

FSP Technology Inc. and Subsidiaries
Consolidated Financial Statements and
Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024

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Table of Contents

Item	Page
I. Cover Page	1
II. Table of Contents	2
III. Independent Auditors' Report	3-4
IV. Consolidated Balance Sheets	5
V. Consolidated Statements of Comprehensive Income	6
VI. Consolidated Statements of Changes in Equity	7
VII. Consolidated Statements of Cash Flows	8
VIII. Notes to Consolidated Financial Statements	
(I) Company History	9
(II) Date of Authorization for Issuance of the Parent Company Only Financial Statements and Procedures for Authorization	9
(III) Application of New and Amended Standards and Interpretations	9-11
(IV) Summary of Significant Accounting Policies	11-14
(V) Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions	14
(VI) Details of Significant Accounts	14-47
(VII) Related Party Transactions	47-50
(VIII) Pledged Assets	50
(IX) Significant Contingent Liabilities and Unrecognized Contract Commitments	51-52
(X) Significant Disaster Loss	52
(XI) Significant Events after the Balance Sheet Date	52
(XII) Others	52
(XIII) Supplementary Disclosures	
1. Information on Significant Transactions	53-55
2. Information on Invested Companies	56
3. Information on Investments in Mainland China	57-58
(XIV) Segment Information	58

Independent Auditors' Report

To the Board of Directors of FSP Technology Inc.:

Preface

We have reviewed the Consolidated Financial Statements of FSP Technology Inc. and its subsidiaries, which comprise the Consolidated Balance Sheets as of March 31, 2025 and 2024, and the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Changes in Equity, the Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) from January 1 to March 31, 2025 and 2024. The Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard (IAS) 34 "Interim Financial Reporting" endorsed and issued into effect by Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

Except for matters described in the following paragraph titled "Basis for Qualified Conclusion," we conducted our reviews following the Standards on Auditing 2410 "Review of Financial Statements". The procedures performed to review the consolidated financial statements include inquiry (mainly the inquiry to the persons responsible for financial and accounting affairs), analysis procedure and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note IV(II) to the consolidated financial statements, it has included part of its insignificant subsidiaries in the aforesaid consolidated financial statements based on the financial statements of these invested companies not reviewed by the independent auditors for the same period. As of March 31, 2025 and 2024, these subsidiaries had the total assets of NT\$2,836,656 thousand and NT\$2,439,330 thousand, respectively, representing 13.66% and 12.08% of the consolidated total assets, had the total liabilities of NT\$969,343 thousand and NT\$814,648 thousand, respectively, representing 14.56% and 14.52% of the consolidated total liabilities, and realized the comprehensive profit (loss) of NT\$49,344 thousand and NT\$26,690 thousand from January 1 to March 31, 2025 and 2024, respectively, representing (4.16)% and 5.18% of the consolidated comprehensive profit (loss), respectively.

Besides the above-mentioned in the previous paragraph, as stated in Note VI(VII) of the consolidated financial statements, investments accounted for under the equity method of FSP Technology Inc. and subsidiaries amounted to NT\$40,078 thousand and NT\$36,467 thousand as of March 31, 2025, and

2024, respectively. The share of corporate profit recognized under the equity method was NT\$907 thousand and NT\$4,000 thousand from January 1 to March 31, 2025, and 2024, respectively. Those amounts were recognized based on financial statements of the investees for the same period and have not been reviewed by the independent auditors.

Qualified Conclusion

Except for possible effects from financial statements of these investees mentioned in the paragraph titled "Basis for Qualified Conclusion" if they were reviewed by independent auditors, we did not discover matters which would lead us to believe that the aforementioned consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of FSP Technology Inc. and its subsidiaries as of March 31, 2025 and 2024, and their consolidated financial performance and cash flows from January 1 to March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34, "Interim Financial Reporting," endorsed and issued into effect by the Financial Supervisory Commission.

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

KPMG

Taipei, Taiwan (Republic of China)

April 30, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 and consolidated financial statements shall prevail.

FSP Technology Inc. and Subsidiaries

Consolidated Balance Sheets

As of March 31, 2025, December 31, 2024 and March 31, 2024

Unit: NT\$ thousand

		2025.3.31		2024.12.31		2024.3.31				2025.3.31		2024.12.31		2024.3.31	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
11xx	Current assets:							21xx	Current liabilities:						
1100	Cash and cash equivalents (Note VI (I))	\$ 3,864,020	19	3,879,851	18	4,084,357	20	2100	Short-term borrowings (Notes VI(VIII) and (XI), and VIII)	\$ 3,267	-	3,253	-	1,600	-
1110	Financial assets at fair value through profit or loss - current (Note VI (II))	947,141	4	983,657	4	750,987	4	2150	Notes payable	12,821	-	14,297	-	10,694	-
1150	Notes receivable, net (Notes VI (IV) and (XIX))	174,641	1	235,225	1	125,783	-	2170	Accounts payable	3,312,656	16	3,255,750	15	2,497,699	13
1170	Accounts receivable, net (Notes VI (IV) and (XIX))	2,607,398	13	2,532,685	12	2,325,872	12	2180	Accounts payable - related parties (Note VII)	83,593	-	63,626	-	83,361	-
1180	Accounts receivable - related parties, net (Notes VI (IV), (XIX) and VII)	718,001	3	622,078	3	625,894	3	2200	Other payables (Note VI (XV), (XX) and VII)	1,331,183	6	1,530,177	7	1,323,084	7
1200	Other receivables (Notes VI (III), (V) and VII)	333,307	2	451,059	2	363,268	2	2216	Dividends payable (Note VI (XVII))	561,786	3	-	-	599,238	3
1220	Current income tax assets	5,961	-	6,859	-	9,791	-	2230	Current income tax liabilities	65,215	-	53,871	-	164,137	1
130x	Inventories (Note VI (VI))	2,170,352	10	2,172,006	10	2,132,420	11	2250	Provisions - current (Note VI (XIV))	136,793	1	138,268	1	130,629	1
1410	Prepayments	108,896	1	81,292	-	72,446	-	2280	Lease liabilities - current (Notes VI (XIII) and VII)	197,745	1	173,749	1	170,294	1
1470	Other current assets (Note VIII)	62,829	-	60,843	-	20,430	-	2300	Other current liabilities (Notes VI (XII) and (XIX))	189,424	1	189,459	1	194,973	1
	Total current assets	10,992,546	53	11,025,555	50	10,511,248	52	2320	Long-term liabilities due within one year or one operating cycle (Notes VI (VIII), (XII) and VIII)	30,422	-	48,200	-	75,790	-
15xx	Non-current assets:								Total current liabilities	5,924,905	28	5,470,650	25	5,251,499	27
1510	Financial assets at fair value through profit or loss - non-current (Note VI (II))	64,889	-	46,287	-	-	-	25xx	Non-current liabilities:						
1517	Financial assets at fair value through other comprehensive income - non-current (Note VI (III))	6,579,817	32	7,906,709	36	7,316,705	36	2540	Long-term borrowings (Notes VI (VIII), (XII) and VIII)	-	-	1,381	-	29,774	-
1550	Investment under equity method (Note VI (VII))	40,078	-	38,978	-	36,467	-	2570	Deferred income tax liabilities:	166,027	1	162,950	1	90,087	-
1600	Property, plant and equipment (Notes VI (VIII), (XI), and (XII), VIII and IX)	1,703,588	8	1,670,658	8	1,470,825	8	2580	Lease liabilities - non-current (Notes VI (XIII) and VII)	564,373	3	518,374	2	233,729	1
1755	Right-of-use assets (Note VI (IX), (XIII) and (VII))	761,710	4	692,097	3	395,228	2	2645	Guarantee deposits received	533	-	522	-	509	-
1780	Intangible assets (Note VI (X))	229,756	1	232,124	1	224,892	1	2670	Other non-current liabilities (Note VI (XII))	2,304	-	2,433	-	2,985	-
1840	Deferred income tax assets	241,675	1	238,341	1	176,408	1		Total non-current liabilities	733,237	4	685,660	3	357,084	1
1900	Other non-current assets (Notes VI (VIII), VIII and IX)	157,786	1	166,036	1	65,510	-	2xxx	Total liabilities	6,658,142	32	6,156,310	28	5,608,583	28
	Total non-current assets	9,779,299	47	10,991,230	50	9,686,035	48	31xx	Equity attributable to owners of the parent (Note VI (III), (VII) & (XVII)):						
								3100	Capital stock	1,872,620	9	1,872,620	9	1,872,620	9
								3200	Capital surplus	861,524	4	861,396	4	864,425	4
								3300	Retained earnings:						
								3310	Legal reserve	1,411,213	7	1,411,213	6	1,301,707	6
								3350	Unappropriated earnings	3,949,660	19	4,382,326	20	3,698,204	19
									Total retained earnings	5,360,873	26	5,793,539	26	4,999,911	25
								34xx	Other equity:						
								3410	Exchange differences on translation of financial statements of foreign operations	(12,694)	-	(47,247)	-	(89,260)	-
								3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	5,606,548	27	6,965,505	31	6,527,210	32
									Total other equity	5,593,854	27	6,918,258	31	6,437,950	32
									Total equity attributable to shareholders of the parent	13,688,871	66	15,445,813	70	14,174,906	70
								36xx	Non-controlling Interests (Note VI (XVIII))	424,832	2	414,662	2	413,794	2
								3xxx	Total equity	14,113,703	68	15,860,475	72	14,588,700	72
1xxx	Total assets	\$ 20,771,845	100	22,016,785	100	20,197,283	100	2-3xxx	Total liabilities and equity	\$ 20,771,845	100	22,016,785	100	20,197,283	100

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng Ya-Jen

Manager: Cheng Ya-Jen

Accounting Supervisor: Sang Hsi-Yun

FSP Technology Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to March 31, 2025 and 2024

