Stock Code: 3015

FSP Technology Inc.

Parent Company Only Financial Statements and Independent Auditors' Report

Fiscal years of 2024 and 2023

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Independent Auditors' Report

To the Board of Directors of FSP Technology Inc.:

Opinions

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

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

Basis for Opinions

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

Key Audit Matters

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

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

Description of key audit matter:

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

Audit procedure to address the matter:

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

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

Other Matters

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KPMG Taiwan

Taipei, Taiwan (Republic of China)

March 7, 2025

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

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

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

FSP Technology Inc.
Parent Company Only Balance Sheets
December 31, 2024 and 2023

Unit: NT$ thousands

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

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

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

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

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

Unit: NT$ thousands

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

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

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

FSP Technology Inc.

Parent Company Only Statements of Changes in Equity

January 1 to December 31, 2024 and 2023

Unit: NT$ thousands

	Capital Stock - Common Shares	Capital Surplus	Retained Earnings			Other Equity Items			Total Equity
			Legal Reserve	Unappropriated Earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	Total	
Balance as of January 1, 2023	$ 1,872,620	1,011,016	1,175,322	3,719,335	4,894,657	(77,349)	5,628,307	5,550,958	13,329,251
Appropriation and distribution of earnings:									
Legal reserve	-	-	126,385	(126,385)	-	-	-	-	-
Cash dividends of common stock	-	-	-	(561,786)	(561,786)	-	-	-	(561,786)
Changes in other capital surplus:									
Cash dividends appropriated from capital surplus	-	(149,809)	-	-	-	-	-	-	(149,809)
Current net income	-	-	-	599,238	599,238	-	-	-	599,238
Other current comprehensive income	-	-	-	(701)	(701)	(48,986)	1,100,229	1,051,243	1,050,542
Total current comprehensive income	-	-	-	598,537	598,537	(48,986)	1,100,229	1,051,243	1,649,780
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	496,528	496,528	-	(496,528)	(496,528)	-
Balance as of December 31, 2023	1,872,620	861,207	1,301,707	4,126,229	5,427,936	(126,335)	6,232,008	6,105,673	14,267,436
Appropriation and distribution of earnings:									
Legal reserve	-	-	109,506	(109,506)	-	-	-	-	-
Cash dividends of common stock	-	-	-	(599,238)	(599,238)	-	-	-	(599,238)
Current net income	-	-	-	404,559	404,559	-	-	-	404,559
Other current comprehensive income	-	-	-	9,041	9,041	79,088	1,284,738	1,363,826	1,372,867
Total current comprehensive income	-	-	-	413,600	413,600	79,088	1,284,738	1,363,826	1,777,426
Proceeds received from the disposal of employee stock ownership trust shares	-	189	-	-	-	-	-	-	189
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	551,241	551,241	-	(551,241)	(551,241)	-
Balance as of December 31, 2024	**$ 1,872,620**	**861,396**	**1,411,213**	**4,382,326**	**5,793,539**	**(47,247)**	**6,965,505**	**6,918,258**	**15,445,813**

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

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

FSP Technology Inc.

Parent Company Only Statements of Cash Flows

January 1 to December 31, 2024 and 2023

Unit: NT$ thousands

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

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

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

FSP Technology Inc.
Notes to Parent Company Only Financial Statements
Fiscal years of 2024 and 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

I. Company History

FSP Technology Inc. (the "Company") was incorporated on April 15, 1993, and registered under the Ministry of Economic Affairs, R.O.C. The Company is listed on the Taiwan Stock Exchange since October 16, 2002. The Company is primarily engaged in the manufacturing, processing and trading of power supplies and various electronic components.

II. Date of Authorization for Issuance of the Parent Company Only Financial Statements and Procedures for Authorization

The Parent Company Only Financial Statements were authorized for issue by the Board of Directors on March 7, 2025.

III. Application of New and Amended Standards and Interpretations

(I) Impact of adopting newly issued and amended standards and interpretations approved by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The Company has adopted the International Financial Reporting Standards (IFRS) accounting standards, which have been approved by the Financial Supervisory Commission (referred to as the FSC), along with their revised guidelines and interpretations. These revisions have been in effect since January 1, 2024, and have not had a significant impact on the Parent Company Only Financial Statements.

- Amendment to IAS 1 "Classification of liabilities as current or non-current"
- Amendment to IAS 1 "Non-current Liabilities with Contractual Provisions"
- Amendment to IAS 7 and IFRS 7 "Supplier Financing Arrangements"
- Amendment to IFRS 16 "Lease Liabilities in Sales and Leaseback"

(II) Impact of IFRS endorsed by the FSC but not yet adopted by the Company

The Company assesses that the adoption of the following new amendments effective from January 1, 2025 will not have a significant impact on the Parent Company Only Financial Statements.

- IAS 21 "Lack of Exchangeability"

(III) IFRSs issued by the International Accounting Standards Board ("IASB") but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the IASB, but not yet endorsed by the FSC:

New or Amended Standards	Content of Amendment	Effective Date per International Accounting Standards Board
IFRS 18 "Presentation and Disclosure of Financial Statements"	The new guidelines introduce three categories of income and expenses, two subtotals on the income statement, and a single footnote regarding management performance measurement. These three amendments and enhancements to the guidance on segmenting information in financial statements lay the foundation for providing users with improved and consistent information, and will have an impact on all companies.	January 1, 2027
IFRS 18 "Presentation and Disclosure of Financial Statements"	• A more structured income statement: The company currently uses various formats to express its financial performance, which makes it challenging for investors to compare the financial performance of different companies. The new guidelines have implemented a more structured income statement. They have introduced a new subtotal called 'operating profit' and require that all revenues and expenses be classified into three new categories based on the company's main business activities. • Management Performance Measurement (MPM): The new criteria introduce the concept of management performance measurement. Companies are now required to provide an explanation, in a single footnote in the financial statements, regarding the usefulness of each measurement indicator, its calculation method, and how it is adjusted for amounts recognized in accordance with international financial reporting standards accounting principles. • More detailed information: The new guidelines provide instructions on how companies can improve the organization of information in financial statements. This guidance includes determining whether the information should be included in the primary financial statements or further disaggregated in the notes.	January 1, 2027

The Company is evaluating the impact of the initial adoption of the above-mentioned standards or interpretations on its financial position and operating performance. The results will be disclosed when the Company completes the evaluation.

The Company expects that the following new and amended standards, which have not been endorsed by the FSC, will not have a significant impact on the Parent Company Only Financial Statements.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Ventures"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- IFRS19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7 on "Contracts Relying on Renewable Electricity"

IV. Summary of Significant Accounting Policies

The significant accounting policies adopted in the Parent Company Only Financial Statements are summarized as follows. The following accounting policies have been applied consistently to all periods presented in the Parent Company Only Financial Statements.

(I) Compliance declaration

The Company's accompanying Parent Company Only Financial Statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(II) Preparation basis

1. Measurement basis

The Parent Company Only Financial Statements have been prepared on a historical cost basis except for the following items:

(1) Financial assets measured at fair value through profit or loss;

(2) Financial assets measured at fair value through other comprehensive income;

(3) Defined benefit liability, which are measured based on pension fund assets plus unrecognized service costs in the previous period and unrecognized actuarial losses, less unrecognized actuarial gains, the present value of defined benefit obligations and effect of the asset ceiling as mentioned in Note IV(XVII).

2. Functional and presentation currency

The functional currency of each Company entity is determined based on the primary economic environment in which the entity operates. The Parent Company Only Financial Statements are presented in NT$, which is the Company's functional currency. All financial information presented in NT$ has been rounded to the nearest thousand.

(III) Foreign currencies

1. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period (the reporting date), monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currency based on the exchange rates at the date when the fair value is determined, whereas non-monetary items denominated in foreign currencies measured at historical costs are translated using the exchange rates at the dates of the transactions. The resulting exchange differences are generally recognized in profit or loss, except for the equity instruments designated to be measured at fair value through other comprehensive income, whose exchange differences are recognized in other comprehensive income.

2. Foreign operations

The assets and liabilities of foreign operations are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rates for the period and the resulting exchange differences are recognized in other comprehensive income.

When disposing of foreign operating entities that result in loss of control, joint control, or significant influence, the accumulated translation differences related to those entities are reclassified in their entirety to profit or loss. When disposing of investments that include affiliated enterprises or joint ventures with foreign operating organizations, the accumulated exchange differences related to these investments should be reclassified proportionally in the income statement.

(IV) Classification criteria for current and non-current assets and liabilities

The Company classifies an asset as a current asset if it meets any of the following conditions. All other assets that do not meet these criteria are classified as non-current assets:

1. The asset is expected to be realized or intended to be sold or consumed within the entity's normal operating cycle.
2. The asset is held primarily for trading purposes.
3. The asset is expected to be realized within twelve months after the reporting period.
4. The asset is cash or a cash equivalent (as defined in IAS 7), unless its use for settling liabilities is restricted for at least twelve months after the reporting period.

The Company classifies a liability as a current liability if it meets any of the following conditions. All other liabilities that do not meet these criteria are classified as non-current liabilities:

1. The liability is expected to be settled within the entity's normal operating cycle.
2. The liability is held primarily for trading purposes.
3. The liability is due to be settled within twelve months after the reporting period.
4. The entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period's end.

(V) Cash and cash equivalents

Cash consists of cash on hand, checking account deposits and saving account deposits. Cash equivalents refer to short-term and highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of changes in value. Time deposits that meet the criteria and are held for the purpose of fulfilling short-term cash commitment rather than other purposes are classified as cash equivalents.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

(VI) Financial instruments

Accounts receivables are initially recognized when they are incurred. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets (excluding accounts receivable without a significant financing component) and financial liabilities that are not measured at fair value through profit or loss, are initially recognized at fair value plus transaction costs that are directly attributable to the acquisition or issue of these financial assets or financial liabilities. Accounts receivable without a significant financing component is initially measured at the transaction price.

1. Financial assets

   The Company applies trade date accounting to all regular way purchases or sales of financial assets that are classified in the same way.

The financial assets were initially classified as follows: financial assets measured at amortized cost, equity instruments measured at fair value through other comprehensive income, or financial assets measured at fair value through profit or loss. When the Company changes its business model for managing financial assets, all affected financial assets are reclassified on the first day of the next reporting period.

(1) Financial assets at amortized cost

Financial assets are measured at amortized cost if all of the following conditions are met and the financial assets are not designated as measured at fair value through profit or loss:

- Financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, using initial recognized amount plus or minus cumulative amortization calculated by adopting the effective interest method and taking into account the adjustment of allowance for impairment loss as well. Interest income, foreign exchange gains and losses, and impairment loss are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(2) Financial assets at fair value through other comprehensive income

At initial recognition of investments in equity instruments that are not held for trading, the Company may make an irrevocable election to present subsequent changes in fair value of the investments in other comprehensive income. This election is made on an instrument-by-instrument basis.

Investments in equity instruments are subsequently measured at fair value. Dividend income is recognized in profit or loss (unless the dividend clearly represents the recovery of part) of the investment cost. Other net gains or losses are recognized in other comprehensive income and will not be reclassified to profit or loss.

Dividend income from equity investments is recognized on the date that the Company is eligible to receive the dividends (usually the ex-dividend date).

(3) Financial assets at fair value through profit or loss

Financial assets that are not measured at amortized cost or fair value through other comprehensive income, such as financial assets held for trading and managed and evaluated for performance based on fair value, are measured at fair value through profit or loss. At initial recognition, the Company may irrevocably designate a financial asset, which meets the criteria to be measured at amortized cost or at fair value through other comprehensive income, to the category measured at fair value through profit or loss if doing so eliminates or significantly reduces the accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including related dividend and interest income, are recognized in profit or loss.

(4) Impairment of financial assets

The Company recognizes allowance for expected credit losses on financial assets measured at amortized cost. These include cash and cash equivalents, notes receivable and accounts receivable, other receivables, and refundable deposits.

The Company measures loss allowance for notes and accounts receivable at the amount equal to lifetime expected credit loss. Taking into account reasonable and supportable information available without undue cost or effort, including both quantitative and qualitative information and analysis based on the Company's historical experience, credit assessment, as well as forward-looking information, the Company measures the impairment of financial assets at amortized cost according to 12-month expected credit loss when the credit risk of the financial assets has not increased significantly since initial recognition. If there has been a significant increase in credit risk since initial recognition, the impairment is measured based on lifetime expected credit loss.

Lifetime expected credit loss refers to the expected credit loss resulting from all possible default events over the expected life of the financial instrument.

12-Month expected credit loss refers to the expected credit loss resulting from default events of the financial instrument that are likely to occur within the 12 months after the reporting date (or a shorter period if the expected life of the financial instrument is less than 12 months).

The maximum period considered when estimating expected credit loss is the maximum contractual period over which the Company is exposed to credit risk.

Expected credit loss is the probability-weighted estimate of credit loss over the expected life of financial instruments. Credit loss is measured at the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Company in accordance with the contracts and the cash flows that the Company expects to receive). Expected credit loss is discounted at the effective interest rate of the financial assets.

Loss allowance for financial assets at amortized cost is deducted from the carrying amount of the assets. The amount of provision or reversal of loss allowance is recognized in profit or loss.

The carrying amount of the financial assets is written off when the Company has no reasonable expectation of recovering the entire or part of the financial assets. The Company individually makes the assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects there will be no significant reversal on the write-off amount. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for collecting overdue amount.

(5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or the Company transfers the financial asset in which almost all of the risks and returns associated with the ownership of the financial asset are transferred to other companies or in which the Company neither transfers nor retains nearly all of the risks and returns of ownership and it does not hold control on the financial asset.

When the Company enters into transactions of financial asset transfer, if all or almost all of the risks and returns associated with the ownership of the transferred asset is retained, the transferred asset continues to be recognized in the balance sheet.

2. Financial liabilities and equity instruments

(1) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the amount of consideration received, less the direct issuing cost.

(2) Financial liabilities

Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gains or losses on derecognition is also recognized in profit or loss.

(3) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligation has been fulfilled or canceled, or has expired. The Company also derecognizes a financial liability when its terms are amended and the cash flows of the amended liability are substantially different, in which case a new financial liability based on the amended terms is recognized at fair value.

The difference between the carrying amount of a financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(4) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and presented on a net basis only when the Company has the legally enforceable right to offset and intends to settle on a net basis or to liquidate asset for settling the liabilities simultaneously.

(VII) Inventories

The cost of inventories comprises all costs incurred in bringing the inventories to their present location and condition ready for sale. The variable manufacturing expenses are allocated based on the actual production volume. Fixed manufacturing expenses are allocated to finished goods and work in process based on the normal capacity of the production equipment. Unallocated fixed manufacturing expenses resulting from lower production capacity or idle equipment shall be recognized as cost of goods sold in the period in which they are incurred. If actual production volume is higher than the normal production capacity, the difference is recognized as a reduction of cost of goods sold. The monthly weighted-average method is adopted for the calculation of the costs.

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses at the end of the period. When the cost of inventories is higher than the net realizable value, inventories are written down to net realizable value, and the write-down amount is recognized in cost of goods sold. If net realizable value increases in the future, the cost of inventories is reversed within the original write-down amount, and such reversal is treated as a reduction of cost of goods sold for the period.

(VIII) Investments in associates

An associate is an entity in which the Company has significant influence, but not control over their financial and operating policies. The Company is deemed to have significant influence when it holds 20% to 50% of the voting rights of the investee company.

Investments in associates are accounted for using the equity method. Under the equity method, investments in associates are recognized initially at cost. Subsequent adjustments are based on the changes in the Company's share of net assets. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

Unrealized gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated investors' interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing of a part of interest in the associate, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Company accounts for all the amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss or retained earnings on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss or retained earnings when the equity method is discontinued. If the Company's ownership interest in an associate is reduced while it continues to apply the equity method, the Company reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to the reduction in ownership interest to profit or loss or retained earnings.

