory auditing tasks to reduce audit fees	No	Yes

Note 3: Continuing education of the Corporate Governance Officer

Title	Name	Date	Organizer	Course	Continuing Education Hours
Corporate Governance Officer	Yao, Wen-Chun	2024/01/25	Securities & Futures Institute	Trends and Risk Management of Digital Technology and Artificial Intelligence	3 hours
		2024/09/30	Taiwan Stock Exchange	Strengthening the Taiwan Capital Market Summit	3 hours
		2024/11/05	Securities & Futures Institute	Opportunities and Challenges for Taiwan's Industrial Transformation in the Context of Geopolitics - Exclusive Analysis by PMI/NMI	3 hours
		2024/11/29	Taiwan Investor Relations Institute	A Discussion on Blind Spots and Countermeasures in Cybersecurity Governance	3 hours
		2024/12/13	Taiwan Investor Relations Institute	Prevention of Workplace Sexual Harassment	3 hours

Table 1. Directors' continuing education

The continuing education is implemented in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" of Taiwan Stock Exchange Corporation.

Title	Name	Date	Organizer	Course	Training Hours
Director	Cheng, Ya-Jen	2024/01/25	Securities & Futures Institute	Trends and Risk Management of Digital Technology and Artificial Intelligence	3 hours
		2024/08/08	Accounting Research and Development Foundation	Climate Chapter in the Sustainability Report and Climate-Related Financial and Non-Financial Information Disclosure and Assurance in the TCFD Report	6 hours
		2024/11/05	Securities & Futures Institute	Opportunities and Challenges for Taiwan's Industrial Transformation in the Context of Geopolitics - Exclusive Analysis by PMI/NMI	3 hours
Director	Yang, Fu-An	2024/01/25	Securities & Futures Institute	Trends and Risk Management of Digital Technology and Artificial Intelligence	3 hours
		2024/11/05	Securities & Futures Institute	Opportunities and Challenges for Taiwan's Industrial Transformation in the Context of Geopolitics - Exclusive Analysis by PMI/NMI	3 hours
Representative of Institutional Director	Wang, Chung-Shun	2024/01/25	Securities & Futures Institute	Trends and Risk Management of Digital Technology and Artificial Intelligence	3 hours
		2024/11/05	Securities & Futures Institute	Opportunities and Challenges for Taiwan's Industrial Transformation in the Context of Geopolitics - Exclusive Analysis by PMI/NMI	3 hours
		2024/01/25	Securities & Futures Institute	Trends and Risk Management of	3 hours

Title	Name	Date	Organizer	Course	Training Hours
Representative of Institutional Director	Wang, Po-Wen			Digital Technology and Artificial Intelligence	
		2024/11/05	Securities & Futures Institute	Opportunities and Challenges for Taiwan's Industrial Transformation in the Context of Geopolitics - Exclusive Analysis by PMI/NMI	3 hours
Director	Chu, Hsiu-Yin	2024/01/25	Securities & Futures Institute	Trends and Risk Management of Digital Technology and Artificial Intelligence	3 hours
		2024/11/05	Securities & Futures Institute	Opportunities and Challenges for Taiwan's Industrial Transformation in the Context of Geopolitics - Exclusive Analysis by PMI/NMI	3 hours
Representative of Institutional Director	Chen, Kuang-Chun	2024/01/25	Securities & Futures Institute	Trends and Risk Management of Digital Technology and Artificial Intelligence	3 hours
		2024/11/05	Securities & Futures Institute	Opportunities and Challenges for Taiwan's Industrial Transformation in the Context of Geopolitics - Exclusive Analysis by PMI/NMI	3 hours
Director	Huang, Jr-Wen	2024/01/25	Securities & Futures Institute	Trends and Risk Management of Digital Technology and Artificial Intelligence	3 hours
		2024/11/05	Securities & Futures Institute	Opportunities and Challenges for Taiwan's Industrial Transformation in the Context of Geopolitics - Exclusive Analysis by PMI/NMI	3 hours
Independent Director	Cheng, Chia-Jiun	2024/01/25	Securities & Futures Institute	Trends and Risk Management of Digital Technology and Artificial Intelligence	3 hours
		2024/09/20	Taiwan Corporate Governance Association	AI and the Open Source Era: An Analysis of Business and Legal Risks	3 hours
		2024/09/20	Taiwan Corporate Governance Association	Building Sustainable Corporate Competitiveness through a DEI Culture	3 hours
		2024/11/05	Securities & Futures Institute	Opportunities and Challenges for Taiwan's Industrial Transformation in the Context of Geopolitics - Exclusive Analysis by PMI/NMI	3 hours
Independent Director	Liu, Shou-Hsiang	2024/01/25	Securities & Futures Institute	Trends and Risk Management of Digital Technology and Artificial Intelligence	3 hours
		2024/09/30	Taiwan Institute of Directors	Intelligent Leadership: Pioneering a New Framework for AI Governance	3 hours
		2024/11/05	Securities & Futures Institute	Opportunities and Challenges for Taiwan's Industrial Transformation in the Context of Geopolitics -	3 hours

Title	Name	Date	Organizer	Course	Training Hours
				Exclusive Analysis by PMI/NMI	
Independent Director	Hsu, Cheng-Hung	2024/01/25	Securities & Futures Institute	Trends and Risk Management of Digital Technology and Artificial Intelligence	3 hours
		2024/11/05	Securities & Futures Institute	Opportunities and Challenges for Taiwan's Industrial Transformation in the Context of Geopolitics - Exclusive Analysis by PMI/NMI	3 hours
Independent Director	Li, Shao-Tang	2024/01/25	Securities & Futures Institute	Trends and Risk Management of Digital Technology and Artificial Intelligence	3 hours
		2024/05/14	Taiwan Corporate Governance Association	Analysis of the Renewable Energy Certificate System and Green Power Trading	3 hours
		2024/08/14	Taiwan Corporate Governance Association	Trends in Smart Manufacturing and the Application of Digital Technology in Business Management	3 hours
		2024/11/05	Securities & Futures Institute	Opportunities and Challenges for Taiwan's Industrial Transformation in the Context of Geopolitics - Exclusive Analysis by PMI/NMI	3 hours

Table 2. Purchase of liability insurance for directors:

Since July 7, 2010, the Company has purchased liability insurance for directors. The liability insurance of directors in 2024 is as follows:

Insured Individuals	Insurance Company	Insured Amount (NT\$)	Insured Period (start and expiry)	Date of Board Meeting Report
All Directors	Insurance Company of North America	324,000,000	From: July 7, 2024 To: July 7, 2025	2024/06/07

(IV) Composition and Implementation Status of the Remuneration Committee:

1. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Criteria	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies Where the Individual Concurrently Serves as a Remuneration Committee Member	Remark
	Name				
Independent Director Convener	Liu, Shou-Hsiang	Extensive experience and expertise in finance, business, and management Associate Professor, Ming Chuan University Research Fellow, Chung-Hua Institution for Economic Research Chairman and President, Ta Hua Investment Trust Independent Director, Hwatai Bank Co., Ltd. Advisory Board Member, Chung-Hua Institution for Economic Research	In accordance with the provisions of the Company's Articles of Association and the Corporate Governance Best-Practice Principles, directors shall be appointed on a nominating system. In the process of nominating and selecting Board members, the Company has obtained the written statement, work experience and family relation form provided by each director to verify the independence of himself, his spouse and his or her three relatives from the Company. The Company has also verified that the three independent directors listed on the left in the two years prior to their election and during their tenure have all met the qualification requirements set out in the	None	—
Independent Director	Cheng, Chia-Jiun	Extensive experience and expertise in finance, business, and management Independent Director, Azion Corporation Independent Director, Bizlink Holding Inc. Independent Director, Changing Information Technology Inc. Independent Director, ProbeLeader Co., Ltd. President, Digital United Telecom Co., Ltd. President, Shihlien Energy Technology Co., Ltd. Chairman, ISSDU Inc.	"Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and in Article 14-2 of the Securities Exchange Law issued by the Financial Supervisory Commission, and the independent directors have all been granted the right to fully participate in decision-making and express opinions in accordance with Article 14-3 of the Securities Exchange Law, to perform the relevant authority independently.	3	—
Independent Director	Hsu, Cheng-Hung	Extensive experience and expertise in finance, business, and management Director, Shanghai Zhanhua Electronic Co., Ltd. Director, Unitech Electronics International (Nantong) Limited President, Unitech Printed Circuit Board Corp.		None	—
Independent Director	Li, Shao-Tang	Extensive experience and expertise in finance, business, information technology, human resources and management Director, Avatack Co., Ltd. Director, Symbio, Inc. Director, Kiwi technology Inc. Director, Information Technology Total Services Co., Ltd. Associate Manager, IBM Taiwan Branch President, Oracle Taiwan LLC, Taiwan Branch (U.S.A.) Director and President of Oracle (China) Corporation Chief Executive Officer of China Doppler Communications Co., Ltd. President, UC&GN International Corp. CEO, Yodn Lighting Corp. CEO, 1111 Job Bank Director, EasyCard Investment Holding Co., Ltd. Director, Ye Siang Enterprise Co., Ltd.		None	—

Note: All independent directors of the Company have been found to be free from any of the provisions of Article 30 of the Company Act.

2. Implementation Status of the Remuneration Committee

- (1) There are a total of 4 members in the Remuneration Committee.
- (2) The current term of office: August 3, 2023 to June 11, 2026.
- (3) A total of 4 (A) meetings of the Remuneration Committee was held in 2024 and 2025 as of the publication date of the Annual Report. The attendance of the members was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Expertise	Remark
Convenor/Independent Director	Liu, Shou- Hsiang	4	0	100%	Financial Economics/Compensation Performance Management	—
Member/Independent Director	Cheng, Chia- Jiun	4	0	100%	Financial Accounting and Corporate Governance/Compensation Performance Management/Information Technology and Information Security/Sustainability Management	—
Member/Independent Director	Hsu, Cheng- Hung	4	0	100%	Financial Accounting and Corporate Governance/Compensation Performance Management/Sustainability Management	—
Member/Independent Director	Li, Shao- Tang	4	0	100%	Information Security/Compensation Performance Management/Sustainability Management	—

- (4) Regular review of the salary and remuneration:

The purpose of the Company's Remuneration Committee is to professionally and objectively evaluate the remuneration policy of the Company's Directors and managerial officers. It convenes at least two meetings each year and additional meetings whenever necessary. It provides recommendations to the Board of Directors for decision making.

Roles and responsibilities of the Remuneration Committee:

- Regularly review the Remuneration Committee Charter and propose recommendations for amendments.
- Establish and routinely review the annual and long-term performance objectives and policies, systems, standards, and structures of the remuneration of the Directors, Supervisors, and managerial officers.
- Routinely evaluate the effectiveness of Directors and managerial officers in achieving their performance objectives, and develop individual remuneration packages.

The Remuneration Committee shall perform its duties in accordance with the following principles:

- Ensure that the Company's remuneration standards conform to the law and are sufficient to attract talented personnel.
- The performance evaluation and compensation of Directors and managerial officers should take prevailing industry standards into account and take into consideration the amount of personal time invested, responsibilities, personal target completion, performance in other roles and company compensation for

other people in equivalent roles in recent years. The achievement of the Company's short-term and long-term business objectives as well as the Company's conditions are used to evaluate the correlation between personal performance, company business performance and future risks.

- There shall be no incentive for Directors or managerial officers to pursue remuneration by engaging in activities that exceed the risk appetite of the Company.
- The percentage of bonus to be distributed to Directors and senior managerial officers based on their short-term performance and the time for payment of variable remuneration shall be determined by the characteristics of the industry and the nature of the Company's business.
- No member of the Committee may participate in discussions and voting when the Committee decides the member's individual remuneration.

3. The dates, terms of the meetings, contents of motions, and resolution results of the meetings of the Remuneration Committee in 2024 and 2025 as of the publication date of the Annual Report, and the Company's handling of the opinions of the Remuneration Committee

Date of Meeting	Content of Motion and Follow-up	Resolution Results	The Company's handling of the opinions of the Remuneration Committee
The 2nd meeting of the 5th term 2024.01.25	1. Proposal for the year-end bonus for the Company's managerial officers for 2023.	Passed unanimously by all members of the Committee in attendance.	Submitted to the Board of Directors and passed by all Directors in attendance.
The 3rd meeting of the 5th term 2024.03.14	1. Proposal for the remuneration of the managerial officers for 2023. 2. Proposal for the compensation for Directors for 2023.	Passed unanimously by all members of the Committee in attendance, implemented in accordance with the resolution, and reported to the competent authority before the deadline in accordance with regulations.	Submitted to the Board of Directors and passed by all Directors in attendance.
The 4th meeting of the 5th term 2025.01.16	1. Proposal for the year-end bonus for the Company's managerial officers for 2024. 2. Amendment of the "Regulations Governing the Remuneration of Directors and Members of Functional Committees." 3. The proposal for the Company to establish "Policy on Linking Managerial Officers' Remuneration with ESG-Related Performance."	Passed unanimously by all members of the Committee in attendance.	Submitted to the Board of Directors and passed by all Directors in attendance.
The 5th meeting of the 5th term 2025.03.07	1. Proposal for the remuneration of the managerial officers for 2024. 2. Proposal for the compensation for Directors for 2024.	Passed unanimously by all members of the Committee in	Submitted to the Board of Directors and passed by all Directors in attendance.

Date of Meeting	Content of Motion and Follow-up	Resolution Results	The Company's handling of the opinions of the Remuneration Committee
	3. Amendment to certain articles of the Company's "Articles of Incorporation."	attendance, implemented in accordance with the resolution, and reported to the competent authority before the deadline in accordance with regulations.	

Other matters:

1. If the Board of Directors refuses to adopt or amend a recommendation from the Remuneration Committee, the date of the meeting, session, contents of the motions, resolution by the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee (e.g., the circumstances and cause for the difference if the remuneration passed by the Board of Directors exceeds the recommended amount by the Remuneration Committee) shall be specified: None.
2. If there were resolutions by the Remuneration Committee to which members have dissenting or qualified opinions, and for which there is a record or declaration in writing, the date of the meeting, session, contents of the motions, all members' opinions, and the response to members' opinions shall be specified: None.

(V) Information on Members of the Nominating Committee and Implementation Status:

To meet corporate governance requirements and to strengthen the operations of the Board of Directors, the Company established the "Nominating Committee Charter" on November 4, 2021 and approved the establishment of the "Nominating Committee" to set the qualifications of the Directors and senior managerial officers and the criteria for independence. We also follow the standards to identify, review, and nominate candidates for Directors and managerial officers, set up and develop the organizational structure of the Board and committees, conduct performance evaluations of the Board, committees, Directors and managerial officers, and evaluate the independence of Independent Directors. We establish and regularly review Directors' continuing education programs and succession plans for Directors and senior managerial officers. We also review amendments of the Company's Corporate Governance Best-Practice Principles.

1. Information on the Implementation Status of the Nominating Committee
 - (1) There are a total of 5 members (including 4 Independent Directors) in the Nominating Committee.
 - (2) The current term of office: June 12, 2023 to June 11, 2026.
 - (3) A total of 2 (A) meetings of the Nominating Committee was held in 2024 and 2025 as of the publication date of the Annual Report. The attendance of the members was as follows:

Title	Name	Professional Qualifications and Experience	Attendance in Person (B)	By Proxy	Attendance rate (%) (B/A)	Expertise	Remark
Convenor/Independent Director	Cheng, Chia-Jiun	Extensive experience and expertise in finance, business, and management Independent Director, Azion Corporation Independent Director, Bizlink Holding Inc. Independent Director, Changing Information Technology Inc. Independent Director, ProbeLeader Co., Ltd. President, Digital United Telecom Co., Ltd. President, Shihlien Energy Technology Co., Ltd. Chairman, ISSDU Inc.	2	0	100%	Financial Accounting and Corporate Governance/Compensation Performance Management/Information Technology and Information Security/Sustainability Management	—
Member/Independent Director	Liu, Shou-Hsiang	Extensive experience and expertise in finance, business, and management Associate Professor, Ming Chuan University Research Fellow, Chung-Hua Institution for Economic Research Chairman and President, Ta Hua Investment Trust Independent Director, Hwatai Bank Co., Ltd. Advisory Board Member, Chung-Hua Institution for Economic Research	2	0	100%	Financial Economics/Compensation Performance Management	—
Member/Independent Director	Hsu, Cheng-Hung	Extensive experience and expertise in finance, business, and management Director, Shanghai Zhanhua Electronic Co., Ltd. Director, Unitech Electronics International (Nantong) Limited President, Unitech Printed Circuit Board Corp.	2	0	100%	Financial Accounting and Corporate Governance/Compensation Performance Management/Sustainability Management	—
Member/Independent Director	Li, Shao-Tang	Extensive experience and expertise in finance, business, information technology, human resources and management Director, Avatack Co., Ltd. Director, Symbio, Inc. Director, Kiwi technology Inc. Director, Information Technology Total Services Co., Ltd. Associate Manager, IBM Taiwan Branch President, Oracle Taiwan LLC, Taiwan Branch (U.S.A.) Director and President of Oracle (China) Corporation Chief Executive Officer of China Doppler Communications Co., Ltd. President, UC&GN International Corp. CEO, Yodn Lighting Corp. CEO, 1111 Job Bank Director, EasyCard Investment Holding Co., Ltd. Director, Ye Siang Enterprise Co., Ltd.	2	0	100%	Information Security/Compensation Performance Management/Sustainability Management	—
Member/Chairman	Cheng, Ya-Jen	Extensive experience and expertise in finance, business, and management and business administration skills Chairman, FSP Technology Inc.	2	0	100%	Corporate Governance/Sustainability Management	—

Note: All independent directors of the Company have been found to be free from any of the provisions of Article 30 of the Company Act.

Other matters:

1. If the Board of Directors refuses to adopt or amend a recommendation from the Nominating Committee, the date of the meeting, session, contents of the motions, resolution by the Board of Directors, and the Company's handling of the opinions of the Nominating Committee shall be specified: None.

2. If there were resolutions by the Nominating Committee to which members have dissenting or qualified opinions, and for which there is a record or declaration in writing, the date of the meeting, session, contents of the motions, all members' opinions, and the response to members' opinions shall be specified: None.

2. Key points of discussions in meetings of the Nominating Committee in the most recent fiscal year (2024 and 2025 and up to the publication date of the Annual Report)

Date of Meeting	Key points of discussions in meetings	Resolution Results	The Company's handling of the opinions of the Nominating Committee
The 2nd meeting of the 2nd term 2024.11.05	<ol style="list-style-type: none"> 1. Amendment of certain articles of the Company's "Corporate Governance Best-Practice Principles." 2. The proposal to amend certain articles of the Company's "Corporate Sustainability Development Committee Charter." 	Passed unanimously by all members of the Committee in attendance.	Submitted to the Board of Directors and passed by all Directors in attendance.

Note: There were no agenda items for discussion during the remaining one Nominating Committee meeting.

(VI) Information on Members of the Sustainable Development Committee and Implementation Status:

The Committee aims to help the Board of Directors promote corporate social responsibility and improve corporate governance to ensure sustainable development. The Company's Board of Directors passed a resolution on March 18 2021 to establish the "Sustainable Development Committee" as the decision-making and supervisory unit for FSP's sustainable development tasks.

Members of the Sustainable Development Committee are appointed by the Board of Directors and shall consist of at least three Board members. At least half of the members must be Independent Directors. The duties of the Committee shall include the following items:

- I. Establish strategies and targets for corporate social responsibility and sustainable development, and formulate related management strategies and specific implementation plans.
- II. Promotion and fulfillment of ethical corporate management and risk management tasks.
- III. Implementation status of sustainable development and follow-up, review, and amendment of the effectiveness.
- IV. Other matters to be conducted by the Committee based on resolutions of the Board of Directors.

1. Information on the implementation status of sustainable development

- (1) There are a total of 5 members (including 4 Independent Directors) in the Sustainable Development Committee.
- (2) The current term of office: June 12, 2023 to June 11, 2026.
- (3) A total of 7 (A) meeting of the Sustainable Development Committee was held in 2024 and 2025 as of the publication date of the Annual Report. The attendance of the members was as follows:

Title	Name	Professional Qualifications and Experience	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Expertise	Remark
Convenor/Chairman	Cheng, Ya-Jen	Extensive experience and expertise in finance, business, and management and business administration skills Chairman, FSP Technology Inc.	7	0	100%	Corporate Governance/Sustainability Management	—
Member/Independent Director	Liu, Shou-Hsiang	Extensive experience and expertise in finance, business, and management Associate Professor, Ming Chuan University Research Fellow, Chung-Hua Institution for Economic Research Chairman and President, Ta Hua Investment Trust Independent Director, Hwatai Bank Co., Ltd. Advisory Board Member, Chung-Hua Institution for Economic Research	7	0	100%	Financial Economics/Compensation Performance Management	—
Member/Independent Director	Cheng, Chia-Jiun	Extensive experience and expertise in finance, business, and management Independent Director, Azion Corporation Independent Director, Bizlink Holding Inc. Independent Director, Changing Information Technology Inc. Independent Director, ProbeLeader Co., Ltd. President, Digital United Telecom Co., Ltd. President, Shihlien Energy Technology Co., Ltd. Chairman, ISSDU Inc.	7	0	100%	Financial Accounting and Corporate Governance/Compensation Performance Management/Information Technology and Information Security/Sustainability Management	—
Member/Independent Director	Hsu, Cheng-Hung	Extensive experience and expertise in finance, business, and management Director, Shanghai Zhanhua Electronic Co., Ltd. Director, Unitech Electronics International (Nantong) Limited President, Unitech Printed Circuit Board Corp.	7	0	100%	Financial Accounting and Corporate Governance/Compensation Performance Management/Sustainability Management	—
Member/Independent Director	Li, Shao-Tang	Extensive experience and expertise in finance, business, information technology, human resources and management Director, Avatack Co., Ltd. Director, Symbio, Inc. Director, Kiwi technology Inc. Director, Information Technology Total Services Co., Ltd. Associate Manager, IBM Taiwan Branch President, Oracle Taiwan LLC, Taiwan Branch (U.S.A.) Director and President of Oracle (China) Corporation Chief Executive Officer of China Doppler Communications Co., Ltd. President, UC&GN International Corp. CEO, Yodn Lighting Corp. CEO, 1111 Job Bank Director, EasyCard Investment Holding Co., Ltd. Director, Ye Siang Enterprise Co., Ltd.	7	0	100%	Information Security/Compensation Performance Management/Sustainability Management	—

Note: All independent directors of the Company have been found to be free from any of the provisions of Article 30 of the Company Act.

Other matters:

1. If the Board of Directors refuses to adopt or amend a recommendation from the Sustainable Development Committee, the date of the meeting, session, contents of the motions, resolution by the Board of Directors, and the Company's response to the Sustainable Development Committee's opinion shall be specified: None.
 2. If there were resolutions by the Sustainable Development Committee to which members have dissenting or qualified opinions, and for which there is a record or declaration in writing, the date of the meeting, session, contents of the motions, all members' opinions, and the response to members' opinions shall be specified: None.
2. Key points of discussions in meetings of the Sustainable Development Committee in the most recent fiscal year (2024 and 2025 and up to the publication date of the Annual Report)

Date of Meeting	Key points of discussions in meetings	Resolution Results	The Company's handling of the opinions of the Sustainable Development Committee
The 7th meeting of the 2nd term 2024.08.05	1. The proposal for the Company to prepare and file its Sustainability Report.	Passed unanimously by all members of the Committee in attendance.	Submitted to the Board of Directors and passed by all Directors in attendance.
The 8th meeting of the 2nd term 2024.11.05	1. The Company proposed the establishment of internal control systems for the "Management of Sustainability Information" and the "Preparation and Assurance Procedures for Sustainability Reports." 2. The proposal to amend certain articles of the Company's "Corporate Sustainability Development Committee Charter."	Passed unanimously by all members of the Committee in attendance.	Submitted to the Board of Directors and passed by all Directors in attendance.

Note: There were no agenda items for discussion during the remaining five Sustainable Development Committee meetings.

(VII) Implementation status of sustainable development, deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Description	
I. Does the company set up a governance structure for sustainable development, establish an exclusively (or concurrently) dedicated unit to implement sustainable development, and have management appointed by the Board of Directors to be in charge of corporate social responsibility and to report the implementation status to the Board of Directors?	V		<p>(I) Sustainable Development Governance Framework On March 18, 2021, the Company's Board of Directors resolved to establish the Corporate Sustainable Development Committee (hereinafter referred to as the Sustainable Development Committee) as the highest decision-making and supervisory body for promoting sustainable development within the Company. The Sustainable Development Committee is chaired by the Chairman and is responsible for reviewing and overseeing sustainable development strategies and objectives, ensuring the integration of corporate operations with environmental, social, and corporate governance (ESG) issues.</p> <p>(II) Organization and Implementation of Sustainable Development Initiatives The Sustainable Development Committee has established an Executive Office to collaborate with the Company's senior executives in reviewing the core operational capabilities and formulating various medium- to long-term sustainable development plans. To enhance the execution capability of sustainable development, the Executive Office has established six functional groups: "Corporate Governance, Responsible Supply Chain, Green Operations, Green Products, Happy Workplace, and Social Participation" (please refer to Note 1). Each group is tasked with planning and implementing actions based on established strategies throughout the year.</p> <p>(III) the Board of Directors' Oversight of Sustainable Development The Sustainable Development Committee convenes at least twice a year, during which each functional group reports to the Board of Directors on the implementation status of sustainable development. The report addresses the current status of achieving sustainability goals, corporate governance, and risk management, as well as the outcomes of promoting environmental and social responsibility and future plans.</p>	No significant difference.

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
			<p>As the highest supervisory body for the Company's sustainable development, the Board of Directors is responsible for reviewing, guiding, and overseeing the Company's sustainability strategies. It ensures that these strategies align with the Company's business model and long-term growth objectives, and it prompts the management team to make timely adjustments when necessary.</p> <p>The sustainable development achievements for 2024 and future plans were reported at the Board of Directors meeting in March 2025 and are detailed in the 2024 ESG Sustainability Report.</p>	
II. Does the Company conduct risk assessments of environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle and formulate relevant risk management policies or strategies?	V		<p>(I) Risk Management Policy and Scope On November 3, 2022, the Company's Board of Directors approved the establishment of the "Risk Management Policies and Procedures." The scope of the policy covers the Taoyuan Headquarters, Kaohsiung Plant, Shenzhen HuiLi, Zhonghan Electronics, Zhong Han Science & Tech., WUXI SPI and Wuxi Zhonghan, Dongguan Pu Te, and 3Y Power. The objective is to ensure that each business unit operates within an acceptable risk range to prevent losses and optimize resource allocation, thereby enhancing overall corporate value.</p> <p>(II) Risk Assessment Process and Management Mechanism The Company has established a Risk Management Team under the Sustainable Development Committee. In accordance with the "Risk Management Policies and Procedures," the Team formulates the "Risk Assessment Management Guidelines." Each year, it convenes relevant units to identify and monitor risks related to Environmental, Social, and Governance (ESG) issues and develops corresponding management strategies. Each risk management unit is required to adjust its management mechanisms in response to changes in internal and external environments and to promptly report any significant risks to the Board of Directors.</p> <p>The Company has identified the following seven major types of risk for management, in accordance with its operational characteristics:</p>	No significant difference.