Unit: NT\$ thousand

		January to March, 2025		January to March, 2024	
		Amount	%	Amount	%
4000	Operating revenue (Notes VI (XIX) and VII)	\$ 3,031,675	100	2,706,526	100
5000	Operating costs (Notes VI (VIII), (IX), (X), (XIII), (XIV), (XV), VII and XII)	2,498,567	82	2,245,221	83
5920	Add: Realized (Unrealized) Profit on Sales	(37)	-	252	-
5900	Gross profit	533,071	18	461,557	17
6000	Operating expenses (Notes VI (IV), (VIII), (IX), (X), (XIII), (XIV), (XVI), (XX), VII and XII):				
6100	Selling and marketing expenses	172,988	6	142,842	5
6200	General and administrative expenses	177,759	6	166,338	6
6300	Research and development expenses	157,661	5	152,523	6
6450	Expected credit loss	3,140	-	5,141	-
	Total operating expenses	511,548	17	466,844	17
6900	Net operating margin (loss)	21,523	1	(5,287)	-
7000	Non-operating income and expenses (Notes VI (II), (III), (VII), (VIII), (IX), (XII), (XIII), (XXI) and VII):				
7100	Interest income	12,614	-	19,022	1
7010	Other income	9,838	-	43,035	2
7020	Other gains and losses	19,555	1	97,974	3
7050	Finance costs	(3,852)	-	(3,110)	-
7060	Share of profits (losses) of associates and joint ventures under equity method	907	-	(4)	-
	Total non-operating income and expenses	39,062	1	156,917	6
7900	Income before income tax from continuing operations	60,585	2	151,630	6
7950	Less: Income tax expense (Note VI (XVI))	13,448	-	28,457	1
8200	Current net income	47,137	2	123,173	5
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss (Note VI(XVII))				
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	(1,267,391)	(42)	352,422	13
8349	Less: Income tax related to items that will not be reclassified subsequently	-	-	-	-
	Total items that will not be reclassified to profit or loss	(1,267,391)	(42)	352,422	13
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	34,201	1	37,942	1
8370	Share of other comprehensive income (losses) of associates and joint ventures under equity method	939	-	1,657	-
8399	Less: Income tax related to items that may be reclassified subsequently	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	35,140	1	39,599	1
8300	Other current comprehensive income	(1,232,251)	(41)	392,021	14
8500	Total current comprehensive income	<u>\$ (1,185,114)</u>	<u>(39)</u>	<u>515,194</u>	<u>19</u>
	Current net income (losses) attributable to:				
8610	Shareholders of the parent	\$ 37,554	2	113,993	5
8620	Non-controlling interests	9,583	-	9,180	-
		<u>\$ 47,137</u>	<u>2</u>	<u>123,173</u>	<u>5</u>
	Total comprehensive income (losses) attributable to:				
8710	Shareholders of the parent	\$ (1,195,284)	(39)	503,490	19
8720	Non-controlling interests	10,170	-	11,704	-
		<u>\$ (1,185,114)</u>	<u>(39)</u>	<u>515,194</u>	<u>19</u>
	Earnings per share (unit: NT\$) (Note VI (XVIII))				
9750	Basic earnings per share	<u>\$ 0.20</u>		<u>0.61</u>	
9850	Diluted earnings per share	<u>\$ 0.20</u>		<u>0.61</u>	

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng Ya-Jen

Manager: Cheng Ya-Jen

Accounting Supervisor: Sang Hsi-Yun

FSP Technology Inc. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to March 31, 2025 and 2024

Unit: NT\$ thousand

	Equity Attributable to Owners of the Parent										
						Other equity items		Total	Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
						Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income				
	Capital stock - common shares	Capital surplus	Legal reserve	Unappropriated earnings	Total						
Balance as of January 1, 2024	\$ 1,872,620	861,207	1,301,707	4,126,229	5,427,936	(126,335)	6,232,008	6,105,673	14,267,436	401,788	14,669,224
Appropriation and distribution of earnings:											
Cash dividends of common stock	-	-	-	(599,238)	(599,238)	-	-	-	(599,238)	-	(599,238)
Changes in other capital surplus:											
Changes in other capital surplus:	-	3,218	-	-	-	-	-	-	3,218	302	3,520
Current net income	-	-	-	113,993	113,993	-	-	-	113,993	9,180	123,173
Other current comprehensive income	-	-	-	-	-	37,075	352,422	389,497	389,497	2,524	392,021
Total current comprehensive income	-	-	-	113,993	113,993	37,075	352,422	389,497	503,490	11,704	515,194
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	57,220	57,220	-	(57,220)	(57,220)	-	-	-
Balance as of March 31, 2024	\$ 1,872,620	864,425	1,301,707	3,698,204	4,999,911	(89,260)	6,527,210	6,437,950	14,174,906	413,794	14,588,700
Balance as of January 1, 2025	\$ 1,872,620	861,396	1,411,213	4,382,326	5,793,539	(47,247)	6,965,505	6,918,258	15,445,813	414,662	15,860,475
Appropriation and distribution of earnings:											
Cash dividends of common stock	-	-	-	(561,786)	(561,786)	-	-	-	(561,786)	-	(561,786)
Current net income	-	-	-	37,554	37,554	-	-	-	37,554	9,583	47,137
Other current comprehensive income	-	-	-	-	-	34,553	(1,267,391)	(1,232,838)	(1,232,838)	587	(1,232,251)
Total current comprehensive income	-	-	-	37,554	37,554	34,553	(1,267,391)	(1,232,838)	(1,195,284)	10,170	(1,185,114)
Disposal of shares held under employee stock ownership trust	-	128	-	-	-	-	-	-	128	-	128
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	91,566	91,566	-	(91,566)	(91,566)	-	-	-
Balance as of March 31, 2025	\$ 1,872,620	861,524	1,411,213	3,949,660	5,360,873	(12,694)	5,606,548	5,593,854	13,688,871	424,832	14,113,703

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng Ya-Jen

Manager: Cheng Ya-Jen

Accounting Supervisor: Sang Hsi-Yun

FSP Technology Inc. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to March 31, 2025 and 2024

Unit: NT\$ thousand

	January to March, 2025	January to March, 2024
Cash flows from operating activities:		
Income before income tax	\$ 60,585	151,630
Adjustments for:		
Adjustments to reconcile profit or loss		
Depreciation expenses	103,897	98,845
Amortization expenses	3,688	1,382
Expected credit loss	3,140	5,141
Interest expense	3,852	3,110
Interest income	(12,614)	(19,022)
Dividend income	(808)	(388)
Share of profits (losses) of associates and joint ventures under equity	(907)	4
Loss (gain) on disposal and scrap of property, plant and equipment	384	(6,126)
Unrealized (realized) sales losses (gains)	37	(252)
Gains on lease modifications	-	216
Total adjustments for profit or loss	<u>100,669</u>	<u>82,910</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	17,914	(52,159)
Notes receivable	60,584	990
Accounts receivable	(77,853)	165
Accounts receivable - related parties	(95,923)	(84,686)
Other receivables	115,860	60,973
Inventories	1,654	411,362
Prepayments	(27,604)	(9,121)
Other current assets	(2,406)	3,107
Other non-current assets	<u>634</u>	<u>5,924</u>
Total changes in operating assets	<u>(7,140)</u>	<u>336,555</u>
Changes in operating liabilities:		
Notes payable	(1,476)	(756)
Accounts payable	56,906	(496,222)
Accounts payable - related parties	19,967	(3,704)
Other payables	(203,735)	(217,275)
Provisions for liabilities	(1,475)	318
Other current liabilities	<u>(164)</u>	<u>(3,434)</u>
Total changes in operating liabilities	<u>(129,977)</u>	<u>(721,073)</u>
Total changes in operating assets and liabilities	<u>(137,117)</u>	<u>(384,518)</u>
Total adjustments	<u>(36,448)</u>	<u>(301,608)</u>
Cash provided by operations	24,137	(149,978)
Interest received	13,235	18,945
Interest paid	(3,855)	(3,191)
Income tax paid	<u>(496)</u>	<u>(1,453)</u>
Net cash provided by operating activities	<u>33,021</u>	<u>(135,677)</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(66,479)	(19,248)
Disposal of financial assets at fair value through other comprehensive income	126,919	77,942
Acquisition of property, plant, and equipment	(55,738)	(30,780)
Disposal of property, plant and equipment	-	8,824
Acquisition of intangible assets	(1,306)	(2,822)
Increase in refundable deposits	(1,682)	(2,386)
Increase in prepayments for equipment	(6,738)	(783)
Dividends received	<u>1,140</u>	<u>388</u>
Net cash flows generated from (used in) investing activities	<u>(3,884)</u>	<u>31,135</u>
Cash flows from financing activities:		
Proceeds from short-term borrowings	-	19,560
Decrease in short-term loans	-	(19,525)
Repayments of long-term loans	(19,159)	(18,840)
Repayment of the principal of lease liabilities	(49,920)	(49,778)
Disposal of shares held under employee stock ownership trust	<u>128</u>	<u>-</u>
Net cash flows used in financing activities	<u>(68,951)</u>	<u>(68,583)</u>
Effects of exchange rate changes on the balance of cash held in foreign currencies	23,983	31,634
Net decrease in cash and cash equivalents	(15,831)	(141,491)
Cash and cash equivalents at the beginning of the year	<u>3,879,851</u>	<u>4,225,848</u>
Cash and cash equivalents at the end of the year	<u><u>\$ 3,864,020</u></u>	<u><u>4,084,357</u></u>

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng Ya-Jen

Manager: Cheng Ya-Jen

Accounting Supervisor: Sang Hsi-Yun

FSP Technology Inc. and Subsidiaries
Notes to Consolidated Financial Statements
For the Three Months Ended March 31, 2025 and 2024
(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 and its subsidiaries (the “Group”) are 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

These consolidated financial statements were authorized for issue by the Board of Directors on April 30, 2025.

III. Application of New and Amended Standards and Interpretations

- (I) Impact of adoption of new or amended standards and interpretations endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”)

The Group has initially adopted the following new amendments to IFRS Accounting Standards since January 1, 2025, and there was no significant impact on its Consolidated Financial Statements.

- Amendment to International Accounting Standard No. 21: 'Lack of Convertibility'
- Amendments to IFRS 9 and IFRS 7, "Amendments to the Classification and Measurement of Financial Instruments," regarding the application guidance of Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

- (II) 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 Group, have been issued by the IASB, but not yet endorsed by the FSC:

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

New or Amended Standards	Content of Amendment	Effective Date per International Accounting Standards Board
International Financial Reporting Standard 18, "Presentation and Disclosure in Financial Statements"	<p>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.</p> <ul style="list-style-type: none"> • 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. 	January 1, 2027
International Financial Reporting Standard 18, "Presentation and Disclosure in Financial Statements"	<ul style="list-style-type: none"> • 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 IFRS Accounting Standards. • 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 Group 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 Group completes the evaluation.

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- International Financial Reporting Standard 19, "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7, "Amendments to the Classification and Measurement of Financial Instruments," regarding the application guidance of Section 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual improvements to IFRS Accounting Standards
- Amendments to IFRS 9 and IFRS 7, "Contracts Referencing Nature-dependent Electricity"

IV. Summary of Significant Accounting Policies

Except for the following descriptions, the consolidated financial statements adopt the same significant accounting policies as the ones used in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note IV of the consolidated financial statements for the year ended December 31, 2024 for details.

(I) Compliance declaration

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereafter referred to as the “Preparation Regulations”) and IFRS 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC. The consolidated financial statements do not include all the necessary information that shall be disclosed in annual consolidated financial statements prepared in accordance with IFRS, IAS, IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the FSC (hereafter referred to as the IFRS Accounting Standards endorsed by the FSC).

(II) Basis of consolidation

The consolidated financial statements adopt the preparation principles as the ones used in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note IV(III) of the consolidated financial statements for the year ended December 31, 2024 for details.