(IX) Investments in subsidiaries

When preparing the Parent Company Only Financial Statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Under the equity method, profit or loss and other comprehensive income recognized in the Parent Company Only Financial Statements are in line with profit or loss and other comprehensive income attributable to owners of the Parent in the consolidated financial statements. In addition, shareholder's equity in the Parent Company Only Financial Statements is in line with the equity attributable to the shareholders of the parent in the consolidated financial statements.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

(X) Property, plant, and equipment

1. Recognition and measurement

Property, plant, and equipment are measured at cost, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant, and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment.

Any gains or losses on disposal of property, plant, and equipment are recognized in profit or loss.

2. Subsequent costs

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

3. Depreciation

Depreciation is calculated on the cost of assets less their residual values and is recognized in profit or loss using the straight-line method over the estimated useful lives of each component of property, plant, and equipment.

Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Housing and Construction	1~50 years
Buildings and Building Improvements	5~10 years
Machinery	1~19 years
Transportation Equipment	5~11 years
Other Equipment	1~26 years

The Company reviews depreciation methods, useful lives and residual values on each reporting date and makes appropriate adjustments when necessary.

(XI) Leases - Lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the Company periodically assesses whether the right-of-use asset is impaired and recognizes any impairment loss that has occurred. The right-of-use asset is adjusted when the remeasurement of the lease liabilities takes place.

The lease liability is initially measured at the present value of the lease payments that have not been paid on the commencement date. If the interest rate implied by the lease is easy to determine, it would be used as the discount rate. If the implied interest rate is not easy to determine, the Company's incremental borrowing rate is applied. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

1. Fixed payments, including in-substance fixed payments;
2. Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
3. Amounts expected to be payable under residual value guarantees; and
4. The exercise price of a purchase option or payments of penalties for exercising the option to terminate the lease, if the lessee is reasonably certain to exercise that option.

The interests of lease liabilities are subsequently calculated using the effective interest method and lease liabilities are remeasured when:

1. There is a change in future lease payments arising from the change in an index or rate;
2. There is a change in the estimate of the amount expected to be payable under a residual value guarantee;

3. There is a change in the assessment on the purchase option of the underlying asset;
4. There is a change in the lease term assessment resulting from a change in the estimate regarding whether the extension or termination option will be exercised;
5. There is any modification in lease subject, scope of the lease or other clauses.

When the lease liability is remeasured under the above-mentioned circumstances other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss.

When the lease liability is remeasured due to lease modification that decreases the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognizes the difference between the carrying amount of the right-of-use asset and the remeasurement amount of lease liability in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment properties, and lease liabilities as a separate line item respectively in the Balance Sheets.

The Company has elected not to recognize right-of-use assets and lease liabilities for certain short-term leases of buildings and construction, machinery and equipment, and transportation equipment leases and for leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(XII) <u>Intangible assets</u>

1. Recognition and measurement

   Goodwill of the Company occurred in the business combination prior to the date of IFRS adoption. Upon conversion to IFRS endorsed by the FSC, the Company elected to restate only those business combinations that occurred after January 1, 2012 (inclusive). For acquisitions made before January 1, 2012, the amount of goodwill was recognized in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers issued by the FSC on January 10, 2009, and Accounting Standards and related interpretations (hereinafter referred to as "previously generally accepted accounting principles") issued by the Accounting Research and Development Foundation of the Republic of China.

   Company's other separately acquired intangible assets with finite useful lives, including software and patents, are carried at cost less accumulated amortization and accumulated impairment losses.

2. Subsequent expenditures

   Subsequent expenditures are capitalized only when they increase the future economic benefits of the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred, including internally developed goodwill and brands.

3. Amortization

   Except for goodwill, amortization is calculated based on the cost of the asset less the estimated residual value, and is recognized in profit or loss using the straight-line method over the estimated useful life of the intangible asset when it becomes available for use.

   The estimated useful lives for the current and comparative periods are as follows:

Software Cost	1~5 years
Patent	91 months

   The Company reviews the amortization method, useful life and residual value of the intangible assets on each reporting date and makes appropriate adjustments when necessary.

(XIII) Impairment of non-financial assets

The Company assesses on each reporting date whether there is any indication that the carrying amount of non-financial assets (excluding inventories, deferred income tax assets, employee benefit related assets) may be impaired. If any such indication exists, then the recoverable amount of the asset is estimated. Goodwill is tested for impairment on an annual basis.

For the purpose of impairment testing, assets are divided into the smallest group of identifiable assets that generates cash inflows largely independent of the cash inflows from other individual asset or groups of assets. Goodwill arising from a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an individual asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit exceeds the recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then to reduce the carrying amount of the other assets in the cash-generating unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the assets in prior years.

(XIV) Provisions for liabilities

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

A provision for maintenance is recognized when the underlying products or services are sold. The provision is estimated based on historical maintenance rates and maintenance cost per unit.

(XV) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of goods or services to a customer. Transfer of control of the product occurs when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products are shipped to the specific location, the risks of obsolescence and loss are transferred to the customer, and either the customer accepts the products according to the sales contract with the acceptance provisions being invalid or the Company has objective evidence that all criteria for acceptance have been satisfied.

(XVI) Government grant

When the Company can receive the government grant relating to the operating activities, such grant with no conditions attached is recognized as non-operating income. The Company recognizes the grant relating to assets as deferred income at fair value when there is reasonable assurance that the Company will comply with the conditions attached to the grant and that the grant will be received. The above deferred income is recognized as non-operating income over the estimated useful lives of the related assets on a systematic basis. If the government grant is used to compensate the Company's expenses or losses, such government grant is recognized in profit or loss over the period necessary to match it with the related expenses, for which it is intended to compensate, on a systematic basis.

(XVII) Employee benefits

1. Defined contribution plans

   Obligations for contributions to defined contribution pension plans are expensed during the period in which employees render services.

2. Defined benefit plans

   The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

   The defined benefit obligation is calculated annually by qualified actuaries using the projected unit credit method. When the calculation result may be beneficial to the Company, the recognized assets shall be limited to the present value of any economic benefits available in the form of refunding the contribution from the plan or reducing the future contribution to the plan. When calculating the present value of economic benefits, the minimum contribution requirements are considered.

   The remeasurements of the net defined benefit liability comprise actuarial gains and losses, return on plan assets (excluding interest), and any changes in the effect of the asset ceiling (excluding interest). The remeasurements of the net defined benefit liability are recognized in other comprehensive income and reflected in retained earnings. The net interest expense (income) of the net defined benefit liabilities (assets) is calculated based on the net defined benefit liabilities (assets) and the discount rate determined at the beginning of the annual reporting period. The net interest expense and other expenses of the defined benefit plan are recognized in profit or loss.

   When the plan is revised or reduced, the amount of changes in benefits related to the past service costs or reduced benefits or losses is recognized in profit or loss. When the settlement occurs, the Company shall recognize the settlement gain or loss of the defined benefit plan.

3. Short-term employee benefits

   Short-term employee benefit obligations are expensed during the period in which employees render services. If the Company has a present legal or constructive obligation to make such payments as a result of past service provided by the employees and the obligation can be estimated reliably, the amount of payments is recognized as a liability.

(XVIII) Income tax

Income taxes comprise current taxes and deferred income taxes. Current and deferred income taxes are recognized in profit or loss unless they relate to business combinations or items recognized directly in equity or other comprehensive income.

The Company has determined that interest or penalties associated with income tax, including uncertain tax treatments, do not fall under the definition of income tax. As a result, they are subject to accounting treatment in accordance with International Accounting Standard 37.

Current income taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received based on tax rates enacted or substantively enacted at the reporting date.

Deferred income tax is recognized based on the temporary differences between the carrying amounts of assets and liabilities as of the reporting date and their tax bases. Deferred income taxes are not recognized for the following temporary differences:

1. Assets or liabilities that are not initially recognized as part of a business combination and do not impact accounting profit, taxable income (loss), or generate equal temporary differences for taxable and deductible purposes at the time of the transaction;
2. Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
3. Taxable temporary differences arising from the initial recognition of goodwill.

Deferred income tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred income taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred income tax assets and deferred income tax liabilities are offset when the following criteria are met:

1. The Company has a legally enforceable right to set off current income tax assets against current income tax liabilities; and
2. The deferred income tax assets and the deferred income tax liabilities relate to income taxes levied by the same taxation authority on either;
   (1) The same taxable entity; or

(2) Different taxable entities which intend to settle current income tax assets and income tax liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax assets are expected to be recovered or significant amounts of deferred income tax liabilities are expected to be settled.

(XIX) Earnings per share

The basic and diluted EPS attributable to stockholders of the Company are disclosed in the Parent Company Only Financial Statements. Basic EPS of the Company is calculated by dividing net income attributable to stockholders of the Company by the weighted-average number of common shares outstanding during the year. In calculating diluted EPS, the net income attributable to stockholders of the Company and weighted-average number of common shares outstanding during the year are adjusted for the effects of dilutive potential common shares. The Company's dilutive potential common shares include estimates of employee compensation.

(XX) Segment information

The Company discloses the operating segment information in the consolidated financial statements. Therefore, the Company does not disclose the operating segment information in the Parent Company Only Financial Statements.

V. Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

When preparing the individual financial statements, management is required to make judgments and estimates about the future (including climate-related risks and opportunities). These judgments and estimates will affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from the estimates. Management continuously reviews estimates and underlying assumptions to ensure alignment with the Company's risk management and climate-related commitments. Changes in these estimates are recognized prospectively during the period of the change and in future periods affected by the change.

The Parent Company Only Financial Statements involve material judgment as to whether the Company has substantive control over the investee, FSP Group USA Corp. and it has a material impact on the amounts recognized in the Parent Company Only Financial Statements. For detailed information, please refer to the 2024 consolidated financial report.

In the Parent Company Only Financial Statements, there is no accounting policy that involves significant estimates and assumptions, and the information on accounting policies does not have a material impact on the amounts recognized in the Parent Company Only Financial Statements.

VI. **Details of Significant Accounts**

(I) Cash and cash equivalents

		2024.12.31	2023.12.31
Cash on hand	$	1,607	2,251
Deposits in saving accounts		1,407,117	659,966
Deposits in checking accounts		3,231	4,075
Time deposits		906,838	1,988,707
Cash equivalents involving repurchase agreements		14,425	105,842
	$	2,333,218	2,760,841

Please refer to Note VI (XXII) for the disclosure of interest rate risk of the Company's financial assets and liabilities.

(II) Financial assets at fair value through profit or loss - current and non-current

		2024.12.31	2023.12.31
Financial assets mandatorily measured at fair value through profit or loss - current:			
Non-derivative financial assets			
Beneficiary certificates	$	336,019	277,366
Private equity funds		121,250	68,545
Foreign unlisted stocks		72,248	71,632
Subtotal		529,517	417,543

		2024.12.31	2023.12.31
Financial assets mandatorily measured at fair value through profit or loss - non-current:			
Non-derivative financial assets			
Structured products	$	31,860	-
Total	$	561,377	417,543

The dividend income recognized by the Company for the financial assets measured at fair value through profit or loss, as listed above, amounted to NT$3,218 thousand for 2024 and NT$552 thousand for 2023.

Please refer to Note VI (XXI) for the amount recognized in profit or loss remeasured at fair value.

Please consult Note VI (XXII) for information regarding market risk.

(III) Financial assets at fair value through other comprehensive income

		2024.12.31	2023.12.31
Equity instruments at fair value through other comprehensive income:			
Domestic listed (OTC) stocks	$	7,582,980	6,748,094
Foreign listed stocks		9,028	9,253
Domestic unlisted stocks		259,399	233,066
Total	$	7,851,407	6,990,413

1. Investments in equity instruments at fair value through other comprehensive income

   The Company holds these investments in equity instruments as long-term strategic investments and are not held for trading purposes, so these investments have been designated to be measured at fair value through other comprehensive income.

   The dividend income recognized by the Company for 2024 and 2023 from equity instruments designated as at fair value through other comprehensive income amounted to NT$172,335,000 and NT$191,818,000, respectively.

   In 2024, to align with the Company's capital utilization plan, designated financial assets measured at fair value through other comprehensive income were sold. The total fair value at the time of disposal amounted to NT$623,666 thousand, with total disposal gains of NT$551,241 thousand. As of December 31, 2024, the outstanding proceeds from disposal amounted to NT$939 thousand, which was recognized under other receivables. In 2023, to align with the Company's capital utilization plan, designated financial assets measured at fair value through other comprehensive income were sold. The fair value at the time of disposal amounted to NT$510,881 thousand, with a disposal gain of NT$496,528 thousand. As of December 31, 2023, the outstanding disposal proceeds of NT$8,442 thousand were recorded under other receivables.
2. Please refer to Note VI (XXII) for the information on market risk.

(IV) Notes receivable and accounts receivable

		2024.12.31	2023.12.31
Notes receivable	$	2,272	1,357
Accounts receivable		1,716,585	1,436,474
Accounts receivable - related parties		872,157	701,256
Less: Loss allowances		(15,082)	(10,603)
	$	2,575,932	2,128,484

Company's notes receivable and accounts receivable were not discounted or provided as collaterals.

The Company applies the simplified approach to estimate expected credit loss for all notes receivable and accounts receivable, i.e. the use of lifetime expected credit loss for all receivables. For the measurement purpose, notes receivable and accounts receivable are grouped according to common credit risk characteristics that represent the customer's ability to pay all amounts due under the terms of the contract. Forward-looking information, including macro economy and related industry information, is taken into consideration as well. Based on the Company's historical experience with credit losses, there are no significant differences in the loss patterns among different customer groups. Therefore, the provision matrix has not been further subdivided by customer group.

Analysis of expected credit loss on notes receivable and accounts receivable of the Company was as follows:

	2024.12.31		
	Carrying Amount of Notes Receivable and Accounts Receivable	**Weighted-average Expected Credit Loss Rate (%)**	**Allowance for Expected Credit Loss**
Not past due	$ 2,220,507	0.09	2,128
Past due within 30 days	42,814	5.74	2,459
Past due 31~60 days	6,879	18.11	1,245
Past due 61~90 days	5,837	34.65	2,023
Past due over 121 days	4,605	100.00	4,605
	$ 2,280,642		**12,460**

The carrying amount of the above notes and accounts receivable did not include the account receivable due from subsidiaries and a specific customer, amounting to NT$297,264,000 and NT$13,108,000, respectively.

Due to poor recovery of the account receivable due from this customer, the Company has specifically recorded an allowance for loss of NT$2,622 thousand for this uncollected payment, net of insurance claims, and therefore the amount was excluded from the above calculation of allowance for expected credit loss.

	2023.12.31		
	Carrying Amount of Notes Receivable and Accounts Receivable	**Weighted-average Expected Credit Loss Rate (%)**	**Allowance for Expected Credit Loss**
Not past due	$ 1,862,743	0.24	4,533
Past due within 30 days	48,729	6.30	3,068
Past due 31~60 days	1,453	19.88	289
Past due 91~120 days	1,303	45.45	592
Past due over 121 days	1,645	100.00	1,645
	$ 1,915,873		10,127

The book value of accounts receivable and accounts payable mentioned above does not include the total accounts receivable from the subsidiary company and a specific sales customer. These amounts to NT$220,833,000 and NT$2,381,000, respectively.

For all accounts receivable from a specific sales customer, due to the unstable assessment of their collection status, the entire receivable amount has been provisioned for bad debts after deducting their insurance claim limit, totaling NT$476,000. Therefore, it is not included in the company's provision for expected credit losses based on the remaining expected credit loss calculation period.