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
			<ol style="list-style-type: none"> 1. Market risk 2. Operational risk 3. Supply Chain Risk 4. Legal compliance risk 5. Environmental Safety Risks 6. Human Resource Risk 7. Other Risks <p>(III) Risk Management Implementation Status</p> <ol style="list-style-type: none"> 1. Regular Review and Oversight: The Risk Management Team holds at least one meeting annually. In September 2024, each unit will reassess and update risks based on risk factors, clearly designate the responsible units for each risk, establish monitoring mechanisms, and propose concrete action plans. 2. Major Risk Response: The key risk for 2024 is geopolitical impact, with the intensification of issues related to de-Chinaization and de-Americanization of global supply chains. The Company has initiated operations at its Vietnam factory to mitigate manufacturing risks and meet market demand. In addition, the supply chain strategy has also been adjusted to establish supplier groups from European, American, Japanese, Chinese, and Taiwanese brands, ensuring stable supply. (Refer to Other Significant Risks and Countermeasures on page 109 of the Annual Report). 3. Board Oversight: The Risk Management Team, led by the President as the convener, reported its implementation progress to the Board of Directors on November 6, 2024. Regular reviews and optimizations are conducted through internal management meetings to minimize risk impacts. 	
<p>III. Environmental issues</p> <p>(I) Has the Company established environmental management systems based on its industry's characteristics?</p>	V		<p>(I) The Company has implemented the ISO 14001 Environmental Management System at its operational facilities and successfully obtained third-party verification. At the same time, we are dedicated to continuously optimizing our environmental management practices through the PDCA (Plan-Do-Check-Act) cycle. Every year, we set environmental safety and health objectives and management plans to ensure the</p>	No significant difference.

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(II) Does the company endeavor to utilize energy more efficiently and use renewable materials that have low impact on the environment?	V		<p>fulfillment of our environmental responsibilities. For details regarding the verification status and the scope of coverage, please refer to Table 2 (page 79 of the Annual Report).</p> <p>(II) The Company is committed to the development of energy-saving and high-efficiency products and has implemented several energy reduction measures to reduce energy consumption in both operations and products, while improving energy efficiency. Additionally, we are reducing the use of high-carbon energy by utilizing renewable energy sources, such as solar power. For information regarding the use of renewable energy in 2024, please refer to page 73 of the Annual Report and the official website (https://www.fsp-group.com/tw/Environmental.html). The Company utilizes raw materials that comply with the European Union's RoHS, REACH, and halogen-free regulations. Additionally, we are progressively incorporating environmentally friendly packaging materials, including post-consumer recycled plastic (PCR), paper, and expanded polyethylene (EPE).</p>	No significant difference.
(III) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		<p>(III) The Company oversees climate change management through the Corporate Sustainable Development Committee. In alignment with the TCFD framework, the Risk Management Team identifies climate-related risks and opportunities, and, in collaboration with external consultants, develops corresponding strategies. Report to the Board of Directors regularly each year to ensure effective execution. The potential risks and opportunities in climate change with regard to the present and future of its business, please refer to Note 2 on page 75 of the Annual Report.</p>	No significant difference.
(IV) Does the Company take inventory of its greenhouse gas emissions, water consumption, and the total weight of waste in the last two years, and formulate policies on greenhouse gas reduction, water reduction, or waste management?	V		<p>(IV) The Company implements environmental management goals focused on low carbon emissions, waste reduction, and low pollution, ensuring a balance between operational and environmental sustainability. <u>Greenhouse gas management</u> In accordance with the ISO 14064-1:2018 standard, each operational facility has been verified by SGS, which has issued a greenhouse gas verification statement.</p>	No significant difference.

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
			<p>The boundaries cover the Taoyuan headquarters, Kaohsiung Plant, Shenzhen Huili, Zhonghan Electronics, Zhong Han Science & Tech., WUXI SPI, Wuxi Zhonghan, Dongguan Pu Te, and 3Y Power.</p> <p><u>Energy management</u> The Company's primary energy usage comes from purchased electricity. Currently, we are implementing measures to reduce energy consumption, including the replacement of lighting fixtures with high-efficiency models, upgrading energy-saving equipment, utilizing renewable energy (solar power), and recovering energy from factory aging rooms.</p> <p><u>Water resource management</u> The Company does not consume any water resources in the production process, and our main water consumption consists mainly of employees' domestic water consumption. We have implemented water-saving devices and rainwater harvesting systems to reduce water consumption.</p> <p><u>Waste management</u> The Company operates within the low-pollution electronics and information industry, following management principles focused on total reduction and resource recovery to enhance the recycling rate of waste.</p> <p>For information regarding the management policies, objectives, and performance data related to various environmental initiatives, please refer to the Environmental Section of the FSP's Sustainability Report (the third-party verification statement is located on the last page of the FSP's Sustainability Report) and page 83 of the Annual Report, which outlines the greenhouse gas reduction targets, strategies, and specific action plans.</p>	
IV. Social Issues (I) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		(I) The Company abides by labor regulations and established the employee policy and related management regulations in accordance with the Code of Conduct of the Responsible Business Alliance (RBA), "Universal Declaration of Human Rights," and other international labor and human rights standards. We also implement an equal employment opportunity system. In order to implement human rights management, the RBA Code of Conduct for	No significant difference.

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof				
	Yes	No	Description					
(II) Does the Company formulate and implement reasonable employee benefit measures (including remuneration, leave, and other benefits) and appropriately employee compensation based on operating performance or results?	V		<p>Responsible Business Alliance is adopted as the management framework in the operation and supply chain of FSP.</p> <p>In order to identify, prevent and reduce human rights related impacts, conduct regular on-site audits in accordance with the RBA audit process and review the achievement and improvement of labor, ethics, environment, safety and health performance indicators at the annual management review meeting.</p> <p>The Company has developed human rights policies and procedures and disclosed them in the Corporate Sustainability section on the Company's website https://www.fsp-group.com/tw/HumanRightsPolicy.html.</p> <p>Training courses in 2024:</p> <table><tr><th>Number of people trained in human rights</th><th>Total hours of training</th></tr><tr><td>1,361</td><td>1,189</td></tr></table>	Number of people trained in human rights	Total hours of training	1,361	1,189	No significant difference.
Number of people trained in human rights	Total hours of training							
1,361	1,189							
(III) Does the Company provide a healthy and safe work environment, and does it organize health and safety training for its employees on a regular basis?	V		<p>(II) The Company abides by the Labor Standards Act and related laws and regulations for setting up salary and benefit measures for employees, and provides competitive benefits to motivate employees. We also implement regular performance evaluations and distribute performance bonuses to share earnings with employees. To retain talented employees, the Company has created an employee stock ownership trust and makes fixed monthly contributions to the Company's incentive fund as rewards for employees. Refer to page 100 of the Annual Report and the human resource section on the Company's website for more information https://www.fsp-group.com/tw/HumanResource.html. Each year, the Company adjusts salaries in accordance with changes in market salary, economic trends, and individual performance to ensure that the overall compensation remains competitive. In 2024, the Company's Taiwan region includes both supervisory and non-supervisory positions, with an average annual salary increase of approximately 4.5%.</p> <p>(III) The Company continued its effort and obtained the ISO 45001 Occupational Safety and Health Management System certification. Certification date: 2022/09/13 Validity period: 2022/10/25 - 2025/10/24 Out of a total of 12 occupational disasters that occurred in 2024, commuting accidents</p>	No significant difference.				

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(IV) Has the Company established effective career development and training plans for its employees?	V		<p>accounted for 11, and there were no work-related fatalities.</p> <p>In order to continuously reduce the possibility and severity of occupational disasters, on-the-job safety and health education and training courses will be strengthened, and traffic safety and defensive driving will be included in the education and training courses. In addition, improve and publicize the results of accident investigation in the factory, hoping to provide a safe work environment for employees.</p> <p>Refer to page 102 of the Annual Report for protective measures for the work environment and the personal safety of employees.</p> <p>Please refer to page 104 of the Annual Report for more information on the Company's occupational safety training and occupational safety inspections.</p> <p>There were no fire incidents in the Company in 2024.</p> <p>(IV) The Company has formulated comprehensive training programs for talent cultivation. We aim to use training programs to help employees understand the internal operations of the Company and enhance the necessary knowledge, skills, and professional skills. The Company has a comprehensive employee training program that encourages autonomous learning and self-improvement by employees.</p> <ol style="list-style-type: none"> 1. Pre-job training program In accordance with the laws and regulations, with the needs of various divisions, and through the process of mentoring and guidance by supervisors or senior colleagues, we assist new employees to understand the Company's culture, various management rules and regulations, and to familiarize themselves with their job duties, in order to enhance work performance. 2. On-the-job training program Contains training courses planned based on the Company's operation strategies, annual plans, and core competencies. We also use team courses to build consensus and achieve organizational goals and improve the professional know-how of employees. 3. Special training program 	No significant difference.

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof								
	Yes	No	Description									
(V) Does the Company comply with relevant regulations and international standards regarding issues such as customer health and safety, right to privacy, marketing and labeling of its products and services and set up relevant consumer or customer protection policies and complaint procedures?	V		<p>The Company plans training for the necessary skills and knowledge for employees' roles based on the core competence requirements to improve employees' professional skills.</p> <p>4. Management skill training program We encourage managers to engage in autonomous learning and regularly organize management courses to cultivate a balanced development of both soft and hard skills.</p> <p>5. Training courses in 2024: (Unit: hour)</p> <table><tr><th>Expatriate training</th><th>Practice Courses</th><th>Digital Learning</th><th>Total Training Hours</th></tr><tr><td>1,433</td><td>20,496</td><td>4,421</td><td>26,349</td></tr></table> <p>(V) The Company considers meeting customer needs as a fundamental task in after-sales service and adheres to the sustainable management philosophy of improving customer service levels to exceed customer expectations. We approach product development and service solutions from the perspective of our customers to fulfill their requirements. Regular customer satisfaction surveys are conducted annually, covering aspects such as new product development capabilities, product reliability, market reputation, business communication, order delivery time, product specifications and technical support, customer complaint handling efficiency, RMA analysis, and compliance with green regulations. These are further categorized into four main categories: product quality, sales, technical services, and green regulations.</p> <p>The Company will continue to focus on customer needs, providing high-quality products and services to meet their requirements. We aim to become a long-term partner trusted by customers, working together towards sustainability.</p> <p>In terms of handling customer complaints, FSP provides diverse communication channels for customers, including the official website, service hotline, and email. We have also established mechanisms for handling complaints promptly and ensuring proper resolution.</p> <p>The Company also considers customer data to be confidential information. In order to ensure fair and reciprocal transactions, we</p>	Expatriate training	Practice Courses	Digital Learning	Total Training Hours	1,433	20,496	4,421	26,349	No significant difference.
Expatriate training	Practice Courses	Digital Learning	Total Training Hours									
1,433	20,496	4,421	26,349									

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(VI) Does the Company formulate supplier management policies that require suppliers to follow relevant regulations on issues, such as environmental protection, occupational safety and health, or labor rights? If so, describe the results.	V		<p>use the Oracle system to manage customer product information, ensuring their privacy rights are adequately protected. No incidents violating customer privacy rights or resulting in the leakage of personal data, causing harm to customer interests, occurred in 2024.</p> <p>To enhance the professional skills of maintenance personnel, FSP has implemented an RMA system. This system consolidates product technical data, engineering opinions, product failure analysis, and professional maintenance experience, providing maintenance personnel with reference and exchange opportunities. Moreover, the Customer Relationship Management system (CRM) enables effective customer interaction by utilizing customer information. This fosters understanding of customer needs in advance, thereby enhancing sales opportunities and surpassing customer expectations.</p> <p>The Company has followed relevant laws, regulations, and international norms for the marketing and labeling of products and services.</p> <p>(VI) In 2024, the Company implemented the ISO 20400 Sustainable Procurement Management System with the goal of exerting influence and promoting the joint practice of corporate social responsibility with our customers and suppliers. Our aim is to reduce the negative environmental impact. We actively seek to establish sustainable development partnerships with our suppliers to create a green supply chain that is sustainable.</p> <p>We encourage suppliers to sign the "Supply Chain Sustainable Development Commitment" and "General Compliance Declaration," requiring suppliers to jointly adhere to relevant laws and regulations regarding environmental, economic, and human rights issues, as well as customer requirements. This is to practice corporate social responsibility, promote environmental sustainability, and uphold fundamental human rights.</p> <p>The Company set up the Supplier Audit Team in the "Responsible Supply Chain" Team in its sustainable development roadmap. It carefully selects, audits, and supports suppliers to implement</p>	No significant difference.

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof				
	Yes	No	Description					
			<div><div>sustainability requirements in daily management of the supply chain on the basis of cooperation. The Company's suppliers in 2024 must comply with the following requirements.</div><table><tr><td>Supplier evaluation</td><td>RBA Code of Conduct, ISO 9001 Quality Management System certification, ISO 45001 Occupational Safety and Health Management System certification., ISO 14001 Environmental Management certification, and Conflict Minerals Investigation. In 2024, the following elements were added: Supply Chain Sustainable Development Commitment and Supply Chain ESG Risk Investigation and Rating.</td></tr><tr><td>Supplier audit</td><td>The Company has set up an audit team to follow up on improvements for suppliers' discrepancies, jointly improve quality and technologies, enhance environmental protection and health performance, and introduce automation to improve production capacity</td></tr></table></div>	Supplier evaluation	RBA Code of Conduct, ISO 9001 Quality Management System certification, ISO 45001 Occupational Safety and Health Management System certification., ISO 14001 Environmental Management certification, and Conflict Minerals Investigation. In 2024, the following elements were added: Supply Chain Sustainable Development Commitment and Supply Chain ESG Risk Investigation and Rating.	Supplier audit	The Company has set up an audit team to follow up on improvements for suppliers' discrepancies, jointly improve quality and technologies, enhance environmental protection and health performance, and introduce automation to improve production capacity	
Supplier evaluation	RBA Code of Conduct, ISO 9001 Quality Management System certification, ISO 45001 Occupational Safety and Health Management System certification., ISO 14001 Environmental Management certification, and Conflict Minerals Investigation. In 2024, the following elements were added: Supply Chain Sustainable Development Commitment and Supply Chain ESG Risk Investigation and Rating.							
Supplier audit	The Company has set up an audit team to follow up on improvements for suppliers' discrepancies, jointly improve quality and technologies, enhance environmental protection and health performance, and introduce automation to improve production capacity							
V. Does the company refer to internationally-used standards or guidelines for the preparation of reports such as sustainability reports to disclose non-financial information? Are the reports certified or assured by a third-party verification unit?	V		<div><div>(I) The Company adheres to the GRI Standards 2021, the Sustainability Accounting Standards Board (SASB) guidelines, and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We also comply with the government regulations outlined in the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" to ensure information transparency and alignment with international standards. At the same time, the Company actively responds to the United Nations Sustainable Development Goals (SDGs) by comprehensively disclosing strategies and outcomes across the three major dimensions of economy, environment, and society.</div><div>(II) Starting from 2022, the Company has commissioned the Taiwan branch of the British Standards Institution Group Private</div></div>	No significant difference.				

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
			<p>Limited in Singapore (BSI) to conduct a Type 1 moderate assurance verification in accordance with the AA1000AS v3 standard, confirming that the report complies with the GRI Standards 2021. The verification statement is published on the final page of the FSP's Sustainability Report.</p> <p>(III) The Company's ESG sustainability report for 2024 is expected to receive third-party verification and be published in the third quarter of 2025. For detailed information regarding data quality, please refer to Table 1.</p> <p>For FSP's Sustainability Report, please consult the Corporate Sustainability section on the Company's official website. https://www.fspgroup.com/tw/ESG.html</p>	
<p>VI. If the company has established sustainable development best-practice principles based on the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies," describe the implementation and any deviations from such principles:</p> <p>The Company has established the "Sustainable Development Best-Practice Principles." Refer to the explanation in the "Implementation Status of Sustainable Development" in the Annual Report for information on related operations. There is no significant difference between the implementation and the "Sustainable Development Best-Practice Principles" established by the Company.</p>				
<p>VII. Other important information to facilitate a better understanding of the company's sustainable development implementation status:</p> <p>(I) Social engagement</p> <ol style="list-style-type: none"> The Company sponsors employees' purchase of environmentally friendly detergents every quarter so that they can support environmental protection at an affordable price. Held many happy help, blood donation, subscription, call on colleagues to actually do public welfare. <ol style="list-style-type: none"> Taoyuan plant invites blood donation car to the factory, calls on colleagues and partners to donate blood, each donated a bag of 250cc, the Company synchronised to donate NT\$500, collected 214 bags of blood, donated NT\$107 thousand. To maintain the ecological diversity of Taoyuan, we collaborated with The Society of Wilderness to organize a cleanup of the water hyacinth at the Qingpu Chintan Park. Additionally, we participated in a tree-planting event organized by the Taoyuan City Government, inviting employees and their families to join in conservation efforts and practice habitat maintenance for our home. On Family Charity Day, the Company provided employees and family members with coupons NT\$400,000 in total and invited charity organizations to set up booths in Daxi District, Taoyuan City. We also invited charitable organizations to set up booths and local groups to performed so that employees and their families could participate in the activities, support the charity organizations and carry forward traditional culture. Arrange employees to work for two days and one night in Pnguu (Laiji) tribe in Ali mountain every quarter to integrate into local life and assist tribal residents in daily life and environmental maintenance, including the upkeep of artistic dome installations, mountain cleaning, and land restoration. A total of 60 people extend warm and sharing hands for the tribe through teamwork. The Company purchased Christmas cookie gift boxes from the Children Are Us Foundation Bakery and shared them with all employees, injecting warmth into social welfare. <p>The Taoyuan plant has launched a quarterly walking achievement reward program titled "Step by Step Charity Exchange for Happiness." The Company will match the donations made by employees</p>				

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																																																				
	Yes	No	Description																																																					
and contribute the total amount to the Taoyuan Chensenmei Social Welfare Foundation, which is committed to establishing a permanent residence for individuals with severe disabilities, referred to as the "Happy Life Village."																																																								
3. Encourage employees to have children, and reduce the burden of supporting, set up "preschool growth fund" open to employees with children under 6 years old, can apply for NT\$6,000 every six months. In 2024, a total of 173 employees' children benefit, the total amount of subsidy is NT\$1,040,000.																																																								
4. In an aging society, a 2-day paid "filial care leave" was promoted to allow employees to take care of their children and accompany their parents to medical treatment. A total of 11 employees benefited and used 121 hours of filial care leave.																																																								
5. Industry-academia collaboration The Group collaborates with the National Taipei University of Technology, Taipei Tech, National Yunlin University of Science and Technology, National Ilan University, and National Formosa University to continuously enhance its research and development capabilities. In 2024, a total of NT\$11.16 million was invested to promote industry-academia collaboration programs and the "Research and Development New Talent Scholarship." This initiative enables students to gain a comprehensive understanding of the current state and challenges of the industry during their studies, while also assisting enterprises in the development of next-generation key technologies for efficient green energy. At the same time, through this program, the Group collaborates with academia and industry to cultivate professionals in power electronics. We support outstanding students in focusing on academic research and technological innovation, enabling both graduate and undergraduate students to integrate theory with practice. This maximizes the benefits of industry-academia collaboration, injects new momentum into industrial development, and achieves the integration of learning and application.																																																								
6. The following is an excerpt detailing significant social participation activities and their associated expenditures for the year 2024:																																																								
<table><tr><th>Classification</th><th>Recipient Organization</th><th>Event Name</th><th>Expenditure</th></tr><tr><td>Local Revitalization</td><td>BEING PRESENT YOUTH SUPPORT INTL EXCHANGE NGO</td><td>Support for the Current and Future Teams' ESG Friendship Programs</td><td>2,000,000</td></tr><tr><td>Social Care</td><td>AIC TAIWAN A FULL RIGHTS MEMBER</td><td>Eastern Rural Elderly Care Program</td><td>1,350,000</td></tr><tr><td>Social Care</td><td>Hualien Yuli Catholic Church</td><td>Care for Vulnerable Populations</td><td>300,000</td></tr><tr><td>Social Care</td><td>St. Francis Xavier Children and Juvenile Center</td><td>Girl Protection Program</td><td>100,000</td></tr><tr><td>Social Care</td><td>St. Francis Xavier Home for Children and Juvenile</td><td>Placement of Children and Adolescents Aged 2 to 13 Outside the Home</td><td>150,000</td></tr><tr><td>Social Care</td><td>St. Francis Xavier Children's Center</td><td>Child Protection Program</td><td>100,000</td></tr><tr><td>Social Care</td><td>Taitung County Fire Department (Rescue Vehicle)</td><td>Donation of Off-Road Vehicles for Disaster Relief</td><td>800,080</td></tr><tr><td>Education</td><td>Taiwan Youth Creative Action Association</td><td>Design for Change (DFC). Guide students through the four steps of sensing, imagining, practicing, and sharing to identify solutions to current problems from the perspective of design thinking</td><td>300,000</td></tr><tr><td>Education</td><td>National Taitung University</td><td>One Arm Support Scholarship Program</td><td>500,000</td></tr><tr><td>Education</td><td>Taoyuan City Shan-Ding Elementary School</td><td>Teacher-Student Arts and Cultural Exhibition Activities</td><td>120,000</td></tr><tr><td>Education</td><td>Buddha Temple</td><td>Construction Project for the Nepal Bodhisattva Novice Academy</td><td>1,100,000</td></tr><tr><td>Education</td><td>Sharestart Educational</td><td>Promoting the Sharestart Teaching Method (a</td><td>1,000,000</td></tr></table>					Classification	Recipient Organization	Event Name	Expenditure	Local Revitalization	BEING PRESENT YOUTH SUPPORT INTL EXCHANGE NGO	Support for the Current and Future Teams' ESG Friendship Programs	2,000,000	Social Care	AIC TAIWAN A FULL RIGHTS MEMBER	Eastern Rural Elderly Care Program	1,350,000	Social Care	Hualien Yuli Catholic Church	Care for Vulnerable Populations	300,000	Social Care	St. Francis Xavier Children and Juvenile Center	Girl Protection Program	100,000	Social Care	St. Francis Xavier Home for Children and Juvenile	Placement of Children and Adolescents Aged 2 to 13 Outside the Home	150,000	Social Care	St. Francis Xavier Children's Center	Child Protection Program	100,000	Social Care	Taitung County Fire Department (Rescue Vehicle)	Donation of Off-Road Vehicles for Disaster Relief	800,080	Education	Taiwan Youth Creative Action Association	Design for Change (DFC). Guide students through the four steps of sensing, imagining, practicing, and sharing to identify solutions to current problems from the perspective of design thinking	300,000	Education	National Taitung University	One Arm Support Scholarship Program	500,000	Education	Taoyuan City Shan-Ding Elementary School	Teacher-Student Arts and Cultural Exhibition Activities	120,000	Education	Buddha Temple	Construction Project for the Nepal Bodhisattva Novice Academy	1,100,000	Education	Sharestart Educational	Promoting the Sharestart Teaching Method (a	1,000,000
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Implementation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
			Foundation	teaching approach that emphasizes teaching effectiveness, self-directed learning, critical thinking, and diverse expressive abilities)
Education			T.A.I.G.D	"Human Servant Academy" and "Human Intelligence Institute" Growth Camps and Seminars
Education			Taiwan Education Action Association	Empower ICE Nymph
Education/Social Care			National Taiwan College of Performing Arts	Sustainable Development Practices for Traditional Opera Culture Outreach Programs in Rural Areas
Education/Social Care			Global Buddhism Right Heart Association	Care and Support for Vulnerable Groups Program - Medical Care and Emergency Assistance for the Underprivileged and the Fund for the Development of Exceptional Talent from Disadvantaged Families
Education/Social Care			Hsing Fu Junior High School	Financial Assistance for After-School Tutoring for Disadvantaged Students
Education/Social Care			Chien Kuo Junior High School	Financial Assistance for After-School Tutoring for Disadvantaged Students
Education/Social Care			Taoyuan Municipal Fu-Fong Junior High School	Financial Assistance for After-School Tutoring for Disadvantaged Students
Local Revitalization/Arts and Culture			Yunmen Cultural and Arts Foundation (Yunmen Dandelion)	Dance Dandelion Arts Education Promotion Program
Arts and Culture			AAEON Foundation	The Taoyuan plant features a cultural corridor that holds a different themed art exhibition each quarter
Total Expenditure in Public Welfare Activities				13,826,573

(II) Workplace Diversity Policy

The Company is committed to providing a dignified and safe work environment for its employees. We practice diversity in employment and fairness in compensation and promotion opportunities to ensure that employees are not subjected to discrimination, harassment, or unequal treatment based on race, gender, religion, age, political orientation, or any other condition protected by applicable laws and regulations.

Indicator	Percentage (%)
Women as Total Employees (%)	46.20%
Female supervisors (%)	29.66%
Female Executives (%)	40.00%

Base salary to compensation ratio			Ratio			
			2023		2024	
Critical Operating Locations	Employee Categories	Item	Male	Female	Male	Female
Taiwan	Direct	Base salary	0.94	1	0.94	1
		Compensation	1.03	1	0.91	1
	Indirect	Base salary	1.24	1	1.24	1
		Compensation	2.05	1	1.53	1

Implementation Item	Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	

Note 1: Base salary is the minimum fixed amount paid to an employee for the performance of his or her duties and does not include any additional compensation, such as overtime, bonuses or perks.

Note 2: Compensation is the base salary plus the additional amount paid to the worker; The "additional amount paid to the worker" includes the length of service allowance, bonus (including cash and equity), benefits, overtime pay, time off and any other allowance (e.g. transport allowance, maintenance allowance and child care allowance).

(III) Environmental sustainability

FSP is committed to responding to the government's 2050 net-zero emissions and sustainable development action plan for listed companies. Upholding the vision of "becoming a global leader in green energy solutions, deeply integrating into everyday life, and contributing to environmental sustainability," along with the mission of "creating maximum value for customers, employees, and shareholders through innovative services and high-quality products," the Company is dedicated to sustainable operations and fulfilling its commitments and responsibilities to shareholders, the environment, customers, employees, and social welfare.