1. Subsidiaries included in the Consolidated Financial Statements

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

Subsidiaries included in the Consolidated Financial Statements are as follows:

Name of investor	Name of subsidiary	Main business activities	Percentage of ownership			Description
			2025.3.31	2024.12.31	2024.3.31	
The Company	FSP International Inc. (BVI)	Investment transfer	100.00%	100.00%	100.00%	Note 4
"	FSP GROUP INC.	Engaged in safety certification	100.00%	100.00%	100.00%	Note 3
"	AMACROX TECHNOLOGY CO., LTD. (BVI)	Investment transfer	100.00%	100.00%	100.00%	Note 3
"	3Y Power Technology (TAIWAN) Inc. ("3Y Power")	Trading and manufacturing of power supplies and related electronic products	65.87%	65.87%	65.87%	Note 3
"	Harmony Trading (HK) Ltd.	Trading of power supplies and related electronic products	100.00%	100.00%	100.00%	Note 3
"	FSP Technology USA Inc.	Business development and product technical service	100.00%	100.00%	100.00%	Note 3
"	FSP Turkey Dis Tic.Ltd.Sti.	Business development and product technical service	91.41%	91.41%	91.41%	Note 3
"	FSP Technology Vietnam Co., Ltd.("FSP VN")	Manufacturing of power supplies and related electronic products	100.00%	100.00%	100.00%	Note 1 and Note 3
FSP International Inc. (BVI)	Shenzhen Huili Electronic Co., Ltd. (Huili)	Manufacturing of power supplies and related electronic products	100.00%	100.00%	100.00%	Note 4
"	FSP Technology Inc. (BVI)	Investment Transfer	100.00%	100.00%	100.00%	Note 3
"	Proteck Electronics (Samoa) Corp.	Investment Transfer	100.00%	100.00%	100.00%	Note 3
"	Power Electronics Co., Ltd. (BVI)	Investment Transfer	100.00%	100.00%	100.00%	
"	Famous Holding Ltd.	Investment Transfer	100.00%	100.00%	100.00%	
"	FSP International (HK) Ltd.	Investment Transfer	100.00%	100.00%	100.00%	Note 3
FSP Technology Inc. (BVI)	FSP-C R&D Center (FSP Jiangsu)	Research & development and design of various energy saving technology	100.00%	100.00%	100.00%	Note 3
Protek Electronics (Samoa) Corp.	Protek Electronics (China) Corp. (Protek Dongguan)	Manufacturing of power supplies and related electronic products	100.00%	100.00%	100.00%	Note 3
Power Electronics Co., Ltd. (BVI)	Zhonghan Electronics (Shenzhen) Co., Ltd. (Zhonghan)	Manufacturing of power supplies and related electronic products	100.00%	100.00%	100.00%	
Famous Holding Ltd.	WUXI SPI Technology Co., Ltd. (WUXI SPI)	Manufacturing of power supplies and related electronic products	100.00%	100.00%	100.00%	
"	WUXI Zhonghan Technology Co., Ltd. (WUXI Zhonghan)	Trading and manufacturing of power supplies and related electronic products	100.00%	100.00%	100.00%	
FSP International (HK) Ltd.	Hao Han Electronic Technology (Jian) Co., Ltd. (Hao Han)	Trading and manufacturing of electronic components	100.00%	100.00%	100.00%	Note 3
WUXI Zhonghan	Shenzhen Zhonghan Technology Co., Ltd. ("Zhonghan Tech.")	Trading and manufacturing of power supplies and related electronic products	100.00%	100.00%	100.00%	

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

Name of investor	Name of subsidiary	Main business activities	Percentage of ownership			Description
			2025.3.31	2024.12.31	2024.3.31	
Amacrox Technology Co., Ltd. (BVI)	Amacrox GmbH	Trading of power supplies and related electronic products	100.00%	100.00%	100.00%	Note 3
3Y Power	3Y Power Technology Inc. ("3Y Power")	Trading of power supplies and related electronic products	100.00%	100.00%	100.00%	Note 3
"	Luckyield Co., Ltd.	Investment Transfer	100.00%	100.00%	100.00%	Note 3
Luckyield Co., Ltd.	WUXI 3Y Technology Co., Ltd. (WUXI 3Y)	Design, manufacturing and trading of power supplies	100.00%	100.00%	100.00%	Note 2 and Note 3

Note 1: On June 19, 2023, the Company established FSP VN with an investment of NT\$30,500 thousand (US\$1,000 thousand), and it has become a subsidiary of the Company since that date. On March 14, 2024, the Board of Directors resolved to increase the capital of FSP Technology Vietnam Co., Ltd. by US\$4,000 thousand. As of March 31, 2025, the Company has injected a total capital of US\$4,000 thousand into FSP Technology Vietnam Co., Ltd.

Note 2: The Company invested in WUXI 3Y through Luckyield Co., Ltd., and the comprehensive shareholding percentage as of March 31, 2025, December 31, 2024 and March 31, 2024 were all 65.87%.

Note 3: It was a non-significant subsidiary, and its financial statements were not reviewed by the independent auditors.

Note 4: On February 1, 2024, the Company obtained approval from the Department of Investment Review to increase the capital of its subsidiary, FSP International Inc. (BVI), by US\$10,000 thousand. Subsequently, FSP International Inc. (BVI) increased the capital of Shenzhen Huili Electronic Co., Ltd. by US\$10,000 thousand. As of March 31, 2025, the Company had actually remitted US\$7,000 thousand through FSP International Inc. (BVI) to increase the capital of Shenzhen Huili Electronic Co., Ltd.

2. Subsidiaries which are not included in the Consolidated Financial Statements:
None.

(III) Employee benefits

The pension cost under defined benefit plan for the interim period is calculated based on actuarial pension cost rate of the preceding ending date of the fiscal year from the start to the end of the year, and adjusted for material market fluctuations, material project modifications, settlements or other material one-time matters for the period.

(IV) Income tax

The Group measured and disclosed the income tax expenses of the interim period pursuant to Paragraph B12, IAS 34 "Interim Financial Reporting."

Income tax expenses were accrued by applying management's best estimate of tax rate applicable based on expected total annual earnings to the pre-tax income of the interim period and fully recognized as income tax expense of the current period.

Income tax expenses recognized directly in equity or other comprehensive income were measured using the applicable tax rates at the time of expected realization or settlement

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

of the temporary differences between the carrying amount of related assets and liabilities for financial reporting purposes and their tax bases.

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

When preparing the consolidated financial statements in accordance with the preparation guidelines and International Accounting Standard 34, "Interim Financial Reporting," as endorsed by the FSC, management is required to make judgments and estimates regarding the future (including climate-related risks and opportunities), which affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from the estimates.

When preparing the consolidated financial statements, significant accounting judgments, estimates and key sources of uncertainty made by the management for the adoption of the Group's accounting policies are consistent with Note V of the consolidated financial statements for the year ended December 31, 2024.

VI. Details of Significant Accounts

Except for the following descriptions, the details of significant accounts in the consolidated financial statements are not materially different from the consolidated financial statements for the year ended December 31, 2024. Please refer to Note VI of the consolidated financial statements for the year ended December 31, 2024 for relevant information.

(I) Cash and cash equivalents

	2025.3.31	2024.12.31	2024.3.31
Cash on hand	\$ 7,777	7,405	7,876
Cash equivalents			
Attached Repurchase Bonds	26,987	14,425	142,080
Deposits in saving accounts and checking accounts	2,019,314	2,469,138	1,874,347
Time deposits	1,809,942	1,388,883	2,060,054
	<u>\$ 3,864,020</u>	<u>3,879,851</u>	<u>4,084,357</u>

Please refer to Note VI (XXII) for the disclosures of the interest rate risk and sensitivity analysis of the Group's financial assets.

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

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

	2025.3.31	2024.12.31	2024.3.31
Financial assets			
mandatorily measured at			
fair value through profit			
or loss - current:			
Non-derivative financial			
assets			
Beneficiary certificates	\$ 339,667	355,779	324,270
Private equity funds	121,250	121,250	68,545
Foreign unlisted stocks	74,654	72,248	71,632
Structured deposits	411,570	434,380	286,540
Subtotal	<u>947,141</u>	<u>983,657</u>	<u>750,987</u>
Financial assets			
mandatorily measured at			
fair value through profit			
or loss - non-current:			
Non-derivative financial			
assets			
Structured products	46,214	46,287	-
Preferred shares of	18,675	-	-
foreign listed			
companies			
Subtotal	<u>64,889</u>	<u>46,287</u>	<u>-</u>
Total	<u>\$ 1,012,030</u>	<u>1,029,944</u>	<u>750,987</u>

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group held structured deposits and expected yields ranged from 0.85% to 2.15%, 0.85% to 2.20%, and 1.20% to 2.75% with maturity from June 2025, March 2025 to April 2025, and May 2024 to June 2024, respectively.

The Group recognized dividend income of NT\$808 thousand and NT\$358 thousand for the aforementioned financial assets at fair value through profit or loss from January 1 to March 31, 2025 and 2024, respectively.

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

Please refer to Note VI (XXII) for the information on market risk.

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

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

	2025.3.31	2024.12.31	2024.3.31
Equity instruments at fair value through other comprehensive income			
Domestic listed (OTC) stock	\$ 6,244,526	7,582,980	7,025,930
Foreign listed stocks	18,591	9,028	8,066
Foreign unlisted stocks	55,301	55,302	26,493
Domestic unlisted stocks	261,399	259,399	256,216
Total	<u><u>\$ 6,579,817</u></u>	<u><u>7,906,709</u></u>	<u><u>7,316,705</u></u>

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

The Group 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 Group recognized dividend income of NT\$0 thousand and NT\$30 thousand for the aforementioned investments in equity instruments at fair value through other comprehensive income from January 1 to March 31, 2025 and 2024, respectively.

From January 1 to March 31, 2025, to align with the capital utilization plan of the consolidated company, the Group disposed of financial assets designated at fair value through other comprehensive income, with a total fair value at the time of disposal amounting to NT\$125,980 thousand, resulting in a disposal gain of NT\$91,566 thousand. As of March 31, 2025, all proceeds from the disposal had been fully collected. From January 1 to March 31, 2024, to align with the capital utilization plan of the consolidated company, the Group disposed of financial assets designated at fair value through other comprehensive income, with fair value at the time of disposal amounting to NT\$71,872 thousand, resulting in a disposal gain of NT\$57,220 thousand. As of March 31, 2024, the outstanding proceeds from disposal amounted to NT\$2,372 thousand, which was recognized under other receivables.

2. Please refer to Note VI (XXII) for the information on market risk.

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

(IV) Notes receivable and accounts receivable

	2025.3.31	2024.12.31	2024.3.31
Notes receivable	\$ 174,641	235,225	125,783
Accounts receivable	2,631,055	2,553,215	2,345,697
Accounts receivable - related parties	718,001	622,078	625,894
Less: Allowance for impairment loss	<u>(23,657)</u>	<u>(20,530)</u>	<u>(19,825)</u>
	<u>\$ 3,500,040</u>	<u>3,389,988</u>	<u>3,077,549</u>

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

The Group 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 macroeconomy and related industry information, is taken into consideration as well.