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

	2024	2023
Beginning balance	$ 10,603	24,258
Impairment losses recognized (reversed)	4,479	(15,912)
Write-off amounts turnover in the previous year	-	2,257
Ending balance	$ 15,082	10,603

(V) Other receivables

	2024.12.31	2023.12.31
Other receivables	$ 117,602	155,729
Other receivables - related parties	53,958	54,146
Less: Loss allowances	-	-
	$ 171,560	209,875

As of December 31, 2024 and 2023, there were no overdue for all other receivables (including related parties).

(VI) Inventories

	2024.12.31	2023.12.31
Finished goods	$ 773,221	927,573
Work in process	316,383	246,930
Raw materials	324,975	378,412
	$ 1,414,579	**1,552,915**

Breakdown of cost of goods sold:

	2024	2023
Inventories sold	$ 7,439,683	8,418,819
Loss on inventory write-down	34,637	12,591
Unallocated manufacturing expense	45,288	35,594
Loss on inventory obsolescence	26,768	29,055
Loss on inventory	1	17
	$ 7,546,377	**8,496,076**

As of December 31, 2024 and 2023, the Company did not pledge any inventories as collateral.

(VII) Investments recognized through the equity method

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

	2024.12.31	2023.12.31
Subsidiary	$ 3,302,348	2,952,024
Associate invested through subsidiary	38,978	34,561
	$ 3,341,326	**2,986,585**

1. Subsidiary

   Please refer to the consolidated financial statements for the year ended December 31, 2024.

2. Associate invested through subsidiary

   The financial information of insignificant associates that are invested through subsidiary and the Company adopts the equity method for recognition is summarized below. The amount is included in the Parent Company Only Financial Statements:

	2024.12.31	2023.12.31
The carrying amount of investments in associates that were not individually material to the Company at the end of the period	**$ 38,978**	**34,561**

		2024	2023
Attributable to the Company:			
Income from continuing operations	$	2,257	2,453
Other comprehensive income		2,570	(41)
Total comprehensive income	$	4,827	2,412

3. Collateral

As of December 31, 2024 and 2023, the Company did not pledge any investments accounted for under the equity method as collateral.

(VIII) Property, plant, and equipment

The changes in costs, depreciation and impairment loss of property, plant, and equipment for the years ended December 31, 2024 and 2023 were as follows:

		Land	Housing and Construction	Buildings and Building Improvements	Machinery	Transportation Equipment	Other Equipment	Construction in Progress and Equipment Pending Inspection	Total
Cost or deemed cost:									
Balance as of January 1, 2024	$	264,211	878,900	4,115	295,363	4,507	264,769	9,348	1,721,213
Addition		-	18,938	-	41,540	-	12,283	1,250	74,011
Disposal		-	(667)	-	(4,803)	-	(7,832)	-	(13,302)
Reclassification		-	8,460	-	888	-	-	(9,348)	-
Balance as of December 31, 2024	$	264,211	905,631	4,115	332,988	4,507	269,220	1,250	1,781,922
Balance as of January 1, 2023	$	264,211	868,382	4,115	241,708	3,493	254,142	73	1,636,124
Addition		-	11,058	-	55,405	1,657	15,771	9,348	93,239
Disposal		-	(540)	-	(1,750)	(643)	(5,217)	-	(8,150)
Reclassification		-	-	-	-	-	73	(73)	-
Balance as of December 31, 2023	$	264,211	878,900	4,115	295,363	4,507	264,769	9,348	1,721,213
Depreciation and impairment loss:									
Balance as of January 1, 2024	$	-	292,496	2,538	204,275	2,198	226,508	-	728,015
Recognition in current period		-	35,756	483	21,050	1,836	16,652	-	75,777
Disposal		-	(666)	-	(4,710)	-	(6,745)	-	(12,121)
Balance as of December 31, 2024	$	-	327,586	3,021	220,615	4,034	236,415	-	791,671
Balance as of January 1, 2023	$	-	259,311	2,054	190,673	2,385	213,710	-	668,133
Recognition in current period		-	33,457	484	15,248	455	17,945	-	67,589
Disposal		-	(272)	-	(1,646)	(642)	(5,147)	-	(7,707)
Balance as of December 31, 2023	$	-	292,496	2,538	204,275	2,198	226,508	-	728,015
Carrying amounts:									
Balance as of December 31, 2024	$	264,211	578,045	1,094	112,373	473	32,805	1,250	990,251
Balance as of December 31, 2023	$	264,211	586,404	1,577	91,088	2,309	38,261	9,348	993,198

Details of assets pledged as collateral for short-term and long-term borrowings, as well as credit facilities, as of December 31, 2024, and December 31, 2023, are provided in Note VIII.

(IX) Right-of-use assets

The changes in the costs and depreciation of land, buildings and construction and transportation equipment leased by the Company were as follows:

	Land	Housing and Construction	Office Equipment	Transportation Equipment	Total
Costs of right-of-use assets:					
Balance as of January 1, 2024	$ 11,375	47,391	-	4,703	63,469
Addition	-	1,009	402	1,719	3,130
Reduction (contract expired)	(1,229)	-	-	(716)	(1,945)
Balance as of December 31, 2024	**$ 10,146**	**48,400**	**402**	**5,706**	**64,654**
Balance as of January 1, 2023	$ 11,375	46,381	-	2,603	60,359
Addition	-	1,010	-	2,100	3,110
Balance as of December 31, 2023	**$ 11,375**	**47,391**	**-**	**4,703**	**63,469**
Depreciation of right-of-use assets:					
Balance as of January 1, 2024	$ 2,730	11,547	-	2,036	16,313
Depreciation in current period	484	2,949	13	1,911	5,357
Reduction (contract expired)	-	-	-	(716)	(716)
Balance as of December 31, 2024	**$ 3,214**	**14,496**	**13**	**3,231**	**20,954**
Balance as of January 1, 2023	$ 2,186	9,215	-	585	11,986
Depreciation in current period	544	2,332	-	1,451	4,327
Balance as of December 31, 2023	**$ 2,730**	**11,547**	**-**	**2,036**	**16,313**
Carrying amounts:					
Balance as of December 31, 2024	**$ 6,932**	**33,904**	**389**	**2,475**	**43,700**
Balance as of December 31, 2023	**$ 8,645**	**35,844**	**-**	**2,667**	**47,156**

(X) Intangible assets

The Company's costs, amortization and impairment loss of intangible assets for the years ended December 31, 2024 and 2023 were as follows:

	Goodwill	Software Cost	Patent	Total
Cost:				
Balance as of January 1, 2024	$ 114,411	6,206	15,863	136,480
Addition in current period	-	11,465	-	11,465
Reduction in current period	-	(1,507)	-	(1,507)
Balance as of December 31, 2024	**$ 114,411**	**16,164**	**15,863**	**146,438**

	Goodwill	Software Cost	Patent	Total
Balance as of January 1, 2023	$ 114,411	9,606	15,863	139,880
Addition in current period	-	3,177	-	3,177
Reduction in current period	-	(6,577)	-	(6,577)
Balance as of December 31, 2023	**$ 114,411**	**6,206**	**15,863**	**136,480**
Amortization and impairment loss:				
Balance as of January 1, 2024	$ -	2,725	15,863	18,588
Amortization for the period	-	5,322	-	5,322
Reduction in current period	-	(1,507)	-	(1,507)
Balance as of December 31, 2024	**$ -**	**6,540**	**15,863**	**22,403**
Balance as of January 1, 2023	$ -	4,878	15,863	20,741
Amortization for the period	-	4,424	-	4,424
Reduction in current period	-	(6,577)	-	(6,577)
Balance as of December 31, 2023	**$ -**	**2,725**	**15,863**	**18,588**
Carrying amounts:				
Balance as of December 31, 2024	**$ 114,411**	**9,624**	**-**	**124,035**
Balance as of December 31, 2023	**$ 114,411**	**3,481**	**-**	**117,892**

1. Amortization expenses

The amortization of intangible assets was included in the following items of the Statements of Comprehensive Income for the years ended December 31, 2024 and 2023:

	2024	2023
Operating costs	$ 362	183
Operating expenses	4,960	4,241
Total	**$ 5,322**	**4,424**

2. Impairment test for goodwill

(1) In accordance with International Accounting Standard No. 36, goodwill acquired through business combinations must undergo annual impairment testing. This testing involves allocating the goodwill to the cash-generating units that are expected to benefit from the synergies of the combination. Since all the goodwill generated from business combinations belongs to the Company and its subsidiary, the impairment of goodwill is assessed by comparing the recoverable amount of the Company and its subsidiary with their respective carrying amounts of net assets.

(2) The recoverable amount of the cash-generating unit is based on its value in use. Value in use is determined by discounting the future cash flows arising from the continuing use of the unit. The calculation of the value in use (including goodwill) is based on the following key assumptions:

A. The cash flow projections were based on historical figures, actual operating results and 5-year business plan. Cash flows beyond 5 years have been projected with zero growth rate.

B. The Company estimates the pre-tax discount rate based on the weighted average cost of capital (WACC), the discount rates as of December 31, 2024 and 2023 were 9.47% and 9.88% respectively.

(3) According to the asset impairment test conducted in 2024 and 2023, no impairment losses were recognized as the recoverable amount of cash-generating unit was higher than the carrying amount.

(XI) Short-term loans

The details of the Company's short-term borrowings are provided below:

	2024.12.31	2023.12.31
Secured bank borrowings	$ -	-
Unused facility	$ 644,500	661,000
Interest rate range	-	-

Please refer to Note VIII for the details of the Company's assets pledged as collateral for bank borrowings.

(XII) Long-term loans

The details of the Company's long-term borrowings are provided below:

	2024.12.31	2023.12.31
Secured bank borrowings	$ 48,788	124,404
Less: Current portion due within 1 year	(47,565)	75,616
Total	$ 1,223	48,788
Unused facility	$ -	-
Interest rate range	1.58	1.58

1. Collateral for bank borrowings

   Please refer to Note VIII for the details of the Company's assets pledged as collateral for bank borrowings.

2. Government-subsidized loan with preferential interest rate

   In August 2020, the Company obtained a NT$371,000 thousand low-interest loan from Mega International Commercial Bank under the "Guidelines of Project Loans for Returning Overseas Taiwanese Businesses". The drawdown period was until December 31, 2021, and multiple drawdowns were allowed. As of the expiry date, the amount of actual utilization of the Company was NT$296,650 thousand as of December 31, 2021. Based on the market interest rate of 1.58% to recognize and measure the loan, the difference between the actual repayment preferential interest rate of 0.65% and the market interest rate was NT$6,585 thousand which were treated as government subsidies and recognized as deferred income under other current liabilities and other non-current liabilities. Deferred income for 2024 and 2023 was reclassified as other income in the amounts of NT$564,000 and NT$976,000, respectively.

(XIII) Lease liabilities

The carrying amount of lease liabilities were as follows:

	2024.12.31	2023.12.31
Current	$ 5,239	4,337
Non-current	41,561	45,684
Total	**$ 46,800**	**50,021**

Please refer to Note VI(XXII) Financial Instrument for the maturity analysis.

The amounts recognized in profit or loss were as follows:

	2024	2023
Interest expense on lease liabilities	**$ 956**	**896**
Variable lease payments not included in the measurement of lease liabilities	**$ 1,292**	**432**
Expenses of short-term leases	**$ 1,662**	**1,501**

Amount recognized in the Statements of Cash Flows was as follows:

	2024	2023
Total cash outflow in operating activities	$ 3,910	2,829
Total cash outflow in financing activities	5,122	4,089
Total cash flows on lease	**$ 9,032**	**6,918**

1. Lease of land, buildings and construction

The Company leases land, buildings and construction as factories, office premises, staff quarters and warehouses with lease terms ranging from 3 to 10 years for factories and 1 to 3 years for office premises and warehouses. Some of these leases include the option to extend the lease term for the same period as the original contract at the end of the lease term.

The lease payments for some of the warehouses are based on the actual floor area used each month.

For these lease contracts, the variable lease payments paid by the Company in 2024 were as follows:

	Variable Payment	Estimated Impact on Lease Payment for Each 1% Increase in the Actual Floor Area Used
Lease contracts with variable payment calculated based on the actual floor area used per month	$ 1,292	13

2. Other leases

The Company leases machinery and transportation equipment with the lease terms ranging from two to five years.

The lease terms of some of Company's leases of buildings, construction, machinery and transportation equipment are within 1 year. These leases are considered as short-term leases or leases of low-value assets and the Company elected to apply exemption and did not recognize related right-of-use assets and lease liabilities.

(XIV) Provisions for liabilities

	2024	2023
Balance as of January 1	$ 130,311	131,155
Addition of provision during the year	57,752	63,163
Amount utilized during the year	(49,795)	(64,007)
Balance at December 31	$ 138,268	130,311

The provision of the Company is mainly for sales-related maintenance obligation. The provision is estimated based on historical maintenance rates and maintenance cost per unit of specific products.

(XV) Employee benefits

1. Defined benefit plans

The reconciliation between the present value of defined benefit obligations and the fair value of plan assets was as follows:

	2024.12.31	2023.12.31
Present value of defined benefit obligation	$ 109,429	130,884
Fair value of plan assets	(128,868)	(131,665)
Net defined benefit assets	$ (19,439)	(781)

The Company makes contribution of defined benefit plan to the labor pension reserve account at Bank of Taiwan. Under the Labor Standards Act, pension benefit of each eligible employee is calculated based on the number of units accrued from service years and the average monthly salaries of the last 6 months prior to retirement.

(1) Composition of plan assets

The pension fund contributed by the Company is managed and administered by the Bureau of Labor Funds of the Ministry of Labor (the "Bureau of Labor Funds"). According to the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund", with regard to the utilization of the Fund, minimum returns per year shall not be lower than the earnings attainable from two-year time deposits with interest rates offered by local banks.

As of December 31, 2024, the balance of the labor pension reserve account at Bank of Taiwan was NT$127,194,000. For information on the labor pension fund assets, including yield of the fund and the asset portfolio, please refer to the website of the Bureau of Labor Funds.

(2) Changes in present value of the defined benefit obligations

Changes in present value of the defined benefit obligations in 2024 and 2023 were as follows:

	2024	2023
Defined benefit obligations at January 1	$ 130,884	142,971
Service costs and interest in the year	2,849	3,258
Remeasurement on the net defined benefit liabilities (assets)		
— Actuarial loss arising from experience adjustments	4,879	1,829
— Actuarial loss arising from changes in demographic assumption	(1)	1

		2024	2023
— Actuarial loss (gain) arising from changes in financial assumption		(4,154)	595
Benefits paid by the plan		(9,103)	(370)
Effect of plan curtailment		(82)	(17,400)
Planned repayment impact amount		(15,843)	-
Defined benefit obligations at December 31	$	109,429	130,884

(3) Changes in fair value of plan assets

Changes in fair value for the Company's defined benefit plan assets for the years ended December 31, 2024 and 2023 were as follows:

		2024	2023
Fair value of plan assets on January 1	$	131,665	134,460
Interest income		1,502	1,628
Remeasurement on the net defined benefit assets - Return on plan assets (excluding interests)		12,026	1,379
Amount contributed to the plan		5,550	10,285
Benefits paid by the plan		(7,207)	(370)
Payment amount for project asset amortization		(14,668)	(15,717)
Fair value of plan assets on December 31	$	128,868	131,665

(4) Expenses recognized in profit or loss

Details of the Company's gains recognized in profit or loss for the years ended December 31, 2024 and 2023:

		2024	2023
Service costs for the current period	$	1,373	1,542
Net interest expense of net defined benefit liabilities		(26)	88
Impact of changes or curtailments		(82)	-
Benefits of clearing		(1,175)	(1,683)
	$	90	(53)
Operating costs	$	8	(4)
Selling and marketing expenses		13	(7)
General and administrative expenses		28	(18)
Research and development expenses		41	(24)
	$	90	(53)

(5) Actuarial assumptions

The major assumptions of the actuarial valuation to calculate the present value of the defined benefit obligation at the end of reporting period were as follows:

	2024.12.31	**2023.12.31**
Discount rate	1.60%	1.20%
Future salary increases	2.00%	2.00%

The Company estimates to make contribution of NT$2,439 thousand to the defined benefit plan in the year following December 31, 2024.