In 2024, the Company received a bronze certification from EcoVadis, a global assessment of corporate supply chain sustainability. This certification demonstrates the Company's proactive efforts in environmental protection, pollution prevention, and corporate governance. We continue to promote initiatives focused on low carbon emissions, waste reduction, and pollution minimization, employing a strategy that fosters both environmental and economic development. This approach aims to enhance environmental and product value while achieving a balance between operational efficiency and sustainability.

To fulfill environmental responsibilities and enhance environmental performance, all major operational facilities have implemented and obtained ISO 14001 Environmental Management System certification. Each year, environmental, safety, and health objectives and management plans are established, and effective implementation is ensured through the PDCA (Plan-Do-Check-Act) cycle. We base our environmental efforts on regulations and comprehensively assess the impact of our manufacturing processes on the environment. Our focus is on key areas such as climate change and greenhouse gas inventory, energy management, water resources, and waste management. We continuously optimize our environmental performance and promote a symbiotic relationship between the Company and the planet. For information regarding environmental project management policies, targets, and performance, please see page 83 of the annual report and the 1-2 Greenhouse Gas Reduction Targets, Strategies, and Action Plans.

(IV) Invest in energy saving or green energy related environmental sustainable machinery and equipment

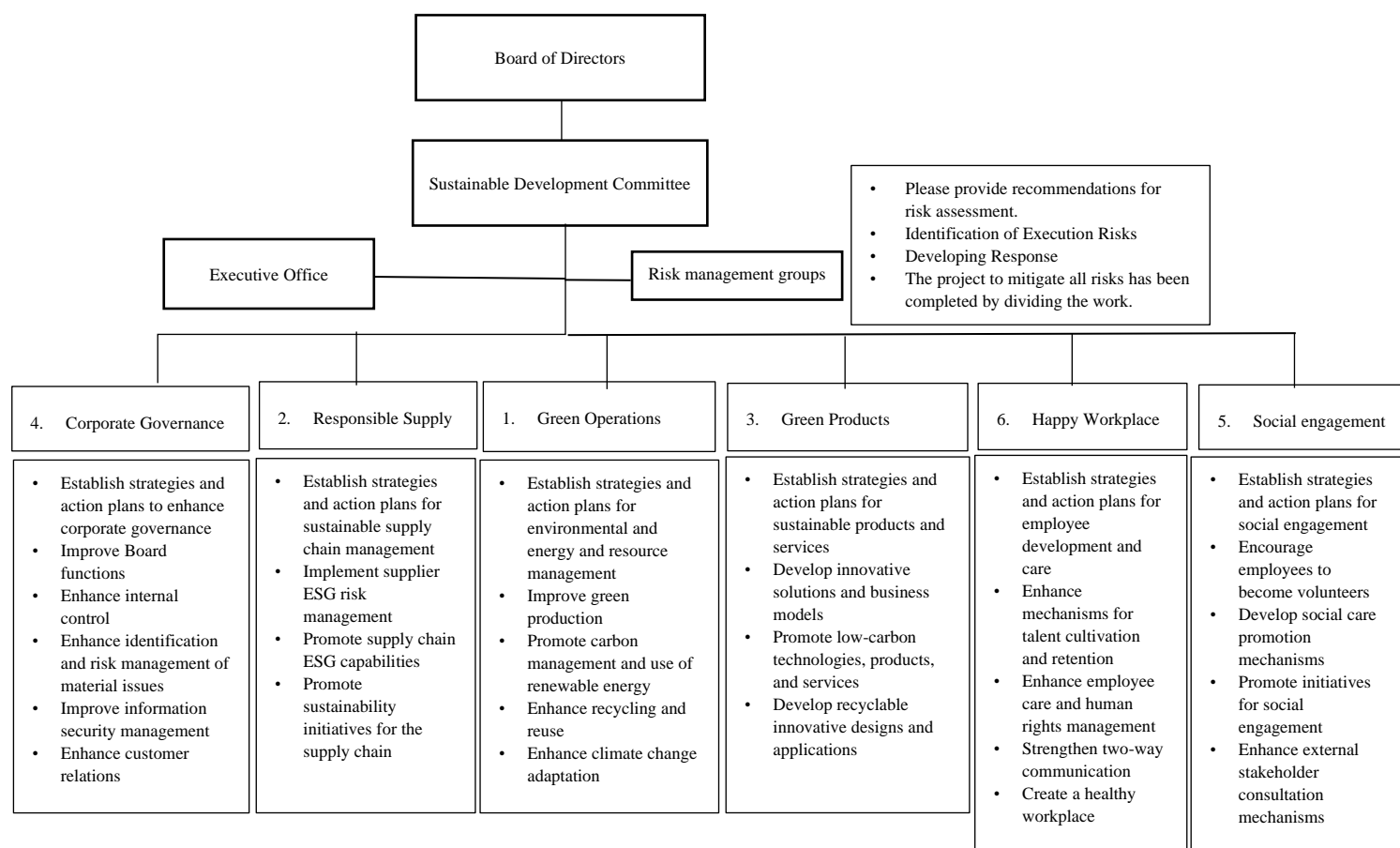
FSP, in response to the increasing demand for energy and the escalating severity of environmental issues, aims to reduce carbon emissions by utilizing energy-efficient equipment and renewable energy sources, such as solar power.

In 2024, the Huili Factory replaced the existing seven split air conditioning units with a first-level energy-saving water-cooled central air conditioning system in the workshop located on the third floor of Section 8. The total investment was approximately NT\$650,000, which resulted in annual electricity savings of 15,000 kilowatt-hours and a reduction in carbon dioxide emissions of 12,063 kilograms.

Year	2023	2024
Wuxi Factory	The solar power generated amounted to 1,056,157 kWh, reducing carbon dioxide emissions by 813.56 metric tons	The solar power generated amounted to 985,511 kWh, reducing carbon dioxide emissions by 759.14 metric tons
Taoyuan Headquarters	1. The Taoyuan headquarters and the Taoyuan Plant 3 have installed solar panels and successfully commenced power generation. 2. Construction Cost: NT\$10,780,125	1. The construction of solar panels at the Taoyuan Plant 2 has been completed, and power generation has commenced. 2. Construction Cost: NT\$4,250,000 3. The solar power generated: 341,607.3 kWh, reducing carbon dioxide emissions by 168.8 metric tons

Implementation Item		Implementation Status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
		Yes	No	Description	
				3. The solar power generated: 166,405.4 kWh, reducing carbon dioxide emissions by 106 metric tons	
Note: The photovoltaic equipment at the Wuxi Factory was completed in 2020 and has commenced power generation.					

Note 1:



Note 2: Climate Change Management:

FSP has implemented internal control systems and internal audit systems. In 2020, the Company adopted a risk management approach to integrate environmental, social, and governance-related risks management into its sustainable operations. Due to the impact of global warming, which has led to extreme weather conditions, and the increasing importance of energy and climate change issues in recent years, FSP has been adhering to the recommended structures of the Task Force on Climate-related Financial Disclosures (TCFD). We have structured our approach into governance, strategy, risk management, Indicator and targets. Our Sustainable Development Committee, along with its subcommittees, identifies climate-related risks and opportunities, considers external advisory recommendations, and formulates response strategies. We provide regular reports to the Board of Directors, who oversee the implementation effectiveness.

Governance	Strategy	Risk management	Indicators and goals
Governance Condition of Climate-Related Risks and Opportunities at FSP.	The current and potential impacts of climate change on business, strategy, and financial plans.	Climate-Related Risk Management Process	Assessment and Management of Indicators and Goals for Climate-Related Issues
The Sustainable Development Committee reports the climate risk and opportunity governance situation, as well as the annual sustainable risk management issues, to the Board of Directors on an annual basis. the Board of Directors oversees the effectiveness of the implementation.	Please consult the table provided below: Table of short-, medium-, and long-term climate risks and opportunities for 2024.	The process of identifying, assessing, and managing risks is as follows: 1. The Sustainable Office has collected climate and environmental background data and has begun the risk assessment and project tracking process. 2. Each department should monitor the risks associated with their managed operations and assess the sources and risk	<ul style="list-style-type: none"> Continue to implement greenhouse gas inventory and increase website and public information disclosure. Annual electricity saving rate of 1%. Annual Emissions from Major Operating Locations in 2024 Scope 1 1,141.53 metric tons of CO ₂ e Scope 2 14,871.71 metric tons of CO ₂ e

Governance	Strategy	Risk management	Indicators and goals
		<p>type.</p> <p>3. The Risk Management Team and various divisions should engage in thorough discussions and consider both subjective observations and objective operational data to identify and assess the level of each risk. The outcomes of risk identification and assessment for all risk items should be documented in the "Risk and Opportunity Assessment Management Table."</p> <p>4. The Sustainable Office conducts regular reviews of departmental plans and execution results, performs climate risk and opportunity analysis, and identifies major risk projects.</p> <p>5. The Risk Management Team develops execution strategies and sets goals.</p> <p>6. The effectiveness of the implementation strategies and goals is assessed annually during the ESG Committee meetings.</p>	<p>Scope 3</p> <p>1,516.14 metric tons of CO₂e</p>
<p>The Chairman acts as the convener for risk management, including climate risks and opportunities, while the supervisors at each level of the organization carry out risk identification, assessment, and mitigation.</p>	<p>Please refer to the table below: Climate-related financial impacts and response table.</p> <p>The Company referred to the 2°C scenario (2DS) during discussions at the Corporate Sustainability Committee meeting, while simultaneously using tools provided by the TCCIP (Climate Change Integration Service Platform) to assess physical climate change risks. Ultimately, the Company decided to adopt the 2DS/RCP2.6 scenario as the basis for evaluating climate change physical risks. In this scenario, the Company described the themes of climate change risks and opportunities in relation to physical risks and regulatory transformation risks.</p>	<p>The Company's risk management policy has integrated climate risks and opportunities into the operations of each unit</p>	<p>Achieving Net Zero by 2050 (Refer to page 78 of the Annual Report, for the Net Zero Blueprint)</p>

Table of short-, medium-, and long-term climate risks and opportunities for 2024

Risk Number	Climate Change Risk Issues	Risk Level	Time Scope	Opportunity Number	Climate Change Opportunity Issues	Opportunity Level	Time Scope
R1	Pricing Greenhouse Gas Emissions	High	Short term, medium term	O1	Minimize water usage and water consumption	Medium	Medium term, long term
R2	Enhancing Obligations for Reporting Emissions	Medium	Short term, medium term, long term	O2	Employing more efficient production and distribution processes	Medium	Medium term, long term
R3	Requirements and Regulations for Current Products and Services	Medium	Short term	O3	Recycling and reuse	Medium	Medium term, long term
R4	Replacing current products and services with low-carbon alternatives	Medium	Medium term, long term	O4	Conversion to more efficient buildings	Medium	Medium term, long term
R5	The Cost of Low-carbon Technology Transformation	Medium	Short term, medium term	O5	Implementing more efficient transportation methods	Medium	Short term, medium term, long term
R6	Changes in Customer Behavior	Medium	Short term, medium term	O6	Using low-carbon energy	Medium	Medium term, long term
R7	Changes in rainfall patterns and extreme variations in climate models	High	Medium term, long term	O7	Implementing incentive policies	Medium	Medium term, long term
R8	The intensity of extreme weather events, such as typhoons and floods, has escalated.	Medium	Medium term	O8	Using new technology	Medium	Medium term, long term
R9	Rise in the cost of raw materials	High	Short term, medium term, long term	O9	Engagement in the carbon trading market	Medium	Medium term, long term
R10	Average Temperature Increase	Medium	Medium term, long term	O10	Transitioning to decentralized energy	Low	Medium term, long term
R11	Rising Sea Levels	Medium	Medium term, long term				

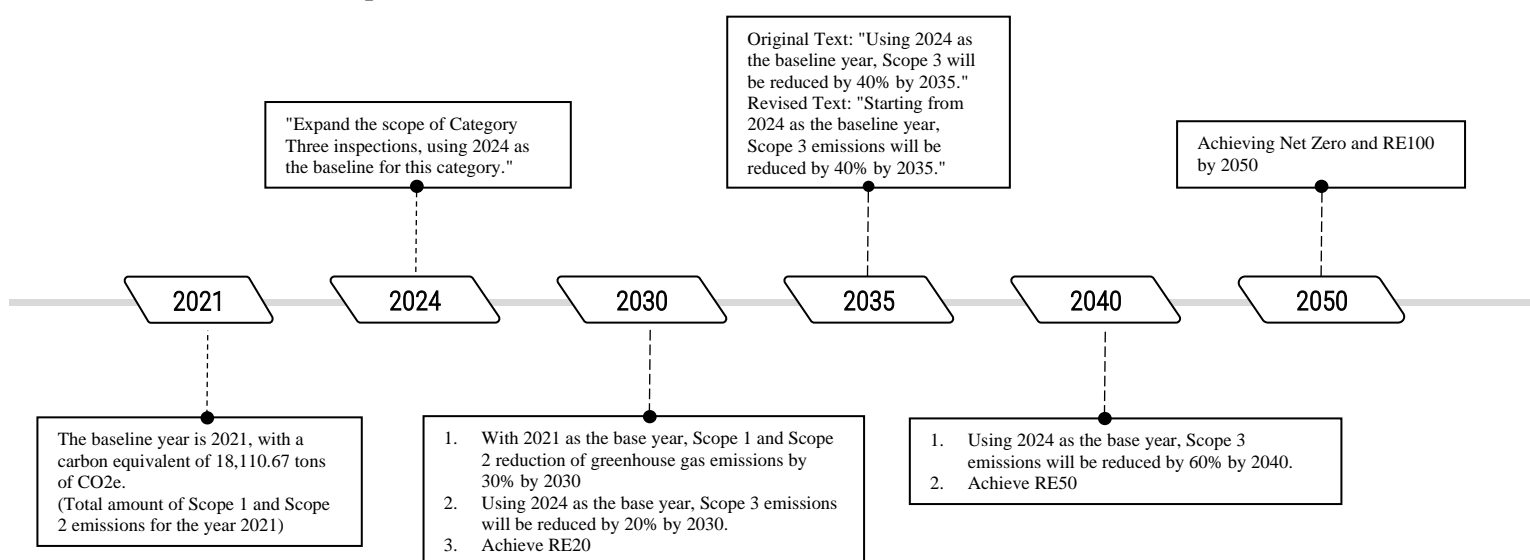
Note: Short term refers to 1-3 years, medium term refers to 3-5 years, and long term refers to 6-10 years

Climate-related financial impacts and response table

Risk and Opportunity Projects	Climate Change Risk Issues
Increase in Greenhouse Gas Emission Pricing	The Climate Change Response Act will impose a carbon fee in 2025 on products that have high direct or indirect emissions. The Company may experience an increase in operating costs as a potential impact on its finances. However, at this stage, the Company is not a high-carbon emission industry, and therefore the impact on the overall operating finance will not be significant. In addition to the ongoing implementation of greenhouse gas inventories, which will be extended to all subsidiaries of the Group in the short term, the Company will also commence assessment operations and set carbon reduction targets for the purchase of green power, biomass energy and carbon rights.
Changes in rainfall patterns and extreme variations in climate models	As a result of the rising number of extreme weather events, the frequency of typhoons and heavy rain has also increased. This could potentially lead to the flooding of our office building and have a negative impact on our company's operations. After conducting an assessment, it is possible that this situation could result in a minor financial loss. The Company is taking

Risk and Opportunity Projects	Climate Change Risk Issues
	measures to maintain the drainage system and establish an emergency response plan for typhoons and heavy rain in order to mitigate immediate risks. The building has completed waterproofing, purchased natural disaster insurance, and installed flood barriers. Monthly maintenance is conducted on the drainage facilities using water pumps. Therefore, the impact of this risk on overall operations is not significant.
Rise in the cost of raw materials	The impact of climate change, along with the European Union's implementation of carbon border taxes starting in 2023, has resulted in higher production and transportation expenses for bulk commodity raw materials, consequently impacting operations. The solution is to minimize module design to reduce the use of raw materials and strengthen the proportion of local procurement in the supply chain to reduce the increase in the cost of raw materials and transportation; medium- and long-term planning to implement a product carbon footprint and reduce carbon costs through green and environmentally friendly design.

FSP's Net Zero Blueprint



Execution Strategy for the 2050 Net Zero Target

1. Verification of SBTi reduction targets will be completed in 2026 or 2027
2. Enhance energy monitoring and storage systems, and implement digital management to strengthen energy efficiency and energy-saving initiatives in response (2024 to 2030)
3. Strengthen green supply chain management, and implement low-carbon products (2025 to 2035)
4. The refrigeration and air conditioning systems will be upgraded, with 60% of the air conditioning equipment replaced with energy efficiency level 1 products by 2030, and 100% replaced by 2040

Table 1. ESG Sustainability Report Data Quality Information

Item	Verification / certification / audit
Financial data (information from the Financial Report)	KPMG
ISO 9001 Quality Management, ISO 13485 Medical Device Quality Systems, ISO 17025 Laboratory Quality Accreditation	TÜV Rheinland, SGS Taiwan
ISO 14001 Environmental Management System	
ISO 45001 Occupational Safety and Health Management System	
ISO 14064-1 Greenhouse Gas Inventory	
IECQ QC 080000 Hazardous Substance Process Management	

Table 2. ISO 14001:2015 Environmental Management System Verification Status and Scope

Factory Area	Issuing Authority	Validity period	Certification number
Taoyuan Headquarters (including the Kaohsiung Branch)	TUV Rheinland	2025/10/31	01 104 822 018638
HuiLi Electronics	TUV Rheinland	2027/3/9	01 104 051703
Zhonghan Electronics	DQS	2026/6/2	439175 UM15
Zhong Han Science & Tech.	CQC	2027/4/4	00124E30538R3M/4403
WUXI SPI	TUV Rheinland	2026/3/29	01 104 053152
Dongguan Pu Te Electronics	TUV Rheinland	2026/4/6	01 104 822 074252
FSP Group Vietnam	CPG	2027/7/8	EMS/2/R84/1435

Climate-related Information

1. Implementation status of climate-related information

Item	Implementation Status
1. Describe the Board of Directors' and management's supervision and governance of climate-related risks and opportunities.	<p>The Company has completed the scheduling plan for the parent company's greenhouse gas inventory and verification, which has been submitted to the Board of Directors for ongoing oversight. In line with relevant guidelines and regulations, the Company continues to monitor the completion status of the greenhouse gas inventory and verification disclosure schedule and reports the progress to the Board of Directors on a quarterly basis.</p> <p>In September 2024, the Company's Risk Management Team asked each unit to update the content of the Risk</p>

Item	Implementation Status
	<p>Assessment Form by re-evaluating and reviewing it based on the current situation. The content includes identification and assessment of various risk factors, defining clearly the responsible units for risk items, setting up control and supervision mechanisms, and proposing specific action plans.</p> <p>On November 5, 2024, the Risk Management Team reported to the Board of Directors on the implementation status of sustainable development initiatives. The report addresses the current status of achieving sustainability goals, corporate governance, and risk management, as well as the outcomes of promoting environmental and social responsibility and future plans.</p>
<p>2. Please provide an explanation of how the identified climate risks and opportunities affect the Company's business, strategy, and finances (short term, medium term, and long term).</p>	<p>Please refer to the Table of short-, medium-, and long-term climate risks and opportunities for 2024 on page 77 of the Annual Report.</p>
<p>3. Describe the financial impact of extreme weather events and transformational actions.</p>	<p>Please refer to the Table of short-, medium-, and long-term climate risks and opportunities for 2024 on page 77 of the Annual Report.</p>
<p>4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.</p>	<p>The process of identifying, assessing, and managing climate risks is as follows:</p> <ol style="list-style-type: none"> The Sustainability Office has collected climate and environmental background data and has begun the risk assessment and project tracking process. Each department should monitor the risks associated with their managed operations and assess the sources and risk type. The Risk Management Team and various divisions should engage in thorough discussions and consider both subjective observations and objective operational data to identify and assess the level of each risk. The outcomes of risk identification and assessment for all risk items should be documented in the "Risk and Opportunity Assessment Management Table." The Sustainability Office conducts regular reviews of departmental plans and execution results, performs climate risk and opportunity analysis, and identifies major risk projects. The Risk Management Team develops execution strategies and sets goals. The effectiveness of the implementation strategies and goals is assessed annually during the Sustainable Development Committee meetings.
<p>5. If scenario analysis is used to assess the resilience to climate change risk, the scenarios, parameters, assumptions, analytical factors, and key financial impacts should be described.</p>	<p>The Chairman acts as the convener for risk management, including climate risks and opportunities, while the supervisors at each level of the organization carry out risk identification, assessment, and mitigation. The Company referred to the 2°C scenario (2DS) during discussions at the Sustainable Development Committee meeting, while simultaneously using tools provided by the TCCIP</p>

Item	Implementation Status
	(Climate Change Integration Service Platform) to assess physical climate change risks. Ultimately, the Company decided to adopt the 2DS/RCP 2.6 scenario as the basis for evaluating climate change physical risks. In this scenario, the Company described the themes of climate change risks and opportunities in relation to physical risks and regulatory transformation risks.
6. If there is a transition plan for managing climate-related risks, describe the plan and the metrics and objectives used to identify and manage physical and transition risks.	This feature has not been implemented yet.
7. If internal carbon pricing is used as a planning tool, the basis for price setting should be specified.	This feature has not been implemented yet.
8. If climate-related goals are set, information on the activities covered, scope of GHG emissions, the planning period, and the annual progress of achievement should be described; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant goals, the source and amount of carbon reduction credits offset or the quantity of renewable energy certificates (RECs) should be described.	<p>Please refer to page 78 of the Annual Report for FSP's Net Zero Blueprint. Below are the carbon reduction targets and the current status of target achievement:</p> <ol style="list-style-type: none"> 1. Carbon reduction targets: <ol style="list-style-type: none"> a. With 2021 as the base year, Scope 1 and Scope 2 reduction of greenhouse gas emissions by 30% by 2030. b. With 2024 as the base year, Scope 3 emissions will be reduced by 20% by 2030 and by 40% by 2035, achieving RE20. c. With 2024 as the base year, Scope 3 emissions will be reduced by 60% by 2040, achieving RE50. d. Achieving Net Zero and RE100 by 2050. 2. Achievement Status of Carbon Reduction Target: <ol style="list-style-type: none"> a. The total greenhouse gas emissions in 2024 decreased by an average of 8.32% compared to the base year of 2021 b. As of the end of 2024, the RE rate was 6%.
9. Inventory and Verification of Greenhouse Gas Emissions, Reduction Goals, Strategies, and Action Plans.	Also included in 1-1 (page 82 of the Annual Report) 1-2 (page 83 of the Annual Report)

1-1 Greenhouse Gas Inventory and Confirmation of the Company in the Last Two Years

	Basic Company Information □ Companies in the steel and cement industries with a capital exceeding NT\$10 billion. □ Companies with a capital of NT\$5 billion or more but less than NT\$10 billion ■ Companies with a capital of less than NT\$5 billion				In accordance with the regulations outlined in the Sustainable Development Roadmap for listed companies, the following disclosures should be made at minimum ■ Individual Investigation of Parent Company ■ Individual Confirmation of Parent Company ■ Subsidiary Investigation of Consolidated Financial Statements (Note 1) ■ Subsidiary Confirmation of Consolidated Financial Statements (Note 1)	
Item	Total Emissions (in metric tons of CO2e)		Intensity (metric tons of CO2e per million dollars) (Note 3)		Confidence Institution	Explanation of Assurance Circumstances (Note 4)
	2023	2024	2023	2024		
Scope 1 (Parent Company)	156.75	168.41	0.02	0.02	SGS Taiwan Ltd.	Of the Company's total disclosed GHG emissions in 2023, the Group (the Parent Company + subsidiaries) Scope 1+2+3 generated a total of 16,062.47 metric tons of CO2e. On March 15, 2024, these emissions were verified by a verification organization using the ISO 14064-1:2018 & ISO 14064-3:2006 standards, and the opinion of the verification is a reasonable assurance. Of the Company's total disclosed GHG emissions in 2024, the Group (the Parent Company + subsidiaries) Scope 1+2+3 generated a total of 18,120.55 metric tons of CO2e was verified by a verification organization using the ISO 14064-1:2018 & ISO 14064-3:2006 standards in January 23 this year, and the verification report will be disclosed in the Sustainability Report published in 2025.
Scope 1 (Subsidiaries)	984.78	1,003.54	0.27	0.18		
Total	1,141.53	1,171.95	0.08	0.08		
Scope 2 (Parent Company)	1,474.01	1,408.51	0.14	0.16		
Scope 2 (Subsidiaries)	13,397.70	14,023.95	3.71	2.57		
Total	14,871.71	15,432.46	1.07	1.06		
Scope 3 (Parent Company) (Note 2)	45.45	198.14	0.0044	0.0218		
Scope 3 (Subsidiaries) (Note 2)	3.78	1,318.00	0.0010	0.2414		
Total	49.23	1,516.14	0.0035	0.1042		

Note 1: The parent company and subsidiaries (including Shenzhen Huili, Zhonghan Electronics, Zhong Han Science & Tech., WUXI SPI and Wuxi Zhonghan were covered). In 2024, the scope of subsidiary information was expanded to include Dongguan Pu Te Electronics and 3Y Power.

Note 2: Scope 3: Business travel. In 2024, the Scope 3 inventory was expanded to include upstream transportation and distribution, as well as waste generated from operations.





Note 3: The intensity of greenhouse gas emissions is calculated based on the revenue (in millions of New Taiwan Dollars).

Note 4: Greenhouse Gas Inventory Standard: ISO 14064-1 issued by the International Organization for Standardization (ISO), the confirmation information will be disclosed in the sustainability report.

1-2 Reduction Goals, Strategies, and Action Plans of Greenhouse Gas Emissions

The greenhouse gas emissions are verified annually by a third-party verification organization using ISO14064 standards for reasonable assurance levels and AA1000AS. The verification covers scopes 1 to 3 of greenhouse gas emissions, water usage, and waste generation. Environmental data disclosed annually includes at least two years of energy usage, greenhouse gas emissions, water resources, and waste. This information is published in the FSP's Sustainability Report and on the Company's website.