Analysis of expected credit loss on notes receivable and accounts receivable of the Group's operating entity in Taiwan was as follows:

	2025.3.31		
	Carrying amount of notes receivable and accounts receivable	Weighted-average expected credit loss rate (%)	Allowance for expected credit loss
Not Past Due	\$ 2,674,747	0.09	2,315
Past due within 30 days	47,385	5.09	2,411
Past due 31-60 days	7,807	17.47	1,364
Past due 61-90 days	3,681	33.44	1,231
Past due 91-120 days	4	50.00	2
Past due over 121 days	<u>4,712</u>	100	<u>4,712</u>
	<u>\$ 2,738,336</u>		<u>12,035</u>

The carrying amount of the above notes and accounts receivable did not include the account receivable due from a specific customer, amounting to NT\$5,604. Due to the uncertainty in the recoverability of the related receivables, an allowance for loss amounting to NT\$1,121 thousand has been recognized for the above-mentioned receivables. Accordingly, the Group does not intend to include these amounts in the calculation of the allowance for expected credit losses over the remaining period.

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

	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	\$ 2,441,936	0.09	2,128
Past due within 30 days	42,814	5.74	2,459
Past due 31-60 days	6,879	18.10	1,245
Past due 61-90 days	5,837	34.65	2,023
Past due 121-180 days	1,620	100.00	1,620
Past due 181-365 days	2,235	100.00	2,235
Past due over a year	750	100.00	750
	<u>\$ 2,502,071</u>		<u>12,460</u>

The carrying amount of the above notes and accounts receivable did not include the account receivable due from a specific customer, amounting to NT\$13,108. Due to poor recovery of the account receivable due from this customer, the Group has specifically recorded an allowance for loss of NT\$2,622, for this uncollected payment, net of insurance claims, and therefore the amount was excluded from the above calculation of allowance for expected credit loss.

	2024.3.31		
	Carrying amount of notes receivable and accounts receivable	Weighted-average expected credit loss rate (%)	Allowance for expected credit loss
Not Past Due	\$ 2,197,879	0.01	3,740
Past due within 30 days	41,906	6.04	2,532
Past due 31-60 days	4,006	19.08	719
Past due 61-90 days	2,234	36.79	822
Past due over 121 days	2,039	100.00	2,039
	<u>\$ 2,248,064</u>		<u>9,852</u>

The carrying amount of the above notes and accounts receivable did not include the account receivable due from a specific customer, amounting to NT\$5,873. Due to poor recovery of the account receivable due from this customer, the Group has specifically recorded an allowance for loss of NT\$1,175, for this uncollected payment, net of insurance claims, and therefore the amount was excluded from the above calculation of allowance for expected credit loss.

The analysis of the expected credit loss on notes receivable and accounts receivable for the Company's operating entities in Mainland China is provided below:

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

2025.3.31

	Carrying amount of notes receivable and accounts receivable	Weighted-average expected credit loss rate (%)	Allowance for expected credit loss
Not Past Due	\$ 538,446	0.07	371
Past due within 30 days	8,101	0.07	6
Past due 31-60 days	26,648	0.07	18
Past due 61-90 days	141	0.07	-
Past due 91-120 days	2,140	0.07	2
Past due over a year	1,331	0.07	1
	<u>\$ 576,807</u>		<u>398</u>

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	\$ 708,265	0.05	365
Past due within 30 days	20,404	0.05	11
Past due 31-60 days	17,247	0.05	9
Past due 61-90 days	2,198	0.05	1
Past due 91-120 days	1,458	0.05	1
Past due 121-180 days	1,080	0.05	1
Past due over 181-360 days	482	0.05	-
Past due over a year	1,304	0.05	1
	<u>\$ 752,438</u>		<u>389</u>

2024.3.31

	Carrying amount of notes receivable and accounts receivable	Weighted-average expected credit loss rate (%)	Allowance for expected credit loss
Not Past Due	\$ 564,869	0.06	343
Past due within 30 days	6,753	0.06	4
Past due 31-60 days	46,808	0.06	28
Past due 61-90 days	11,190	0.06	7
Past due 91-120 days	3	0.06	-
Past due 181-365 days	1,283	0.06	1
	<u>\$ 630,906</u>		<u>383</u>

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

The analysis of the expected credit loss on notes receivable and accounts receivable for other operating entities of the Company is provided below:

2025.3.31

	Carrying amount of notes receivable and accounts receivable	Weighted-average expected credit loss rate (%)	Allowance for expected credit loss
Not Past Due	\$ 181,538	-	-
Past due within 30 days	5,270	-	-
Past due 31-60 days	2,584	-	-
Past due 181-365 days	<u>13,558</u>	74.52	<u>10,103</u>
	<u>\$ 202,950</u>		<u>10,103</u>

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	\$ 93,209	-	-
Past due within 30 days	32,608	-	-
Past due 31-60 days	3,698	0.14	5
Past due 181-365 days	<u>13,386</u>	37.76	<u>5,054</u>
	<u>\$ 142,901</u>		<u>5,059</u>

2024.3.31

	Carrying amount of notes receivable and accounts receivable	Weighted-average expected credit loss rate (%)	Allowance for expected credit loss
Not Past Due	\$ 146,776	-	-
Past due within 30 days	25,269	-	-
Past due 31-60 days	10,034	-	-
Past due 61-90 days	5,198	-	-
Past due 91-120 days	8,814	-	-
Past due 121-180 days	16,025	49.92	8,000
Past due over a year	<u>415</u>	100.00	<u>415</u>
	<u>\$ 212,531</u>		<u>8,415</u>

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

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

	January to March, 2025	January to March, 2024
Beginning balance	\$ 20,530	14,448
Impairment losses recognized	3,140	5,141
Amount written off during the year due to uncollectibility	(133)	-
Foreign exchange gain/loss	120	236
Ending balance	<u><u>\$ 23,657</u></u>	<u><u>19,825</u></u>

(V) Other receivables

	2025.3.31	2024.12.31	2024.3.31
Other receivables	\$ 363,689	481,057	393,080
Less: Allowance for impairment loss	<u>(30,382)</u>	<u>(29,998)</u>	<u>(29,812)</u>
	<u><u>\$ 333,307</u></u>	<u><u>451,059</u></u>	<u><u>363,268</u></u>

Changes in loss allowance for other receivables:

	January to March, 2025	January to March, 2024
Beginning balance	\$ 29,998	28,605
Foreign exchange gain/loss	384	1,207
Ending balance	<u><u>\$ 30,382</u></u>	<u><u>29,812</u></u>

(VI) Inventories

	2025.3.31	2024.12.31	2024.3.31
Finished goods	\$ 1,115,201	1,197,721	1,250,267
Work in process	478,495	481,919	414,229
Raw materials	<u>576,656</u>	<u>492,366</u>	<u>467,924</u>
	<u><u>\$ 2,170,352</u></u>	<u><u>2,172,006</u></u>	<u><u>2,132,420</u></u>

Breakdown of cost of goods sold:

	January to March, 2025	January to March, 2024
Inventories sold	\$ 2,468,969	2,206,006
Inventory valuation loss (reversal gain)	(6,061)	17,672
Unallocated manufacturing expense	33,681	21,518
Loss on inventory obsolescence	<u>1,978</u>	<u>25</u>
	<u><u>\$ 2,498,567</u></u>	<u><u>2,245,221</u></u>

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group did not pledge any inventories as collateral.

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

(VII) Investments Accounted for Using the Equity Method

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

	2025.3.31	2024.12.31	2024.3.31
Associate	<u><u>\$ 40,078</u></u>	<u><u>38,978</u></u>	<u><u>36,467</u></u>

1. Associate

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

	2025.3.31	2024.12.31	2024.3.31
The carrying amount of investments in associates that were not individually material to the Company at the end of the period	<u><u>\$ 40,078</u></u>	<u><u>38,978</u></u>	<u><u>36,467</u></u>

	January to March, 2025	January to March, 2024
Attributable to the Company:		
Income (Loss) from Continuing Operations	\$ 907	(4)
Other comprehensive income	<u>939</u>	<u>1,657</u>
Total comprehensive income	<u><u>\$ 1,846</u></u>	<u><u>1,653</u></u>

2. Collateral

As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group did not pledge any investments accounted for under the equity method as collateral.

3. Unreviewed Investments Recognized Through the Equity Method

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

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

(VIII) Property, Plant, and Equipment

The changes in costs, depreciation and impairment loss of property, plant and equipment from January 1 to March 31, 2025, and 2024 were as follows:

	Land	Housing and construction	Buildings and building improvements	Machinery	Transportation equipment	Other equipment	Leasehold improvements	Construction in progress and equipment under installation	Total
Cost or deemed cost:									
Balance as of January 1, 2025	\$ 307,879	1,255,665	28,794	1,439,745	25,469	534,449	96,975	207,531	3,896,507
Addition	-	5,515	-	28,671	131	6,734	194	19,237	60,482
Disposal	-	-	-	(4,108)	-	(3,082)	-	-	(7,190)
Reclassification (Note)	-	159,207	-	16,036	-	-	-	(159,207)	16,036
Effect of exchange rate changes	-	8,022	520	20,120	378	2,668	1,619	1,189	34,516
Balance as of March 31, 2025	<u>\$ 307,879</u>	<u>1,428,409</u>	<u>29,314</u>	<u>1,500,464</u>	<u>25,978</u>	<u>540,769</u>	<u>98,788</u>	<u>68,750</u>	<u>4,000,351</u>
Balance as of January 1, 2024	\$ 310,476	1,224,490	27,949	1,307,563	22,060	517,402	89,879	9,348	3,509,167
Addition	-	346	-	26,926	-	5,331	699	1,926	35,228
Disposal	(2,597)	(6,408)	-	(8,023)	(890)	(3,373)	-	-	(21,291)
Reclassification (Note)	-	1,861	-	692	-	-	-	(1,303)	1,250
Effect of exchange rate changes	-	4,971	455	17,220	355	2,228	1,560	-	26,789
Balance as of March 31, 2024	<u>\$ 307,879</u>	<u>1,225,260</u>	<u>28,404</u>	<u>1,344,378</u>	<u>21,525</u>	<u>521,588</u>	<u>92,138</u>	<u>9,971</u>	<u>3,551,143</u>
Depreciation and impairment loss:									
Balance as of January 1, 2025	\$ -	618,592	14,105	1,063,284	17,232	451,605	61,031	-	2,225,849
Recognition in current period	-	13,689	644	26,268	477	8,472	2,969	-	52,519
Disposal	-	-	-	(3,724)	-	(3,082)	-	-	(6,806)
Effect of exchange rate changes	-	5,477	241	16,084	262	1,938	1,199	-	25,201
Balance as of March 31, 2025	<u>\$ -</u>	<u>637,758</u>	<u>14,990</u>	<u>1,101,912</u>	<u>17,971</u>	<u>458,933</u>	<u>65,199</u>	<u>-</u>	<u>2,296,763</u>
Balance as of January 1, 2024	\$ -	564,899	11,598	960,777	14,277	428,499	47,401	-	2,027,451
Recognition in current period	-	12,864	536	24,633	853	9,262	3,026	-	51,174
Disposal	-	(6,333)	-	(8,017)	(889)	(3,354)	-	-	(18,593)
Effect of exchange rate changes	-	4,431	175	12,979	248	1,576	877	-	20,286
Balance as of March 31, 2024	<u>\$ -</u>	<u>575,861</u>	<u>12,309</u>	<u>990,372</u>	<u>14,489</u>	<u>435,983</u>	<u>51,304</u>	<u>-</u>	<u>2,080,318</u>
Carrying amounts:									
Balance as of January 1, 2025	<u>\$ 307,879</u>	<u>637,073</u>	<u>14,689</u>	<u>376,461</u>	<u>8,237</u>	<u>82,844</u>	<u>35,944</u>	<u>207,531</u>	<u>1,670,658</u>
Balance as of March 31, 2025	<u>\$ 307,879</u>	<u>790,651</u>	<u>14,324</u>	<u>398,552</u>	<u>8,007</u>	<u>81,836</u>	<u>33,589</u>	<u>68,750</u>	<u>1,703,588</u>
Balance as of March 31, 2024	<u>\$ 307,879</u>	<u>649,399</u>	<u>16,095</u>	<u>354,006</u>	<u>7,036</u>	<u>85,605</u>	<u>40,834</u>	<u>9,971</u>	<u>1,470,825</u>

Note: From January 1 to March 31, 2025 and 2024, the amount transferred from equipment prepayment was NT\$16,036 thousand and NT\$1,250 thousand, respectively.