The weighted-average duration of the defined benefit plan is 7 years.

(6) Sensitivity analysis

The impact of a change in assumptions on the present value of the defined benefit obligation as of December 31, 2024 and 2023 is summarized below:

	Impact on the Defined Benefit Obligation	
	Increase by 0.25%	**Decrease by 0.25%**
December 31, 2024		
Discount rate (change by 0.25%)	(2,072)	2,148
Future salary adjustment rate (change by 0.25%)	2,093	(2,028)
December 31, 2023		
Discount rate (change by 0.25%)	(2,477)	2,567
Future salary adjustment rate (change by 0.25%)	2,506	(2,429)

The above sensitivity analysis considers the change in one assumption at a time, leaving other assumptions unchanged. In practical terms, many assumptions are interrelated and changing one individual assumption may trigger the changes in other assumptions. The method used to conduct the sensitivity analysis is consistent with the calculation of the net pension liabilities recognized in the balance sheets.

The method and assumptions used to conduct the sensitivity analysis are the same as those in the previous year.

2. Defined contribution plans

Per Company's defined contribution plan, the Company contributes monthly an amount equal to 6% of each employee's monthly wages to the employee's individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company has no legal or constructive obligation to pay additional amounts after contributing a fixed amount to the Bureau of Labor Insurance.

The retirement expenses under the defined contribution retirement plan for the Company were NT$32,964,000 for 2024 and NT$30,913,000 for 2023, and they have been allocated to the Labor Insurance Bureau.

3. Short-term employee benefits

For the years ended December 31, 2024 and 2023, the Company contributed NT$14,328,000 and NT$35,024,000 respectively to a specific trust account for employee incentives, which were recognized as operating costs and operating expenses.

As of December 31, 2024 and 2023, the Company had accrued unused leave bonuses of NT$27,888,000 and NT$25,937,000, respectively, which were recorded under other payables.

(XVI) Income tax

1. Income tax expense

Details of income tax expense for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Income tax expense (benefit) for the period		
Income tax expense incurred	$ 71,445	122,543
Adjustment for prior year	(23,007)	-
	48,438	122,543
Deferred income tax expenses (benefits)		
Origination and reversal of temporary differences	15,175	(9,905)
Income tax expense	**$ 63,613**	**112,638**

Details of the Company's income tax expense (benefit) recognized in other comprehensive income for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
Items that will not be reclassified to profit or loss:		
Gains (losses) on re-measurements of defined benefit plans	**$ 2,261**	**(209)**

The reconciliation of income tax expenses to income before tax for the Company for 2024 and 2023 was as follows:

	2024	2023
Income before tax	**$ 468,172**	**711,876**
Income tax using the Company's statutory tax rate	$ 93,635	142,375

	2024	2023
Losses (gains) from long-term equity investments recognized under the equity method	13,847	(4,705)
Cash dividend income	(35,111)	(38,474)
Non-deductible expenses	8,128	8,691
Gains on securities transactions	109,658	99,305
Gains on exemption from securities transaction tax	(110,636)	(101,763)
Adjustments in respect of prior years	(23,007)	-
Tax on undistributed earnings 5%	-	7,209
Basic income tax amount	9,586	-
Investment tax credits	(2,487)	-
Total	$ 63,613	112,638

2. Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities in 2024 and 2023 were as follows:

		Pension Provision	Unrealized Foreign Exchange Gain or Loss	Unrealized Valuation Gains	Total
Deferred income tax liabilities:					
January 1, 2024	$	(3,441)	-	(2,919)	(6,360)
Debit income statement		(1,091)	(3,738)	-	(4,829)
Debit other comprehensive income		(2,261)	-	-	(2,261)
December 31, 2024	**$**	**(6,793)**	**(3,738)**	**(2,919)**	**(13,450)**
January 1, 2023	$	(1,583)	-	(2,919)	(4,502)
Debit income statement		(2,067)	-	-	(2,067)
Credit other comprehensive income		209	-	-	209
December 31, 2023	**$**	**(3,441)**	**-**	**(2,919)**	**(6,360)**

		Allowance for Inventory Valuation Loss	Unrealized Foreign Exchange Gain or Loss	Others	Total
Deferred income tax assets:					
January 1, 2024	$	30,571	15,809	18,838	65,218
Credit/(Debit) income statement		6,927	(15,809)	(1,464)	(10,346)
December 31, 2024	**$**	**37,498**	**-**	**17,374**	**54,872**
January 1, 2023	$	28,053	9,172	16,021	53,246
Debit income statement		2,518	6,637	2,817	11,972
December 31, 2023	**$**	**30,571**	**15,809**	**18,838**	**65,218**

3. Income tax assessment

The tax returns for the years up to 2022 filed by the Company have been approved by the tax authority.

(XVII) Capital and other equity

1. Common stock issuance

As of December 31, 2024 and 2023, the Company's authorized common stock was NT$3,600,000,000 with the par value of NT$10 per share. 187,262 thousand shares were issued.

2. Capital surplus

The Company's capital surplus was as follows:

	2024.12.31	2023.12.31
Paid-in capital in excess of par value	$ 856,427	856,427
Proceeds received from the disposal of employee stock ownership trust shares	189	-
Adjustments arising from changes in percentage of ownership in subsidiaries	4,780	4,780
	$ 861,396	861,207

Pursuant to the Company Act, any realized capital surplus is initially used to cover accumulated deficit, and the balance, if any, can be transferred to common stock as stock dividends or distributed by cash based on the original shareholding percentage. Realized capital surplus includes the premium derived from the issuance of shares of stock in excess of par value and donations received by the Company. In accordance with the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", distribution of stock dividends from capital surplus in each year shall not exceed 10% of paid-in capital.

Furthermore, on March 10, 2023, the Company resolved during a board meeting to distribute the cash capital surplus of NT$149,809 thousand at a rate of NT$0.8 per share.

3. Retained earnings

The Company's Articles of Incorporation stipulate that at least 10% of annual net income, after deducting tax and accumulated deficit, if any, must be retained as legal reserve until such retention equals the amount of paid-in capital. In addition, a special reserve shall be set aside in accordance with applicable laws and regulations. The remaining balance, along with the unappropriated earnings from the previous years, can be distributed as dividends to stockholders after the shareholders' meeting approves the distribution plan submitted by the Board of Directors.

As per the dividend policy set forth in the Company's Articles of Incorporation, the Company's dividend policy is based on the assessment of the Company's future capital budget, planning of future capital requirements, financial structure and earnings, etc. The Board of Directors shall prepare a proposal for the distribution of earnings, which shall be approved by the shareholders' meeting. In light of our company's stable growth phase and the industry consolidation trend, we are committed to continuously expanding our scale to ensure sustainable operation and stable growth. According to our dividend policy, if there are no accumulated losses in the previous period, the company will distribute dividends to shareholders amounting to at least 50% of the annual net profit after tax. Dividends can be in the form of either stock or cash, with cash dividends constituting no less than 30% of the total shareholder dividends.

(1) Legal reserve

If the Company has no accumulated deficit, it may, subject to a resolution approved by the shareholders' meeting, distribute its legal reserve by issuing new shares or distributing cash for the portion of legal reserve which exceeds 25% of the paid-in capital.

(2) Special reserve

Pursuant to the Ruling issued by the FSC, a special reserve equal to the total amount of items that are accounted for as deductions from other stockholders' equity shall be set aside from current and prior year earnings. If it is the deduction amount of other shareholders' equity accumulated in the previous period, the special reserve of the same amount shall not be distributed from the undistributed earnings of the previous period. When the amount of the deduction of shareholders' equity is reversed subsequently, the reversed amount can be included in the distributable earnings.

(3) Earning distribution

On March 14, 2024 and March 10, 2023, the Board of Directors resolved on the amount of cash dividends of the distribution of earnings for the years ended December 31, 2023 and 2022, respectively, and the amount of dividends distributed to shareholders was as follows:

	2023	2022
Cash dividend distributed to the shareholders of common stock	$ 599,238	561,786

On March 7, 2025, the shareholders' meeting resolved on the distribution of earnings for the year ended 2024, and the amount of dividends distributed to shareholders was as follows:

	2024
Cash dividend distributed to the shareholders of common stock	$ 404,559

For information on the distribution of our company's earnings, please contact the Public Information Observation Station.

4. Other equity items (net after tax)

	Exchange differences on translation of financial statements of foreign operations	Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	Total
January 1, 2024	$ (126,335)	6,232,008	6,105,673
Exchange differences on translation of financial statements of foreign operations	10,105	-	10,105
Share of other comprehensive income (losses) of associates and joint ventures under equity method	68,983	28,808	97,791
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	-	1,255,930	1,255,930
Disposal of equity instruments at fair value through other comprehensive income	-	(551,241)	(551,241)
December 31, 2024	$ (47,247)	6,965,505	6,918,258
Balance after restatement as of January 1, 2023	$ (77,349)	5,628,307	5,550,958
Exchange differences on translation of financial statements of foreign operations	(48,945)	-	(48,945)
Share of other comprehensive income (losses) of associates and joint ventures under equity method	(41)	-	(41)
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	-	1,100,229	1,100,229
Disposal of equity instruments at fair value through other comprehensive income	-	(496,528)	(496,528)
December 31, 2023	$ (126,335)	6,232,008	6,105,673

(XVIII) Earnings per share

		2024	2023
Basic earnings per share:			
Net income attributable to the ordinary shareholders of the Company	$	**404,559**	**599,238**
Weight-average number of ordinary shares outstanding (Unit: Thousands of shares)		**187,262**	**187,262**
Basic earnings per share (Unit: In New Taiwan Dollars)	$	**2.16**	**3.20**
Diluted earnings per share:			
Net income attributable to the ordinary shareholders of the Company	$	**404,559**	**599,238**
Weight-average number of ordinary shares outstanding (Unit: Thousands of shares)		187,262	187,262
Employee compensation (Unit: Thousands of shares)		1,146	1,564
Weight-average number of ordinary shares outstanding (Unit: Thousands of shares)		**188,408**	**188,826**
Diluted earnings per share (Unit: In New Taiwan Dollars)	$	**2.15**	**3.17**

(XIX) Revenue from contracts with customers

1. Breakdown of revenue

		2024	2023
Primary geographical markets:			
Taiwan	$	1,723,367	1,688,460
China		2,113,873	2,070,096
U.S.A.		1,491,939	2,237,489
Germany		1,128,194	1,200,705
Other countries		2,626,299	3,109,555
	$	**9,083,672**	**10,306,305**
Major product/service line:			
Sales of power supply	$	**9,083,672**	**10,306,305**

2. Contract balance

		2024.12.31	2023.12.31	2023.1.1
Notes and accounts receivable (including related parties)	$	2,591,014	2,139,087	2,751,331
Less: Loss allowances		(15,082)	(10,603)	(24,258)
Total	$	**2,575,932**	**2,128,484**	**2,727,073**
Contract liabilities (recognized in other current liabilities)	$	**72,785**	**43,468**	**67,139**

The amounts recognized as income for the contract liabilities' initial balances of January 1, 2024 and 2023 were NT$12,925,000 and NT$38,839,000, respectively. The change in contractual liabilities primarily occurs due to the discrepancy between the timing of fulfilling contractual obligations and the timing of customer payments.

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

(XX) Remuneration of employees and directors

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

The estimated amounts of employee remuneration for the 2024 and 2023 fiscal years of the Company are NT$56,000,000 and NT$66,000,000, respectively. The estimated amounts of director remuneration are NT$5,600,000 and NT$7,000,000, respectively. These estimates are based on the Company's pre-tax net profit for the respective periods, after deducting the amounts of employee and director remuneration, multiplied by the distribution percentages of employee and director remuneration as stipulated in the Company's articles of incorporation. They are reported as operating expenses for the 2024 and 2023 fiscal years. The difference between accrual and actual payment is treated as the change in accounting estimate and recognized in profit or loss in the following year. There was no difference between the amount of the remuneration to employees and Directors resolved by the Board of Directors and the accrual amount recognized in the Parent Company Only Financial Statements for the years ended 2024 and 2023. Information related to remuneration to employees and Directors resolved by the Board of Directors is available on the Market Observation Post System website of Taiwan Stock Exchange.

(XXI) Non-operating income and expenses

1. Interest income

	2024	2023
Bank deposits	$ 38,673	49,974

2. Other income

	2024	2023
Dividend income	$ 175,553	192,370
Other income		
Government grant	769	1,105
Income of management fee / service fee	7,679	7,455
Compensation income	30,000	-
Others	6,383	7,623
	$ 220,384	208,553

3. Other gains and losses

	2024	2023
Foreign currency exchange gain, net	$ 109,872	6,391
Gain on financial assets measured at fair value through profit or loss	5,249	12,288
Loss on disposal of property, plant, and equipment	(112)	(443)
	$ 115,009	18,236

4. Finance costs

	2024	2023
Interest expense:		
Bank borrowings	$ 1,424	13,823
Lease liabilities	956	896
	$ 2,380	14,719

(XXII) Financial instruments

1. Credit risk

(1) Exposure to credit risk

The maximum exposure to credit risk is equal to the carrying amount of the financial assets.

(2) Concentration of credit risk

As of December 31, 2024 and 2023, top three customers accounted for 24% and 26% of the Company's accounts receivable balance.

(3) Credit risk from receivables and debt securities

Please refer to Note VI(IV) for credit risk exposure of notes receivable and accounts receivable. For the details of other receivables, please refer to Note VI(V). Other financial assets measured at amortized cost include other receivables, restricted bank deposits, and deposits as collateral. The above-mentioned financial assets are considered low credit risk financial assets, and the loss allowance is measured using 12-month expected credit loss.

2. Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents to support the Company's operations and mitigate the impact of cash flow fluctuations. The management of the Company supervises the use of the credit line and ensures compliance with the terms of the loan contracts.

The table below shows the contractual maturity dates for financial liabilities, including the effect of estimated interest.

	Carrying Amount	Contractual Cash Flows	Within 6 Months	6-12 Months	1-2 Years	2-5 Years	Over 5 Years
December 31, 2024							
Non-derivative financial liabilities							
Long-term loans	$ 48,788	49,084	38,330	9,529	1,225	-	-
Notes payable	14,297	14,297	14,297	-	-	-	-
Accounts payable	2,545,649	2,545,649	2,545,649	-	-	-	-
Accounts payable - related parties	327,639	327,639	327,639	-	-	-	-
Other payables	771,915	771,915	771,915	-	-	-	-
Other payables - related parties	57,112	57,112	57,112	-	-	-	-
Lease liabilities	46,800	52,593	3,110	2,978	4,800	10,436	31,269
Guarantee deposits received	335	335	335	-	-	-	-
	$ 3,812,535	3,818,624	3,758,387	12,507	6,025	10,436	31,269
December 31, 2023							
Non-derivative financial liabilities							
Long-term loans	$ 124,404	126,118	38,579	38,455	47,859	1,225	-
Notes payable	11,450	11,450	11,450	-	-	-	-
Accounts payable	2,299,409	2,299,409	2,299,409	-	-	-	-
Accounts payable - related parties	298,189	298,189	298,189	-	-	-	-
Other payables	843,239	843,239	843,239	-	-	-	-
Other payables - related parties	38,882	38,882	38,882	-	-	-	-
Lease liabilities	50,021	56,694	2,616	2,595	5,058	10,836	35,589
Guarantee deposits received	330	330	-	-	-	-	330
	$ 3,665,924	3,674,311	3,532,364	41,050	52,917	12,061	35,919

The Company does not expect that the cash flows included in the maturity analysis will occur significantly earlier or at significantly different amounts.