Reduction base year and its data, reduction targets, strategies and specific action plans and achievement of reduction targets

Management Item	Base year of reduction and its data	Reduction goal	Strategy	Specific Action Plan	Reduction Target Achievement Status	Results
 GHG emissions	1. Scope 1 and Scope 2 use 2021 as the base year 2. Scope 3 uses 2024 as the base year 3. The total emissions for Scope 1 and Scope 2 were 18,110.67 metric tons in 2021 4. The total emissions for Scope 3 was 1,516.14 metric tons in 2024	1. With 2021 as the base year, reduction of Scope 1 and Scope 2 greenhouse gas emissions by 30% by 2030 2. With 2024 as the base year, Scope 3 emissions will be reduced by 20% by 2030 and by 40% by 2035, achieving RE20; and by 60% by 2040, achieving RE50 3. Achieving Net Zero and RE100 by 2050	FSP is committed to its greenhouse gas inventory, reduction, and control to help the Company to monitor actual greenhouse gas emissions. We also use the results of the inventory for additional voluntary greenhouse gas reduction projects	1. Regular cleaning and maintenance of air-conditioning equipment to maintain efficient operation of air-conditioning equipment 2. Use carbon toner cartridge with an environmental label, with low temperature and reduces paper jamming	1. The total greenhouse gas emissions in 2024 decreased by an average of 8.32% compared to the base year of 2021 2. The Company obtained the ISO 14064-1 Certification Statement	Achieved
 Energy management (electricity)	With 2023 as the base year, 1. The data for 2023 is: 19,666,654 kWh 2. The data for 2024 is: 20,646,608 kWh	Reduce total electricity consumption by 1% compared to the previous year	Improve energy management efficiency and prioritize the purchase of energy-efficient equipment before equipment replacement to meet regulatory requirements	1. Use of LED energy-saving and carbon-reducing lamps in the office area 2. Choose energy-efficient appliances such as air conditioners, refrigerators, and multifunctional office machines that comply with energy-saving labels 3. Installation of solar panels for electricity generation to be used in the factory	4.98% increase	"Not Achieved"
 Water resources	With 2023 as the base year 1. The data for 2023 is: 194,540,000 liters 2. The data for 2024 is: 217,409,000 liters	Reduce total water consumption by 1% compared to the previous year	Implement water resource management, prioritize water-saving equipment when evaluating equipment replacement, reduce water waste, and increase employee awareness with training	Reducing the water flow from faucets effectively conserves water	11.76% increase	"Not Achieved"
 Waste	With 2023 as the base year: 1. The data for 2023 is: General industrial waste: 429.5513 metric tons Hazardous industrial waste: 19.6028 metric tons 2. The data for 2024 is: General industrial waste: 406.0820 metric tons. Hazardous industrial waste: 22.9997 metric tons	Total waste was reduced by 1% compared to the previous year's report	Incorporate product cycle requirements to reduce the amount of waste and improve environmental performance and select qualified vendors for outsourced waste disposal based on the location of the factory. Manage and maintain records of waste production, sorting and collection, recycling and transportation in accordance with the environmental management system	1. Implement waste classification, reduction, and resource recycling initiatives 2. During internal meetings, colleagues are encouraged to bring their own water bottles or mugs 3. Employees bringing their own tableware and cups helps reduce the use of disposable utensils and cups	Decreased by 4.47%	Achieved

Note: The above data covers the scope of the Parent company and subsidiaries (including Shenzhen Huili, Zhonghan Electronics, Zhong Han Science & Tech., WUXI SPI and Wuxi Zhonghan). In 2024, the scope of subsidiary information was expanded to include Dongguan Pu Te Electronics and 3Y Power.

(VIII) Implementation of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the Company have an ethical corporate management policy passed by the Board of Directors and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and senior management towards implementation of such policy?	V		(I) The Company formulated the "Ethical Corporate Management Best-Practice Principles" on January 28, 2016, and the amendment was passed by the Board of Directors on January 5, 2023. The Company formulated the policy based on "ethical" and established a good corporate governance and risk control mechanism, so as to create a sustainable business environment and the commitment of the Board of Directors and management to actively fulfill of ethical corporate management policy. It is implemented in internal management and business activities. The Company established a plan to prevent unethical conduct in accordance with the Company's core value of integrity. We encourage and require members of the Company, including the Board of Directors and management, to actively implement the policy of fulfillment of ethical corporate management. Please refer to the corporate governance section on the Company website to view the Company's Ethical Corporate Management Best-Practice Principles.	No significant difference.
(II) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risks of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct accordingly and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		(II) The Company has set up a Corporate Sustainable Development Committee under the Board of Directors and "Risk Management Groups" under it. The annual review meeting will be held regularly every year. Each group will report the implementation plan and improvement results, analyze and evaluate the business activities of dishonest behavior risk and formulate preventive measures. The Company has established the "Code of Ethical Conduct" and the "Ethical Corporate Management Best-Practice Principles" to provide a code of conduct for the Company's personnel responsible for important businesses. Internal auditors conduct regular audits to strengthen the implementation of the ethical corporate management policy. The Company has set up related regulations for different compliance requirements including Operating Procedures for the Prevention of Insider Trading, Regulations Governing the Operating Procedures of Whistleblower Channels and Protection System, Personal Information Management Regulations, and information security management to take preventive measures for fulfillment of ethical corporate management policy.	No significant difference.
(III) Does the Company define the operating procedures, code of conduct, disciplinary actions, and	V		(III) The Company has established sound business management framework to create a corporate culture of ethical management and improve	No significant difference.

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
appeal procedures in the programs against unethical conduct? Does the Company enforce the programs effectively and perform regular reviews and amendments?			development. We also established the "Ethical Corporate Management Best-Practice Principles" to provide guidance for all behavior. To implement the "Ethical Corporate Management Best-Practice Principles" and "Codes of Ethical Conduct", the Company established "Regulations Governing the Operating Procedures of Whistleblower Channels and Protection System" to set up internal and external reporting channels and the reward and penalty system. The Company shall continue to pay attention to the development of ethical corporate management regulations in Taiwan and foreign countries. The Company also encourages Directors, managerial officers, and employees to propose recommendations, which will be used to review and improve the ethical corporate management policies and measures and thus achieve more effective ethical corporate management. At the same time, through the aforementioned "Risk Management Groups" operating mechanism, periodically revise the relevant specifications.	
II. Fulfillment of ethical corporate management				
(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in the business contracts?	V		(I) The Company has set up evaluation mechanisms for customers and suppliers. When entering into contracts with others, the Company shall include in the contracts terms requiring compliance with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may terminate or rescind the contracts at any time.	No significant difference.
(II) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors that reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such implementation status?	V		(II) The Company promotes integrity management under the direct supervision of the chairman of the Board. The President Staff Office is called as a part-time unit through the director of corporate governance to be responsible for the formulation and supervision of the implementation of integrity management policies and prevention programs, and report to the Board of Directors at least once a year. In order to fulfill the oversight responsibility of ethical management, the Company has established various organizations and channels in the Board of Directors, such as the Audit Committee, the Compensation Committee, the Corporate Sustainable Development Committee and the internal audit Committee. In addition, the internal auditor will regularly report to the Board on the audit activities implementation status. The Managerial Officers and financial and accounting officers of the company, under the supervision of the Board of Directors, must ensure that the financial and accounting information reported by the Company to the securities authorities or disclosed to the public is complete, fair, accurate, timely and easy to understand. Implementation status in 2024: No reports	No significant difference.

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons						
	Yes	No	Description							
(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	V		<p>occurred.</p> <p>(III) Article 10 of the Company's "Rules of Procedure for Board of Directors' Meetings" specify the requirements for the recusal of Directors due to conflict of interest. If a Director or a corporate entity that the Director represents is considered an interested party in the agenda, a full disclosure is required during the current board meeting session. The Director shall recuse himself/herself from all discussions and voting if it is in conflict against the Company's interests. Under such circumstances, the Director shall not exercise voting rights on behalf of other Directors. Article 17 of the "Corporate Governance Best-Practice Principles" expressly prohibits the transfer of interest between the Company and related parties or shareholders. The Company also established the "Regulations Governing the Operating Procedures of Whistleblower Channels and Protection System" to provide whistleblowers with reporting channels and protect the identity of whistleblowers.</p> <p>Reporting mailbox: https://www.fsp-group.com/tw/Whistleblower.html.</p>	No significant difference.						
(IV) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit devise audit plans based on the results of unethical conduct risk assessments and audit the systems accordingly to prevent unethical conduct, or hire external CPAs to perform the audits?	V		<p>(IV) The Company has established an effective accounting system and internal control system. Internal auditors conduct various audits based on the annual audit plan and report the results of the audit and subsequent improvements to the Board of Directors and management to ensure the effectiveness of ethical corporate management. The Company also conducts annual self-assessments on internal controls of the Company. The Company's divisions and subsidiaries are required to review the design of the internal control system and the effectiveness of its implementation. Accountants also review the implementation status of the company's internal control system annually.</p>	No significant difference.						
(V) Does the Company regularly hold internal and external educational trainings on ethical corporate management	V		<p>(V) The Company plans corporate culture education and training, and internalizes the honest and pragmatic corporate culture into the Company's operation. Since 2022, the Company has planned a course on "Business Conduct and Ethics Concept Promotion," which is included in the annual compulsory courses for all colleagues. Training courses in 2024: (Unit: hour)</p> <table><tr><th>Number of Participants</th><th>Number of Hours</th><th>Total Training Hours</th></tr><tr><td>471</td><td>0.5</td><td>243</td></tr></table>	Number of Participants	Number of Hours	Total Training Hours	471	0.5	243	No significant difference.
Number of Participants	Number of Hours	Total Training Hours								
471	0.5	243								
III. Operation of the whistle-blowing system										
(I) Has the Company established both a reward/whistle-blowing system and	V		<p>(I) The Company established the "Regulations Governing the Operating Procedures of</p>	No significant difference.						

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party for the follow-up?			Whistleblower Channels and Protection System" to establish reporting channels and systems for the Company, implement the "Ethical Corporate Management Best-Practice Principles" and "Code of Ethical Conduct" established by the Company, and protect the legal rights of whistleblowers and counterparties. Reports are processed in a confidential manner and verified by the Auditing Staff Office to protect whistleblowers. The identity of whistleblowers are the contents of reports are always kept confidential.	
(II) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		(II) The Company established the "Regulations Governing the Operating Procedures of Whistleblower Channels and Protection System" to provide legitimate reporting channels and maintain the confidentiality of the identity of whistleblowers and contents of reports. When the processing unit finds material misconduct or likelihood of material impairment to the Company, it shall immediately prepare a report and notify the Independent Directors in written format. Documentation of case acceptance, investigation processes, and investigation results shall be retained in written format and digital files for at least five years. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained for two years after the conclusion of the litigation.	No significant difference.
(III) Does the Company provide proper whistleblower protection?	V		(III) The Company established the "Regulations Governing the Operating Procedures of Whistleblower Channels and Protection System" to take appropriate confidentiality measures and protect whistleblowers from improper treatment.	No significant difference.
IV. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	V		The Company has uploaded the "Ethical Corporate Management Best-Practice Principles" to the Company's website and the MOPS. It also disclosed the information on the implementation of ethical corporate management in the Annual Report for reference by related personnel.	No significant difference.
V. If the Company has established its own ethical corporate management principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe the implementation and any deviations from the Principles: None.				
VI. Other important information to facilitate a better understanding of the Company's ethical corporate management implementation status: (e.g., review of and amendments to ethical corporate management policies)				
1. The Company's Ethical Corporate Management Best-Practice Principles were revised on January 5, 2023 and passed by the Board of Directors.				
2. The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, TWSE/TPEX listing rules, and other laws or regulations on business activities as the basis of fulfillment of ethical corporate management.				
3. The Company's "Rules of Procedure for Board of Directors' Meetings" specify the requirements for the recusal of Directors due to conflict of interest. If a Director or a corporate entity that the Director represents is considered an interested party in the agenda, a full disclosure is required during the current meeting session. The Director shall recuse himself/herself from all discussions and voting if it is in conflict against the Company's interests. Under such circumstances, the Director shall not exercise voting rights on behalf of other Directors.				
4. The Company established the "Operating Procedures for the Prevention of Insider Trading" which state that Directors,				

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
managerial officers, and employees may not disclose internal material information to others, may not inquire about or collect any non-public material inside information of the Company not related to their individual duties from a person with knowledge of such information, or disclose to others any non-public material inside information of the Company of which they become aware for reasons other than the performance of their duties.				

(IX) Other Important Information Regarding Corporate Governance Implementation Status:

1. the Board appointed a Corporate Governance Officer on January 8, 2019 to implement corporate governance, protect the interests of the shareholders, and strengthen the functions of the Board.
2. The Company has set up a dedicated section on the official website to explain the corporate governance status and provide corporate governance regulations for download and reference.

(X) Status of Internal Control System

1. Statement on Internal Control

FSP Technology Inc.
Statement on Internal Control

Date: March 7, 2025

The Company hereby states the results of the self-evaluation of the internal control system for 2024 as follows:

- I. The Company acknowledges that the establishment, implementation, and maintenance of an internal control system is the responsibility of the Board of Directors and managerial officers, and the Company has established an internal control system. The internal control system is designed to provide reasonable assurance for the effectiveness and efficiency of the operations (including profitability, performance, and protection of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.
- II. The internal control system has innate limitations. No matter how robust and effective the internal control system is, it can only provide reasonable assurance of the achievement of the foregoing three goals; in addition, the effectiveness of the internal control system may vary due to changes in the environment and conditions. However, the internal control system of the Company has self-monitoring mechanisms in place, and the Company will take corrective action against any defects identified.
- III. The Company uses the assessment items specified in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations") to determine whether the design and implementation of the internal control system are effective. Based on the process of control, the assessment items specified in the Regulations divide the internal control system into five constituent elements: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communication; and 5. monitoring. Each constituent element includes a certain number of items. For more information on such items, refer to the Regulations.
- IV. The Company has adopted the aforesaid assessment items for the internal control system to determine whether the design and implementation of the internal control system are effective.
- V. Based on the results of the determination in the preceding paragraph, the Company is of the opinion that, as of December 31, 2024, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, are effective and can reasonably assure the achievement of the foregoing goals.
- VI. This statement will constitute the main content of the Company's annual report and the prospectus and will be disclosed to the public. Any falsehood or concealment with regard to the above contents will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was passed by the Board of Directors on March 7, 2025, and out of the 11 directors in attendance, none had dissenting opinions of it and all approved the content expressed in this statement.

FSP Technology Inc.

Chairman and President: Cheng, Ya-Jen Signature

2. If a CPA Has Been Hired to Carry Out a Special Audit of the Internal Control System, the CPA Audit Report Shall Be Disclosed: None.

(XI) Major Resolutions of the Board Meetings and Shareholders' Meeting During the Most Recent Fiscal Year up to the Date of Publication of the Annual Report:

1. Major resolutions from the 2024 general shareholders' meeting and implementation status:

- (1) Acknowledgment of the Company's 2023 Business Report and Financial Statements.
- (2) Acknowledgment of the Company's distribution of earnings for 2023.

Implementation status: The ex-dividend date was set as June 26, 2024 and the distribution date was set as July 10, 2024. The Company distributed cash dividends of NT\$3.2 per share.

2. Major Resolutions of the Board Meetings:

Board of Directors	Major Resolutions
The 4th meeting of the 11th term 2024.01.25	<ol style="list-style-type: none"> 1. Passed the proposal for the year-end bonus for the Company's managerial officers for 2023. 2. Passed the Company's Business Plan for 2024. 3. Passed the formulation of provisions of the "Regulations on Financial Transactions among Related Parties" proposed by the Company. 4. Passed the proposal for the Company's replacement of the CPAs due to internal adjustment of KPMG Taiwan. 5. Passed the proposal for the Company's appointment of the CPA firm for 2024 and its remuneration. 6. Passed the proposal of the Company's plans to appoint KPMG Corporate Advisory (China) Limited for non-assurance services. 7. Passed the proposal for the Company's comprehensive credit limit in banks.
The 5th meeting of the 11th term 2024.03.14	<ol style="list-style-type: none"> 1. Passed the proposal for the compensation for employees and Directors for 2023. 2. Passed the Company's 2023 Business Report and Financial Statements. 3. Passed the proposal for the remuneration of the managerial officers for 2023. 4. Passed the Company's 2023 Statement on Internal Control. 5. Passed the Company's distribution of earnings for 2023. 6. Approved the proposed revisions to certain articles of the Company's "Audit Committee Organizational Procedures." 7. Passed the amendments of certain articles of the Company's "Rules of Procedure for Board of Directors' Meetings." 8. Passed the date, location, and meeting agenda for the Company's 2024 general shareholders' meeting. 9. Passed the proposal for shareholders' proposal rights for the 2024 general shareholders' meeting. 10. Approved the proposal for the Company to increase investment in its Vietnam subsidiary.
The 6th meeting of the 11th term 2024.04.26	<ol style="list-style-type: none"> 1. Passed the Company's consolidated financial statements for the first quarter of 2024. 2. Passed the Company's proposal to amend certain provisions of the "Regulations on Financial Transactions among Related Parties." 3. Approved the proposal for the Company to provide endorsement and guarantee for

Board of Directors	Major Resolutions
	<p>its Vietnam subsidiary.</p> <p>4. Approved the exclusion of the Company's overdue uncollected receivables from the capital lending case.</p>
The 7th meeting of the 11th term 2024.06.07	<p>1. Passed the dismissal of the Company's Managerial Officer.</p> <p>2. Approved the proposal for the Company to donate to the establishment of the "FSP Educational and Cultural Foundation."</p> <p>3. Approved the proposal for the Company's subsidiary, Shenzhen Huili Electronic Co., Ltd., to proceed with a real estate acquisition transaction.</p> <p>4. Approved the proposal for the Company's subsidiary, 3Y Power Technology (TAIWAN) Inc., to proceed with a real estate acquisition transaction.</p> <p>5. Approved the proposal for the Company to change the pledged bank for the endorsement and guarantee provided to its Vietnam subsidiary.</p>
The 8th meeting of the 11th term 2024.08.05	<p>1. Approved the proposal for the Company to prepare and file its Sustainability Report.</p> <p>2. Passed the Company's Consolidated Financial Statements for the first half of 2024.</p> <p>3. Approved the exclusion of the Company's overdue uncollected receivables from the capital lending case.</p>
The 10th meeting of the 11th term 2024.11.05	<p>1. Passed the Company's consolidated financial statements for the third quarter of 2024.</p> <p>2. Approved the Company's proposal to establish internal control systems for the "Management of Sustainability Information" and the "Preparation and Assurance Procedures for Sustainability Reports."</p> <p>3. Passed the amendment of certain articles of the Company's "Corporate Governance Best-Practice Principles."</p> <p>4. Approved the Company's proposal to amend certain provisions of the "Internal Audit System," "Internal Control Self-Assessment Measures," and "Electronic Data Processing Operations Cycle."</p> <p>5. Approved the proposal to amend certain articles of the Company's "Corporate Sustainability Development Committee Charter."</p> <p>6. Passed the Company's Audit Plan for 2025.</p> <p>7. Approved the proposal for the Company to open a bank account with Citibank Singapore Branch.</p>
The 11th meeting of the 11th term 2025.01.16	<p>1. Passed the proposal for the year-end bonus for the Company's managerial officers for 2024.</p> <p>2. Passed the Company's Business Plan for 2025.</p> <p>3. Passed the amendment of the "Regulations Governing the Remuneration of Directors and Members of Functional Committees."</p> <p>4. Approved the proposal for the Company to establish "Policy on Linking Managerial Officers' Remuneration with ESG-Related Performance."</p> <p>5. Passed the proposal for the Company's appointment of the CPA firm for 2025 and its remuneration.</p> <p>6. Passed the proposal for the Company's comprehensive credit limit in banks.</p>
The 12th meeting of the 11th term 2025.03.07	<p>1. Passed the proposal for the compensation for employees and Directors for 2024.</p> <p>2. Passed the Company's 2024 Business Report and Financial Statements.</p> <p>3. Passed the proposal for the remuneration of the managerial officers for 2024.</p> <p>4. Passed the Company's 2024 Statement on Internal Control.</p> <p>5. Passed the Company's distribution of earnings proposal for 2024.</p> <p>6. Approved the amendment to certain articles of the Company's "Articles of</p>

Board of Directors	Major Resolutions
	<p>Incorporation."</p> <p>7. Approved the amendment to certain provisions related to the Company's "Internal Control System" operational procedures.</p> <p>8. Approved the proposal for the Company to increase investment in its Vietnam subsidiary.</p> <p>9. Passed the date, location, and meeting agenda for the Company's 2025 general shareholders' meeting.</p> <p>10. Passed the proposal for shareholders' proposal rights for the 2025 general shareholders' meeting.</p>
The 13th meeting of the 11th term 2025.04.30	<p>1. Passed the Company's consolidated financial statements for the first quarter of 2025.</p>

(XII) Any Dissenting Opinion Expressed by a Director with Respect to a Major Resolution Passed by the Board of Directors During the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report, Where Said Dissenting Opinion Has Been Recorded or Prepared as a Written Declaration, and Its Main Content: None.

(XIII) Intellectual Property Management

2024 Intellectual Property Management Plan

Intellectual Property Management Regulations

In order to implement its intellectual property policies and objectives, the Company plans its innovation activities in accordance with the Company's business blueprint and the latest relevant laws and regulations, establishes and continuously strengthens its Intellectual Property Management Regulations, ensures that the R&D results become intellectual property rights through sound and proper intellectual property management, obtains sound and effective protection, and integrates and utilizes high-value intellectual property rights to promote a variety of business interests, in order to continue to enhance its competitiveness and strengthen its defense.

1. Project Management

The Company focused on the growth in the quantity of patents and gradually developed its patent strategy in 2014 to focus on the quality of patents. We have progressed to the ultimate goal of using patents to create value so that we can create value and revenue through patents.

To build a solid intellectual property portfolio, the Company has established the "Intellectual Property Management System" to ensure the quality of implementation and execution of operations. We also established the "Patent Incentive Management System" to continuously encourage employees to file applications for invention patents. We have incorporated the "patent management system" and "database search system" to manage and check patent applications and review patents in different countries. In interactions with external entities, we maintain close communication and technical exchange with local and foreign competent authorities of patents in major

markets. We help patent examiners understand the Company's technologies to enhance examination efficiency and obtain high-quality patent protection.

2. Trademark management

The Company's trademark management strategy consists mainly of the expansion and protection of trademarks. We regularly review overseas markets and evidence of trademark use based on the product line and market expansion. We also established a trademark monitoring mechanism and dispute handling mechanism to protect the Company's trademark rights.

3. Management of Business Secret

In order to protect the company's business secrets, the company has set up "Confidential data Management Measures" to ensure the implementation and execution quality of operations. By means of information security system, concept promotion and regular annual inventory of confidential data, the company ensures that all the protection requirements of business secrets can be met. The employee's labor contract strictly requires that employees have the obligation to keep confidential company information. Nor disclose any confidential information of the company.

4. Possible intellectual property risks and response measures


If the Company's products infringe upon the intellectual property rights of others or if the Company's intellectual property rights are infringed by others and results in an infringement lawsuit, it may prevent the Company from producing specific products, weaken the Company's market competitiveness, and reduce the Company's revenue. Measures taken by the Company in response include: (1) supplier intellectual property rights assurance; (2) case search and risk aversion; (3) research on specific issues; (4) inventory of own intellectual property rights and insight on products of competitors; (5) standardization of response to lawsuits.

Implementation Status

1. The Company has formulated plans to report intellectual property matters to the Board of Directors on a regular basis. The most recent reporting date was November 5, 2024 (10th meeting of the 11th Board of Directors).
2. The Company has actively implemented the Intellectual Property Management Plan since 2012. The main implementation status in recent years are as follows:
 - In 2022, measures for the management of confidential information, manuals for the management of intellectual property and measures for the management of intellectual property audit were established.
 - Revised Regulations on Intellectual Property Management Regulations and Patent Incentive Management System in 2022.
 - In 2022, the Company earned a Tier A certification under the Taiwan Intellectual Property Management System.
 - Revised measures for the management of intelligent financial audit in 2023.
 - In 2024, three in-person intellectual property courses and two online courses on the same subject were offered.

Course	Number of Participants	Number of Hours	Total Training Hours
Fundamental Concepts of Patents	32	1.5	48
Copyright Protection You Should Know	52	2	104
Trade Secrets and Their Management	48	2	96
2024 Intellectual Property Policy, Objectives, and Internal Regulations Pertaining to the Company's Intellectual Property	167	0.5	83.5
Basic Concepts of Intellectual Property	185	0.5	92.5

3. The current list of intellectual properties and results are as follows:

- Patent: As of the end of December 2024, the Company has obtained more than 596 patents worldwide, including 15 patents in Taiwan and foreign countries in 2024.
- Trademarks: As of the end of December 2024, the Company has acquired 99 trademarks worldwide. The Company's major brands  FSP and other trademarks have been registered in more than 20 countries/regions across the world, including Asia, the Americas, Europe, and other main products sales regions.

Third-party verification

On October 11, 2023, the Company earned a Tier A from Taiwan Intellectual Property Management System.

Certificate Number: TIPS-2023-cert.-040

The certificate remains valid until December 31, 2025.

IV Information on CPA Professional Fees:

Unit: NT\$ thousands

Name of CPA Firm	Name of CPA	Audit Period	Audit Fees	Non-audit Fees (Note)	Total	Remark
KPMG Taiwan	Chang, Chun-I	2024	5,132.74	762.77	5,895.51	—
	Chiang, Chia-Chi					

Note: The services provided in exchange for non-audit fees included services for human resources, subsidiary annual fee and statutory fees, and business tax certification fees based on the direct deduction method.

- (I) When the CPA firm is changed and the audit fees paid for the fiscal year of such fees are lower than those for the previous fiscal year, the amounts of audit fees before and after the change and the reasons thereof shall be disclosed: None.
- (II) Where the audit fees paid for the year are at least 10% less than those paid for the previous year, the reduced amount, ratio, and reason of the reduction shall be disclosed: None.

V Information on Replacement of CPAs:

(I) Former CPAs

Date of Replacement	Passed by the Board of Directors on January 25, 2024		
Replacement Reasons and Explanations	The Company replaced the CPAs Chang, Chun-I and Chao, Min-Ju with the CPAs Chang, Chun-I and Chiang, Chia-Chi due to internal adjustment of KPMG Taiwan.		
Termination by the Company or the CPAs	Party	CPA	Client
	Condition		
	Termination by the Company	N/A	N/A
	Termination by the CPAs	N/A	N/A
Opinions (Other than Unqualified Opinion) in the Past 2 Years and Reasons	None		
Deviation from the Issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or steps
			Others
	None	✓	
	Description		
Other disclosures (under Subparagraphs 1-4 to 1-7, Paragraph 6, Article 10 of the Guidelines)	N/A		

- (II) Successive CPAs: N/A.
- (III) Former CPAs' Reply to Disclosures under Items 1 and 2-3, Paragraph 5, Article 10 of the Guidelines: N/A.