Please refer to Note VIII for the details of property, plant and equipment that have been pledged as collaterals for long-term and short-term borrowings and credit facilities as of March 31, 2025, December 31, 2024, and March 31, 2024.

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

(IX) Right-of-use assets

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

	<u>Land</u>	<u>Housing and construction</u>	<u>Office equipment</u>	<u>Transportation equipment</u>	<u>Total</u>
Costs of right-of-use assets:					
Balance as of January 1, 2025	\$ 26,555	1,593,334	402	6,656	1,626,947
Addition	-	107,506	287	-	107,793
Effect of exchange rate changes	348	29,134	-	7	29,489
Balance as of March 31, 2025	<u>\$ 26,903</u>	<u>1,729,974</u>	<u>689</u>	<u>6,663</u>	<u>1,764,229</u>
Balance as of January 1, 2024	\$ 27,483	1,194,676	-	5,618	1,227,777
Addition	-	1,009	-	1,719	2,728
Reduction (contract expired and early termination of contract)	(1,484)	-	-	(715)	(2,199)
Effect of exchange rate changes	299	21,541	-	21	21,861
Balance as of March 31, 2024	<u>\$ 26,298</u>	<u>1,217,226</u>	<u>-</u>	<u>6,643</u>	<u>1,250,167</u>
Depreciation of right-of-use assets:					
Balance as of January 1, 2025	\$ 6,096	924,807	13	3,934	934,850
Depreciation in current period	241	50,534	34	569	51,378
Effect of exchange rate changes	63	16,222	-	6	16,291
Balance as of March 31, 2025	<u>\$ 6,400</u>	<u>991,563</u>	<u>47</u>	<u>4,509</u>	<u>1,002,519</u>
Balance as of January 1, 2024	\$ 5,087	785,603	-	2,405	793,095
Depreciation in current period	242	46,908	-	521	47,671
Reduction (contract expired and early termination of contract)	(37)	-	-	(716)	(753)
Effect of exchange rate changes	44	14,870	-	12	14,926
Balance as of March 31, 2024	<u>\$ 5,336</u>	<u>847,381</u>	<u>-</u>	<u>2,222</u>	<u>854,939</u>
Carrying amounts:					
Balance as of January 1, 2025	<u>\$ 20,459</u>	<u>668,527</u>	<u>389</u>	<u>2,722</u>	<u>692,097</u>
Balance as of March 31, 2025	<u>\$ 20,503</u>	<u>738,411</u>	<u>642</u>	<u>2,154</u>	<u>761,710</u>
Balance as of March 31, 2024	<u>\$ 20,962</u>	<u>369,845</u>	<u>-</u>	<u>4,421</u>	<u>395,228</u>

(X) Intangible assets

The changes in costs, amortization and impairment loss of intangible assets from January 1 to March 31, 2025 and 2024 were as follows:

	<u>Goodwill</u>	<u>Software cost</u>	<u>Patent</u>	<u>Total</u>
Costs:				
Balance as of January 1, 2025	\$ 218,672	30,072	16,731	265,475
Addition in current period	-	1,295	11	1,306
Effect of exchange rate changes	-	2	19	21
Balance as of March 31, 2025	<u>\$ 218,672</u>	<u>31,369</u>	<u>16,761</u>	<u>266,802</u>
Balance as of January 1, 2024	\$ 218,672	15,376	16,715	250,763
Addition in current period	-	2,790	32	2,822
Effect of exchange rate changes	-	-	16	16
Balance as of March 31, 2024	<u>\$ 218,672</u>	<u>18,166</u>	<u>16,763</u>	<u>253,601</u>

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

	Goodwill	Software cost	Patent	Total
Amortization and impairment loss:				
Balance as of January 1, 2025	\$ -	17,228	16,123	33,351
Amortization for the period	-	3,667	21	3,688
Effect of exchange rate changes	-	-	7	7
Balance as of March 31, 2025	<u><u>\$ -</u></u>	<u><u>20,895</u></u>	<u><u>16,151</u></u>	<u><u>37,046</u></u>
Balance as of January 1, 2024	\$ -	11,237	16,086	27,323
Amortization for the period	-	1,359	23	1,382
Effect of exchange rate changes	-	-	4	4
Balance as of March 31, 2024	<u><u>\$ -</u></u>	<u><u>12,596</u></u>	<u><u>16,113</u></u>	<u><u>28,709</u></u>
Carrying amounts:				
Balance as of January 1, 2025	<u><u>\$ 218,672</u></u>	<u><u>12,844</u></u>	<u><u>608</u></u>	<u><u>232,124</u></u>
Balance as of March 31, 2025	<u><u>\$ 218,672</u></u>	<u><u>10,474</u></u>	<u><u>610</u></u>	<u><u>229,756</u></u>
Balance as of March 31, 2024	<u><u>\$ 218,672</u></u>	<u><u>5,570</u></u>	<u><u>650</u></u>	<u><u>224,892</u></u>

(XI) Short-term loans

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

	2025.3.31	2024.12.31	2024.3.31
Credit loans	<u><u>\$ 3,267</u></u>	<u><u>3,253</u></u>	<u><u>1,600</u></u>
Unused facility	<u><u>\$ 927,387</u></u>	<u><u>834,175</u></u>	<u><u>819,500</u></u>
Interest rate range	<u><u>6.05~6.25</u></u>	<u><u>5.56~7.10</u></u>	<u><u>6.96</u></u>

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

(XII) Long-term loans

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

	2025.3.31	2024.12.31	2024.3.31
Secured bank borrowings	\$ 30,422	48,788	105,564
Other long-term loans	-	793	-
Less: current portion of long-term debt	<u>30,422</u>	<u>48,200</u>	<u>75,790</u>
Total	<u><u>\$ -</u></u>	<u><u>1,381</u></u>	<u><u>29,774</u></u>
Unused facility	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Interest rate range	<u><u>1.58~3.50</u></u>	<u><u>1.58~3.50</u></u>	<u><u>1.58</u></u>

1. Collateral for bank borrowings

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

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

2. Government-subsidized loan with preferential interest rate

In August 2020, the Group 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 Group 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. Such deferred revenue was transferred to other income amounted to NT\$75 thousand and NT\$179 thousand, respectively, from January 1 to March 31, 2025, and 2024.

(XIII) Lease liabilities

The carrying amount of lease liabilities were as follows:

	2025.3.31	2024.12.31	2024.3.31
Current	\$ 197,745	173,749	170,294
Non-current	564,373	518,374	233,729
Total	<u>\$ 762,118</u>	<u>692,123</u>	<u>404,023</u>

For maturity analysis, please refer to Note VI (XXII) Financial Instruments.

The amounts recognized in profit or loss were as follows:

	January to March, 2025	January to March, 2024
Interest expense on lease liabilities	<u>\$ 3,630</u>	<u>2,118</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 340</u>	<u>162</u>
Expenses of short-term leases	<u>\$ 3,375</u>	<u>3,486</u>
Expenses relating to leases of low-value assets (excluding short-term leases of low-value assets)	<u>\$ 75</u>	<u>177</u>

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

	January to March, 2025	January to March, 2024
Total cash outflow in operating activities	\$ 7,420	5,943
Total cash outflow in financing activities	49,920	49,778
Total cash flows on lease	<u>\$ 57,340</u>	<u>55,721</u>

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

1. Lease of land, buildings and construction

The Group leases land, buildings, and construction as factories, office premises, staff quarters, and warehouses with lease terms ranging from 1 to 10 years. 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 Group from January 1 to March 31, 2025, 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	<u><u>\$ 340</u></u>	<u><u>3</u></u>

2. Other leases

The Group leases office, and transportation equipment with the lease terms ranging from one year to eight years.

The lease terms of some of the Group'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 Group elected to apply for exemption and did not recognize related right-of-use assets and lease liabilities.

(XIV) Provisions for liabilities

	January to March, 2025	January to March, 2024
Balance as of January1	\$ 138,268	130,311
Addition of provision during the year	10,073	13,853
Amount utilized during the year	<u>(11,548)</u>	<u>(13,535)</u>
Balance as of March31	<u><u>\$ 136,793</u></u>	<u><u>130,629</u></u>

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

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

(XV) Employee benefits

1. Defined benefit plans

Since no major market fluctuations, major reductions, liquidations or other major one-off events occurred after the previous annual reporting date, the Group has measured and disclosed the pension costs for the interim period by the pension costs determined by actuary on December 31, 2024, and 2023.

The details of costs and expenses presented by the Group are as follows:

	January to March, 2025	January to March, 2024
Operating costs	\$ 38	29
Selling and marketing expenses	102	48
General and administrative expenses	152	107
Research and development expenses	<u>282</u>	<u>153</u>
	<u>\$ 574</u>	<u>337</u>

2. Defined contribution plans

The pension expenses of the Company and its domestic consolidated subsidiaries in accordance with the Measures for Determining Pension Appropriation are as follows:

	January to March, 2025	January to March, 2024
Operating costs	\$ 566	590
Selling and marketing expenses	1,701	1,752
General and administrative expenses	2,593	2,697
Research and development expenses	<u>4,530</u>	<u>4,557</u>
	<u>\$ 9,390</u>	<u>9,596</u>

Per the above mentioned defined contribution plan, it 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.

In accordance with local regulations, other consolidated subsidiaries recognized pension expenses of NT\$35,565 thousand and NT\$23,297 thousand, respectively, from January 1 to March 31, 2025 and 2024.

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

3. Other short-term employee benefits

From January 1 to March 31, 2025, and 2024, the Group contributed NT\$3,886 thousand and NT\$4,927, respectively, to a specific trust account for employee incentives, which were recognized as operating costs and operating expenses.

As of March 31, 2025, December 31, 2024, and March 31, 2024, the Group had accrued unused leave bonuses of NT\$47,801 thousand, NT\$50,372 thousand and NT\$39,861 thousand, respectively, which were recorded under other payables.