3. Foreign exchange risk

(1) Exposure to foreign exchange risk

The Company's financial assets and liabilities exposed to significant foreign currency exchange risk were as follows:

	2024.12.31			2023.12.31		
	Foreign Currencies	**Exchange Rate**	**NT$**	**Foreign Currencies**	**Exchange Rate**	**NT$**
Financial assets						
Monetary items						
RMB	$ 30,511	4.478	136,628	53,926	4.327	233,338
USD	100,424	32.785	3,292,401	123,083	30.705	3,779,264
Non-monetary items						
USD	2,534	28.511	72,248	2,534	28.268	71,632
USD	1,315	32.785	43,112	1,280	30.705	39,302
HKD	2,139	4.221	9,028	2,355	3.929	9,253
Financial liabilities						
Monetary items						
RMB	81,618	4.478	365,485	81,148	4.327	351,127
USD	76,102	32.785	2,495,004	74,502	30.705	2,287,584
HKD	8,093	4.220	34,169	5,925	3.929	23,279

(2) Sensitivity analysis

The Company's exposure to foreign exchange risk arises from cash and cash equivalents, accounts receivable (including related parties), other receivables, financial assets measured at fair value through profit or loss, accounts payable (including related parties) and other payables that are denominated in foreign currencies and subject to foreign exchange loss in currency translation. If the New Taiwan Dollar depreciates or appreciates by 5% relative to the US Dollar, Renminbi, and Hong Kong Dollar, with all other factors remaining unchanged, the after-tax net profit for 2024 and 2023 will increase or decrease by NT$21,375,000 and NT$54,024,000, respectively. This analysis is based on the same assumptions for both periods.

(3) Foreign exchange gain (loss) on monetary items

Due to the wide variety of foreign currencies involved in the Company's transactions, we disclose the exchange gains and losses of monetary items in an aggregated manner. For the years 2024 and 2023, the foreign currency exchange gains (including realized and unrealized gains) amounted to NT$109,872 thousand and NT$6,391 thousand, respectively.

4. Market risk

If the prices of securities with active market quotations at the reporting date had changed (using the same basis for both periods and assuming no change in other variables), the impact on the comprehensive income would have been as follows:

Security Price at the Reporting Date	2024 Other Comprehensive Income (Pre-tax)	2024 Pre-tax Income	2023 Other Comprehensive Income (Pre-tax)	2023 Pre-tax Income
Increase by 5%	$ 379,600	16,801	337,867	13,868
Decrease by 5%	$ (379,600)	(16,801)	(337,867)	(13,868)

Please refer to Note VI (IV) "Measurement of the fair value of Level 3, the sensitivity analysis of the fair value using reasonably possible alternative assumptions" for details of the price changes of the Level 3 equity securities.

5. Interest rate analysis

The Company's financial assets and liabilities exposed to interest rate risk include bank deposits and bank borrowings. However, the impact of interest rate fluctuations on these financial assets and liabilities is not significant, and therefore, there is no substantial related fair value risk or cash flow risk.

6. Fair value information

(1) Category of financial instruments and their fair value

Company's financial instruments measured at fair value on a recurring basis include the financial assets at fair value through profit or loss and the financial assets at fair value through other comprehensive income. Carrying amount and fair value of various financial assets and financial liabilities (including fair value level information, except for financial instruments whose carrying amount is a reasonable approximation of fair value, and lease liabilities which are not required to disclose their fair value information) were as follows:

	2024.12.31				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Beneficiary certificates	$ 336,019	336,019	-	-	336,019
Private equity funds	121,250	-	-	121,250	121,250

	2024.12.31				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Non-publicly quoted equity instruments measured at fair value	72,248	-	-	72,248	72,248
Structured products	31,860	-	31,860	-	31,860
Subtotal	561,377	336,019	31,860	193,498	561,377
Financial assets at fair value through other comprehensive income					
Domestic listed (OTC) stock	7,582,980	7,582,980	-	-	7,582,980
Foreign listed stock	9,028	9,028	-	-	9,028
Non-publicly quoted equity instruments measured at fair value	259,399	-	-	259,399	259,399
Subtotal	7,851,407	7,592,008	-	259,399	7,851,407
Financial assets at amortized cost					
Cash and cash equivalents	$ 2,333,218	-	-	-	-
Notes receivable and accounts receivable (including related parties)	2,575,932	-	-	-	-
Other receivables - related parties	171,560	-	-	-	-
Restricted bank deposits (classified in other current assets)	32,785	-	-	-	-
Restricted bank deposits (classified in other non-current assets)	100	-	-	-	-

	2024.12.31				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Refundable deposits (classified in other non-current assets)	4,304	-	-	-	-
Subtotal	5,117,899	-	-	-	-
Total	$ 13,530,683	7,928,027	31,860	452,897	8,412,784
Financial liabilities measured at amortized cost					
Bank borrowings	$ 48,788	-	-	-	-
Accounts payable and trade payables (including related parties)	2,887,585	-	-	-	-
Other payables - (related parties)	829,027	-	-	-	-
Lease liabilities	46,800	-	-	-	-
Guarantee deposits received	335	-	-	-	-
Total	$ 3,812,535	-	-	-	-

	2023.12.31				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Beneficiary certificates	$ 277,366	277,366	-	-	277,366
Private equity funds	68,545	-	-	68,545	68,545
Non-publicly quoted equity instruments measured at fair value	71,632	-	-	71,632	71,632
Subtotal	417,543	277,366	-	140,177	417,543
Financial assets at fair value through other comprehensive income					

	2023.12.31				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Domestic listed (OTC) stock	6,748,094	6,748,094	-	-	6,748,094
Foreign listed stock	9,253	9,253	-	-	9,253
Non-publicly quoted equity instruments measured at fair value	233,066	-	-	233,066	233,066
Subtotal	6,990,413	6,757,347	-	233,066	6,990,413
Financial assets at amortized cost					
Cash and cash equivalents	$ 2,760,841	-	-	-	-
Notes receivable and accounts receivable (including related parties)	2,128,484	-	-	-	-
Other receivables - related parties	209,875	-	-	-	-
Restricted bank deposits (classified in other non-current assets)	100	-	-	-	-
Refundable deposits (classified in other non-current assets)	4,176	-	-	-	-
Subtotal	5,103,476	-	-	-	-
Total	$ 12,511,432	7,034,713	-	373,243	7,407,956
Financial liabilities measured at amortized cost					
Bank borrowings	$ 124,404	-	-	-	-
Accounts payable and trade payables (including related parties)	2,609,048	-	-	-	-

	2023.12.31				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Other payables - (related parties)	882,121	-	-	-	-
Lease liabilities	50,021	-	-	-	-
Guarantee deposits received	330	-	-	-	-
Total	$ 3,665,924	-	-	-	-

(2) Valuation techniques for financial instruments measured at fair value - non-derivative financial instruments

If there is an active market for a financial instrument, the fair value is based on the quoted price in the active market. The market prices announced by major exchanges are the basis for the fair value of listed (over-the-counter) equity instruments and debt instruments that are publicly quoted in the active market.

A financial instrument has an active market for public quotations if public quotations can be obtained from an exchange, broker, underwriter, industry association, pricing service agencies or competent authority in a timely manner and on a regular basis, and if the price fairly represents actual and frequent market transactions. If the above conditions are not met, the market is deemed inactive. Generally speaking, a large bid-ask spread, a significant increase in the bid-ask spread, or a low volume of transactions are all indicators of an inactive market.

Among the financial instruments held by the Company, the listed stocks and beneficiary certificates are financial assets with standard terms and conditions that are traded in the active market, and their fair values are determined with reference to quoted market prices. Structured products are priced based on quotations provided by financial institutions.

Except for the above-mentioned financial instruments, the fair values of the remaining financial instruments are obtained using valuation techniques or by referencing to quoted prices from counterparties. The fair value of financial instruments measured by using valuation techniques can refer to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the Balance Sheets date.

The fair value of financial instruments held by the Company that are not publicly quoted equity instruments with no active market is estimated using the market method and net asset value method. The market method is measured by reference to the recent fundraising activities of the investee or based on the earnings or equity net worth multiplier derived from the quoted market prices of comparable listed companies, adjusted for the effect of discount on the lack of marketability of the equity securities. Net assets value method is based on the assumption that the net worth of the investee is measured on a per share basis.

(3) Quantitative information of significant unobservable inputs (Level 3) relating to fair value measurement

The Company's fair value measurements categorized as Level 3 primarily include financial assets measured at fair value through profit or loss—equity securities investments, private equity fund investments, and financial assets measured at fair value through other comprehensive income—equity securities investments.

The Company's equity instrument investment with no active market has multiple significant unobservable inputs. Significant unobservable inputs for investments in equity instruments with no active market are not correlated with each other because they are independent of each other.

Table of quantitative information of significant unobservable inputs is provided below:

Item	Valuation technique	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value
Financial assets measured at fair value through profit or loss - Investment in equity instrument without an active market	Net assets value method	• Net asset value	• The higher the net assets value, the higher the fair value

Item	Valuation technique	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value
Financial assets measured at fair value through profit or loss - private equity fund investment	Net assets value method	• Net asset value	• The higher the net assets value, the higher the fair value
Financial assets measured at fair value through other comprehensive income - Investment in equity instrument without an active market	Comparable company valuation method	• Net worth multiples (as of December 31, 2024, and December 31, 2023) ranged from 1.92 to 6.5 and 2.57, respectively	• The higher the multiple, the higher the fair value
		• Discount for lack of marketability (as of December 31, 2024, and December 31, 2023) was 29.39% for both years	• The higher the discount for lack of market liquidity, the lower the fair value

(4) Fair value measurement in Level 3 - sensitivity analysis of reasonably possible alternative assumptions

The Company's measurement on the fair value of financial instruments is considered reasonable. However, the fair value may change if different valuation models or inputs are used. For financial instruments classified in Level 3, changing the valuation assumptions would have the following effects on other comprehensive income:

	Input	Upward or Downward Change	Fair Value Change Reflected in Current Profit or Loss		Fair Value Change Reflected in Other Comprehensive Income	
			Favorable Change	**Unfavorable Change**	**Favorable Change**	**Unfavorable Change**
December 31, 2024						
Financial assets at fair value through profit or loss						
Investment in equity instrument without an active market	Net assets value method	5%	3,612	(3,612)	-	-
Financial assets at fair value through other comprehensive income						
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	7,370	(7,370)
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	500	(500)
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	2,100	(2,100)
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	3,000	(3,000)

	Input	Upward or Downward Change	Fair Value Change Reflected in Current Profit or Loss		Fair Value Change Reflected in Other Comprehensive Income	
			Favorable Change	Unfavorable Change	Favorable Change	Unfavorable Change
December 31, 2023						
Financial assets at fair value through profit or loss						
Investment in equity instrument without an active market	Net assets value method	5%	3,258	(3,258)	-	-
Financial assets at fair value through other comprehensive income						
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	2,155	(2,155)

The favorable and unfavorable effects represent the changes in fair value, which is based on a variety of unobservable inputs calculated using the valuation technique. If the fair value of a financial instrument is subject to more than one input, the analysis above reflects only the effect of the change in a single input and does not consider the interrelationship between inputs.

(XXIII) Financial risk management

1. Overview

The Company is exposed to the following risks arising from financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

In this Note, the Company has disclosed the information on exposure to the aforementioned risks, and the Company's objectives, policies and procedures to measure and manage these risks.

2. Risk management framework

The Board of Directors is responsible for developing and overseeing the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, to monitor the risk and to manage the exposure within the risk limits. Risk management policies and systems are reviewed on a regular basis to reflect the changes in market conditions and the Company's operations. The Company develops a disciplined and constructive control environment through training, management guidelines and operating procedures so that all employees understand their roles and responsibilities.

3. Credit risk

Credit risk refers to the risk of financial loss to the Company resulting from the failure of a customer or counterparty of a financial instrument to meet their contractual obligations, and arises primarily from the Company's accounts receivable and security investment.

(1) Accounts receivable and other receivables

The Company's customers are concentrated in a wide range of power supply-related industries. To mitigate the credit risk of accounts receivable, the Company continuously evaluates the financial position of customers and purchases insurance for the accounts receivable of customers in high-risk areas or with special characteristics to reduce the Company's accounts receivable risk. The Company regularly evaluates the possibility of receivables collection and makes provision for bad debts accordingly; overall, management is able to effectively manage the risk of accounts receivable.

The Company has established the credit policy under which it is required to analyze the credit rating of each new customer individually before granting standard payment and delivery terms and conditions. Purchasing limits are established for each individual customer and limits are reviewed periodically. Customers who do not meet the requirement of credit rating can only trade with the Company on an prepayment basis.

(2) Investment

The credit risk of bank deposits, fixed income investments and other financial instruments is measured and monitored by the financial department of the Company. Since the counterparties of transactions and obligations of the Company are banks with good credit standing, and financial institutions, corporate and government with investment grade and above, default risk is limited and hence there is no significant credit risk.

(3) Guarantee

As of December 31, 2024, details regarding the endorsements and guarantees provided by the Company are provided in Note XIII.

4. Liquidity risk

   Liquidity risk is the risk that the Company encounters difficulty in settling its financial liabilities by delivering cash or other financial assets and fails to fulfill its related obligations. The Company manages its liquidity by ensuring that the Company has sufficient liquidity to meet its liabilities as they fall due under normal and stressful circumstances without incurring unacceptable losses or damaging the Company's reputation.

   The Company ensures that it has sufficient cash to meet all contractual obligations. Additionally, as of December 31, 2024 and 2023, the Company had unused borrowing facilities totaling NT$644,500,000 and NT$661,000,000, respectively.

5. Market risk

   Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable level, while optimizing the return of investment.

   (1) Foreign exchange risk

   The Company is exposed to foreign exchange risk on sales, procurement and loans that are denominated in a currency other than the functional currencies of the Company. Company's functional currencies mainly include NT$. The currencies used in these transactions are mainly NT$, Hong Kong Dollar, US Dollar and Renminbi.

   There is no significant difference or significant change in the receivables and payables of the Company, so the Company currently adopts natural hedge as the main exchange rate hedging policy to mitigate the risk.

   (2) Interest rate risk

   The Company's financial assets and liabilities exposed to interest rate risk include bank deposits and bank borrowings. However, the impact of interest rate fluctuations on these financial assets and liabilities is not significant, and therefore, there is no substantial related fair value risk or cash flow risk.

   (3) Other market price risk

   The Company's current financial assets at fair value through profit or loss and non-current financial assets at fair value through other comprehensive income mainly consist of investment in domestic funds, private equity funds, listed stocks, foreign listed stocks and foreign unlisted stocks. Because they are measured at fair value, the Company is exposed to the risk of changes in the market price of equity securities. In order to manage market risk, the

Company selects investment targets carefully and controls its position in order to mitigate the market risk.

(XXIV) Capital management

It is the policy of the Board of Directors to maintain a sound capital base to sustain the confidence of investors, creditors and the market and to support the development of future operations. Capital consists of the Company's share capital, capital surplus, retained earnings, other equity. The Board of Directors is responsible for controlling the debt-to-equity ratio and the level of common stock dividends.

As of December 31, 2024 and 2023, debt-to-equity ratio was as follows:

	2024.12.31	2023.12.31
Total liabilities	$ 4,125,987	4,057,241
Less: cash and cash equivalents	(2,333,218)	(2,760,841)
Net liability	**$ 1,792,769**	**1,296,400**
Equity	**$ 15,445,813**	**14,267,436**
Debt-to-equity ratio	**11.61%**	**9.09%**

As of December 31, 2024, there was no material change in the Company's capital management.