VI The Chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Matters Holding a Position at the CPAs'

Accounting Firm or an Affiliate of the Accounting Firm in the Most Recent Fiscal Year: None.

VII Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by a Director, Managerial Officer, or Shareholder with a Stake of More than 10%

(I) Change in Equity Interests by Directors, Managerial Officers, and Major Shareholders

Title	Name	2024		Current year as of April 13	
		Change in Number of Shares Held	Change in Number of Shares Pledged	Change in Number of Shares Held	Change in Number of Shares Pledged
Director and Chairman	Cheng, Ya-Jen	—	—	—	—
Director and Vice Chairman	Yang, Fu-An	—	—	—	—
Director (Representative and Vice President)	FSP Capital Co., Ltd.	—	—	—	—
	Representative: Wang, Chung-Shun (Note 1)	—	—	—	—
Director	British Virgin Islands 2K INDUSTRIES INC.	—	—	—	—
	Representative: Wang, Po-Wen	—	—	—	—
Director	Chu, Hsiu-Yin	—	—	—	—
Director	Pachon Investments Limited	—	—	—	—
	Representative: Chen, Kuang-Chun	—	—	—	—
Director	Huang, Jr-Wen	—	—	—	—
Independent Director	Liu, Shou-Hsiang	—	—	—	—
Independent Director	Cheng, Chia-Jiun	—	—	—	—
Independent Director	Hsu, Cheng-Hung	—	—	—	—
Independent Director	Li, Shao-Tang	—	—	—	—
President, Kaohsiung Branch	Chen, Kuo-Ruey	—	—	—	—
Associate Managers	Wang, Ya-Chen (Note 2)	—	—	—	—
Vice President, Kaohsiung Branch	Hsu, Pei-Ching (Note 3)	—	—	—	—
Corporate Governance Officer	Yao, Wen-Chun	—	—	—	—
Financial Supervisor	Li, Fu-Jung	—	—	—	—
Chief Accounting Officer	Sang, Hsi-Yun	—	—	—	—

Note 1: Shareholding includes shareholding trust with retained legal use rights.

Note 2: Wang, Ya-Chen, the Associate Manager, passed away and was consequently relieved of her duties in August 2024.

Note 3: Hsu, Pei-Ching, Vice President, retired and was officially relieved of his duties in July 2024.

- (II) Where the counterparty of stock transfer is a related party, the name of the counterparty, relationship between the counterparty and the Company, Directors, managerial officers, and shareholders with shareholding percentage exceeding 10%, and the shares obtained or pledged shall be disclosed: None.
- (III) Where the counterparty of stock pledge is a related party, the name of the counterparty, relationship between the counterparty and the Company, Directors, managerial officers, and shareholders with shareholding percentage exceeding 10%, and the shares obtained or pledged shall be disclosed: None.

VIII Relationship among the Company's 10 Largest Shareholders who are Related to, Spouse of, or a Relative Within the Second Degree of Kinship of Another:

Base Date: April 13, 2025; Unit: shares

Name (Note 1)	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Among 10 largest shareholders, name and relationship with anyone who is a related party or a relative within the second degree of kinship (Note 3)		Remark
	Shares	Percentage of shareholding (Note 2)	Shares	Percentage of shareholding (Note 2)	Shares	Percentage of shareholding (Note 2)	Title (or Name)	Relationship	
FSP Capital Co., Ltd.	15,191,766	8.11%	—	—	—	—	Cheng, Ya-Jen Yang, Fu-An	Chairman Director	
Yang, Fu-An	11,792,834	6.30%	249,022	0.13%	—	—	FSP Capital Co., Ltd.	Director	
Cheng, Ya-Jen	11,167,477	5.96%	1,019,992	0.54%	—	—	FSP Capital Co., Ltd.	Chairman	
Trust account of Wang, Chung-Shun at First Bank	8,110,763	4.33%	—	—	—	—	Wang, Chung-Shun	Share trust with the retained right to decide the allocation of the trust assets	
Hsiang Tsan Investment Co., Ltd.	7,300,276	3.90%	—	—	—	—	Cheng, Ya-Jen	Supervisor	
Wang Kuang Tung Investment Co., Ltd.	6,551,886	3.50%	—	—	—	—	—	—	
2K Industries Inc. (BVI)	5,193,162	2.77%	—	—	—	—	—	—	
Pachon Investments Limited	5,000,000	2.67%	—	—	—	—	Yang, Fu-An	Supervisor	

Name (Note 1)	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Among 10 largest shareholders, name and relationship with anyone who is a related party or a relative within the second degree of kinship (Note 3)		Remark
	Shares	Percentage of shareholding (Note 2)	Shares	Percentage of shareholding (Note 2)	Shares	Percentage of shareholding (Note 2)	Title (or Name)	Relationship	
Wang, Chung-Shun	3,495,031	1.87%	618,892	0.33%	—	—	—	—	
Pi-Cheng Investment Co., Ltd.	3,133,880	1.67%	—	—	—	—	—	—	

- Note 1: All top ten shareholders must be listed. For institutional shareholders, their names and the name of their representatives must be listed separately.
- Note 2: The shareholding percentage is calculated separately based on the number of shares held in the name of the person, his/her spouse and minors, and others. The shareholding ratio is rounded to the second decimal place.
- Note 3: Relationships between the aforementioned shareholders, including institutional and natural-person shareholders must be disclosed based on the financial reporting standards used by the issuer.

IX Total Number of Shares and Total Equity Stake Held in any Single Investee Business by the Company, Its Directors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company

Unit: Shares; %

Investee business (Note 1)	Ownership by the Company		Investment by Directors/Managerial Officers and Companies Directly or Indirectly Controlled by the Company		Total Ownership	
	Shares	Shareholding	Shares	Shareholding	Shares	Shareholding
FSP International Inc. (BVI)	32,202,500	100%	—	—	32,202,500	100%
FSP Group Inc.	50,000	100%	—	—	50,000	100%
Amacrox Technology Co., Ltd. (BVI)	1,109,355	100%	—	—	1,109,355	100%
3Y Power Technology (Taiwan) Inc.	16,309,484	65.87%	—	—	16,309,484	65.87%
Harmony Trading (HK) Ltd.	10,000	100%	—	—	10,000	100%
FSP Technology USA Inc.	100,000	100%	—	—	100,000	100%
FSP Turkey Dis Tic.Ltd.Sti.	6,673,000	91.41%	—	—	6,673,000	91.41%
FSP Technology Vietnam CO., LTD.	169,691,000	100%	—	—	169,691,000	100%
Shenzhen HuiLi Electronics Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
FSP Technology Inc. (BVI)	—	—	2,100,000	100%	2,100,000	100%
Proteck Electronics (Samoa) Corp.	—	—	1,100,000	100%	1,100,000	100%
Power Electronics Co., Ltd. (BVI)	—	—	7,000,000	100%	7,000,000	100%
Famous Holding Ltd.	—	—	27,000,000	100%	27,000,000	100%
FSP International (HK) Ltd.	—	—	4,770,000	100%	4,770,000	100%

Investee business (Note 1)	Ownership by the Company		Investment by Directors/Managerial Officers and Companies Directly or Indirectly Controlled by the Company		Total Ownership	
	Shares	Shareholding	Shares	Shareholding	Shares	Shareholding
FSP-C R&D Center	—	—	(Note 2)	100%	(Note 2)	100%
Dongguan Protek Electronics Corp.	—	—	(Note 2)	100%	(Note 2)	100%
Zhonghan Electronics Shenzhen Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
Wuxi SPI Technology Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
Wuxi Zhonghan Technology Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
Haohan Electronic Technology (Ji'an) Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
Shenzhen Zhong Han Science & Tech. Co., Ltd.	—	—	(Note 2)	100%	(Note 2)	100%
Amacrox GmbH	—	—	25,000	100%	25,000	100%
FSP Group USA Corp.	—	—	247,500	45%	247,500	45%
3Y Power Technology, Inc.	—	—	600,000	65.87%	600,000	65.87%
Luckyield Co., Ltd	—	—	150,000	65.87%	150,000	65.87%
WUXI 3Y Technology Co., Ltd.	—	—	(Note 2)	65.87%	(Note 2)	65.87%

Note 1: As of December 31, 2024, the investment of the Company using the equity method.

Note 2: The company is a limited liability company, which has not issued stocks.

Chapter 3 Capital Overview

I Capital and Shares

(I) Source of Capital

1. Capital formation

May 8, 2025 Unit: NT\$ thousands / thousand shares

Year/Month	Par Value	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Others
1993/04	10	500	5,000	500	5,000	Approved for establishment	None	-
1994/11	10	1,000	10,000	1,000	10,000	NT\$5,000 thousand, issuance of shares for cash capital increase	None	-
1997/09	10	3,800	38,000	3,800	38,000	NT\$28,000 thousand, issuance of shares for cash capital increase	None	-
1998/12	10	18,800	188,000	18,800	188,000	NT\$150,000 thousand, issuance of shares for cash capital increase	None	-
1999/07	10	50,000	500,000	32,500	325,000	NT\$113,500 thousand, issuance of shares for cash capital increase NT\$23,500 thousand, capital increase from earnings	None	Approved in accordance with Tai-Cai-Zheng-(1) No. 63092 Letter dated July 16, 1999
2000/09	10	50,000	500,000	42,000	420,000	NT\$30,000 thousand, issuance of shares for cash capital increase NT\$65,000 thousand, capital increase from earnings	None	Approved in accordance with Tai-Cai-Zheng-(1) No. 59465 Letter dated July 10, 2000
2001/09	10	90,000	900,000	60,000	600,000	NT\$49,000 thousand, issuance of shares for cash capital increase NT\$121,800 thousand, capital increase from earnings NT\$5,000 thousand, capital increase from employee bonus NT\$4,200 thousand, capital increase from capital surplus	None	Approved in accordance with Tai-Cai-Zheng-(1) No. 144523 Letter dated July 12, 2001
2002/08	10	90,000	900,000	70,000	700,000	NT\$30,000 thousand, capital increase from earnings NT\$10,000 thousand, capital increase from employee bonus NT\$60,000 thousand, capital increase from capital surplus	None	Approved in accordance with Tai-Cai-Zheng-(1) No. 0910140251 Letter dated July 18, 2002
2003/06	10	90,000	900,000	79,723	797,230	NT\$87,500 thousand, capital increase from earnings NT\$9,730 thousand, capital increase from employee bonus	None	Approved in accordance with Jing-Shou-Shang No. 092201185800 Letter dated June 17, 2003
2003/09	10	90,000	900,000	86,114	861,140	NT\$63,910 thousand, issuance of shares for cash capital increase	None	Approved in accordance with Tai-Cai-Zheng-(1) No. 0920133066 Letter dated July 17, 2003
2004/07	10	130,000	1,300,000	100,531	1,005,311	NT\$129,171 thousand, capital increase from earnings NT\$15,000 thousand, capital increase from employee bonus	None	Approved in accordance with Tai-Cai-Zheng-(1) No. 0930126571 Letter dated June 15, 2004

Year/Month	Par Value	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Others
2005/08	10	223,000	2,230,000	127,323	1,273,239	NT\$243,828 thousand, capital increase from earnings NT\$24,100 thousand, capital increase from employee bonus	None	Approved in accordance with Jin-Guan-Zheng-(1) No. 0940125202 Letter dated June 23, 2005
2006/05	10	223,000	2,230,000	128,247	1,282,476	Converted overseas convertible corporate bonds into common stocks totaling NT\$9,237 thousand	None	Approved in accordance with Tai-Zheng-Shang No. 0950010579 Letter dated May 22, 2006
2006/07	10	223,000	2,230,000	128,415	1,284,155	Converted overseas convertible corporate bonds into common stocks totaling NT\$1,679 thousand	None	Approved in accordance with Tai-Zheng-Shang No. 0950019886 Letter dated July 28, 2006
2006/08	10	223,000	2,230,000	146,270	1,462,704	NT\$160,519 thousand, capital increase from earnings NT\$18,030 thousand, capital increase from employee bonus	None	Approved in accordance with Jin-Guan-Zheng-(1) No. 0950126385 Letter dated June 26, 2006
2007/01	10	223,000	2,230,000	150,761	1,507,613	Converted overseas convertible corporate bonds into common stocks totaling NT\$44,909 thousand	None	Approved in accordance with Tai-Zheng-Shang No. 09600026581 Letter dated January 30, 2007
2007/04	10	223,000	2,230,000	151,047	1,510,480	Converted overseas convertible corporate bonds into common stocks totaling NT\$2,867 thousand	None	Approved in accordance with Tai-Zheng-Shang No. 09600026581 Letter dated January 30, 2007
2007/08	10	223,000	2,230,000	174,002	1,740,020	NT\$188,810 thousand, capital increase from earnings NT\$40,730 thousand, capital increase from employee bonus	None	Approved in accordance with Jing-Shou-Shang No. 09601184890 Letter dated August 1, 2007
2007/09	10	223,000	2,230,000	190,002	1,900,020	NT\$160,000 thousand, issuance of shares for cash capital increase	None	Approved in accordance with Tai-Zheng-Shang No. 0960042822 Letter dated August 20, 2007
2007/12	10	223,000	2,230,000	197,002	1,970,020	NT\$70,000 thousand, merger-related issuance of shares for capital increase	None	Approved in accordance with Jing-Shou-Shang No. 09601308080 Letter dated December 21, 2007
2008/07	10	360,000	3,600,000	218,915	2,189,157	NT\$197,002 thousand, capital increase from earnings NT\$22,135 thousand, capital increase from employee bonus	None	Approved in accordance with Jing-Shou-Shang No. 09701187690 Letter dated July 30, 2008
2008/12	10	360,000	3,600,000	212,688	2,126,887	Canceled treasury stock totaling NT\$62,270 thousand	None	Approved in accordance with Jing-Shou-Shang No. 09701315750 Letter dated December 16, 2008
2009/08	10	360,000	3,600,000	218,253	2,182,529	NT\$53,172 thousand, capital increase from earnings NT\$2,470 thousand, capital increase from employee bonus	None	Approved in accordance with Jing-Shou-Shang No. 09801178080 Letter dated August 10, 2009
2010/04	10	360,000	3,600,000	218,719	2,187,189	NT\$4,660 thousand, capital increase from employee stock subscription	None	Approved in accordance with Jing-Shou-Shang No. 09901076370 Letter dated April 27, 2010
2010/05	10	360,000	3,600,000	219,557	2,195,569	NT\$8,380 thousand, capital increase from employee stock subscription	None	Approved in accordance with Jing-Shou-Shang No. 09901104550 Letter dated May 19, 2010

Year/Month	Par Value	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Others
2010/08	10	360,000	3,600,000	224,481	2,244,812	NT\$43,911 thousand, capital increase from earnings NT\$3,940 thousand, capital increase from employee stock subscription NT\$1,392 thousand, capital increase from employee bonus	None	Approved in accordance with Jing-Shou-Shang No. 09901180000 Letter dated August 12, 2010
2010/11	10	360,000	3,600,000	224,552	2,245,522	NT\$710 thousand, capital increase from employee stock subscription	None	Approved in accordance with Jing-Shou-Shang No. 09901264340 Letter dated November 25, 2010
2011/04	10	360,000	3,600,000	224,909	2,249,092	NT\$3,570 thousand, capital increase from employee stock subscription	None	Approved in accordance with Jing-Shou-Shang No. 10001076390 Letter dated April 18, 2011
2011/05	10	360,000	3,600,000	225,629	2,256,292	NT\$7,200 thousand, capital increase from employee stock subscription	None	Approved in accordance with Jing-Shou-Shang No. 10001104830 Letter dated May 20, 2011
2011/08	10	360,000	3,600,000	228,644	2,286,438	NT\$24,256 thousand, capital increase from earnings NT\$5,890 thousand, capital increase from employee stock subscription	None	Approved in accordance with Jing-Shou-Shang No. 10001188760 Letter dated August 16, 2011
2011/11	10	360,000	3,600,000	228,752	2,287,518	NT\$1,080 thousand, capital increase from employee stock subscription	None	Approved in accordance with Jing-Shou-Shang No. 10001268520 Letter dated November 24, 2011
2012/04	10	360,000	3,600,000	228,762	2,287,618	NT\$100 thousand, capital increase from employee stock subscription	None	Approved in accordance with Jing-Shou-Shang No. 10101067390 Letter dated April 19, 2012
2012/05	10	360,000	3,600,000	229,275	2,292,748	NT\$5,130 thousand, capital increase from employee stock subscription	None	Approved in accordance with Jing-Shou-Shang No. 10101089840 Letter dated May 18, 2012
2012/09	10	360,000	3,600,000	229,353	2,293,528	NT\$780 thousand, capital increase from employee stock subscription	None	Approved in accordance with Jing-Shou-Shang No. 10101195800 Letter dated September 19, 2012
2012/11	10	360,000	3,600,000	229,584	2,295,838	NT\$2,310 thousand, capital increase from employee stock subscription	None	Approved in accordance with Jing-Shou-Shang No. 10101243280 Letter dated November 23, 2012
2013/03	10	360,000	3,600,000	229,877	2,298,768	NT\$2,930 thousand, capital increase from employee stock subscription	None	Approved in accordance with Jing-Shou-Shang No. 10201038880 Letter dated March 4, 2013
2013/05	10	360,000	3,600,000	230,761	2,307,608	NT\$8,840 thousand, capital increase from employee stock subscription	None	Approved in accordance with Jing-Shou-Shang No. 10201100240 Letter dated May 31, 2013
2013/09	10	360,000	3,600,000	230,940	2,309,398	NT\$1,790 thousand, capital increase from employee stock subscription	None	Approved in accordance with Jing-Shou-Shang No. 10201180990 Letter dated September 3, 2013
2013/12	10	360,000	3,600,000	231,723	2,317,228	NT\$7,830 thousand, capital increase from employee stock subscription	None	Approved in accordance with Jing-Shou-Shang No. 10201246480 Letter dated December 4, 2013

Year/Month	Par Value	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Others
2014/02	10	360,000	3,600,000	234,466	2,344,658	NT\$27,430 thousand, capital increase from employee stock subscription	None	Approved in accordance with Jing-Shou-Shang No. 10301033320 Letter dated February 26, 2014
2015/09	10	360,000	3,600,000	192,262	1,922,620	NT\$422,038 thousand, issuance of shares for cash capital decrease	None	Approved in accordance with Jing-Shou-Shang No. 10401183830 Letter dated September 1, 2015
2020/07	10	360,000	3,600,000	187,262	1,872,620	Canceled treasury stock totaling NT\$50,000 thousand	None	Approved in accordance with Jing-Shou-Shang No. 10901119980 Letter dated July 2, 2020

May 8, 2025; Unit: shares

Share Type	Authorized Capital			Remark
	Issued Shares	Unissued Shares	Total	
Registered common shares	187,261,950	172,738,050	360,000,000	Stocks of listed companies

(II) List of Major Shareholders

April 13, 2025

Shareholding Name of Major Shareholders	Shares Held	Shareholding
FSP Capital Co., Ltd.	15,191,766	8.11%
Yang, Fu-An	11,792,834	6.30%
Cheng, Ya-Jen	11,167,477	5.96%
Trust account of Wang, Chung-Shun at First Bank	8,110,763	4.33%
Hsiang Tsan Investment Co., Ltd.	7,300,276	3.90%
Wang Kuang Tung Investment Co., Ltd.	6,551,886	3.50%
2K Industries Inc. (BVI)	5,193,162	2.77%
Pachon Investments Limited	5,000,000	2.67%
Wang, Chung-Shun	3,495,031	1.87%
Pi-Cheng Investment Co., Ltd.	3,133,880	1.67%

Note: The shareholding ratio is rounded to the second decimal place.

(III) Dividend Policy and Its Implementation

1. Dividend Policy established in the Articles of Incorporation

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.

2. Distribution of dividends proposed in the shareholders' meeting

the Board of Directors of the Company resolved on March 7, 2025 to approve the earnings distribution proposal for 2024 as follows:

Unit: NT\$

Item	Amount	Subtotal
Beginning balance of undistributed retained earnings	3,417,484,612	
Plus: Disposal of equity instruments in other comprehensive income measured at fair value through profit and loss	551,240,810	
Plus: Changes in the current period of re-measurements 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

The shareholders' dividends and bonuses from the 2024 earnings distribution amounted to NT\$561,785,850 and it was approved by the Board of Directors on March 7, 2025. The Company proposes to distribute cash dividends of NT\$3.0 per share to shareholders based on the list of shareholders on the baseline date for dividend distribution. the Board of Directors of the Company has authorized the Chairman of the Board to determine the ex-dividend date, distribution date, and other related matters. 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.

3. Explanation of any expected material changes to the dividend policy: None.

(IV) Effect on the Operating Performance and Earnings per Share of Distribution of Stock Dividends Proposed or Adopted in the Most Recent Shareholders' Meeting

The general shareholders' meeting this year did not propose stock dividends and the Company did not publish its financial forecast for 2025. Therefore, there is no need to disclose the annual forecast information.

(V) Remuneration of Employees and Directors

1. Percentage or range of the remuneration of employees and directors as set forth in the Articles of Incorporation:

The Article 20 of Company's Articles of Incorporation stipulate that, 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.

2. The basis for estimating the amount of employee and director remunerations, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

If the shareholders meeting subsequently resolves to recognize a difference in the employee or director remunerations, the difference shall be processed as a change in accounting estimate and recorded as profit or loss in the following year.

3. Proposed distribution of remuneration approved by the Board of Directors:

(1) Distribute employee remuneration totaling NT\$56,000,000 and director remuneration totaling NT\$5,600,000. All remuneration shall be distributed in cash. The Company has budgeted expenses totaling NT\$61,600,000 and there is no difference from the expense amount recognized in 2024.

(2) The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial statements or individual financial statements for the current period and the total employee remuneration: N/A.

4. Discrepancies, if any, between actual distribution of employee and Director remunerations (including the number of shares distributed, amount and stock price) in

the previous year (2023) and the recognized employee and director remunerations and disclosure of the differences, reasons and responses:

- (1) The actual distribution of employee and director remunerations for 2023 was as follows:

The Company distributed employee remuneration totaling NT\$66,000,000 and director remuneration totaling NT\$7,000,000. All remuneration were distributed in cash.

- (2) Discrepancies, if any, between the aforementioned amount and the recognized employee and director remunerations and disclosure of the differences, reasons and responses:

the Board of Directors resolved to distribute employee, director, and supervisor remunerations totaling NT\$73,000,000 and there is no difference from the expense amount recognized in 2023.

(VI) Share Repurchases: None.

II Corporate Bonds: None.

III Preferred Shares: None.

IV Global Depository Shares: None.

V Employee Stock Options: None.

VI New Restricted Employee Shares: None.

VII Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies: None.

VIII Implementation Status of the Company's Capital Allocation Plans: None.

Chapter 4 Operational Overview

I Business Activities

(I) Scope of Business

1. Main Businesses

Manufacturing, processing, and trading of power supply.

Trading of the aforementioned products.

Quotation, tender submission, and distribution services for the aforementioned products of domestic and foreign companies.

Import and export business of the aforementioned products.

2. Weight of lines of business:

Unit: NT\$ thousands; %

Item	Year	2024 Net Operating Revenue	Weight of lines of business
Power Supply		6,887,595	59.37%
Adapter		2,852,960	24.59%
Open Frame		923,649	7.96%
Inverter		6,745	0.06%
Kaohsiung Branch		362,023	3.12%
Others		568,120	4.90%
Net sales		11,601,092	100.00%

Note: Consolidated information

3. The Company's current products: Power Supply.

4. New products under development:

PC products:

- Continue the development of the Platinum SFX Gen5 850/1KW product.
- Copper TFX 300/400/500W products compliant with 12Vo.
- Gold TFX 400W / 500W products compliant with ATX 12V V3.1.

IPC products:

- Continue to develop ATX 3.1 and maintains 8 cm fan with 850W Titanium power supply.
- Continue the development of a 2000W Platinum power supply compliant with ATX 3.1, with an 8 cm fan.
- Complies with ATX 3.1 and maintains 8 cm fan with 550/650/750W Gold power supply.
- Complies with ATX 3.1 and maintains 8 cm fan with 750/850W Platinum power supply.
- Flex 650W power supply compliant with ATX 3.1.
- 1U 650W power supply compliant with ATX 3.1.

Products of Adapter:

- Continue the development of new USB R3.1 products that can be directly upgraded to R3.2 240W PD, with mass production expected in the first quarter of 2025.
- Continue the development of a 65W PD product with HDMI function.
- 65W/90W/120W 19V cost-optimized adapters, available for Mini-PC use.
- 12V 75W/84W adapters for next-generation networking and POS applications, compliant with LPS specifications.
- In response to the Edge AI transformation of networking products, we are developing 280W, 54V adapters.

Server and Workstation Products:

- CRPS 3600W/12V high power density, Titanium-grade efficiency devices.
- CRPS 4000W/12V high power density, Titanium-grade efficiency devices.
- CRPS 3200W/54V high power density, Titanium-grade efficiency devices.
- CRPS 3600W/54V high power density, Titanium-grade efficiency devices.
- CRPS PDB (1+0/1+1/4+1) series available for white-label customers for integrating CRPS modules.

Open Frame Products:

- 180W @ 2"x4" °
- 200W Fan Less Power °

Industrial products:

- 700W PBB Series Industrial Application Power Supply.
- 500W PBB Series Industrial Application Power Supply.
- 200W PNA Series Industrial Application Power Supply.
- 150W PNA Series Industrial Application Power Supply.
- 100W PNA Series Industrial Application Power Supply.

Medical Products:

- 400W 3" x 5" Open Frame series.
- 150W Adapter (Class-I) series.
- 300W Adapter (Class-I) series.
- 1200W PC ATX Power Supply for Medical Applications.

Charger products:

- Mobile charging station M/P.
- 600W Low-cost charger M/P.
- 1200W/2000W 60V/72V/84V.
- 3.3kW 60V/72V/96V.
- 6.6 kW on-board charger.

Energy storage system:

- Commercial Office Energy Conversion System - 100KW (up to six units in parallel) / 3P 380Vac / on-grid and off-grid connection function.
- PSU/BBU EnerXBar 042-12 for Modem & Router °
- PSU/BBU EnerXBar 090-12 for Mini PC °
- PSU/BBU EnerXBar 084-12 for POS °

- PSU/BBU EnerXBar 180-19 for AIO PC ◦
- PSU/BBU EnerXBar 150-24 for POS ◦
- PSU/BBU EnerXCube 550-M for Workstation ◦

(II) Overview of the Industry

1. Current Status and Development of the Industry

The power supply is an indispensable part of all electronic products. Products can be classified as either linear or switching power supplies based on the principle of operations. They are divided into AC to DC, DC to DC, DC to AC, and AC to AC based on the characteristics of the current. The continued growth of the electronics and tech industries has led to the rapid growth of power supply products. In terms of power supply products, Taiwanese manufacturers have superior technical resources, excellent global management capabilities, and the capacity for ramping up mass production. They have occupied an irreplaceable position in the global supply chain, and Taiwan has become the largest producer of power supplies in the world.