(XVI) Income Tax

The income tax expense of the Group from January 1 to March 31, 2025 and 2024 was as below:

	January to March, 2025	January to March, 2024
Income tax expense for the period	<u><u>\$ 13,448</u></u>	<u><u>28,457</u></u>

The Company's profit-seeking enterprise income tax has been approved by the tax authority to the year of 2022.

(XVII) Capital and other equity

Except for the following descriptions, there was no significant change in the capital and other equity of the Group from January 1 to March 31, 2025, and 2024. Please refer to Note VI(XVII) of the consolidated financial statements for the year ended December 31, 2024, for details.

1. Capital surplus

The Company's capital surplus was as follows:

	2025.3.31	2024.12.31	2024.3.31
Paid-in capital in excess of par value	\$ 856,427	856,427	856,427
Disposal of shares held under employee stock ownership trust	317	189	-
Adjustments arising from changes in percentage of ownership in subsidiaries	4,780	4,780	4,780
Others	-	-	3,218
	<u><u>\$ 861,524</u></u>	<u><u>861,396</u></u>	<u><u>864,425</u></u>

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

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

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.

2. Earning distribution

On March 7, 2025 and March 14, 2024, the Board of Directors resolved on the amount of cash dividends of the distribution of earnings for the years ended 2024 and 2023, respectively, and the amount of dividends distributed to shareholders was as follows:

	2024	2023
Cash dividend distributed to the shareholders of common stock	<u><u>\$ 561,786</u></u>	<u><u>599,238</u></u>

The distribution of the 2024 earnings as mentioned above had not yet been paid as of March 31, 2025, and was recognized as dividends payable.

3. 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
Balance as of January 1, 2025	\$ (47,247)	6,965,505	6,918,258
Exchange differences on translation of financial statements of foreign operations	33,614	-	33,614
Share of other comprehensive income of associates and joint-ventures under the equity method	939	-	939
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	-	(1,267,391)	(1,267,391)
Disposal of equity instruments at fair value through other comprehensive income	-	(91,566)	(91,566)
Balance as of March 31, 2025	<u><u>\$ (12,694)</u></u>	<u><u>5,606,548</u></u>	<u><u>5,593,854</u></u>

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

	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, 2024	\$ (126,335)	6,232,008	6,105,673
Exchange differences on translation of financial statements of foreign operations	35,418	-	35,418
Share of other comprehensive income of associates and joint-ventures under the equity method	1,657	-	1,657
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	-	352,422	352,422
Disposal of equity instruments at fair value through other comprehensive income	-	(57,220)	(57,220)
Balance as of March 31, 2024	<u><u>\$ (89,260)</u></u>	<u><u>6,527,210</u></u>	<u><u>6,437,950</u></u>

4. Non-controlling interests (net after tax)

	January to March, 2025	January to March, 2024
Beginning balance	\$ 414,662	401,788
Changes in capital surplus attributable to non-controlling interests	-	302
Net income for the year attributable to non-controlling interests	9,583	9,180
Exchange differences on translation of financial statements of foreign operations	<u>587</u>	<u>2,524</u>
Ending balance	<u><u>\$ 424,832</u></u>	<u><u>413,794</u></u>

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

(XVIII) Earnings per Share

	January to March, 2025	January to March, 2024
Basic earnings per share:		
Net income attributable to the ordinary shareholders of the Company	<u>\$ 37,554</u>	<u>113,993</u>
Weight-average number of ordinary shares outstanding (Unit: Thousands of shares)	<u>187,262</u>	<u>187,262</u>
Basic earnings per share (Unit: Thousands of shares)	<u>\$ 0.20</u>	<u>0.61</u>
Diluted earnings per share:		
Net income attributable to the ordinary shareholders of the Company	<u>\$ 37,554</u>	<u>113,993</u>
Weight-average number of ordinary shares outstanding (Unit: Thousands of shares)	187,262	187,262
Employee Compensation (Unit: in Thousand Shares)	<u>639</u>	<u>1,050</u>
Weight-average number of ordinary shares outstanding (Unit: Thousands of shares)	<u>187,901</u>	<u>188,312</u>
Basic earnings per share (Unit: NT\$ Thousands)	<u>\$ 0.20</u>	<u>0.61</u>

(XIX) Revenue from contracts with customers

1. Breakdown of revenue

January to March, 2025						
	The Company and its processing subsidiaries	3Y Power	Zhong Han	WUXI Zhonghan	Others	Total
Primary geographical markets:						
Taiwan	\$ 507,360	159,745	-	-	-	667,105
China	387,658	21,832	199,316	110,314	2,335	721,455
U.S.A.	196,118	-	-	-	187,519	383,637
Germany	538,252	40,414	-	-	-	578,666
Other countries	<u>627,415</u>	<u>11,491</u>	<u>-</u>	<u>-</u>	<u>41,906</u>	<u>680,812</u>
	<u>\$ 2,256,803</u>	<u>233,482</u>	<u>199,316</u>	<u>110,314</u>	<u>231,760</u>	<u>3,031,675</u>
Major product/service line:						
Sales of power supply	<u>\$ 2,256,803</u>	<u>233,482</u>	<u>199,316</u>	<u>110,314</u>	<u>231,760</u>	<u>3,031,675</u>

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

January to March, 2024						
	The Company and its processing subsidiaries	3Y Power	Zhong Han	WUXI Zhonghan	Others	Total
Primary geographical markets:						
Taiwan	\$ 413,372	128,407	-	-	-	541,779
China	345,693	22,905	266,875	132,843	2,914	771,230
U.S.A.	248,748	2,146	-	-	167,066	417,960
Germany	335,535	23,064	-	-	-	358,599
Other countries	564,930	3,247	-	-	48,781	616,958
	<u>\$ 1,908,278</u>	<u>179,769</u>	<u>266,875</u>	<u>132,843</u>	<u>218,761</u>	<u>2,706,526</u>
Major product/service line:						
Sales of power supply	<u>\$ 1,908,278</u>	<u>179,769</u>	<u>266,875</u>	<u>132,843</u>	<u>218,761</u>	<u>2,706,526</u>

2. Contract balance

	2025.3.31	2024.12.31	2024.3.31
Notes and accounts receivable (including related parties)	\$ 3,523,697	3,410,518	3,097,374
Less: Allowance for impairment loss	(23,657)	(20,530)	(19,825)
Total	<u>\$ 3,500,040</u>	<u>3,389,988</u>	<u>3,077,549</u>
Contract liabilities (recognized in other current liabilities)	<u>\$ 104,510</u>	<u>60,843</u>	<u>56,812</u>

The amounts of contract liabilities as of March 31, 2025, and as of January 1 and December 31, 2024, that were recognized as revenue during the periods from January 1 to March 31, 2025, and 2024, were NT\$19,809 thousand and NT\$11,572 thousand, respectively.

The change in contract liabilities primarily occurs due to the discrepancy between the timing of fulfilling performance 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

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

remuneration in shares or cash include the employees of subsidiaries of the Company who meet certain specific requirements.

The Company accrued NT\$2,787 thousand and NT\$8,530 thousand as employee compensation and NT\$305 thousand and NT\$1,328 thousand as remuneration for Directors from January 1 to March 31, 2025 and 2024, respectively. These amounts were calculated using the Company's pre-tax income before deducting for employee compensation and remuneration for Directors multiplied by the percentages which are stated under the Company's Article of Incorporation. The amounts were recognized as operating expenses for the periods. 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. If employee compensation is resolved to be distributed in stock, the number of shares is determined by dividing the amount of compensation by the closing price on the day preceding the Board of Directors' meeting.

For the years ended December 31, 2024 and 2023, the Company provided its remuneration to employees amounted to NT\$56,000 thousand and NT\$66,000 thousand, respectively, and the remuneration for Directors of NT\$5,600 thousand and NT\$7,000 thousand, respectively, which was consistent with the actual status of the distribution. The information can be obtained from MOPS.

(XXI) Non-operating income and expenses

1. Interest income

	<u>January to March, 2025</u>	<u>January to March, 2024</u>
Bank deposits	<u>\$ 12,614</u>	<u>19,022</u>

2. Other income

	<u>January to March, 2025</u>	<u>January to March, 2024</u>
Dividend income	\$ 808	388
Other income		
Compensation payments	-	30,000
Government grant	3,678	2,349
Tax refund	-	4,709
Others	<u>5,352</u>	<u>5,589</u>
	<u>\$ 9,838</u>	<u>43,035</u>

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

3. Other gains and losses

	January to March, 2025	January to March, 2024
Foreign currency exchange gain (loss), net	\$ 36,216	88,278
Gain (loss) on financial assets measured at fair value through profit or loss	(17,137)	3,952
Gain (loss) on disposal of property, plant and equipment, net	(384)	6,126
Gains on lease modifications	-	(216)
Others	860	(166)
	<u>\$ 19,555</u>	<u>97,974</u>

4. Finance costs

	January to March, 2025	January to March, 2024
Interest expense:		
Lease liabilities	\$ 3,630	992
Others	222	2,118
	<u>\$ 3,852</u>	<u>3,110</u>

(XXII) Financial instruments

Except for the following descriptions, there have been no significant changes in the classification and fair value of the Group's financial instruments, and the exposure to credit risk, liquidity risk and market risk arising from the financial instruments. Please refer to Note VI(XXII) of the consolidated financial statements for the year ended December 31, 2024, for relevant information.

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 March 31, 2025, December 31, 2024 and March 31, 2024, top three customers accounted for 22%, 20% and 16%, respectively, of the Group's accounts receivable balance.