(XXV) Investing and financing activities not affecting cash flows

The reconciliation of liabilities arising from financing activities in 2024 and 2023 was as follows:

			Non-cash changes					
	2024.1.1	**Cash flows from**	**Addition**	**Disposal**	**Changes in foreign exchange rate**	**Changes in lease payment**	**Others**	**2024.12.31**
Long-term loans	$ 124,404	(75,616)	-	-	-	-	-	48,788
Lease liabilities	50,021	(5,122)	3,130	(1,229)	-	-	-	46,800
Total liabilities from financing activities	**$ 174,425**	**(80,738)**	**3,130**	**(1,229)**	**-**	**-**	**-**	**95,588**

			Non-cash changes					
	2023.1.1	**Cash flows from**	**Addition**	**Disposal**	**Changes in foreign exchange rate**	**Changes in lease payment**	**Others**	**2023.12.31**
Long-term loans	$ 199,334	(74,930)	-	-	-	-	-	124,404
Lease liabilities	51,000	(4,089)	3,110	-	-	-	-	50,021
Total liabilities from financing activities	**$ 250,334**	**(79,019)**	**3,110**	**-**	**-**	**-**	**-**	**174,425**

VII. Related Party Transactions

(I) Related party name and relationship

Related parties that had transactions with the Company during the reporting periods were listed below:

Related Party	Relationship with the Company
FSP Group USA Corp.	Associate of the Company
Sparkle Power Inc.	The entity's Chairman is the second-degree relatives of the Chairman of the Company
Amacrox Technology Inc. ("Amacrox")	The entity's Chairman is the second-degree relatives of the Chairman of the Company
Voltronic Power Technology Corp. ("Voltronic")	Substantive related party
Fortron/Source (Europa) GmbH	Substantive related party
FSP(GB) Ltd.	Substantive related party
FSP North America Inc.	Substantive related party
FSP Power Solution GmbH	Substantive related party
FSP International Inc. (BVI)	Subsidiary of the Company
FSP Group Inc.	Subsidiary of the Company
Amacrox Technology Co., Ltd. (BVI)	Subsidiary of the Company
Power Electronics Co., Ltd.	Subsidiary of the Company
FSP Technology Inc. (BVI)	Subsidiary of the Company
Harmony Trading (HK) Ltd.	Subsidiary of the Company
FSP Technology USA Inc.	Subsidiary of the Company
FSP Turkey Dis Tic.Ltd.Sti.	Subsidiary of the Company
FSP International (HK) Ltd.	Subsidiary of the Company
Proteck Electronics (Samoa) Corp.	Subsidiary of the Company
FSP Technology Vietnam Co., Ltd. (SPV)	Subsidiary of the Company
Famous Holding Ltd.	Subsidiary of the Company
Amacrox GmbH	Subsidiary of the Company
Proteck Power North America, Inc.	Subsidiary of the Company
3Y Power Technology Inc.	Subsidiary of the Company
3Y Power Technology (TAIWAN) Inc. ("3Y Power")	Subsidiary of the Company
FSP-C R&D Center ("FSP Jiangsu")	Subsidiary of the Company
Shenzhen Huili Electronic Co., Ltd. ("Huili")	Subsidiary of the Company
Protek Electronics (China) Corp.	Subsidiary of the Company

Related Party	Relationship with the Company
Zhonghan Electronics (Shenzhen) Co., Ltd. ("Zhonghan")	Subsidiary of the Company
WUXI SPI Technology Co., Ltd. ("WUXI SPI")	Subsidiary of the Company
WUXI Zhonghan Technology Co., Ltd. ("WUXI Zhonghan")	Subsidiary of the Company
Hao Han Electronic Technology (Jian) Co., Ltd.	Subsidiary of the Company
Shenzhen Zhonghan Technology Co., Ltd. ("Zhonghan")	Subsidiary of the Company
WUXI 3Y Technology Co., Ltd.	Subsidiary of the Company

(II) Significant related party transactions

1. Operating revenue

Significant sales amount to related parties was as follows:

	2024	2023
Subsidiary		
WUXI Zhonghan	$ 281,022	270,544
Zhonghan	206,923	357,359
FSP Technology USA Inc.	187,713	126,527
Others	195,195	201,624
Associate	74,349	75,259
Other related party		
Sparkle Power Inc.	339,990	344,771
Fortron/Source (EUROPA) GmbH	347,780	324,151
FSP North America Inc.	261,638	371,529
FSP Power Solution GmbH	612,245	574,694
Others	21,313	17,491
	$ 2,528,168	2,663,949

The prices and credit terms of the Company's sales to the above related parties were not significantly different from those of its regular customers.

2. Purchases

The amounts of goods purchased from related parties, raw materials purchased by related parties on behalf of the Company and processing of products were as follows:

	2024	2023
Subsidiary		
Huili	$ 741,594	731,339
Others	1,044,840	979,948
Other related party	134,992	337,062
	$ 1,921,426	**2,048,349**

The Company did not purchase similar products from other manufacturers, so there was no transaction price from regular manufacturers for comparison. The payment terms were not significantly different from those of regular manufacturers except that the payment term for some subsidiaries was 5 days after the monthly settlement.

3. Receivables from related parties

The detailed breakdown of receivables generated by our company due to sales transactions and advances for business needs is as follows:

Accounting Subject	Related Party Category/Name	2024.12.31	2023.12.31
Accounts receivable	Subsidiary	$ 297,265	220,833
Accounts receivable	Associate	25,666	19,427
Accounts receivable	Other related party		
	FSP Power Solution GmbH	308,533	189,476
	Others	240,693	271,520
		872,157	701,256
Other receivables	Subsidiary		
	3Y Power	3,317	5,374
	Famous Holding Ltd.	29,245	14,304
	Others	5,285	3,549
Other receivables	Associate	565	347
Other receivables	Other related party		

Accounting Subject	Related Party Category/Name	2024.12.31	2023.12.31
	FSP Power Solution GmbH	8,551	21,974
	Others	6,995	8,598
		53,958	54,146
		$ 926,115	755,402

As of December 31, 2024, and December 31, 2023, no allowance for doubtful accounts had been recognized for the aforementioned accounts receivable and other receivables.

4. Payable and prepayment to related parties

Accounts payable and prepayment arising from purchases of goods and raw materials and processing of products:

Accounting Subject	Related Party Category/Name	2024.12.31	2023.12.31
Accounts payable	Subsidiary		
	Huili	$ 73,439	53,605
	3Y Power	71,705	100,676
	Others	118,869	56,843
Accounts payable	Other related party		
	Voltronic Power	63,626	87,065
		327,639	298,189
Other payables	Subsidiary	10,931	8,525
Other payables	Other related party	6,372	9,293
		17,303	17,818
		$ 344,942	316,007

5. Service from related party

The Company entered into a billing management service contract with 3Y Power, a subsidiary of the Company, to provide management guidance on the establishment of related departments, application systems and professional information services to 3Y Power at an annual cost of US$240 thousand. The Company also provides machinery and equipment services to 3Y Power.

The breakdown of the above income from the provision of management and equipment services to 3Y Power is as follows:

	2024	2023
Income from management service	$ 7,679	7,455
Income from machinery and equipment service	614	611
	$ 8,293	8,066

The details of technical service fees, labor costs and commissions paid by the Company to the related parties are as follows:

	2024	2023
Subsidiary		
FSP Jiangsu	$ 50,424	46,263
FSP Technology USA Inc.	10,464	11,843
Others	2,312	3,125
Associate		
FSP Group USA Corp.	10,787	11,390
Other related party	29,324	15,738
	$ 103,311	88,359

The Company recognized the following payables to related parties and advance receipts (recorded as other current liabilities and other non-current liabilities) as a result of the above transactions:

Accounting Subject	Related Party Category/Name	2024.12.31	2023.12.31
Other payables	Subsidiary	$ 24,330	14,753
Other payables	Associate	1,258	1,279
Other payables	Other related party	14,221	5,032
		39,809	21,064
Other current liabilities	Subsidiary		
	3Y Power	620	620
Other non-current liabilities	Subsidiary		
	3Y Power	176	790
		$ 40,605	22,474

6. Endorsement and guarantee

The Company provided a joint guarantee, secured by its assets, for its subsidiary, SPV, in relation to loans obtained from financial institutions in 2024. The guarantee amount is NT$32,000 thousand.

(III) Compensation for key management personnel

Compensation for key management personnel

		2024	2023
Short-term employee benefits	$	53,618	56,967
Post-employment benefits		634	529
	$	**54,252**	**57,496**

VIII. Pledged Assets

The carrying amount of pledged assets for custom duty performance guarantee, and borrowings was as follows:

Assets	Pledged to Secure		2024.12.31	2023.12.31
Restricted time deposits (recognized in other non-current assets)	Custom duty performance guarantee	$	100	100
Restricted time deposits (recognized in other current assets)	Subsidiaries' short-term loan facilities		32,785	-
Land	Long-term and short-term loan facilities		161,077	161,077
Housing and construction	Long-term and short-term loan facilities		162,458	170,455
Total		**$**	**356,420**	**331,632**

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) As of December 31, 2024 and 2023, the guarantee facilities extended by banks for customs and excise duties were NT$200,000 thousand, and utilized facilities were NT$60,000 thousand and NT$30,000 thousand, respectively.

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

(III) A printer sold by the Company's customer, Zebra Technology Inc. (hereinafter referred to as "Zebra"), to an end customer caught fire on July 10, 2021, resulting in property damage to the end customer. Some components of the Zebra printer were sold by the Company to the related party, FSP North America Inc., which then resold them to Zebra. Consequently, the end customer's insurance company, Great American Insurance Company, filed a subrogation lawsuit against the Company, FSP North America Inc., and Zebra on February 16, 2023 in the U.S. Federal Court for the Galveston Division of the Southern District of Texas, seeking compensation of US$4,933 thousand. The subrogation lawsuit was settled on November 20, 2024, through Fubon Insurance Co., Ltd., for a settlement amount of US$1.5 million.

(IV) As of December 31, 2024, and December 31, 2023, the Company had signed property, plant, and equipment procurement contracts amounting to NT$2,500 thousand and NT$16,534 thousand, respectively. The amounts paid under these contracts were NT$1,250 thousand and NT$8,045 thousand, respectively, and were recorded under construction in progress and other non-current assets within property, plant, and equipment.

X. Significant Disaster Loss: None.

XI. Significant Events after the Balance Sheet Date: None.

XII. Others

A summary of employee benefits, depreciation, and amortization by function is provided below:

By function / By nature	2024			2023		
	Operation Costs	Operation Expenses	Total	Operation Costs	Operation Expenses	Total
Employee benefits						
Salary expense	51,937	702,765	754,702	53,638	685,938	739,576
Insurance expense	4,812	61,216	66,028	5,531	57,379	62,910
Pension expense	2,011	31,043	33,054	2,017	28,843	30,860
Remuneration paid to directors	-	15,728	15,728	-	16,675	16,675
Other employee benefit expense	1,703	27,894	29,597	2,390	26,175	28,565
Depreciation expenses	9,540	71,594	81,134	10,061	61,855	71,916
Amortization expenses	362	4,960	5,322	183	4,241	4,424

Information regarding the number of employee and employee benefit expenses as of December 31, 2024 and 2023 was as follows:

	2024	2023
Number of employees	762	756
Directors not in concurrent employment	8	8

	2024	2023
Average employee benefits expense	$ 1,172	1,152
Average employee salary expense	$ 1,001	989
Average adjustment of employee salary	1.21%	
Supervisor's remuneration	$ -	-

The Company's compensation policy, including directors, supervisors, managers and employees, is as follows:

(I) Remuneration paid to directors

According to the Article 20 of the Company's Articles of Incorporation, if there is any profit in the year, no more than 3% shall be allocated as the director's remuneration. The payment standard of transportation fee is in accordance with the regulations on the payment of remuneration for directors and functional members, and the transportation fee is NT$5 thousand per person each time. If director is also an employee, remuneration shall be paid in accordance with the provision of (3).

(II) Remuneration of independent directors

The Company's independent directors do not participate in the distribution of directors' remuneration under Article 20 of the Company's Articles of Incorporation. However, the Company is required to pay each independent director a fixed quarterly compensation regardless of profit or loss. 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.

(III) Remuneration of managerial officers

The remuneration of the Company's managers is based on the Company's "Manager Salary and Remuneration Management Regulations", taking into account the salary level of the position in the market, the scope of roles and responsibilities of the position in the Company and the contribution to the Company's business goals. The remuneration of the managers is reviewed by the Remuneration Committee and implemented after the approval by the Board of Directors. When determining reasonable remuneration, the Company considers its overall operating performance, future business risks, development trends of the industry, individual performance achievement and contribution to the Company's financial results. Manager's performance and reasonableness of the remuneration are reviewed by the Remuneration Committee and the Board of Directors, who will also revise the remuneration policy if deemed appropriate according to the actual operating conditions and relevant laws and regulations.

(IV) Remuneration of employees

Employee salaries are determined in accordance with the Company's "Salary Management Guidelines" and with reference to average salary in the market and organizational structure. Employee salaries are adjusted in a timely manner according to market salary trends and government regulations. According to the Article 20 of the Company's Articles of Incorporation, the Company should allocate a minimum of 6% of annual profit, if any, to employee remuneration. But if there is any accumulated deficit, the Company's profit should be reserved to cover the deficit in the first place. Remuneration of employees can be paid in stock or cash, and the distribution of stock or cash to employees may include subsidiary's employees who meet certain criteria. The Board of Directors is authorized to determine the method of distribution. 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.

XIII. Supplementary Disclosures

(I) Information on Significant Transactions

The relevant information regarding significant transactions that the company should disclose again according to the financial reporting standards for issuers of securities for the fiscal year 2024 was as follows:

1. Financing provided to other parties: None.
2. Guarantees and endorsements provided to other parties:

Unit: NT$ thousands

Number	Endorser's Company Name	Endorsee		Endorsement and Guarantee Limit for a Single Enterprise (Note 1)	Highest Endorsement and Guarantee Balance for the Current Period	Ending Balance of Endorsement and Guarantee	Actual Amount Disbursed	Endorsement and Guarantee Amount Secured by Assets	Accumulated Endorsement and Guarantee Amount as a Percentage of the Latest Financial Statement's Net Worth (Note 2)	Maximum Endorsement and Guarantee Limit (Note 1)	Endorsement and Guarantee by the Parent Company for Subsidiaries	Endorsement and Guarantee by Subsidiaries for the Parent Company	Endorsement and Guarantee for Mainland China
		Name of Company	Relationship										
0	The Company	FSP Technology Vietnam Co.,Ltd.	(Note 3)	3,089,162	32,000	32,000	2,895	32,000	0.20%	6,178,325	Y	N	N

Note 1: According to the Company's endorsement and guarantee policy, the total amount of external endorsements and guarantees, including those made by the Company and its subsidiaries, shall not exceed 40% of the Company's net worth for the current period. The limit for endorsements and guarantees for a single enterprise shall not exceed 20% of the Company's net worth for the current period.

Note 2: It is based on the ratio of the endorsement and guarantee balance at the end of the period to the Company's net worth as reported in the latest financial statements.

Note 3: A subsidiary in which more than 50% of the common stock is directly owned.