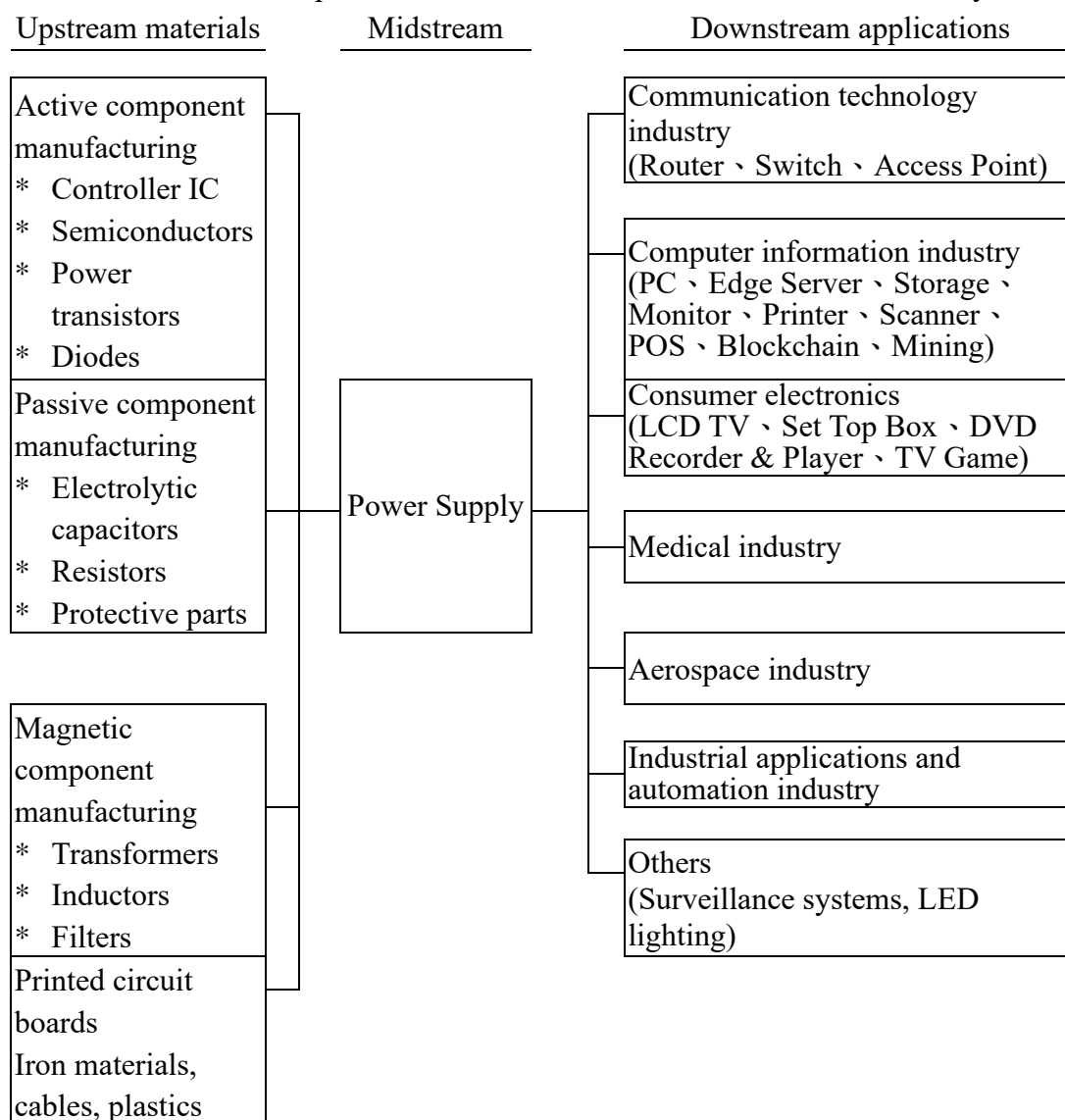
The environmental issues regarding carbon emission reduction specified in the 2015 Paris Agreement is now part of ESG. Promote the development of pollution-free materials and energy-saving power of FSP. The requirement of energy efficiency is to reduce energy consumption in systems and improve conversion efficiency in power supplies. Only in this way can the requirements of all application fields and ESGs be met at the same time. Therefore, the market has shown a steady and slow growth trend in recent years.

In 2020, the COVID-19 pandemic has changed the way people live and the industrial development. Working from home, remote teaching, remote medical treatment, online shopping, real-time monitoring and other factors have boosted the demand for network infrastructure and also increased the demand for smart home devices. Overall PC (Desktop + Notebook) shipments in 2024 was benefited from the AI PC market boom, with annual shipments of 2.55 million units, representing an overall increase in shipments of 3.8%. In the same year, Nvidia introduced the new MGX specification, which directs server power supplies towards standardized modules and higher power density requirements. The industrial control market has begun to gradually recover following the conclusion of the inventory destocking process in 2023. With the rise of artificial intelligence, the demand for high-end graphics cards has significantly increased. In the medical field, artificial intelligence is effectively improving the efficiency of diagnosis and treatment. With the application of artificial intelligence (AI) to analyze data from medical equipment, AI imaging devices now account for 76.2% of usage in the healthcare industry, making them a major driving force in the development of AI in medicine.

With the rapid development of AI, various enterprise-level applications ranging from sensors to AI centers are booming, driving the demand for all kinds of power supplies. According to the market research report, the global market size of networking AI applications such as IBN alone will be US\$20 billion in 2032.

As a result, the demand for low to high wattage and high efficiency power supplies for servers such as data switches, high efficiency computing computers and edge computing behind AI remains strong. FSP is fully committed to CRPS applications for server power supplies and providing a comprehensive range of power supply products to resolve the demand for power supply of unbranded server producers.

2. Correlation between Upstream, Midstream, and Downstream of the Industry



3. Product Development Trends and Competition:

(1) Product Development

Power products are used in a wide range of applications. They are used in information, communication, office equipment, smart manufacturing, home appliances, smart lighting, electric vehicles, e-sports, and other related electronic products, as well as in defense, aviation & space, medical, laboratory, and energy storage applications. However, because the structure and electronic design of different electronic products are different, the requirements for power supply are also different. FSP has accumulated years of experience in developing a wide range of power supply products, and has developed product design and production standards based on customer specifications. We also develop environmentally friendly, energy-efficient, standardized, miniaturized, low-noise,

modular, digital, and low-cost products to meet the requirements in energy efficiency regulations of different countries.

(2) Competition

The technology of power supply products has matured. The slow growth of the PC industry in the past few years, rapid rise of tablet PCs, and the pressure from price competition have reduced the product growth and profitability of switching power supplies. Currently, Taiwan's power supply manufacturers are mainly engaged in the production of power supplies for consumer electronics. As the growth of switching power supplies for PCs and LCD TVs slows, the competitive markets have shifted to edge computing applications and AI. Other areas for potential development include high value-added but slightly smaller niche markets such as gaming applications, professional gamers, servers, workstations, AI products, Internet applications, and 5G network devices with better prospects for growth. The Company merged Protek in 2007 and moved into the niche medical power market. In 2012, we established the New Energy Division to focus on the multi-kilowatt-hour and high-capacity energy storage market.

In 2015, we invested in inverter manufacturers to develop integrated products and services such as UPS, disaster-proof energy storage applications and solar energy. However, as new energy sources gradually replace fossil fuels, we continue to develop next-generation charging products and services with the aim of using green energy products and services to drive future growth.

The technology and industry of power supply products have matured. Taiwan is known as a major producer of power supplies and the competition is fierce. Although COVID-19 has boosted demand for PCs, it has also caused continuous lockdowns in different countries and caused many companies to cut capital expenditures for IT. The competition in the industry has intensified as power supply manufacturers do their best to compete for orders in an environment with lower demand but more competitors. Fortunately, FSP has been fully committed to the PC industry for years and benefits from the growth in demand for working from home and remote learning. We continue to develop power supplies for commercial computers, education computers, and gaming computers, and we have developed a full range of PD product lines for information electronic products with removable batteries in response to EU regulatory requirements. Meanwhile, the application of 5G, AIoT and edge computing is continuing to expand, FSP has created a comprehensive product line that meets customers' product development needs. We have become one of the few companies in the power supply industry that can provide a full range of products. The Group's brand Protek specializes in niche medical power and 3Y Power specializes in telecom applications. In 2024, we developed a comprehensive product line targeting the E-bike and E-motor industries, integrating the resources of the FSP Group with the aim of developing a new blue ocean strategy with innovative products and high-quality services in an environment of intense competition.

(III) Overview Technologies and R&D Work

The key to the design of power supply products lies in the rapid development of power supplies that are compatible with the systems. We have the advantage of an experienced R&D team and have established a safety laboratory, electromagnetic interference (EMI) measurement room, noise measurement room, and air pressure and flow measurement equipment in our R&D environment to speed up product development and verification. We have modularized and even integrated some of our circuit designs to speed up product design. We also plan to introduce the next-generation PLM system and 3D layout system to shorten our product development and design time by approximately 2 weeks. This allows us to quickly provide our customers with product samples and computer-aided 3D designs, which are beneficial for collaborative design with our customers. The Company's safety laboratory has obtained safety laboratory evaluation certification from UL, TUV, Nemko, and CSA. We can conduct product certification directly in the factory to shorten the time required for the launch of products.

Since 1998, we have closely collaborated with Intel and AMD, the industry leaders for setting standards, to develop standard power supplies for ATX specifications. In 2001, we launched power factor correction (PFC) products for the European market; in 2002, we developed environmentally friendly power supplies; in 2003, we began development on power supplies for IPC and LCD TV; in 2006, we launched 1000W high-end models for professional gamers; in 2007, we launched a variety of high-efficiency (80PLUS, 85PLUS) energy-saving products; in 2008, we added Redundant and medical power supplies; in 2009, we added DC to DC module power supplies for telecommunication and ultra-thin Adapter series; in 2010, we added energy-saving, high-efficiency, and long-lasting power supply for LED lighting; in 2011, we launched a full series of power supply for LED lighting. We have a high penetration rate of commercial lighting in Japan, which has increased FSP's brand effectiveness in the country. We have worked hard on mobile power supply for many years and we have achieved great results in 2012. In 2013, we launched digital power supplies and DALI power supplies and modules for LED lighting; in 2014, we became the first company in the industry to launch the 80 PLUS Titanium efficiency 400W ATX computer power supply, and we launched the complete CRPS Redundant power supply series; in 2015, we launched the next-generation industrial adapters that comply with DOE VI to create more efficient products with lower standby power consumption; in 2016, we successively launched the latest products that comply with the next-generation "Hazard-Based Safety Engineering (HBSE)" requirements based on the latest telecom technology application and safety standard UL/IEC 62368-1; in 2018, we completed the deployment of more than 80% of 62368-compliant power supply products and establish the newest high-end redundant CRPS product platform to transform the Company into a mid-range and high-end power supply provider. In 2019, we collaborated with Intel to launch a series of Next Unit of Computing (NUC) products for high-end applications, which have received wide acclaim in the PC market. With the development of 5G, AIoT and edge computing industries in 2020, we completed the development of 2000W Titanium CRPS products,

charger products for smart transportation, and 420W PoE system power products for telecom customers. In 2021, we created the U3 series, the industry's most compact 90-180W external power supply for notebook computers, and the 2400W Platinum CRPS. We started mass production of DC power supply for 5G switches and high-stability customized power supply for gambling. In 2022, we developed charger products suitable for mobile vehicles with lithium iron battery system, such as electric bicycles, electric motorcycles, drones and other vehicles, with a power of 2000W-3000W. In 2023, PC products launched the Titanium Efficiency Gaming Power Supply and received the Taipei Computer International Computer Exhibition Award. Additionally, the U3 series 240W laptop charger was introduced in the same year. In response to the demand for AI workstations, an ATX high-wattage 2500W power supply was developed in the same year to meet the requirements of efficient graphics card applications.

In 2024, FSP launched Titanium 1350W and 1650W high-performance power supplies for gaming PCs. For high-end gaming laptops, a compact high-power 330W power adapter was introduced. A full range of 300W to 2700W power supplies was developed for AI servers. For electric vehicles, a 240W bidirectional PD charger was released. In the medical sector, a 65W PD power supply was introduced for use with medical tablets, along with a 900W medical-grade power supply for imaging and diagnostic analysis equipment.

1. Research & development personnel and their academic records and experience

Academic background distribution	Year	2024		May 8, 2025	
		Number of people	Ratio (%)	Number of people	Ratio (%)
PhD		5	1.29%	5	1.26%
Master's		94	24.16%	96	24.24%
Bachelor's		264	67.87%	261	65.91%
High school		26	6.68%	34	8.59%
Total		389	100%	396	100%

Note: Consolidated information

2. R&D expenses invested in the past five fiscal years

Unit: NT\$ thousands

Item	2020	2021	2022	2023	2024	Q1 of 2025
R&D expenses	451,578	455,887	481,663	559,978	621,609	157,661
Ratio of R&D expenses to net revenue	3.36%	3.00%	3.47%	4.25%	5.36%	5.20%

Note: Consolidated information

3. Successfully developed technologies or products

Main R&D results in the past five fiscal years

Year	R&D results
2020	<ul style="list-style-type: none"> Completed the TFX 250W/300W models (Gold). Completed the Flex 200W/300W models (Bronze). High-wattage Twins Pro series ATX Redundant power supply to provide operators of unbranded servers or workstations with more comprehensive solutions. Completed the 230W models. Completed the 330W models. Completed the wall-mount fixed adapter (12V/30W-40W). Completed slim models below 90W. Completed the first 54V model for the wide temperature adaptation series. Completed the new model for 1U/2U/SFX that meet IEC/EN 62368 safety regulations. CRPS 2000 and 2400W 80 Plus platinum models. Completed the Felx series products with 12V & 53V output developed for the PoE market. Completed CRPS modularized back panel and housing to meet the high-mix low-volume demand for edge computing. Completed the development of 1U redundant entry-level products for small-scale edge computing demand. 18W Wall Mount Adapter products. 30W C14 Desk Top Adapter products. 120W C14 & C8 Desk Top Adapter products. 150W C14 & C8 Desk Top Adapter products. 100W @ 2"x 4" Class-I Open Frame products. 500W @ 4.21" x 7.09" Class-II Open Frame products. 80W @ 2"x4", FSP080-P24 products. 250W @ 2"x4", FSP250-H24-A12 ° PoE 200W, FSP200-2H35-A54H ° PoE 420W, FSP420-2F47-A54H ° PoE 550W, FSP550-2F67-A54H ° Continuous development of third-generation off-grid inverters to integrate UPS functions and provide more comprehensive protection in electricity use. Development of 5kW Split-Phase off-grid inverters to support low voltage and support 220Vac appliances without the use of traditional isolation transformers. Launched the new iFP series online interactive model with a power range of 400VA to 2KVA, touch LCD panel, and USB communication functions. Developed rack-mount online interactive UPS. Launched high-end on-line UPS with an output power factor (PF) = 1. 600W/1200W On Board/off Board Charger ° 1800W 30V/60A;60V/30A on Board/off Board ° Completed the development of hazardous voltage models rated for more than 300W 12-16S. Introduced IATF 16949 Production Part Approval Process (PPAP) into related departments. 700W aluminum-cast high-end water, dust, and shock-proof product study.
2021	<ul style="list-style-type: none"> Increased ATX power density. Continuous development of highly automated products to reduce the cost of labor and increase production capacity. Development of power supply to support the 12Vo platform developed by Intel: SFX 650/750W. Conducted research and assessment of new component materials and plan the introduction of suitable products. High-wattage SFX power supply with multiple output rated for 750W/850W. GaN USB PD 65W products. 90W/120/135/150W/180W U3 series compact models. 50/65W products with wide temperature adaptation.

Year	R&D results
	<ul style="list-style-type: none"> • Development of 300W 5V, 12V, and 24V power supply for industrial computer products with touch screens or motors. • CRPS 2400W and 3000W high-power density devices. • Completed CRPS modularized back panel and entry-level housing to meet the high-mix low-volume demand for edge computing: FC210E. • 80W and 150W @2" x 4" power supply for telecom applications. • 30W, 50W, and 75W power supply for industrial applications. • 250W @ 2" x 4" series. • 260W @ 3" x 5" series. • 450W @ 3" x 5" series. • 120W IP54 ° • 250W ATX ° • 500W Class II substrate medical application power supply. • 600/700W ATX ° • 600W/1100W 50.4V-58.8V On Board/Off Board Charger ° • 1800W 60V/30V On Board Charger ° • 300W CANBUS Charger ° • 700W aluminum-cast high-end water, dust, and shock-proof product development. • AMR application charger development (1100W).
2022	<ul style="list-style-type: none"> • Compact ATX 750/850/1000/1200W. • Efficient Titanium 850/1KW ATX power supply, plan for MP in 2023/Q1. • Development of power supply to support the ATX 12Vo platform developed by Intel and meet new energy efficiency requirements. • Research and develop Titanium 1.3/1.6KW products. • High-wattage SFX 1KW power supply plan for MP in 2023/Q1. • Compact PD 30-65W lipstick machine series products. • PD 3.1 140W 28V output models. • ATX 250-500W power supply of ATX 3.0. • CRPS 2400W and 3000W high-power density devices. • Completed CRPS modularized back panel and entry-level housing to meet the high-mix low-volume demand for edge computing: FC210C. • Iterative design for 65W @ 2" x 4" series. • Iterative design for 150W @ 2" x 4" series. • Iterative design for 200W @ 3" x 5" series. • 100W @ 2.44"x 6.1 series power supply for industrial applications. • 150W @ 3"x 6.3 series power supply for industrial applications. • 700W ATX PC Power ° • mass production of IP67 600W/completing appearance design of 2000W On Board/Off Board Charger. • UDS automobile communication software development is completed. • Continuous development of 3300W On Board Charger for cooling module. • 3KW mobile energy storage - 800W/2.6KWh. • Stationary energy storage system - 10KW Off-grid ESS; 30KW Hybrid ESS. • Lithium iron phosphate battery module - 48V low voltage version.
2023	<ul style="list-style-type: none"> • Efficient Titanium 850/1KW ATX power supply 2023/Q1 MP. • Research and develop Titanium 1.3/1.6KW products 2023/Q4 MP. • Research and develop Gold SFX Gen5 750/850W power supply, 2023/Q1 MP. • Flex 100~300W power supply compliant with ATX 3.0. • ATX 250~500W power supply compliant with ATX 3.0. • Compact PD 65W >1W/cc lipstick machine products. • 45W/65W wall plugs, multi-country interchangeable wall plugs, and desktop products. • PD 3.1 180W 36V output models.

Year	R&D results
	<ul style="list-style-type: none"> Networking products with 50/60/65W 12V. CRPS 2400W, 2700W and 3000W high-power density devices. CRPS 300W, supporting NEBS compatibility testing. 1U Slim 250W, 300W and 400W Industrial Control/Networking Redundant Power Supply. 200W @ 3"x 6.3" series industrial power supply. 550W PoE power supply. 950W PoE power supply. 300W Series Models Industrial Application power supply. 45W C14 Desktop Adapter (Class I) products. 60W/65W C14 Desktop Adapter (Class I) products. 60W/65W C8 Desktop Adapter (Class II) products. 260W @ 3"x 5" Open Frame products. Mobile charging station Proto Type. 1+1 E-bike Charger Proto Type. 700W Fan-less waterproof charger. 3300W Stack design. Mobile energy storage Emery 3K+-1500W/110Vac/2.0kWh. Mobile energy storage EnerX 3000-3000W/230Vac/2.5kWh. Off-grid inverters LightUp series - 2KW/3KW/5KW/6KW/8KW/11KW.
2024	<ul style="list-style-type: none"> 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. 150W P36P series. 320W PoE Power. 300W PBA Series Industrial Application Power Supply. 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.

(IV) Long-term and Short-term Business Development Plans

1. Short-term Development Plans

Marketing Strategy

- (1) Due to the impact of the COVID-19 pandemic, exhibitions in various countries have been suspended or switched to online exhibitions, and business visits have also been restricted. As different countries adopt different inspection and quarantine policies, the Internet has become the most important means of communication and marketing to the outside world. FSP has updated the official website in recent years and added micro websites dedicated to industrial

applications. We adopted a responsive web design with large images with summarized information in text. We have launched micro websites with diverse application contents for 5G power solutions, smart life applications, battery charger applications, uninterruptible power supply (UPS) applications, Internet of Things (IoT) applications, energy storage, and management applications for potential customers around the world to learn more about our products and contact us. The marketing team also actively plans digital marketing with videos and launched the FSP Global YouTube Channel to publish videos on company image and product application. It also promotes the digital contents on official social platforms such as FSP Technology Inc. LinkedIn and FSP Global Facebook pages. In 2021, we placed them on Digi-Key, a professional e-commerce platform, to establish new communication channels with customers, increase product exposure, and maintain customer relations.

- (2) FSP has been committed to the development of the PC DIY industry for years under its own brand. The retail team has invested in regional media for a long time to operate its own brand. It continues to work with famous KOLs in different countries to promote FSP brand and e-sports products. Additionally, partnerships with global Key Opinion Leaders (KOLs) have led to exposure on YouTube channels.

Results: In 2024, our proprietary brand continued to evolve. While there was a minor adjustment in performance compared to 2023, the shipment proportion of Gold and above efficiency products remained stable at 31.7%. This demonstrates our potential to maintain competitiveness in the market. Looking ahead, we are committed to further enhancing product quality and customer satisfaction.

Production Policy

- (1) Improve the production and sales process and production line setup, and add automatic production equipment to enhance production capacity and efficiency.
- (2) Expand production facilities and production lines in accordance with the growth of operation.
- (3) Disperse the production sites and inaugurate the new factory in Taiwan in July 2021.
- (4) The manufacturing plant in Vietnam officially began operations in January 2024.

Product Development Strategy

We continue to increase output power, improve efficiency, and develop more standard products for existing products such as PC power, adapters, open Frame, and industrial PSU, and redundant products based on the development trends for terminal products, and develop more applications. They include industrial UPS, industrial, home-use, medical-use, telecommunications, solar inverter, and E-Bike/E-Motor chargers. We also focus on products for IoT, edge computing applications, digital communications, industrial charging applications, battery backup systems, and energy storage subsystems. In addition to the general electric vehicle market, we also launched a

charger for electric bicycles, drones and other electric vehicles in 2023, power more than 3300W.

Financial Plans

- (1) We outline our short-term financial plans based on medium and long-term capital requirements and the principle of secure and healthy development.
 - (2) We build trust and mutual interests with banks to monitor the financial market and improve financial performance.
2. Long-term Development Plans

Marketing Strategy

- (1) We shall establish a global management and division of labor system, particularly in regards to strengthening the establishment of sales offices in developing countries as the main expansion strategies for existing products, including the search for CKD/SKD partners in South America/India. We shall also strengthen the establishment of sales networks in third-world regions such as ASEAN, Middle East, and South Africa to leverage the demand in emerging markets and establish a solid international marketing network for long-term development.
- (2) We shall increase the types and share of products shipped to emerging markets such as networking, data center, and other products in Mainland China. In the Indian market, we will strengthen our promotion of industrial applications and continue to develop and improve the quality of products in R&D units to increase our market share, sales and profits.
- (3) We shall reorganize our marketing resources in America, Europe, and China, restructure the organization, and increase our support to customers in China with AE/FAE and local R&D personnel. We shall reorganize the marketing organization for the Chinese market and strengthen management. In addition, we will continue to increase R&D resources and plan relevant core strategies for each market. It is expected to provide technology integration services for the networking industry outside the original industrial, medical, computer, cloud, and monitoring markets.
- (4) We shall continue to strengthen and intensify brand awareness. For both retail and industrial brands, we will build strong foundations for the brand and strong sales channels with more strategic partnerships, such as participation in the Intel & AMD forums and activities and connecting with mainstream media and marketing channels in each region.
- (5) Establishment of online marketing and other sales channels.

Production Policy

- (1) Enhance communication with upstream/downstream businesses and government research institutions to ensure the stable supply of key components and materials while using production, sales and purchase collaboration projects to integrate cross-departmental functions and improve both operational efficiency and customer satisfaction.

- (2) Enhance the functions and efficiency of R&D departments and establish a knowledge management platform for communication between different departments.
- (3) Recruit high-level technical and R&D personnel, and actively participate in major seminars at home and abroad. Continue to improve production quality, technical capability, yield, and cost reduction.
- (4) Continue to disperse the production sites. In response to changes in the international situation and geopolitical demands, the production base was adjusted according to the products demanded by customers. For example, in July 2021, the new manufacturing factory in Taoyuan, Taiwan Internal function was commissioned and the factory in Kaohsiung, Taiwan was continuously optimized. In January 2024, the factory in Vietnam was officially opened.

Product Development Strategy

FSP has developed advanced AC to DC power supply technologies. We will focus on the aforementioned short to medium-term product development to satisfy the need for more applications, and develop more comprehensive industrial computers and medical computers. For long-term plans, we will gradually create comprehensive DC to DC(CONVERTER), AC to AC (UPS) & DC to AC (inverter) product lines. In the future, products including high-voltage three-phase conversion power supply, DC to DC Module used in communication system, power supply related to industrial application of battery charging, and energy storage power supply required by new energy will be the direction of product development. In addition to products, the company has also started to build a power conversion product sub-system, and is working on the industrial design of products, especially for the consumer market power products. We shall also strengthen the integration technology for the parts that require firmware and communication. In addition to focusing on our core competencies in power conversion, we will also increase the versatility and applications of our future products.

Financial Plans

The Company uses its own capital and bank loans to meet its financial needs. Where necessary, the Company adopts more diverse fundraising tools for medium and long-term capitalization to meet its capital needs and strengthen its long-term development.

II Analysis of Market and Production and Marketing Situation

(I) Market Analysis

1. Sales Territory of Main Products

The consolidated product sales for each region in the past two years are shown in the table below:

Unit: NT\$ thousands; %

Region \ Year		2023		2024	
		Amount	%	Amount	%
Domestic Sales		2,405,014	18.25%	2,226,600	19.19%
Foreign Sales	Asia	5,955,808	45.19%	5,903,003	50.88%
	America	2,137,942	16.22%	1,545,197	13.32%
	Europe	2,621,092	19.89%	1,862,443	16.06%
	Others	59,725	0.45%	63,849	0.55%
	Subtotal	10,774,567	81.75%	9,374,492	80.81%
Total		13,179,581	100.00%	11,601,092	100.00%

Note: Consolidated information

2. Market Share

According to statistics from Canalys, total global PC shipments in 2024 were estimated at approximately 255 million units, reflecting a growth of about 3.8% compared to 2023. Of this total, desktop computer shipments were projected to be around 54 million units. The Company's total PC power supply shipments in 2024 were estimated at approximately 2.44 million units, representing a global market share of about 4.5%.