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

(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 deposited margin. 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 Group manages and maintains sufficient cash and cash equivalents to support the Group's operations and mitigate the impact of cash flow fluctuations. The management of the Group 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.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6 to 12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
March 31, 2025							
Non-derivative financial liabilities							
Short-term loans	\$ 3,267	3,343	3,343	-	-	-	-
Long-term loans	30,422	30,677	27,165	3,512	-	-	-
Notes payable	12,821	12,821	12,821	-	-	-	-
Accounts payable	3,312,656	3,312,656	3,312,656	-	-	-	-
Accounts payable - related parties	83,593	83,593	83,593	-	-	-	-
Other payables	1,331,183	1,331,183	1,331,183	-	-	-	-
Dividends payable	561,786	561,786	561,786	-	-	-	-
Lease liabilities	762,118	796,932	108,466	102,255	194,709	361,077	30,425
Guarantee deposits received	533	533	533	-	-	-	-
	<u>\$ 6,098,379</u>	<u>6,133,524</u>	<u>5,441,546</u>	<u>105,767</u>	<u>194,709</u>	<u>361,077</u>	<u>30,425</u>
December 31, 2024							
Non-derivative financial liabilities							
Short-term loans	\$ 3,253	3,335	3,334	1	-	-	-
Long-term loans	49,581	50,038	38,711	9,911	1,416	-	-
Notes payable	14,297	14,297	14,297	-	-	-	-
Accounts payable	3,255,750	3,255,750	3,255,750	-	-	-	-
Accounts payable - related parties	63,626	63,626	63,626	-	-	-	-
Other payables	1,530,177	1,530,177	1,530,177	-	-	-	-
Lease liabilities	692,123	726,791	99,030	86,647	140,955	368,891	31,268
Guarantee deposits received	522	522	522	-	-	-	-
	<u>\$ 5,609,329</u>	<u>5,644,536</u>	<u>5,005,447</u>	<u>96,559</u>	<u>142,371</u>	<u>368,891</u>	<u>31,268</u>

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

	Carrying amount	Contractual cash flows	Within 6 months	6 to 12 months	1-2 years	2-5 years	Over 5 years
March 31, 2024							
Non-derivative financial liabilities							
Short-term loans	\$ 1,600	1,634	1,634	-	-	-	-
Long-term loans	105,564	106,814	38,519	38,391	29,904	-	-
Notes payable	10,694	10,694	10,694	-	-	-	-
Accounts payable	2,497,699	2,497,699	2,497,699	-	-	-	-
Accounts payable - related parties	83,361	83,361	83,361	-	-	-	-
Other payables	1,323,084	1,323,084	1,323,084	-	-	-	-
Dividends payable	599,238	599,238	599,238	-	-	-	-
Lease liabilities	404,023	422,358	104,867	71,778	82,576	124,855	38,282
Guarantee deposits received	509	509	-	-	-	-	509
	<u>\$ 5,025,772</u>	<u>5,045,391</u>	<u>4,659,096</u>	<u>110,169</u>	<u>112,480</u>	<u>124,855</u>	<u>38,791</u>

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

	2025.3.31			2024.12.31			2024.3.31		
	Foreign currencies	Exchange rate	NT\$	Foreign currencies	Exchange rate	NT\$	Foreign currencies	Exchange rate	NT\$
Financial assets									
<u>Monetary items</u>									
RMB	\$ 123,255	4.573	563,645	171,663	4.478	768,707	156,419	4.408	689,495
USD	118,266	33.205	3,927,023	120,698	32.785	3,957,084	107,290	32.000	3,433,280
HKD	9,413	4.268	40,175	3,653	4.222	15,423	8,020	4.089	32,794
EUR	24	35.970	863	69	34.140	2,356	28	34.460	965
<u>Non-monetary items</u>									
USD	2,534	29.461	74,654	2,534	28.511	72,248	2,534	28.268	71,632
USD	1,333	33.205	44,262	1,315	32.785	43,112	-	-	-
USD	991	33.205	32,906	972	32.778	31,860	-	-	-
USD	448	29.705	13,308	440	32.789	14,427	-	-	-
RMB	6,322	8.747	55,301	6,322	8.748	55,302	6,322	4.191	26,494
HKD	2,319	4.270	9,901	2,139	4.221	9,028	1,972	4.090	8,066
AUD	1,315	20.811	27,366	-	-	-	-	-	-
Financial liabilities									
<u>Monetary items</u>									
RMB	79,753	4.573	364,710	86,450	4.478	387,123	64,267	4.408	283,289
USD	84,608	33.205	2,809,409	82,642	32.785	2,709,418	64,302	32.000	2,057,664
HKD	9,138	4.268	39,001	9,126	4.222	38,530	7,265	4.089	29,707

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

(2) Sensitivity analysis

The Group'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, short-term borrowings, accounts payable (including related parties) and other payables that are denominated in foreign currencies and subject to foreign exchange loss in currency translation. As of March 31, 2025 and 2024, if the New Taiwan Dollar had depreciated or appreciated by 5% against the US Dollar, Renminbi, Hong Kong Dollar and Euro with all other factors remaining unchanged, income before income tax would have increased or decreased by NT\$65,929 thousand and NT\$89,294 thousand, respectively, from January 1 to March 31, 2025 and 2024. The analysis of the two periods was conducted on the same basis.

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

As the Group has a large variety of functional currencies, the exchange gains and losses of monetary items were disclosed on an aggregated basis. The foreign exchange gains (losses) (including realized and unrealized) from January 1 to March 31, 2025 and 2024 were NT\$32,216 thousand and NT\$88,278 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:

	January to March, 2025		January to March, 2024	
	Other		Other	
Security price at the reporting date	comprehensive income (pre-tax)	Pre-tax income	comprehensive income (pre-tax)	Pre-tax income
Increase by 5%	<u>\$ 313,156</u>	<u>16,983</u>	<u>351,700</u>	<u>16,214</u>
Decrease by 5%	<u>\$ (313,156)</u>	<u>(16,983)</u>	<u>(351,700)</u>	<u>(16,214)</u>

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 demand deposits, time deposits and short-term liabilities are subject to floating interest rates. However, changes in market interest rates are not

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

significant and thus changes in interest rates do not give rise to significant cash flow risk.

6. Fair value information

(1) Category of financial instruments and their fair value

Group'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:

		2025.3.31				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss						
Beneficiary certificates	\$	339,667	339,667	-	-	339,667
Private equity funds		121,250	-	-	121,250	121,250
Preferred shares of foreign listed companies		18,675	-	-	18,675	18,675
Non-publicly quoted equity instruments measured at fair value		74,654	-	-	74,654	74,654
Structured deposits		411,570	-	-	411,570	411,570
Structured products		46,214	-	46,214	-	46,214
Subtotal		1,012,030	339,667	46,214	626,149	1,012,030
Financial assets at fair value through other comprehensive income						
Domestic listed (OTC) stock	\$	6,244,526	6,244,526	-	-	6,244,526
Foreign listed stock		18,591	18,591	-	-	18,591
Foreign unlisted stocks		55,301	-	-	55,301	55,301
Domestic unlisted stocks		261,399	-	-	261,399	261,399
Subtotal		6,579,817	6,263,117	-	316,700	6,579,817
Financial assets at amortized cost						
Cash and cash equivalents		3,864,020	-	-	-	-
Notes receivable and accounts receivable		3,500,040	-	-	-	-
Other receivables		333,307	-	-	-	-
Restricted bank deposits (classified in other current assets)		33,205	-	-	-	-
Restricted bank deposits (classified in other		100	-	-	-	-

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

2025.3.31					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
non-current assets)					
Refundable deposits (classified in other non-current assets)	52,064	-	-	-	-
Subtotal	<u>7,782,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 15,374,583</u>	<u>6,602,784</u>	<u>46,214</u>	<u>942,849</u>	<u>7,591,847</u>
Financial liabilities measured at amortized cost					
Long-term and short- term borrowings	\$ 33,689	-	-	-	-
Notes payable and accounts payable	3,409,070	-	-	-	-
Other payables	1,331,183	-	-	-	-
Dividends payable	561,786	-	-	-	-
Lease liabilities	762,118	-	-	-	-
Guarantee deposits received	<u>533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 6,098,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2024.12.31					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Beneficiary certificates	\$ 355,779	355,779	-	-	355,779
Private equity funds	121,250	-	-	121,250	121,250
Non-publicly quoted equity instruments measured at fair value	72,248	-	-	72,248	72,248
Structured deposits	434,380	-	-	434,380	434,380
Structured products	<u>46,287</u>	<u>-</u>	<u>46,287</u>	<u>-</u>	<u>46,287</u>
Subtotal	<u>1,029,944</u>	<u>355,779</u>	<u>46,287</u>	<u>627,878</u>	<u>1,029,944</u>
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
Foreign unlisted stocks	55,302	-	-	55,302	55,302
Domestic unlisted stocks	<u>259,399</u>	<u>-</u>	<u>-</u>	<u>259,399</u>	<u>259,399</u>
Subtotal	<u>7,906,709</u>	<u>7,592,008</u>	<u>-</u>	<u>314,701</u>	<u>7,906,709</u>
Financial assets at amortized cost					
Cash and cash equivalents	3,879,851	-	-	-	-
Notes receivable and accounts receivable	3,389,988	-	-	-	-
Other receivables	451,059	-	-	-	-
Restricted bank deposits (classified in other current assets)	32,785	-	-	-	-

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

2024.12.31					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Restricted bank deposits (classified in other non-current assets)	100	-	-	-	-
Refundable deposits (classified in other non-current assets)	50,382	-	-	-	-
Subtotal	<u>7,804,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 16,740,818</u>	<u>7,947,787</u>	<u>46,287</u>	<u>942,579</u>	<u>8,936,653</u>
Financial liabilities measured at amortized cost					
Long-term and short- term borrowings	\$ 52,834	-	-	-	-
Notes payable and accounts payable	3,333,673	-	-	-	-
Other payables	1,530,177	-	-	-	-
Lease liabilities	692,123	-	-	-	-
Guarantee deposits received	<u>522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,609,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2024.3.31					
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Beneficiary certificates	\$ 324,270	324,270	-	-	324,270
Private equity funds	68,545	-	-	68,545	68,545
Non-publicly quoted equity instruments measured at fair value	71,632	-	-	71,632	71,632
Structured deposits	<u>286,540</u>	<u>-</u>	<u>-</u>	<u>286,540</u>	<u>286,540</u>
Subtotal	<u>750,987</u>	<u>324,270</u>	<u>-</u>	<u>426,717</u>	<u>750,987</u>
Financial assets at fair value through other comprehensive income					
Domestic listed (OTC) stock	\$ 7,025,930	7,025,930	-	-	7,025,930
Foreign listed stock	8,066	8,066	-	-	8,066
Foreign unlisted stocks	26,493	-	-	26,493	26,493
Domestic unlisted stocks	<u>256,216</u>	<u>-</u>	<u>-</u>	<u>256,216</u>	<u>256,216</u>
Subtotal	<u>7,316,705</u>	<u>7,033,996</u>	<u>-</u>	<u>282,709</u>	<u>7,316,705</u>
Financial assets at amortized cost					
Cash and cash equivalents	4,084,357	-	-	-	-
Notes receivable and accounts receivable	3,077,549	-	-	-	-
Other receivables	363,268	-	-	-	-
Restricted bank deposits (classified in other non-current assets)	100	-	-	-	-

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

		2024.3.31			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Refundable deposits (classified in other non-current assets)	49,306	-	-	-	-
Subtotal	7,574,580	-	-	-	-
Total	<u>\$ 15,642,272</u>	<u>7,358,266</u>	<u>-</u>	<u>709,426</u>	<u>8,067,692</u>
Financial liabilities					
measured at amortized					
cost					
Long-term and short- term borrowings	\$ 107,164	-	-	-	-
Notes payable and accounts payable	2,591,754	-	-	-	-
Other payables	1,323,084	-	-	-	-
Dividends payable	599,238	-	-	-	-
Lease liabilities	404,023	-	-	-	-
Guarantee deposits received	<u>509</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,025,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(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 Group, 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.

Except for the above-mentioned financial instruments with active markets, the fair values of the remaining financial instruments are obtained using valuation techniques or by referencing to quoted prices from counterparties.

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

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 Consolidated Balance Sheets date.

The fair value of financial instruments held by the Group 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 Level 3 of fair value measurements mainly includes financial assets measured at fair value through profit or loss - investments in equity securities, investments in private equity funds, preferred shares of foreign listed companies and financial assets measured at fair value through other comprehensive income—equity 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.