3. Marketable securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures):

Shares units: Shares

Securities Holding Company	Type and Name of Securities	Relationship with Issuer of Securities	Ledger Account	Year-end Shares/Units	Carrying Amount	Percentage of Shareholding %	Fair Value	Remark
The Company	Stock:							
	Mekong Resort Development Construction Co., Ltd.	—	Financial assets at fair value through profit or loss	1,925,000	72,248	8.26	72,248	
	Beneficiary certificates:							
	Fuh Hwa Guardian Fund	—	〃	3,504,199	73,145	-	73,145	
	Fuh Hwa Ruei Hua Fund	—	〃	1,961,169	23,922	-	23,922	
	The maturity of the Fu Hua three to eight-year floating rate notes and bonds (in New Taiwan Dollars)	—	〃	5,000,000	53,616	-	53,616	
	Yuanta FTSE4Good TIP Taiwan ESG ETF Securities Investment Trust Fund	—	〃	400,000	18,284	-	18,284	
	Taiwan Technology High Dividend Fund A	—	〃	6,000,000	59,280	-	59,280	
	Asia-Pacific Technology (in USD)	—	〃	105,988	62,860	-	62,860	
	0056 Yuanta High Dividend	—	〃	300,000	11,004	-	11,004	
	00933B Cathay 10-Year+ Financial Bond	—	〃	200,000	3,354	-	3,354	
	00919 Capital Taiwan High Dividend	—	〃	300,000	7,014	-	7,014	
	00939 Unified Taiwan High Interest	—	〃	1,000,000	14,130	-	14,130	
	00940 Yuanta Taiwan High-yield Value	—	〃	1,000,000	9,410	-	9,410	
					336,019		336,019	
	Private equity fund:							
	Heshunhsing Intelligent Mobile LP	—	〃	61,250,000	61,250	1.39	61,250	
	Hong Chi Sustainable Climate Limited Partnership	—	〃	30,000,000	30,000	2.00	30,000	
	Mesh Cooperative Ventures Fund	—	〃	30,000,000	30,000	3.08	30,000	
					121,250		121,250	
	Structured products:							
	X220401	—	〃	10,000	31,860	-	31,860	
3Y Power	Beneficiary certificates:							
	Fuh Hwa Taiwan Technology High Dividend Fund	—	〃	2,000,000	19,760	-	19,760	
	Structured products:							
	XP240807	—	〃	5,000	14,427	-	14,427	

Notes to Parent Company Only Financial Statements of FSP Technology Inc. (Continued)

Securities Holding Company	Type and Name of Securities	Relationship with Issuer of Securities	Ledger Account	Year-end				Remark
				Shares/Units	Carrying Amount	Percentage of Shareholding %	Fair Value	
					34,187		34,187	
					595,564		595,564	
The Company	Stock:							
	Voltronic Power Technology Corp.	Other related party	Financial assets at fair value through other comprehensive income	3,105,822	5,776,829	3.54	5,776,829	
	JESS-LINK Products Co., Ltd.	—	〃	10,000,000	1,465,000	8.19	1,465,000	
	WT Microelectronics Co., Ltd. (Preferred stock)	—	〃	1,000,000	49,800	0.74	49,800	
	WT Microelectronics Co., Ltd.	—	〃	400,000	44,000	0.04	44,000	
	Taiwan Semiconductor Manufacturing Co., Ltd.	—	〃	10,000	10,750	-	10,750	
	Coretronic Corporation	—	〃	380,000	35,568	0.10	35,568	
	Eastern Union Interactive Corp.	—	〃	838,000	124,409	3.37	124,409	
	Champ-ray Industrial Co., Ltd.	—	〃	200,000	18,748	0.75	18,748	
	Channel Well Technology Co., Ltd.	—	〃	100,000	7,080	0.04	7,080	
	Delta Electronics Inc.	—	〃	10,000	4,305	-	4,305	
	Quanta Computer Inc.	—	〃	60,000	17,220	-	17,220	
	Chenbro Micom Co., Ltd.	—	〃	74,000	19,721	0.06	19,721	
	Formosa International Hotels Corporation	—	〃	50,000	9,550	0.04	9,550	
	TOT BIOPHARM International Co., Ltd.	—	〃	1,195,200	9,028	0.15	9,028	
The Company	Stock:							
	Taiwan Truewin Technology Co., Ltd.	—	Financial assets at fair value through other comprehensive income	2,226,704	147,399	3.51	147,399	
	StockSense Media Technology Co., Ltd.	—	〃	962,121	42,000	6.15	42,000	
	Liwatt X Inc.	—	〃	1,000,000	10,000	14.29	10,000	
	LINCO Technology Co., Ltd.	—	〃	500,000	60,000	0.67	60,000	
					7,851,407		7,851,407	
FSP Jiangsu	Powerland Technology Inc.	—	〃	-	55,302	3.39	55,302	
					7,906,709		7,906,709	

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

Shares units: Shares

Company Name	Type and Name of Securities	Ledger Account	Counterparty	Relationship	Beginning of Period		Purchase		Sale				Year-end	
					Shares	Amount	Shares	Amount	Shares	Selling Price	Carrying Cost	Gains (Losses) on Disposal	Shares	Amount
The Company	Stock: Voltronic Power Technology Corp.	Financial assets at fair value through other comprehensive income			3,376,822	5,774,366	-	-	271,000	524,790	1,279	523,511	3,105,822	5,776,829 (Note)

Note: The ending balance includes unrealized gain or loss on financial assets.

5. Acquisition of real estate at costs which exceed NT$300,000 thousand or 20% of the paid-in capital:

Company Acquiring Property	Property Name	Date of Occurrence	Transaction Amount	Payment Situation	Counterparty	Relationship	Previous Transfer Data for Transactions with Related Parties				Reference Basis for Price Determination	Purpose of Acquisition and Circumstances of Use	Other Terms and Conditions
							Owner	Relationship with the Issuer	Transfer Date	Amount			
3Y Power	Housing and construction	2024.6.7	481,300	49,480	Li, Chien-Lung, Zhongsen Construction Co., Ltd.	None				-	Reference to real estate appraisal report	In response to operational planning needs	

6. Disposal of real estate at prices which exceed NT$300,000 thousand or 20% of the paid-in capital: None.

7. Total purchases from and sales to related parties which exceed NT$100,000 thousand or 20% of the paid-in capital:

Company Purchases (Sales) of Goods	Related Party	Relationship	Transaction Situation				Unusual Transaction Terms and Reasons		Notes and Accounts Receivable (Payable)		Remark
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales)(%)	Credit Period	Unit Price	Credit Period	Balance	Percentage of Total Notes and Accounts Receivable (Payable)%	
The Company	Sparkle Power Inc.	The Chairman of the Company is the second-degree relatives of the entity's Chairman	(Sales)	(339,990)	(3.74)	Note 1			122,343	4.75	
The Company	Fortron/ Source (EUROPA) GmbH	Substantive related party of the Company	(Sales)	(347,780)	(3.83)	Note 1			73,953	2.87	
The Company	FSP Power Solution GmbH	Substantive related party of the Company	(Sales)	(612,245)	(6.74)	Note 1			308,533	11.98	
The Company	WUXI Zhonghan	100% owned investment via indirect shareholding	(Sales)	(281,022)	(3.09)	Note 1			145,748	5.66	
The Company	FSP Technology USA Inc.	100% owned investment via direct shareholding	(Sales)	(187,713)	(2.07)	Note 1			41,678	1.62	
The Company	Zhonghan Tech.	100% owned investment via indirect shareholding	(Sales)	(206,923)	(2.28)	Note 1			-	-	
The Company	FSP North America Inc.	Substantive related party of the Company	(Sales)	(261,638)	(2.88)	Note 1			36,383	1.41	
The Company	Huili	100% owned investment via indirect shareholding	Purchases (Note 2)	741,594	12.92	Note 4		Note 4	(78,303) (Note 3)	(2.66)	
The Company	Zhonghan	100% owned investment via indirect shareholding	Purchases (Note 2)	347,761	6.06	Note 4		Note 4	(39,942) (Note 3)	(1.36)	

Company Purchases (Sales) of Goods	Related Party	Relationship	Transaction Situation				Unusual Transaction Terms and Reasons		Notes and Accounts Receivable (Payable)		Remark
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales)(%)	Credit Period	Unit Price	Credit Period	Balance	Percentage of Total Notes and Accounts Receivable (Payable)%	
The Company	WUXI SPI	100% owned investment via indirect shareholding	Purchases (Note 2)	238,480	4.15	Note 4		Note 4	(49,806) (Note 3)	(1.69)	
The Company	Voltronic Power	The Company is the Director of this company	Purchases	134,163	2.34	Note 5			(63,626)	(2.16)	
The Company	3Y Power	65.87% owned investment via direct shareholding	Purchases (Note 2)	262,132	4.57	Note 1			(74,261) (Note 3)	(2.52)	
3Y Power	3Y Power Technology Inc.	100% owned reinvestment via direct shareholding	(Sales)	(219,118)	(11.26)	Note 1			26,209	8.07	
3Y Power	FSP Power Solution Gmbh	Substantive related party of the Company	(Sales)	(108,115)	(5.56)	Note 1			41,493	12.77	
3Y Power	Zhonghan Tech.	Affiliate	(Sales)	(600,198)	(30.85)	Note 1			-	-	
3Y Power	Huili	Affiliate	Purchases (Note 2)	243,869	22.17	Note 4		Note 4	(42,290) (Note 3)	(6.88)	

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

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

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

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

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

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

Company with Accounts Receivable	Related Party	Relationship	Balance of Receivables from Related Parties	Turnover Rate	Overdue Receivables from Related Parties		Recovery from Overdue Receivables from Related Parties (Note)	Loss Allowance
					Amount	Action Taken		
The Company	Sparkle Power Inc.	The Chairman of the Company is the second-degree relatives of the entity's Chairman	122,343	2.92	-		639,678	-
The Company	FSP Power Solution GmbH	Substantive related party of the Company	308,533	2.46	-		99,747	-
The Company	WUXI Zhonghan	100% owned reinvestment via indirect shareholding	145,748	2.37	-		58,473	-

Note: As of February 28, 2025.

9. Derivative instruments transactions: None.

(II) Information on invested companies:

Investment information in 2024 is as follows:

Name of Investor	Name of Investee	Location	Main Business Activities	Initial Investment Amount		Ending Balance			Profit (Loss) of Investee for the Period (Note)	Investment Gain (Loss) Recognized for the Period (Note)	Remark
				Ending Balance for the Current Period	At the End of Last Year	Shares	Shareholding (%)	Carrying Amount			
The Company	FSP International Inc. (BVI)	British Virgin Islands	Investment holdings	1,468,081	1,241,751	32,202,500	100.00	2,240,296	(108,434)	(108,434)	Subsidiary
	FSP Group Inc.	British Cayman Islands	Engaged in safety certification	1,752	1,752	50,000	100.00	323	25	25	Subsidiary
	Amacrox Technology Co., Ltd. (BVI)	British Virgin Islands	Investment holdings	40,925	40,925	1,109,355	100.00	79,355	5,730	5,730	Subsidiary
	3Y Power	Taiwan	Manufacturing and trading of power supply	304,406	304,406	16,309,484	65.87	812,076	90,262	59,449	Subsidiary
	Harmony Trading (HK) Ltd.	Hong Kong	Investment holdings	45	45	10,000	100.00	2,025	75	76	Subsidiary
The Company	FSP Technology USA Inc.	U.S.A.	Business development and product technical service	3,143	3,143	100,000	100.00	12,242	5,739	5,740	Subsidiary
	FSP Turkey Dis Tic.Ltd.Sti.	Turkey	Business development and product technical service	22,640	22,640	6,673,000	91.41	26,391	3,340	3,052	Subsidiary
	FSP Technology VIETNAM CO.,LTD.	Vietnam	Manufacturing and trading of power supply	222,010	92,600	169,691,000	100.00	168,618	(34,875)	(34,875)	Subsidiary
FSP International Inc. (BVI)	FSP Technology Inc. (BVI)	British Virgin Islands	Investment holdings	62,883	62,883	2,100,000	100.00	117,989	(13,710)	-	Sub-subsidiary
	Power Electronics Co., Ltd. (BVI)	British Virgin Islands	Investment holdings	217,707	217,707	7,000,000	100.00	154,316	(7,855)	-	Sub-subsidiary
	Famous Holding Ltd.	Samoa	Investment holdings	807,483	807,483	27,000,000	100.00	1,349,691	(39,791)	-	Sub-subsidiary
	Proteck Electronics (Samoa) Corp.	Samoa	Investment holdings	32,984	32,984	1,100,000	100.00	21,847	(11,889)	-	Sub-subsidiary
	FSP International (HK) Ltd.	Hong Kong	Investment holdings	141,042	141,042	4,770,000	100.00	35,068	(12,635)	-	Sub-subsidiary
Amacrox Technology Co., Ltd. (BVI)	Amacrox GmbH	Germany	Trading of power supply	18,181	18,181	25,000	100.00	2,972	(55)	-	Sub-subsidiary
	FSP Group USA Corp.	U.S.A.	Trading of power supply	14,903	14,903	247,500	45.00	38,978	5,015	2,257	Associate
3Y Power	3Y Power Technology Inc.	U.S.A.	Trading of power supply	233,850	233,850	600,000	100.00	252,358	(26,081)	-	Sub-subsidiary
	Luckyield Co., Ltd.	Samoa	Investment holdings	4,500	4,500	45,000	100.00	4,996	2,051	-	Sub-subsidiary

Note: The company's recognition of investment gains and losses does not include 3Y Power, 3Y Power Technology Inc. and Luckyied Co., Ltd. The financial statements have been audited by other Taiwanese certified public accountants, and the remaining financial statements are based on the financial statements audited by the Taiwanese parent company's certified public accountants of the invested company, and are accounted for using the equity method.

(III) Information on investment in mainland China:

1. Information on the name of investee company in mainland China and their main businesses and products

Investee Company	Main Business Activities	Paid-in Capital	Method of Investments (Note 1)	Accumulated Amount of Investments Remitted from Taiwan at Beginning of Period	Amount of Investments Remitted or Repatriated for the Period		Accumulated Amount of Investments Remitted from Taiwan at End of Period	Profit (Loss) of Investee for the Period	Percentage of Ownership of Direct or Indirect Investment	Recognition of Investment Gains and Losses for the Current Period (Note 3)	The Year-end Carrying Value of Investments (Note 3)	Accumulated Investment Income Repatriated at End of Period
					Remitted	Repatriated						
Huili	Processing of power supply	376,107	(II), 1	176,873	226,330	-	403,203	(28,540)	100.00	(28,540)	456,938	197,299
Zhonghan	Processing of power supply	231,020 (Note 2)	(II), 1	104,342	-	-	104,342	(7,926)	100.00	(7,926)	153,362	75,044
WUXI SPI	Processing of power supply	744,647 (Note 2)	(II), 1	508,326	-	-	693,140	4,691	100.00	4,691	93,438	-
WUXI Zhonghan	Manufacturing and trading of power supply	428,934	(II), 1	380,595	-	-	380,595	(44,546)	100.00	(44,546)	876,729	-
Zhonghan Tech.	Manufacturing and trading of power supply	134,340	(II), 1	20,196	-	-	20,196	(33,749)	100.00	(33,749)	756,693	-
FSP Jiangsu	Research & development and design of various energy saving technology	69,009 (Note 2)	(II), 1	13,380	-	-	13,380	(13,710)	100.00	(13,710)	119,675	-
Protek Dongguan	Processing of power supply	40,607	(II), 1	38,038	-	-	38,038	(11,904)	100.00	(11,904)	21,632	-
Hao Han	Transformer processing	168,722 (Note 2)	(II), 1	-	-	-	-	(12,635)	100.00	(12,635)	35,068	-
WUXI 3Y	Design, manufacturing and trading of power supplies	4,250	(II), 2	-	-	-	-	2,051	65.87	1,351	4,996	-

Note 1: Method of investment can be divided into the following three categories:

(I) Direct investment in mainland China.

(II) Indirect investment in mainland China through a holding company established in other countries

1. Through FSP International Inc. The company is reinvesting in mainland China.

2. Through 3Y Power to invest in mainland China.

(III) Others.