3. Supply and Demand in the Market and Possible Future Growth

According to IDC' statistics, desktop computers will grow at a CAGR of 3.2% from 2021 to 2025, and PC shipments by 2025 are estimated at 56 million units.

4. Competitive Niches

Establishment of Capable R&D Teams for Individual Product Categories

The power supply is a mature product, but there are compatibility issues with systems in different applications. Due to cost consideration, a lower number of components used offers significant advantages, and we must also consider product reliability and stability. Therefore, we need advanced product design and R&D capabilities to improve our competitiveness and our R&D organization has created a technology development center to focus on new technology development. We also assigned R&D personnel to focus on new product design for products in different applications such as PC power, open frame, adapters, retail and industrial PC power, redundant power, medical applications, chargers, and other products. Each team has capable and experienced engineers. We have R&D centers in Taoyuan, Taipei, and Kaohsiung in Taiwan. We also set up R&D departments in Shanghai, Wuhan, Shenzhen, and Wuxi. As of today, FSP Group has more than 300 R&D personnel, and the main R&D personnel have more than 10 years of experience. Due to the growth of our businesses

in recent years, we have recruited experienced engineers to join our R&D team, and we have built a new R&D building next to the head office. Our strong R&D capabilities remain our strongest niche.

Market segmentation

The global PC industry is divided into two major markets — branded PC and assemblies (clones). The detailed specifications and standardization of computer components have significantly lowered the threshold for self-assembly, allowing branded PCs and clones to meet customer needs in different markets. Both markets are our target markets. With the development of the gaming industry in recent years, many assembly companies in the clone market have transformed themselves into Gaming SIs to provide high-quality gaming computers to consumers. These PC clone assembly companies are mostly FSP customers and they accelerate FSP's development in the gaming market to meet market demand.

Global operation and management model

PC manufacturers have developed the global logistics business model with information systems to respond quickly to changes in market demand and reduce operating costs in an environment of cut-throat price competition. They exchange information instantly, completely, and accurately with production sites in China, distribution centers, or business locations in different countries (Germany, Russia, USA, UK, China, India, etc.). In response to inventory control implemented by downstream PC manufacturers, we also developed the BTO production mode for flexible production and fast delivery. We also set up warehouses in Europe and the United States to meet customers' requirements for delivery time, and gradually aim to win orders from international customers to increase the proportion of export sales and reduce operational risks.

Stable sources of components

The Company actively maintains good relations with upstream suppliers to strengthen control over the supply of key components.

Professional talents and laboratories for electromagnetic compatibility and safety tests


The increase in safety requirements and the rise of environmental awareness have made electromagnetic compatibility and safety certification essential tests for all electronic and information products marketed in different countries. For this reason, the Company has set up a product certification department and became the first to set up a safety test center and a simple indoor 3m EMC laboratory. Our experienced engineers are familiar with regulatory requirements and they conduct tests during product development. It effectively reduces the time and cost of product certification and helps the Company grasp market opportunities and expand businesses.

5. Favorable and unfavorable factors for future development and response measures

Favorable Factors

- (1) The use of key technologies is the key to maintaining a competitive edge in high-tech industries. The Company is fully committed to technology development and product function innovation as we seek to stabilize technology sources. Our

R&D organization fosters both technology development and product development. We also use the development of new technologies to effectively reduce the cost of production and increase product competitiveness.

- (2) The design of all power supplies of the Company meets UL, CSA, VDE, TUV, DEMKO, NEMKO, SEMKO, FINKO, CCC, and CE safety standards, as well as US FCC and European CE requirements. We passed ISO 9001 and ISO 14001 certification in 2001 and obtained ISO 13485 Medical Device Quality Systems certification in 2016. In 2021, we hired a consultant to FSP to provide guidance on ISO 16949 Quality Management System for automotive applications to become a professional power supply manufacturer in compliance with international standards.
- (3) The Company's production volume has reached economies of scale and meet increasingly stringent product regulations (e.g., environmental protection and energy efficiency) around the world. We have superior cost-sharing and we have created entry barriers in items (1) and (2) above.
- (4) We maintain close communication with the industry leaders for setting standards (Intel and AMD) to gain first-hand information on changes in specifications.
- (5) We use the JIT model and ERP information management system. Our Product Life Management (PLM) system was also launched to reduce the operating time from R&D to production and cost of errors.
- (6) To strengthen the control of marketing channels, we have set up offices in Germany, UK, France, USA, Russia, and Shanghai, Beijing, and Shenzhen, China. In recent years, we also set up offices in Japan, Korea, India, Brazil, Finland to leverage proximity marketing, provide services, and monitor channels. In addition to expanding our marketing channels, we have also implemented a customer relationship management (CRM) system to effectively manage customer relations and enhance services.
- (7) The Company uses FSP®, ®, 全漢®, and 全漢® logos as the main trademarks in manufacturing, corporate identity, sales, promotions, marketing, and advertising of power supply products or services. We have accumulated a reputation over the years that has received the recognition and trust of consumers and customers. In the future, we will work hard to become a famous trademark and a well-known trademark in Greater China.

Unfavorable Factors

- (1) Price war with competitors.
- (2) The computer information hardware industry has plateaued.
- (3) Rising transportation costs and delivery time are difficult to control.
- (4) Customers are only willing to provide short-term orders due to inventory impact in 2023.

Response

Expand overseas distribution to quickly grasp customer needs and market trends, and to serve customers in close proximity. Cooperate with upstream and downstream

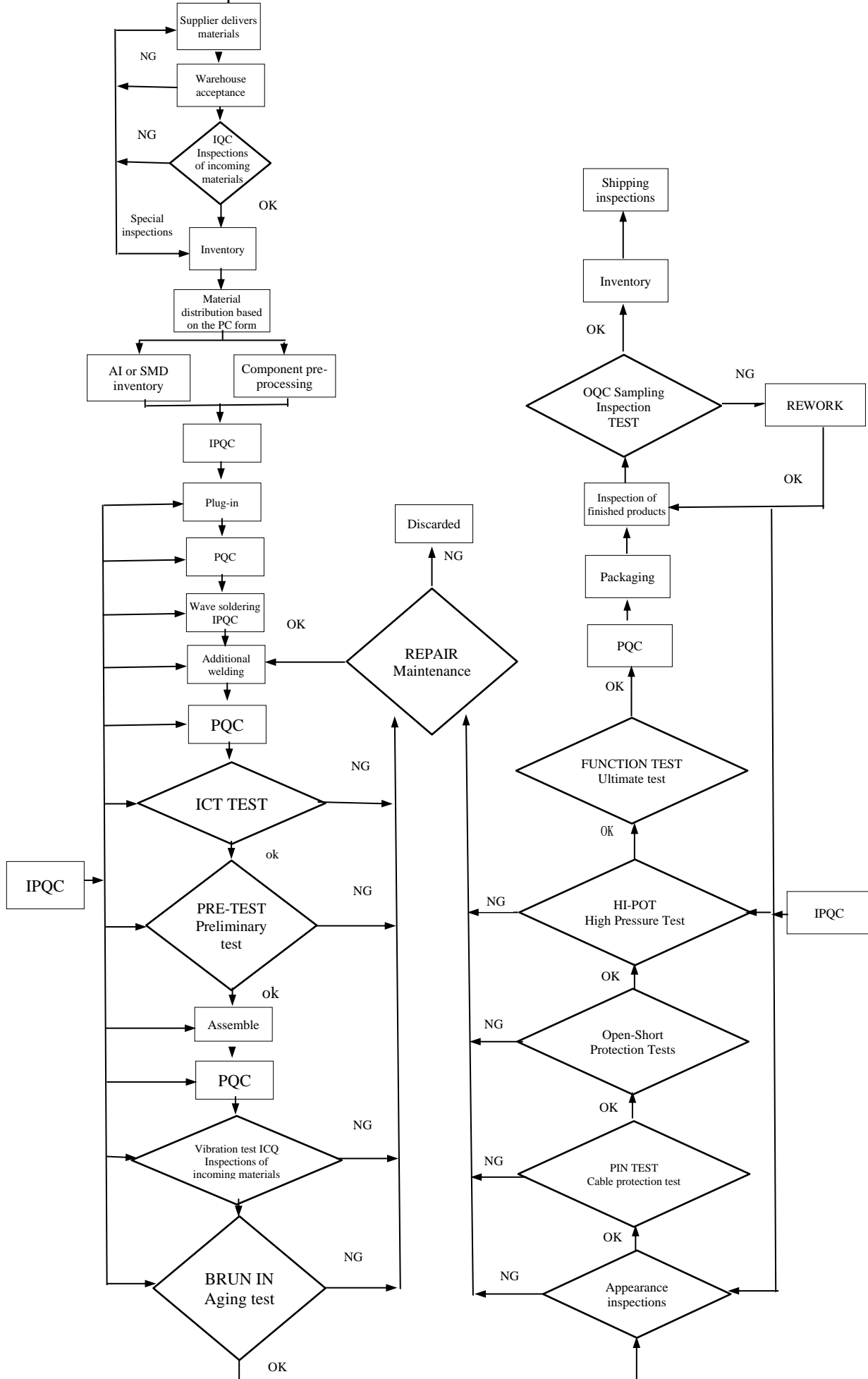
companies and work together to enhance the effectiveness of global logistics services. Reduce costs and improve R&D capabilities and market share to increase the market entry barriers for competitors.

(II) Usage and Manufacturing Processes for Main Products

1. Usage of Main Products

Main Products	Main Functions	Main Applications
PC Power Supply	It provides a stable operating voltage source for electronic products and is an indispensable component.	Desktop Computer
Open Frame		It is used for IA network communication products, industrial computers, LED lighting, etc.
Adapter		Notebook computers, IA network communication products, LCD monitors, printers, scanners, etc.
Display/ LED TV Power Supply		LCD monitors, LCD TVs, etc.
IPC/Medical Power Supply		Healthcare equipment, data storage systems, POS, gaming devices, AI/Edge servers, etc.
Charger	Efficient charging products for electric assistive devices	Electric forklifts, electric bicycles, and AGV electric storage robots

2. Production process



(III) Supply Situation for Major Raw Materials in 2024

Products	Main Material	Main Suppliers in 2024	Supply Situation
Power Supply	Transformers	Fatek Automation, Yihong	Normal
	Capacitors	Skytex International, Wu and Woo International, Tairung, Faratronic	Normal
	Semiconductors	Yosun Industrial, Lumax International, WT Microelectronics, Avnet Asia (Singapore), World Peace Industrial, Hongwei Electronics	Normal
	Cables	E Ink Holdings, Carol Wiring Harness, Jet Data System	Normal
	Cooling fins	Yongqi, Hua Jie	Normal

(IV) List of major suppliers and clients

1. Suppliers and clients accounting for 10% or more of the total purchase (sales) amount and ratio in any of the most recent 2 years: List of Major Suppliers in Most Recent 2 Years

Unit: NT\$ thousands

Item	2023				2024				Q1 of 2025 (Note 2)			
	Name	Amount	Proportion to Net Purchase for the Year [%]	Relationship with the Issuer	Name	Amount	Proportion to Net Purchase for the Year [%]	Relationship with the Issuer	Name	Amount	Proportion to Net Purchase for the Year as of the End of Q1 [%]	Relationship with the Issuer
1	None (Note 1)	-	-	-	None (Note 1)	-	-	-	None (Note 1)	-	-	-
	Others	7,944,757	100%	-	Others	6,180,973	100%	-	Others	1,630,677	100%	-
	Net purchase	7,944,757	100%	-	Net purchase	6,180,973	100%	-	Net purchase	1,630,677	100%	-

Note 1: There were no suppliers who accounted for more than 10% of the total purchases in any of the last two years or 2025 Q1

Note 2: If there is any financial data of companies whose stocks are traded on TWSE or TPEx for the most recent period audited and certified by the CPA before the date of publication of the annual report, it shall also be disclosed.

2. Suppliers and clients accounting for 10% or more of the total purchase (sales) amount and ratio in any of the most recent 2 years: List of Major Clients in Most Recent 2 Years

Unit: NT\$ thousands

Item	2023				2024				Q1 of 2025 (Note 2)			
	Name	Amount	Proportion to Net Sales for the Year [%]	Relationship with the Issuer	Name	Amount	Proportion to Net Sales for the Year [%]	Relationship with the Issuer	Name	Amount	Proportion to Net Sales for the 1st Quarter of the Year [%]	Relationship with the Issuer
1	None (Note 1)	-	-	-	None (Note 1)	-	-	-	None (Note 1)	-	-	-
	Others	13,179,581	100%	-	Others	11,601,092	100%	-	Others	3,031,675	100%	-
	Net sales	13,179,581	100%	-	Net sales	11,601,092	100%	-	Net sales	3,031,675	100%	-

Note 1: There were no customers who accounted for more than 10% of the total sales in any of the last two years or 2025 Q1

Note 2: If there is any financial data of companies whose stocks are traded on TWSE or TPEx for the most recent period audited and certified by the CPA before the date of publication of the annual report, it shall also be disclosed.

III Information on Employees for the Two Most Recent Fiscal Years and during the Current Fiscal Year Up to the Date of Publication of the Annual Report

Year		2023	2024	As of May 8, 2025
Number of Employees	Management personnel	377	370	359
	General employees	1,140	1,165	1,175
	Production line employees	3,805	3,626	3,607
	Total	5,322	5,161	5,141
Average Age		39.62	40.06	40.88
Average Service Year		7.72	7.84	8.64
Academic Background Distribution (%)	PhD	0.11%	0.12%	0.12%
	Master's	2.45%	2.90%	2.91%
	Bachelor's	17.89%	19.09%	18.69%
	High school	19.92%	20.71%	20%
	Below high school	54.43%	57.18%	58.28%

Note: Consolidated information

IV Disbursements for Environmental Protection

List the losses suffered by the Company due to pollution of the environment in the most recent two years up to the publication date of this annual report (including compensation and results of environmental protection audits that violated environmental protection laws and regulations; specify the date of the penalty, penalty number, violated articles in regulations, contents of violation, and the contents of penalties), and disclose the estimated amount arising both at present and in the future and the corresponding countermeasures. If the amount cannot be reasonably estimated, the reason for the inability to provide a reasonable estimation shall be explained: None.

V Labor Relations

(I) Labor-management agreements and implementation

1. Employee benefits

- (1) Benefits and subsidies: Childbirth subsidies, wedding and funeral subsidies, hospitalization subsidies, major emergency subsidies, birthday gift, caring for employees' lives, birthday leave, and massage services provided by the visually impaired.
- (2) Education subsidies: We organize seminars on exercise and health to encourage employees to take care of their physical and mental health. We also provide them with subsidies for on-the-job training and independent learning to encourage employees to always learn.

- (3) Culture and fitness activities: We provide fitness equipment and club activities to promote healthier lifestyles for employees.
- (4) Comprehensive insurance: We have a comprehensive labor insurance/health insurance system, paid group insurance for all employees and family members, and overseas travel insurance for employees on business trips or overseas assignments.
- (5) The Company established the Employee Welfare Committee dedicated to promoting employee benefits.
- (6) Employee shareholding trust: To retain talented employees, the Company has created an employee stock ownership trust and makes fixed monthly contributions to the Company's incentive fund as rewards for employees.
- (7) Preschool growth fund: Encourage employees to have children, and reduce the burden of supporting, set up "preschool growth fund" open to apply for employees with children under 6 years old.
- (8) Filial care leave: In response to the aging society and generational inclusivity, the Company promotes two days of paid "filial care leave" beyond legal requirements, allowing employees to take care of their children and accompany their parents.
- (9) Volunteer Leave: The Company encourages employees to actively participate in public welfare activities by offering paid volunteer leave. This initiative supports the care of disadvantaged groups and promotes social issues, such as environmental protection, thereby making a tangible contribution to society.

2. Continuing education and training for employees

Learning drives growth and we value talent development and the self-growth of our employees at FSP.

We plan diverse training programs for different roles, rank systems, and practical needs to strengthen employees' professional knowledge and skills and to satisfy the needs of employees in different countries and regions. We start from strengthening employees' skills and core competencies and improve their management and leadership skills to enhance performance. Training courses include: We provide pre-job/on-the-job training, basic general knowledge training, training for core functions, management functions and professional functions, an on-the-job training system, and group training programs for new employees. We are committed to creating a free and diverse learning environment that allows employees to create their own learning plans. We encourage them to learn actively to pursue their goals and make a commitment to personal career development. They must learn more in work and life and continuously improve and enhance their skills.

3. Retirement system and implementation status

The Company complied with the implementation of the Labor Pension Act and surveyed employees in 2005 on their intent for choosing the new system or the old system. For those who chose the old system, we contribute 2% of the total monthly salary to the pension fund and deposit it in a special account at the Bank of Taiwan in accordance with the Labor Standards Act. For those who chose the new system or those who joined the Company after July 1, 2005, the Company contributes 6% of the monthly wages of these employees to their pension accounts set up by the Bureau of Labor Insurance. All other matters shall be handled in accordance with laws and regulations.

Pension payment: The pension for employees who meet the retirement requirements for whom the Labor Standards Act applies shall be paid in accordance with Article 55 of the Labor Standards Act; those for whom the Labor Pension Act applies may collect payment from their personal labor pension account set up by the Bureau of Labor Insurance.

In 2022, the Company initiated the settlement of retirement pensions under the old Labor Standards Act. We provided a flexible utilization plan for employees with seniority under the old system, allowing them to receive retirement benefits they might potentially receive in the future before meeting the eligibility requirements for retirement. For employees who have opted for the new retirement pension system, they can also choose to transfer the settlement amount into the new retirement fund account. This ensures a more stable financial life after retirement. Additionally, there is a benefit of being exempt from income tax on retirement benefits in the year of settlement.

4. Labor-management agreements

The Company provides leave and several benefits to take good care of the employees. The employees are thus loyal to the Company. Any problem between the labor and management can be fully expressed and communicated in the quarterly labor-management meetings. We maintain a spirit of teamwork and cooperation and a harmonious relationship between employees and management.

5. Measures for preserving employees' rights and interests

Talents are always crucial to business success and sustainability. FSP has always aimed to provide good labor conditions and work environment so that employees can be all they can be, make the most use of their skills, and become important partners for the Company's stable growth while maintaining balanced development of their work and quality of life.

6. Protective measures for the work environment and the personal safety of employees

The Company has set up the Labor Safety Dept. and an Occupational Safety Committee in accordance with regulations. We have launched and obtained ISO 45001 certification and adopted the PDCA management cycle for the implementation

of different projects. We also follow the Regulation Governing Occupational Safety and Health and related regulations on work safety inspections to implement continuous improvements.

When the Company hires new employees, we provide pre-employment labor safety and health training, regularly organize safety and health training courses and organize fire drills and exercises, to enhance their safety awareness when working in the factory. In order to ensure the safety of the working environment, fire maintenance and labor environment monitoring are carried out regularly in the factory. We also arrange labor health promotion activities, such as blood donations, flu vaccination, physician consultation services, etc. We provide yearly health examinations for employee in accordance with the law.

The company attaches great importance to environmental safety and health management and continuous improvement, and regularly holds quarterly occupational safety and health meetings to discuss safety and health related matters. More than half of the labor representatives in the meeting of the Occupational Safety and Health committee help employees and managers communicate the breadth and representativeness of safety and health related issues, and with the help of the committee members, communicate with other workers to explain the safety and health publicity materials, so as to improve the concept of safety and health among colleagues.

In terms of occupational accident management, the Company has always aimed to achieve "zero accident." The mechanisms for handling occupational accidents and traffic accidents require mandatory reports, comprehensive investigations, and improvements to avoid the recurrence of the same hazards.

Occupational injury statistics

Item \ Year	2023	2024
Number of occupational injuries	13 (including traffic accidents)	12 (including traffic accidents)
Total number of employees	651	670
Disabling frequency rate	10.10	8.99
Occupational injury category	9 persons non-occupational injuries (traffic accidents) 4 persons non-occupational injuries (other)	11 persons non-occupational injuries (traffic accidents) 1 persons non-occupational injuries (other)
Work-related fatalities	0	0

Explanation: The disabling frequency in 2024 was 8.99%, a decrease compared to

10.10% in 2023. Among the 12 cases of occupational accidents in 2024, none of which resulted in significant events such as hospitalization. However, considering that traffic accidents still account for a significant proportion of non-work-related injuries, the Company will continue to promote the awareness of safe and defensive driving and conduct biannually traffic safety and defensive driving education and training courses, and online educational materials on traffic safety will be developed for employees' learning.

In 2024, there was one incident of workplace injury within the factory. The accident rate has decreased compared to 2023. An investigation was conducted immediately following the incident, and safety operations were reinforced.

Occupational safety training and occupational safety inspections in 2024

Year	Number of trainees	Training man-hours
2024	930	765

2024 occupational safety audits and inspections

Occupational safety audit	Monthly
Occupational safety inspections	Monthly
Occupational safety discrepancies	Monthly 2 missing item (improved)

- (II) List the losses suffered by the Company due to labor-management disputes in the most recent two years up to the publication date of this annual report (including results of labor inspections that violate regulations in the Labor Standards Act; specify the date of the penalty, penalty number, violated articles in regulations, contents of violation, and the contents of penalties), and disclose the estimated amount arising both at present and in the future and the corresponding countermeasures. If the amount cannot be reasonably estimated, the reason for the inability to provide a reasonable estimation shall be explained: None.

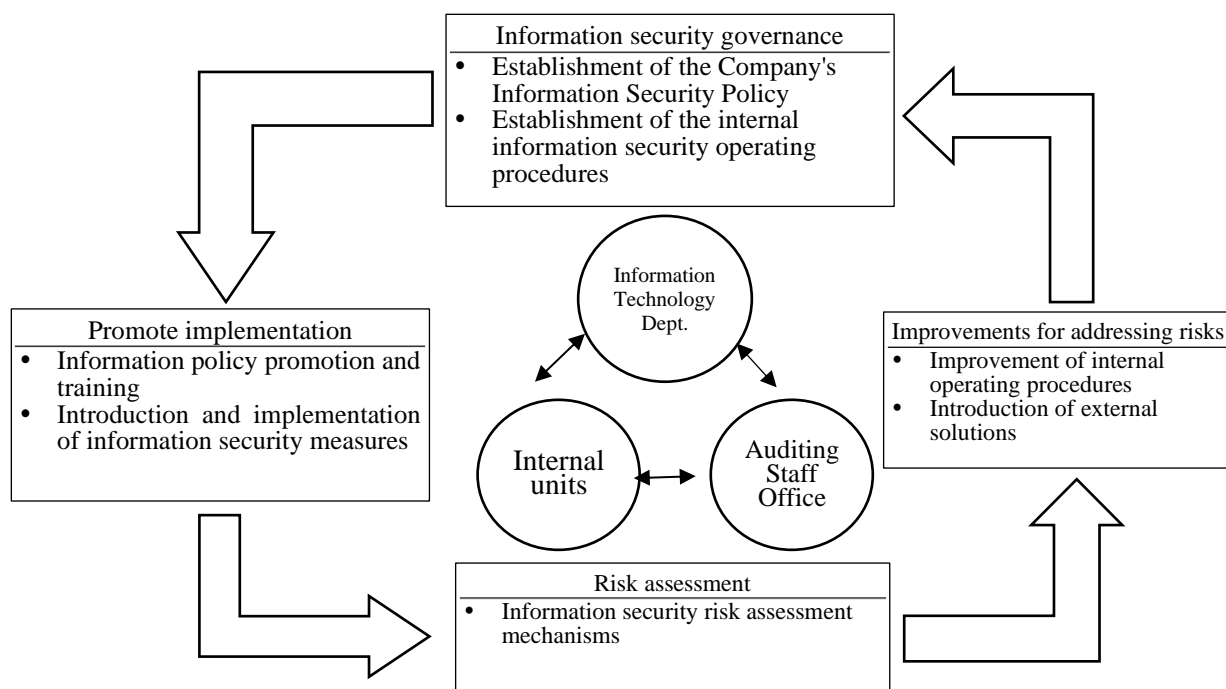
VI Information security management:

The Company has established information security policies and management programs to ensure the confidentiality, security, and availability of corporate information.

(I) Information Security Risk Management Structure

- The Company's Information Technology Dept. is responsible for information security, the planning, implementation, and promotion of information security management, and promotion of information security awareness.

- The Auditing Staff Office of the Company is the audit unit for responsible for information security monitoring. If the audit reveals any deficiencies, it immediately requests the inspected unit to propose improvement plans and submit them to the Board of Directors. It also regularly tracks the effectiveness of the improvements to reduce internal information security risks.
- Our organization operation model is based on the PDCA (Plan-Do-Check-Act) cycle management to ensure that we achieve our reliability targets and continue to improve.



Information Security Policy:

The Company has established the Information Security Policy in January 2021 as the highest guiding principles for information security management to ensure the normal operations of all information systems, confidentiality of important information systems, safe operations of information and network systems for sustainability.

Information Security Commitments:

Comply with the Information Security Policy, set up information security systems, and implementation of information security management.

Strengthen training, raise awareness of information security, and ensure sustainable development.

Information security management measures:

Information security management measures		
Category	Description	Related Operations
Access control	Control measures for personnel account privileges, system access control, and data transmission channels	1. Account management and audit 2. Internal/external system access control measures
Protection against threats	Internal and external measures to protect against potential vulnerabilities, threats, and viruses	1. Measures for server/computer vulnerability, threats, virus detection, and update 2. Internal/external information security device setup and management
System availability	System availability and backup support measures	1. System/network availability monitoring and notification mechanisms 2. Anomaly handling and regular disaster recovery exercises 3. Information backup copy measures and off-site backup copy mechanisms 4. Information backup measures and off-site backup mechanisms

Resources invested for information security management:

The Company's Information Technology Dept. organizes regular information security training for employees and send emails to enhance their information security awareness.

The Company implemented the ISO 27001:2013 Information Security Management System in 2022 and obtained certification. In March 2025, the Company received ISO 27001:2022 certification, with certificate number TW23/00000077. The certificate is valid from March 6, 2025, to January 27, 2026.

By introducing ISO27001 Capital Security Management system, strengthen the contingency handling capability of Capital security incidents to protect the asset safety of the company and customers.

Implementation status in 2024:

The Company reviewed the implementation of the Information Security Policy by each unit in 2024 and found no incidents that jeopardized the Company's information security during the year.