Note 2: This includes the amount of capital contributed by a foreign subsidiary from its earnings or dividends from an investee company in China.

Note 3: The investment profits and losses and the carrying amount of the investment at the end of the period recognized by the company are based on the financial statements of the investee company audited by the CPA of Taiwan's parent company, except for WUXI 3Y, whose financial statements are audited by other CAP in Taiwan.

2. The limit of investment in mainland China:

Accumulated Investment in Mainland China at the End of Period	Investment Amounts Approved by Investment Commission, MOEA	Limit of Investment in Mainland China Approved by Investment Commission, MOEA
1,435,606 (Note 2) (HK$ 12,500 thousand and US$ 42,640 thousand)	2,089,051 (Note 2) (HK$ 12,500 thousand and US$ 62,110 thousand)	9,267,488 (Note 1)

Note 1: 60% of net worth.

Note 2: For the amounts of the above investment in mainland China, except that the accumulated investment amount remitted from Taiwan to mainland China at the end of the current period is based on the historical exchange rate, the investment profit and loss recognized in the current period is based on the weighted average exchange rate (USD/TWD: 1:32.1120, CNY/TWD: 1:4.4543, HKD/TWD: 1:4.1152). Paid-in capital, investment amount approved by the Investment Commission of MOEA, and the carrying amount at the end of the period are based on the exchange rates on December 31, 2024 (USD/TWD: 1:32.7850, CNY/TWD: 1:4.4780, HKD/TWD: 1:4.2220).

3. Significant transactions with the investee company in mainland China:

For the direct or indirect significant transactions between the Company and its investee companies in mainland China in 2024, please refer to the description of "Information on Significant Transactions".

(IV) Information on major shareholders:

Shareholding Name of Major Shareholders	Holding (Shares)	Percentage of Ownership
FSP Capital Co., Ltd.	15,191,766	8.11%
Cheng, Ya-Jen	11,792,834	6.29%
Yang, Fu-An	11,167,477	5.96%

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

XIV. Segment information

Please refer to the consolidated financial statements for the year ended December 31, 2024.

FSP Technology Inc.

Details of Cash and Cash Equivalents

December 31, 2024

Unit: NT$ thousands

Foreign currencies

Item	Summary	Amount
Cash	Patty cash	$ 100
	Cash in foreign currencies:	
	Japanese Yen (JPY27,000 @0.210)	5
	Euro (EUR4,600.00 @34.140)	157
	USD (USD39,800.00 @32.785)	1,305
	Renminbi (CNY8,900.00 @4.478)	40
	Subtotal	1,607
Bank deposits	Time deposits	
	NT$	259,990
	USD (USD19,730,000.00 @32.785)	646,848
	Deposits in checking accounts	3,231
	Demand deposits:	
	NT$	979,979
	Euro (EUR64,899.58 @34.140)	2,215
	Australian Dollars (AUD915.44 @20.390)	18
	USD (USD10,890,377.86 @32.785)	357,040
	Hong Kong Dollars (HKD2,451,554.06 @4.222)	10,350
	Japanese Yen (JPY4,772,160 @0.210)	1,002
	Renminbi (CNY12,615,005.24 @4.478)	56,490
	GBP (GBP0.57 @41.190)	23
	Subtotal	2,317,186
Cash equivalents	Attached repurchase bonds (USD440,000.00 @32.785)	14,425
		$ 2,333,218

FSP Technology Inc.

Statement of Notes Receivable

December 31, 2024

Unit: NT$ thousands

Customer Name	Summary	Amount	Remark
Non-related party:			
Protech Systems Co., Ltd.	Business	$ 2,252	
Blue Sky	〃	20	
		$ 2,272	

FSP Technology Inc.

Breakdown of Accounts Receivable

December 31, 2024 **Unit: NT$ thousands**

Customer Name	Summary	Amount	Remark
Related party:			
Sparkle Power Inc.	Business	$ 122,343	
Fortron/Source (Europa) GmbH	〃	73,953	
FSP (GB) Ltd.	〃	8,014	
3Y Power Technology Inc.	〃	15,777	
FSP Group USA Corp.	〃	25,666	
FSP North America Inc.	〃	36,383	
FSP Power Solution GmbH	〃	308,533	
FSP Technology USA Inc.	〃	41,678	
WUXI Zhonghan Technology Co., Ltd.	〃	145,748	
3Y Power Technology (TAIWAN) Inc.	〃	22,505	
FSP Turkey Dis Tic. Ltd. Sti.	〃	32,206	
FSP Technology Vietnam Co., Ltd	〃	39,351	
Subtotal		872,157	
Non-related party:			
Listan GmbH	Business	172,910	
AIstone Global Limited	〃	148,254	
Others (the amount of individual item in others does not exceed 5% of the account balance)	〃	1,395,421	
Subtotal		1,716,585	
Less: Loss allowances		(15,082)	
Subtotal		1,701,503	
		$ 2,573,660	

FSP Technology Inc.

Statement of Inventories

December 31, 2024

Unit: NT$ thousands

Item	Cost	Net Realizable Value	Remark
	Amount		
Finished goods	$ 896,621	1,038,365	Market value refers to the estimated net realizable value
Work in process	329,360	316,383	〃
Raw materials	376,090	326,432	〃
Total	1,602,071	**1,681,180**	
Less: allowance for inventory valuation loss	187,492		
	$ 1,414,579		

FSP Technology Inc.

Changes in Financial Assets at Fair Value through Other Comprehensive Income - Non-current

January 1 to December 31, 2024

Unit: NT$ thousands

	Beginning of Period		Increase for the Period		Reduction in Current Period		Year-end		Provision of Guarantees or Pledge Situations	
Name	Shares	Fair Value	Shares	Amount	Shares	Amount	Shares	Fair Value		Remark
Voltronic Power Technology Corp.	3,376,822	$ 5,774,366	-	524,931	271,000	522,468	3,105,822	5,776,829	None	
JESS-LINK Products Co., Ltd.	10,000,000	841,000	-	624,000	-	-	10,000,000	1,465,000	None	
WT Microelectronics Co., Ltd. (Preferred stock)	1,000,000	45,650	-	4,150	-	-	1,000,000	49,800	None	
Taiwan Cement Corp.	54,996	1,917	-	-	54,996	1,917	-	-	None	
Taiwan Semiconductor Manufacturing Co., Ltd.	10,000	5,930	-	4,820	-	-	10,000	10,750	None	
Coretronic Corporation	858,000	61,347	-	20,008	478,000	45,787	380,000	35,568	None	
TOT BIOPHARM International Co., Ltd.	1,195,200	9,253	-	-	-	225	1,195,200	9,028	None	
Eastern Union Interactive Corp.	880,000	58,667	8,000	73,369	50,000	7,627	838,000	124,409	None	
Taiwan Truewin Technology Co., Ltd.	1,965,317	147,399	261,387	-	-	-	2,226,704	147,399	None	
StockSense Media Technology Co., Ltd.	340,000	17,000	622,121	25,000	-	-	962,121	42,000	None	
Champ-ray Industrial Co., Ltd.	200,000	17,884	-	864	-	-	200,000	18,748	None	
Liwatt X Inc.	1,000,000	10,000	-	-	-	-	1,000,000	10,000	None	
Chenbro Micom Co., Ltd.	-	-	142,000	41,552	68,000	21,831	74,000	19,721	None	
Formosa International Hotels Corporation	-	-	50,000	9,879	-	329	50,000	9,550	None	
LINCO Technology Co., Ltd.	-	-	500,000	60,000	-	-	500,000	60,000	None	
WT Microelectronics Co., Ltd.	-	-	429,000	48,620	29,000	4,620	400,000	44,000	None	
Channel Well Technology Co., Ltd.	-	-	120,000	8,631	20,000	1,551	100,000	7,080	None	
Delta Electronics Inc.	-	-	56,000	19,938	46,000	15,633	10,000	4,305	None	
Quanta Computer Inc.	-	-	60,000	17,220	-	-	60,000	17,220	None	
Beyond Innovation Technology Co., Ltd.	1,000,000	-	-	-	-	-	1,000,000	-	None	
Cathay Financial Holding Co., Ltd.	-	-	10,000	561	10,000	561	-	-	None	
P-DUKE Technology Co., Ltd.	-	-	5,000	474	5,000	474	-	-	None	
		$ 6,990,413		1,484,017		623,023		7,851,407		

FSP Technology Inc.

Statement of Changes in Investments Accounted for Using the Equity Method

January 1 to December 31, 2024

Unit: NT$ thousands

Name	Opening Balance (Restated)		Increase for the Period		Reduction in Current Period		Ending balance			Market Price or Net Worth		Guarantee or Pledge	Remark
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of Ownership	Amount	Unit Price	Total		
FSP International Inc. (BVI)	32,202,500	$ 2,028,018	-	320,712	-	108,434	32,202,500	100.00%	2,240,296	69.99	2,253,843	None	
FSP Group Inc.	50,000	299	-	24	-	-	50,000	100.00%	323	6.46	323	None	
Amacrox Technology Co., Ltd. (BVI)	1,109,355	70,442	-	8,913	-	-	1,109,355	100.00%	79,355	78.00	86,533	None	
3Y Power	16,309,484	785,987	-	75,018	-	48,929	16,309,484	65.87%	812,076	49.37	805,270	None	
Harmony Trading (HK) Ltd.	10,000	1,950	-	75	-	-	10,000	100.00%	2,025	202.60	2,026	None	
FSP Technology USA Inc.	100,000	6,012	-	6,230	-	-	100,000	100.00%	12,242	122.43	12,243	None	
FSP Turkey Dis Tic.Ltd.Sti.	6,673,000	16,333	-	10,064	-	6	6,673,000	91.41%	26,391	4.92	32,820	None	
FSP TECHNOLOGY VIETNAM	70,500,000	77,544	99,191,000	132,504	-	41,430	169,691,000	100.00%	168,618	1.05	178,127		
		$ 2,986,585		553,540		198,799			3,341,326		3,371,185		

Note: Including current period investment profit/loss NT$(69,237) thousand, newly added investments for the current period of NT$355,739 thousand, exchange differences arising from the translation of financial statements of foreign operations of NT$79,088 thousand, share of other comprehensive income of subsidiaries amounting to NT$28,808 thousand, deferred credit - net changes in unrealized sales gains/losses of NT$9,272 thousand, and cash dividends distributed by investee companies of NT$(48,929) thousand.

FSP Technology Inc.

Breakdown of Notes Payable

December 31, 2024 **Unit: NT$ thousands**

Customer Name	Summary	Amount	Remark
Hey Bro International Corp.	Business	$ 4,222	
KPMG Taiwan	〃	835	
TUV Rheinland Taiwan Ltd.	〃	3,023	
168 Food Co., Ltd.	〃	857	
Ares International Corporation	〃	2,782	
Others (the amount of individual item in others does not exceed 5% of the account balance)	〃	2,578	
		$ 14,297	

FSP Technology Inc.

Statement of Accounts Payable

December 31, 2024 **Unit: NT$ thousands**

Customer Name	Summary	Amount	Remark
Related party:			
Shenzhen Huili Electronic Co., Ltd.	Business	$ 73,439	
Zhonghan Electronics (Shenzhen) Co., Ltd.	〃	36,578	
WUXI SPI Technology Co., Ltd.	〃	49,659	
3Y Power Technology (TAIWAN) Inc.	〃	71,705	
Protek Electronics (China) Corp.	〃	5,470	
Harmony Trading (HK) Ltd.	〃	146	
Voltronic Power Technology Corp.	〃	63,626	
FSP Technology USA INC.	〃	27,016	
Subtotal		327,639	
Non-related party:			
Yuen Tai Electrical Co., Ltd.	Business	209,512	
Avnet Asia Pte Ltd., Taiwan Branch	〃	127,154	
World Peace Industrial Co., Ltd.	〃	152,092	
Others (the amount of individual item in others does not exceed 5% of the account balance)	〃	2,056,891	
Subtotal		2,545,649	
		$ 2,873,288	

FSP Technology Inc.

Statement of Other Payables

December 31, 2024 **Unit: NT$ thousands**

Item	Summary	Amount
Non-related party:		
Salaries and bonuses payable	Business	$ 331,718
Safety test fee payable	〃	126,140
Advertising fees payable	〃	65,003
Commission payable	〃	41,904
Others (the amount of individual item in others does not exceed 5% of the account balance)	〃	207,150
		$ 771,915

Statement of Operating Revenue

January 1 to December 31, 2024

Item	Quantity	Amount	Remark
Power supplies:			
Personal computer	3,074,997 PCS	$ 4,209,941	
Consumer application	9,462,895 PCS	3,701,283	
Industrial use	244,513 PCS	557,009	
Medical use	237,112 PCS	361,530	
Semi-finished goods	822,852 PCS	23,572	
Raw material	151,017,894 PCS	230,337	
		$ 9,083,672	

FSP Technology Inc.

Statement of Operating Costs

January 1 to December 31, 2024 **Unit: NT$ thousands**

Item	Amount	
	Subtotal	Total
Cost of self-produced goods sold		
Direct raw material	$ 5,018,643	
Add: raw materials - beginning of the period	432,960	
Purchase	5,178,939	
Less: raw materials - end of the period	(376,090)	
Sales of raw materials	(206,280)	
Loss on inventory obsolescence	(7,003)	
Used by departments	(3,883)	
Director labor	19,125	
Manufacturing overheads	1,678,685	
Manufacturing overheads	6,716,453	
Add: work in process - beginning of the period	253,264	
Purchase	1,408	
Less: work in process - end of the period	(329,360)	
Sales of semi-finished goods	(15,422)	
Loss on inventory obsolescence	(2,063)	
Used by departments	(310)	
Cost of finished goods	6,623,970	
Add: finished goods at beginning of the period	1,019,546	
Finished goods purchased	559,370	
Less: finished goods at end of the period	(896,621)	
Loss on inventory obsolescence	(17,702)	
Used by departments	(25,294)	
Total cost of goods sold		7,263,269
Cost of raw material sold		206,280
Cost of semi-finished goods sold		15,422
Loss on inventory obsolescence		26,768
Loss on inventory write-down		34,637
Loss on inventory		1
Total operating costs		$ 7,546,377

FSP Technology Inc.

Statement of Selling and Marketing Expenses

January 1 to December 31, 2024 **Unit: NT$ thousands**

Item	Summary	Amount	Remark
Salary expenses		$ 121,258	
Commission expense		89,264	
Shipping expense		75,183	
Advertising expense		34,551	
Insurance expenses		31,481	
Others (the amount of individual item in others does not exceed 5% of the account balance)		94,538	
		$ 446,275	

Statement of General and Administrative Expenses

Item	Summary	Amount	Remark
Salary expenses		$ 249,696	
Depreciation		34,126	
Miscellaneous expenses		27,102	
Others (the amount of individual item in others does not exceed 5% of the account balance)		121,424	
		$ 432,348	

FSP Technology Inc.

Breakdown of R&D Expenses

January 1 to December 31, 2024 **Unit: NT$ thousands**

Item	Summary	Amount	Remark
Salary expenses		$ 347,539	
Insurance expenses		32,535	
Depreciation		26,358	
Others (the amount of individual item in others does not exceed 5% of the account balance)		91,310	
		$ 497,742	

For the table of changes in property, plant, and equipment, please refer to Note VI (VIII).

For the table of changes in right-of-use assets, please refer to Note VI (IX).

For the table of changes in intangible assets, please refer to Note VI (X).

For the table of lease liabilities, please refer to Note VI (XIII).

For the table of provisions, please refer to Note VI (XIV).

For the table of interest income, please refer to Note VI (XXI).

For the table of other income, please refer to Note VI (XXI).

For the table of other gains and losses, please refer to Note VI (XXI).

For the table of financial costs, please refer to Note VI (XXI).