In 2022, the Company conducted 2 off-site backup exercises and enhanced employees' responses and awareness of information security risks (Promote the information security policy on the homepage of the Company's Intranet and publicize the information by e-mail at irregular times).

To strengthen employees' awareness of information security, the Company has held information security courses every year since 2022 and include them as mandatory courses for all employees to strengthen their information security awareness.

- (II) List the losses, suffered by the Company due to critical information security incidents, potential impact, and response measures in the most recent two years up to the publication date of this annual report. If the amount cannot be reasonably estimated, the reason for the inability to provide a reasonable estimation shall be explained: None.

VII Important Contracts: None.

Chapter 5 Review and Analysis of the Company's Financial Position and Financial Performance, and Listing of Risks

I Financial Position

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	11,025,555	10,990,048	35,507	0.32%
Financial Assets at Fair Value Through Other Comprehensive Income - Non-Current	7,906,709	7,016,906	889,803	12.68%
Investments Recognized Through the Equity Method	38,978	34,561	4,417	12.78%
Property, Plant, and Equipment	1,670,658	1,481,716	188,942	12.75%
Right-of-use assets	692,097	434,682	257,415	59.22%
Intangible Assets	232,124	223,440	8,684	3.89%
Other Non-Current Assets	450,664	241,469	209,195	86.63%
Total Assets	22,016,785	20,422,822	1,593,963	7.80%
Current Liabilities	5,470,650	5,360,572	110,078	2.05%
Non-current Liabilities	685,660	393,026	292,634	74.46%
Total Liabilities	6,156,310	5,753,598	402,712	7.00%
Capital Stock	1,872,620	1,872,620	0	0.00%
Capital Surplus	861,396	861,207	189	0.02%
Retained Earnings	5,793,539	5,427,936	365,603	6.74%
Other Equity	6,918,258	6,105,673	812,585	13.31%
Non-controlling Interests	414,662	401,788	12,874	3.20%
Total Equity	15,860,475	14,669,224	1,191,251	8.12%
1. Reasons and impact of changes greater than 20% in the past two years: Right-of-use assets: Impact of new factory lease agreements. Other non-current assets: Impact of financial assets measured at fair value through profit or loss – non-current, deferred tax assets, and the increase in equipment prepayment Non-current liabilities: Increase in deferred tax liabilities and lease liabilities – non-current. 2. Measures to be taken in response: N/A.				

Note: Consolidated information

II Financial Performance

Unit: NT\$ thousands

Item \ Year	2024	2023	Change, by Amount	Change (%)
Net Operating Revenue	11,601,092	13,179,581	(1,578,489)	(11.98%)
Operating Costs	9,577,853	10,773,503	(1,195,650)	(11.10%)
Add: realized (unrealized) sales gains (losses)	598	(2,051)	2,649	(129.16%)
Gross Profit	2,023,837	2,404,027	(380,190)	(15.81%)
Operating Expenses	1,974,634	1,935,214	39,420	2.04%
Net Operating Margin (Loss)	49,203	468,813	(419,610)	(89.50%)
Non-operating Income and Expenses	473,495	313,696	159,799	50.94%
Income before Tax	522,698	782,509	(259,811)	(33.20%)
Income Tax Expenses (Benefits)	84,679	142,825	(58,146)	(40.71%)
Net Income	438,019	639,684	(201,665)	(31.53%)
Other Comprehensive Income	1,377,633	1,049,661	327,972	31.25%
Total Comprehensive Income	1,815,652	1,689,345	126,307	7.48%

1. Reasons and impact of changes greater than 20% in the past two years:

- (1) Realized (Unrealized) Profit on Sales: The change was caused by an increase in the inventories of subsidiaries sold by the parent company, but still held by the subsidiary as of the end of the year compared to the previous year.
- (2) Net Operating Margin (Loss): Due to a decrease in revenue and an increase in operating expenses.
- (3) Non-operating income and expenses: mainly due to the significant increase in foreign currency exchange benefits compared to the same period last year.
- (4) Income Before Tax: Due to a decrease in revenue and an increase in operating expenses, as well as net non-operating income and expenses
- (5) Income Tax (Benefit) Expense: This decrease is due to a reduction in the pre-tax net profit of continuing operations compared to the same period last year.
- (6) Net Income: This decrease is due to a reduction in the pre-tax net profit of continuing operations and income tax expense compared to the same period last year.
- (7) Other Comprehensive Income: Mainly due to an increase in unrealized valuation gains on equity instruments measured at fair value through other comprehensive income, and exchange differences arising from the translation of financial statements of foreign operations, compared to the same period last year.

2. Sales volume forecast and the basis therefor, and the effect on the financial operations and measures to be taken in response

- (1) Forecast sales volume in the following year and its basis:
The Company's forecast sales volume is based on changes in the macroeconomic conditions, business dynamics, and future development of the Company as well as the business targets based on the Company's recent operations. The annual sales target for power-related products for 2025 is set as 18 million units, which will help increase the Company's future revenue and profits.
- (2) Effect on the financial operations and measures to be taken in response: None.

Note: Consolidated information

III Cash Flow

(I) Cash Flow Analysis for the Most Recent Year

Item \ Year	2024	2023	Percentage of Increase (Decrease) (%)
Cash flow ratio (%)	6.51	21.32	(69.47%)
Cash flow adequacy ratio (%)	67.40	70.55	(4.46%)
Cash reinvestment ratio (%)	4.80	4.32	11.11%
Analysis and explanation for items with increase and decrease ratio: The cash flow ratio in 2024 decreased compared to 2023, primarily due to a 63% decline in net cash inflow from operating activities, resulting in a lower cash flow ratio than in 2023.			

(II) Improvement plan for insufficient liquidity: N/A.

(III) Liquidity Analysis for the Coming Year

Unit: NT\$ thousands

Cash at Beginning of Year	from Operating Activities	Full Year	Cash Surplus	Remedial Measures for Cash Inadequacy	
	Net cash flows generated from activities	Cash Flows Used	(Inadequacy)	Investment Plan	Financial Plan
3,879,851	685,737	385,468	4,180,119	0	0
<p>(1) Operating activities: The Company expects to achieve growth in revenue and maintains a high level of control over accounts receivable and inventories. The Company expects to generate cash inflows of NT\$685,737 thousand from operating activities in 2025.</p> <p>(2) Investing activities: They mainly include the cash dividends received, disposal of financial assets available for sale, set up a factory in Vietnam, and capital expenditures such as expansion of equipment in response to business requirements.</p> <p>(3) Financing activities: mainly pays cash dividends and amortizes long-term loans.</p>					

IV Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year: None.

V Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for Coming Year: None.

VI Risk Analysis and Assessment for the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report

(I) Effect on the Profit (Loss) of Interest and Exchange Rate Fluctuations and Changes in the Inflation Rate, and Response Measures to Be Taken in the Future:

1. Interest rate

In the face of interest rate cuts by global central banks, the Company continues to observe changes in the financial market and interest rate market at any time, and adjusts corresponding measures in time to control and reduce the impact of interest rate fluctuation risks on the Company.

2. Exchange rate

In the face of rapid changes in the international financial market and foreign exchange market, the Company mainly adopts natural hedging methods to reduce its exposure to foreign currency positions and reduce the impact of exchange gains and losses on the Company.

3. Inflation

In the face of global inflation, the company still pays attention to market price fluctuations, maintains a good interactive relationship with upstream and downstream partners, pays close attention to the price changes of raw materials, and timely adjusts inventory and commits to various cost control.

(II) Policy regarding High-risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements/Guarantees, and Derivatives Transactions, Main Reasons for the Profit (Loss) Generated Thereby, and Response Measures to Be Taken in the Future:

The Company has always focused on its own business and has avoided engaging in high-risk and high-leverage investments unrelated to its business. In addition, the Company's loans to other parties, endorsements/guarantees, and derivatives transactions are processed in accordance with procedures specified by the competent authority. To mitigate exchange rate risks, the Company engages in forward exchange transactions and derivative transactions with financial institutions in accordance with the operating procedures in the Company's "Procedures for Acquisition or Disposal of Assets".

(III) R&D Work to Be Carried Out in the Future and Further Expenditures Expected for R&D Work:

1. R&D Work to Be Carried Out in the Future:

FSP has actively set up departments and expanded R&D personnel for each product category in recent years. We continue to develop new products and increase our R&D program by making necessary investments and increasing R&D and testing equipment to strictly control and track the progress. Building on a strong foundation of R&D capabilities, the Company has developed a range of products for the consumer market, including compact power supplies compliant with USB PD 3.1, digital power supplies, compact gaming laptop adapters, power supplies for artificial intelligence applications in the Internet of Things, power supplies for 5G edge computing applications, power supplies for AI and visual computing applications, power supplies for cloud computing servers, power supplies for medical applications, industrial chargers, power supplies with uninterrupted backup mechanisms for the ICT sector, and key components such as PCS systems for behind-the-meter energy storage.

Products to be developed:

PC products:

- Continue the development of the Platinum SFX Gen5 850/1KW product.
- Copper TFX 300/400/500W products compliant with 12Vo.

- Gold TFX 400W / 500W products compliant with ATX 12V V3.1.

IPC products:

- Continue to develop ATX 3.1 and maintains 8 cm fan with 850W Titanium power supply.
- Continue the development of a 2000W Platinum power supply compliant with ATX 3.1, with an 8 cm fan.
- Complies with ATX 3.1 and maintains 8 cm fan with 550/650/750W Gold power supply.
- Complies with ATX 3.1 and maintains 8 cm fan with 750/850W Platinum power supply.
- Flex 650W power supply compliant with ATX 3.1.
- 1U 650W power supply compliant with ATX 3.1.

Products of Adapter:

- Continue the development of new USB R3.1 products that can be directly upgraded to R3.2 240W PD, with mass production expected in the first quarter of 2025.
- Continue the development of a 65W PD product with HDMI function.
- 65W/90W/120W 19V cost-optimized adapters, available for Mini-PC use.
- 12V 75W/84W adapters for next-generation networking and POS applications, compliant with LPS specifications.
- In response to the Edge AI transformation of networking products, we are developing 280W, 54V adapters.

Server and Workstation Products:

- CRPS 3600W/12V high power density, Titanium-grade efficiency devices.
- CRPS 4000W/12V high power density, Titanium-grade efficiency devices.
- CRPS 3200W/54V high power density, Titanium-grade efficiency devices.
- CRPS 3600W/54V high power density, Titanium-grade efficiency devices.
- CRPS PDB (1+0/1+1/4+1) series available for white-label customers for integrating CRPS modules.

Open Frame Products:

- 180W @ 2" x4" °
- 200W Fan Less Power °

Industrial products:

- 700W PBB Series Industrial Application Power Supply.
- 500W PBB Series Industrial Application Power Supply.
- 200W PNA Series Industrial Application Power Supply.
- 150W PNA Series Industrial Application Power Supply.
- 100W PNA Series Industrial Application Power Supply.

Medical Products:

- 400W 3" x 5" Open Frame series.
- 150W Adapter (Class-I) series.
- 300W Adapter (Class-I) series.
- 1200W PC ATX Power Supply for Medical Applications.

Charger products:

- Mobile charging station M/P.

- 600W Low-cost charger M/P.
- 1200W/2000W 60V/72V/84V ◦
- 3.3KW 60V/72V/96V ◦
- 6.6KW OBC ◦

Energy storage system:

- Commercial Office Energy Conversion System - 100KW (up to six units in parallel) / 3P 380Vac / on-grid and off-grid connection function.
- PSU/BBU EnerXBar 042-12 for Modem & Router ◦
- PSU/BBU EnerXBar 090-12 for Mini PC ◦
- PSU/BBU EnerXBar 084-12 for POS ◦
- PSU/BBU EnerXBar 180-19 for AIO PC ◦
- PSU/BBU EnerXBar 150-24 for POS ◦
- PSU/BBU EnerXCube 550-M for Workstation ◦

2. Further Expenditures Expected for R&D Work

The Company's future R&D investments are based on the progress of new product and new technology development. We will gradually increase our annual R&D expenses to support our future R&D plans based on the growth of our revenue. The actual R&D expenses for 2024 totaled NT\$621,609 thousand and the R&D expenses for 2025 are expected to reach NT\$765,768 thousand.

(IV) Effect on the Financial Operations of Important Policies Adopted and Changes in the Legal Environment at Home and Abroad, and Measures to Be Taken in Response:

The Company complies with domestic and foreign laws and regulations in its operations and management. The changes in the legal environment at home and abroad do not have significant impact on the Company's financial operations. The Company will continue to monitor important trends in domestic and international policies and changes in regulations related to its operations, and take appropriate countermeasures.

(V) Effect on the Financial Operations of Developments in Science and Technology and Industrial Change (Including Cybersecurity Risks), and Measures to Be Taken in Response:

The company always pays attention to the changes of the global market and technology, and complies with the trend of global environmental protection, adheres to the mission of sustainable management, continues to move forward in the direction of green energy products development, and deepens the cooperation with customers, suppliers and other partners, so that the products developed and produced by the company create value for environmental customers and the company's business finance

The Company has established comprehensive information security measures for networks and computers, and ensures the appropriateness and effectiveness of its information security protocols and procedures through continuous reviews and evaluations.

The Company implements relevant improvement measures and continues to update these measures. For example, we strengthen the network firewall and network control to prevent the

spread of computer viruses across the plants, and set up anti-virus measures for terminal devices based on the computer type. We implement advanced solutions to detect and handle malware, introduce new technologies to enhance data protection, and strengthen phishing email detection, etc. We also conduct regular employee education and training to increase employees' information security awareness.

The Company implemented the ISO 27001:2013 Information Security Management System in 2022 and obtained certification. In March 2025, the Company received ISO 27001:2022 certification, with certificate number TW23/00000077. The certificate is valid from March 6, 2025, to January 27, 2026. By introducing ISO27001 Capital Security Management system, strengthen the contingency handling capability of Capital security incidents to protect the asset safety of the company and customers.

(VI) Effect on the Crisis Management of Changes in the Corporate Image, and Measures to Be Taken in Response:

Since its establishment, the Company has been focusing on the industry to comply with the laws and regulations and make contributions to the environment, constantly implement and mitigate risk, continue to show a good corporate image, until the date of publication of the annual report did not happen any affect the corporate image of the company, continue to maintain a good corporate image and actively expand business.

(VII) Expected Benefits and Possible Risks Associated with Any Mergers and Acquisitions, and Measures to Be Taken in Response: None.

(VIII) Expected Benefits and Possible Risks Associated with Any Plant Expansion, and Measures to Be Taken in Response:

In order to expand manufacturing energy, disperse regional manufacturing risks and optimize global production, distribution, and logistics, the Company has commenced operations at its Vietnam factory in January 2024, in addition to its existing three factories in Shenzhen, Wuxi, Jiangxi and Taiwan.

Adequate use of relevant funds, no insufficient funds and other operational risks.

(IX) Risks Associated with Any Consolidation of Sales or Purchasing Operations, and Measures to Be Taken in Response:

The company maintains good cooperative relations with existing customers and manufacturers, actively develops new product lines and new customers, and invests resources in the research and development stage to develop more efficient application design and suitable raw material suppliers, in addition to improving product value and dispersing the risk of excessive concentration of imports and sales.

- (X) Effect on and Risk to the Company in the Event a Major Quantity of Shares Belonging to a Director or Shareholder Holding Greater than a 10% Stake in the Company Has Been Transferred or Has Otherwise Changed Hands, and Measures to Be Taken in Response: None.
- (XI) Effect on and Risk to the Company Associated with Any Change in Governance Personnel or Top Management, and Measures to Be Taken in Response: None.
- (XII) The Company and the Company's Directors, President, Actual Responsible Person, Shareholders Holding More than 10% of the Company Shares, and a Subsidiary Company Who Is Involved in a Major Lawsuit that Has Either Been Decided or Is Still Pending Whereby the Results of the Case May Have a Significant Impact to Shareholder Interests or Securities Prices, Must Be Specified. The Status of the Disputed Facts, Bid Amount, Litigation Commencement Date, and the Primary Parties Involved in Such Litigations up to the Publication Date of this Annual Report Shall Be Disclosed:
1. Confirmed Judgment, Ongoing Litigious, Non-litigious or Administrative Disputes of the Company That May Materially Affect the Shareholders' Equity or Prices of Securities Shall Be Disclosed. Disclosure Shall Include Disputed Facts, Monetary Amount Involved, Proceeding Starting Date, the Main Parties Involved, and Present Status:
 - (1) The Company purchased products of Beyond Innovation Technology Co., Ltd. (hereinafter referred to as Beyond Innovation) through a distributor in Taiwan. O2 Micro International Limited (hereinafter referred to as O2), a competitor of Beyond Innovation, states that such products infringe upon its patent rights in the United States, and therefore filed a civil lawsuit against three companies including the merged company in the Marshall Division, United States District Court for the Eastern District of Texas (hereinafter referred to as the United States District Court).

O2 withdrew all claims for monetary compensation against all defendants in the preceding civil lawsuit on April 24, 2006. The United States District Court subsequently rendered a first-instance judgment and injunction prohibiting the sale of the products to the United States on March 21, 2007. It also ruled that the attorneys' fees and litigation costs incurred in this lawsuit, totaling US\$2,268,402.22, should be borne jointly by the merged company, Beyond Innovation, and Lien Chang Electronic Enterprise Co., Ltd. After the defendants filed an appeal to the United States Court of Appeals for the Federal Circuit, the Federal Circuit issued a decision on April 3, 2008. It found the lower court's ruling, in which the defendants were found to be in violation of patent rights, did not meet the requirements for legal proceedings and therefore reversed and remanded to the original court for retrial. As for the ruling regarding the litigation expenses, although it was not reviewed by the court of appeals, the reversal of the first-instance judgment means that the ruling has lost its basis and is therefore nullified.

After the case was remanded to the United States District Court, the Court only reviewed the lawsuit between O2 and Beyond Innovation, and rendered a judgment on September 27, 2010, which found that although Beyond Innovation had infringed upon O2's patent rights, the infringement was not based on malicious intent. Beyond Innovation later filed

an appeal and the United States Court of Appeals for the Federal Circuit (CAFC) rejected Beyond Innovation's appeal and affirmed the decision of the lower court. The litigation between the Company and O2 was separated from the aforementioned litigation between O2 and Beyond Innovation on July 21, 2009. However, the merged company has not yet received a notice of hearing from the US Court.

The Company was implicated by the use of Beyond Innovation's products, and after learning that Beyond Innovation's products involved in such disputes, we have switched to alternative materials that do not involve infringement disputes. According to the intellectual property right guarantee signed by the merged company and Beyond Innovation, Beyond Innovation shall bear all liabilities, losses, damages, costs, or other expenses incurred by the merged company as a result of the use of its products. As a result, Beyond Innovation shall bear the adjudication costs borne by the merged company. Therefore, the attorneys' fees and litigation costs incurred in the above patent litigation do not have a significant impact on the merged company's financial statements. The merged company recognized the aforementioned expenses in as expenses for the year in which they occurred based on fiscal conservatism.

- (2) On July 10, 2021, a printer sold by Zebra Technology Inc. ("Zebra"), a customer of the Company, to an end customer caught fire, resulting in property damage to the end customer. Certain parts of Zebra's printer were sold by the Group to FSP North America Inc., a substantial related party, and sold by FSP North America Inc. to Zebra. Therefore, Great American Insurance Company, the end customer's insurance company, filed a subrogation lawsuit against the Group, FSP North America Inc. and Zebra in the United States District Court for the Southern District of Texas, Galveston Division on February 16, 2023, seeking US\$4,933 thousand in damages. The subrogation lawsuit was settled on November 20, 2024, through Fubon Insurance Co., Ltd., for a settlement amount of US\$1.5 million.
2. The Company and the Company's Directors, President, Actual Responsible Person, Shareholders Holding More than 10% of the Company Shares, and a Subsidiary Company Who Is Involved in a Lawsuit that Has Either Been Decided or Is Still Pending as of the Publication Date of the Annual Report Whereby the Results of the Case May Have a Significant Impact to Shareholder Interests or Securities Prices, Must Be Specified: None.

(XIII) Other Significant Risks and Countermeasures:

Risk Type	Risk descriptions	Risk response measures
Sustainable environment	Regulatory requirements for reducing greenhouse gas emissions	<ol style="list-style-type: none"> 1. The implementation of the ISO 14064-1 greenhouse gas inventory is currently underway, and the comprehensive group-wide greenhouse gas inventory will be finalized by 2026. 2. Promoting energy saving and carbon reduction projects, short-term evaluation of energy storage systems and renewable energy, implementation of clean energy and enhancement of renewable energy usage rate.
	Energy-saving target has not been achieved	Promoting energy saving and carbon reduction projects, short-term evaluation of introducing solar power generation, implementing clean energy and increasing the energy usage rate.
	Climate change	<ol style="list-style-type: none"> 1. The issue of water shortage of water restrictions and rotational water supply is a potential response issue in our water stewardship. Therefore, besides monitoring reservoir water levels, we are implementing measures to monitor water usage trends to better understand consumption patterns. Additionally, we have implemented daily water conservation measures. 2. When a typhoon warning is issued, a typhoon prevention headquarters is set up to grasp the direction of the typhoon and the current situation in the plant, and to issue a typhoon forecast for the plant, so that the personnel can effectively understand the typhoon situation and take typhoon precautions to minimize the impacts of the typhoon, and in the event of flooding, the typhoon prevention headquarters will coordinate manpower to carry out the situation and eliminate the situation, and to carry out the subsequent restoration after the water has receded.
	Operational status of suppliers	<ol style="list-style-type: none"> 1. FSP has established a supplier management system and requires suppliers to sign up to the Responsible Business Alliance (RBA) Code of Conduct, and plans to conduct environmental and social due diligence/audits on suppliers in conjunction with ISO 20400 starting in 2024. 2. In the future, we plan to monitor the management and implementation of suppliers with regards to sustainable development. We continue to encourage our suppliers to emphasize business ethics, protect the human rights of workers, emphasize workplace safety and health, and develop materials and processes that reduce environmental impact.
	Breach of environmental regulations	The Company ensures compliance with regulatory requirements in waste management, chemical management, and other related areas by implementing a robust environmental management system.
Social prosperity	Occurrence of occupational disaster	<ol style="list-style-type: none"> 1. Provide occupational safety and health training to both new and existing employees 2. Establishment of on-site operating regulations, "Prevention of Human Factors Hazards," "Prevention of Diseases Triggered by Abnormal Workloads," and "Occupational Health and Safety Work

Risk Type	Risk descriptions	Risk response measures
		Guidelines," supplemented with machine-related training, engineering improvements, or provision of personal protective equipment to ensure effective hazard control.
	Novel infectious disease	<ol style="list-style-type: none"> 1. Establishment of a project team. 2. Continuously monitor epidemic information and make timely adjustments in compliance with government regulations. 3. Implement the job delegation mechanism. 4. Implementing a mechanism for preventive measures against new infectious diseases.
	Labor Shortage	As a result of industry and environmental factors, we are currently experiencing a shortage of labor. To tackle this issue, we are taking steps to enhance internal training programs to improve skills and are also exploring various external talent acquisition channels. Furthermore, we collaborate with academia to develop technical expertise and nurture talent in order to effectively manage the labor shortage.
Corporate Governance	Ethical integrity risk	We implement relevant business operations in accordance with the "Ethical Corporate Management Best-Practice Principles" and "Codes of Ethical Conduct."
	Intellectual property risk	<ol style="list-style-type: none"> 1. In line with the Company's operational strategy, establishing a policy and objectives for intellectual property management. 2. Implementation of the Taiwan Intellectual Property Management Standards (TIPS), integration of individual processes and forming a systematic and comprehensive management. 3. Regular reports to the Board of Directors on the intellectual property plan and the implementation results. 4. Publicly disclose the intellectual property plan and the results of its execution.
	Occurrence of information security incidents	<ol style="list-style-type: none"> 1. Establishment of a Information Security Management Committee, with the President serving as the convener and the top information executive as the executive secretary to assist in executing directives. Meetings are held semi-annually to review the current status of the Company's security protection. 2. Planning for a dedicated information security organization and a dedicated information security officer. 3. Implementation of the Mail Social Engineering Exercise Program annually. 4. A vulnerability scan of the host is conducted annually. 5. Organize annual information security courses and regularly conduct monthly information security information campaigns to enhance employee awareness of information security. 6. Create an IT Abnormal Incident Analysis Report to transfer the report to the Information Security

Risk Type	Risk descriptions	Risk response measures
		<p>Management Committee and the critical information system, ensuring the reporting of information security incidents.</p> <p>7. Establishment of a dedicated information security section within the employee website for internal sharing of information security information.</p> <p>8. Continuously mandate regular updates to individual company account passwords and enforce complex password rules.</p> <p>9. Continuously enable the automatic screen lock feature on personal computers.</p> <p>10. The Company's employees utilize the MFA (multi-factor authentication) mechanism for their computer accounts.</p> <p>11. Comprehensive commercial fire insurance for plant and equipment.</p> <p>12. Implement the ISO 27001 Information security management systems operations.</p>
	Risk management in raw material supply and demand	<p>1. In order to deal with the uncertainty in supplier sourcing, in addition to developing and shifting sourcing countries, hedging procurement is employed to mitigate the risk of supply disruption.</p> <p>2. Utilize logistics consolidation mechanisms and request suppliers to increase the rate of container consolidation shipments to mitigate the control risk of fragmented shipments.</p>
	Geopolitical risks	Commence the evaluation project for third-party manufacturing.

VII Other Important Matters: None.

Chapter 6 Special Disclosure

I Information on the Company Affiliates

(I) Consolidated Business Report of Affiliates

Please visit the Taiwan Stock Exchange's "Market Observation Post System" - "Electronic Books" - "Three Forms for Affiliates" for inquiries.

(II) Consolidated Financial Statements of Affiliates

Statement

In 2024 (from January 1 to December 31, 2024), pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the Company's entities that shall be included in preparing the Consolidated Financial Statements of Affiliates and the Parent-Subsidiary Consolidated Financial Statements for International Financial Reporting Standards (IFRS) 10 recognized by the Financial Supervisory Commission are the same. Moreover, the disclosure information required for the Consolidated Financial Statements of Affiliates has been fully disclosed in the aforementioned Parent-Subsidiary Consolidated Financial Statements; hence, the Consolidated Financial Statements of Affiliates will not be prepared.

Hereby Declare

Company Name: FSP Technology Inc.

Chairman: Cheng, Ya-Jen

Date: March 7, 2025

(III) Reports on Affiliations: N/A.

II Private Placement of Securities During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None

III Other Supplementary Information: None

IV Situations Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which Might Materially Affect Shareholders' Equity or the Price of the Securities, Occurring during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.

FSP Technology Inc.

Chairman: Cheng, Ya-Jen