Because the correlation between significant unobservable input value and fair value cannot be fully identified in practice, Group's structured deposits are not included in the disclosure of quantitative information of significant unobservable input values and the sensitivity analysis of fair value for reasonably possible alternative assumptions.

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

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

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
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	• P/E ratio multiple (16.22, 16.22 and 2.66 as of 2025.3.31, 2024.12.31 and 2024.3.31, respectively)	• The higher the multiple, the higher the fair value
		• Net worth multiple (1.92~6.50, 1.92~6.50 and 2.40~2.70 as of 2025.3.31, 2024.12.31 and 2024.3.31, respectively)	• The higher the multiple, the higher the fair value
		• Discount for lack of market liquidity (29.39% as of 2025.3.31, 2024.12.31 and 2024.3.31)	• 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 Group's measurement on the fair value of financial instruments is considered reasonable. However, the fair value may change if different

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

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
March 31, 2025						
Financial assets at fair value through profit or loss						
Investment in equity instrument without an active market	Net assets value method	5%	3,733	(3,733)	-	-
Financial assets at fair value through other comprehensive income						
Investment in equity instrument without an active market	Price-to-earnings ratio	5%	-	-	2,765	(2,765)
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%	-	-	2,200	(2,200)
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	3,000	(3,000)
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	Price-to-earnings ratio	5%	-	-	2,765	(2,765)
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)
March 31, 2024						
Financial assets at fair value through profit or loss						
Investment in equity instrument without an active market	Net assets value method	5%	3,228	(3,228)	-	-
Financial assets at fair value through other comprehensive income						
Investment in equity instrument without an active market	Price-to-earnings	5%	-	-	7,212	(7,212)

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

		Upward or downward change	Fair value change reflected in current profit or loss		Fair value change reflected in other comprehensive income	
Input			Favorable change	Unfavorable change	Favorable change	Unfavorable change
	ratio					
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	3,993	(3,993)
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	6,844	(6,844)
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	598	(598)

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

There were no significant changes in the objectives and policies of the Group's financial risk management comparing to those disclosed in Note VI(XXIII) of the consolidated financial statements for the year ended December 31, 2024.

(XXIV) Capital management

The Group's capital management objectives, policies and procedures were consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2024. In addition, there were no significant changes in the aggregate quantitative information of capital management items comparing to the information disclosed in the consolidated financial statements for the year ended December 31, 2024. Please refer to Note VI(XXVIV) of the consolidated financial statements of 2024 for relevant information.

(XXV) Investing and financing activities not affecting cash flows

The reconciliation of liabilities arising from financing activities from January 1 to March 31, 2025 and 2024 was as follows:

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

			Non-cash changes				
				Disposal and remeasurement contracts	Changes in foreign exchange rate	Changes in lease payment	
	2025.1.1	Cash flows from:	Addition				2025.3.31
Long-term loans	\$ 49,581	(19,159)	-	-	-	-	30,422
Short-term loans	3,253	-	-	-	14	-	3,267
Lease liabilities	692,123	(49,920)	107,793	-	12,122	-	762,118
Total liabilities from financing activities	<u>\$ 744,957</u>	<u>(69,079)</u>	<u>107,793</u>	<u>-</u>	<u>12,136</u>	<u>-</u>	<u>795,807</u>

			Non-cash changes				
				Disposal and remeasurement contracts	Changes in foreign exchange rate	Changes in lease payment	
	2024.1.1	Cash flows from:	Addition				2024.3.31
Long-term loans	\$ 124,404	(18,840)	-	-	-	-	105,564
Short-term loans	1,536	35	-	-	29	-	1,600
Lease liabilities	445,234	(49,778)	2,728	(1,230)	7,069	-	404,023
Total liabilities from financing activities	<u>\$ 571,174</u>	<u>(68,583)</u>	<u>2,728</u>	<u>(1,230)</u>	<u>7,098</u>	<u>-</u>	<u>511,187</u>

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.	Group's associate
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
3Y Power Exchange Inc.	Substantive related party
Cheng Ya-Jen	Chairman of the Company

(II) Significant related party transactions

1. Operating revenue

The amounts of significant sales to related parties were as follows:

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

	January to March, 2025	January to March, 2024
Associate	\$ 23,593	19,871
Other related party	438,153	417,725
	<u>\$ 461,746</u>	<u>437,596</u>

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

2. Purchases

The amounts of purchases from related parties were as follows:

	January to March, 2025	January to March, 2024
Other related party	<u>\$ 47,360</u>	<u>37,772</u>

The Group purchased goods from the above-mentioned related parties, and 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.

3. Receivables from related parties

The details of the receivables of the Group arising from sales transactions, business needs and disbursement fee were as follows:

Accounting Subject	Related party category/name	2025.3.31	2024.12.31	2024.3.31
Accounts receivable - related parties, net	Associate	\$ 33,067	25,666	20,414
	Other related party			
	FSP Power Solution GmbH	341,398	350,026	-
	Others	<u>343,536</u>	<u>246,386</u>	<u>605,480</u>
		<u>718,001</u>	<u>622,078</u>	<u>625,894</u>
Other receivables	Associate	71	565	706
	Other related party			
	FSP Power Solution GmbH	6,871	8,710	17,216

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

Accounting Subject	Related party category/name	2025.3.31	2024.12.31	2024.3.31
	Others	<u>6,361</u>	<u>7,000</u>	<u>5,742</u>
		<u>13,303</u>	<u>16,275</u>	<u>23,664</u>
		<u>\$ 731,304</u>	<u>638,353</u>	<u>649,558</u>

As of March 31, 2025, December 31, 2024, and March 31, 2024, there were no circumstances requiring the recognition of allowance for losses on accounts receivable – related parties and other receivables – related parties. Please refer to Notes VI(IV) and (V) for details.

4. Payables to related parties

The details of the payables arising from the purchase of goods and the purchase via related parties were as follows:

Accounting Subject	Related party category/name	2025.3.31	2024.12.31	2024.3.31
Accounts payable - related parties	Other related party	<u>\$ 83,593</u>	<u>63,626</u>	<u>83,361</u>

5. Purchase of services from related parties

The details of the technical service fee, labor fee and commission paid by the Group to the related parties were as follows:

	January to March, 2025	January to March, 2024
Associate		
FSP Group USA Corp.	\$ 2,760	2,688
Other related party		
Amacrox	2,614	1,435
FSP North America Inc.	5,684	-
Others	<u>3,093</u>	<u>986</u>
	<u>\$ 14,151</u>	<u>5,109</u>

The details of the Company's recognized payable amounts due to related parties as a result of the above transactions and payments/collections on behalf of related parties were as follows:

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

Accounting Subject	Related party category/name	2025.3.31	2024.12.31	2024.3.31
Other payables	Associate	\$ 968	1,258	1,174
	Other related party	18,279	20,920	5,116
		<u>\$ 19,247</u>	<u>22,178</u>	<u>6,290</u>

6. Leases

The Group leased an office to the Chairman of the Company. The balance of lease liabilities as of March 31, 2025, December 31, 2024, and March 31, 2024, were NT\$4,709 thousand, NT\$4,946 thousand, and NT\$5,651 thousand, respectively. The recognized interest expense from January 1 to March 31, 2025 and 2024 was NT\$22 thousand and NT\$26 thousand, respectively.

(III) Compensation for key management personnel

	January to March, 2025	January to March, 2025
Short-term employee benefits	\$ 8,869	10,271
Post-employment benefits	118	169
	<u>\$ 8,987</u>	<u>10,440</u>

VIII. Pledged Assets

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

Name of Assets	Pledged to secure	2025.3.31	2024.12.31	2024.3.31
Restricted time deposits (recognized in other non-current assets)	Custom duty performance guarantee	\$ 100	100	100
Restricted time deposits (recognized in other current assets)	Subsidiary's short-term borrowing facility	33,205	32,785	-
Land	Long-term and short-term loan facilities	161,077	161,077	161,077
Housing and Construction	Long-term and short-term loan facilities	160,459	162,458	168,455
Total		<u>\$ 354,841</u>	<u>356,420</u>	<u>329,632</u>

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

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) As of March 31, 2025, December 31, 2024 and March 31, 2024, the guarantee facilities extended by banks for customs and excise duties were NT\$203,000 thousand, and utilized facilities were NT\$60,000 thousand, NT\$60,000 thousand and NT\$30,000 thousand, respectively.

(II) The Group 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 Group 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 Group, 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 Group and O2 was separated from the aforementioned litigation between O2 and Beyond Innovation on July 21, 2009. However, the Group has not yet received a notice of hearing from the US Court.

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

the Company was implicated by the use of Beyond Innovation's products, and after learning that Beyond Innovation's products were involved in such disputes, we have switched to alternative materials that do not involve infringement disputes. According to the intellectual property right guarantee signed by the 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 Group recognized the aforementioned expenses as expenses for the year in which they occurred based on fiscal conservatism.

- (III) As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group had entered into purchase agreements for property, plant and equipment amounting to NT\$553,464 thousand, NT\$483,800 thousand and NT\$1,143 thousand, respectively, and had paid NT\$134,243 thousand, NT\$50,760 thousand and NT\$571 thousand, respectively, which were recorded as construction in progress of property, plant and equipment as well as other non-current assets.

X. Significant Disaster Loss: None.

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

XII. Others

- (I) A summary of employee benefits, depreciation, and amortization by function is provided below:

By function By nature	January to March, 2025			January to March, 2024		
	Operation costs	Operation expenses	Total	Operation costs	Operation expenses	Total
Cost of Employee benefits						
Salary expense	331,863	261,684	593,547	276,054	254,638	530,692
Insurance expense	6,437	24,478	30,915	4,593	21,384	25,977
Pension expense	33,886	11,643	45,529	22,215	11,015	33,230
Other employee benefit expense	14,472	10,827	25,299	13,582	9,011	22,593
Depreciation expenses	76,315	27,582	103,897	72,620	26,225	98,845
Amortization expenses	573	3,115	3,688	67	1,315	1,382

- (II) Seasonality in Operation

The operation of the Group is not subject to impacts from seasonal or cyclical factors.

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

XIII. Supplementary Disclosures

(I) Information on Significant Transactions

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, information on significant transactions from January 1 to March 31, 2025 is disclosed as follows:

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

Unit: NTS thousand

Number	Endorser/ guarantor/ company name	Endorsee/guarantee recipient		Maximum endorsement/guarantee limit for a single enterprise (Note 1)	Maximum balance of endorsement/ guarantee during the period	Ending balance of endorsement/g uarantee	Actual disbursement amount	Collateral provided for endorsement/guarante e	Accumulated endorsement/guarantee amount as a percentage of net worth in the most recent financial statements (Note 2)	Maximum endorsement/guarantee limit (Note 1)	Endorsements/ guarantees provided by the parent company to subsidiaries	Endorsements/ guarantees provided by the subsidiaries to parent company	Endorsements/ guarantees provided to Mainland China
		Name of Company:	Relationship										
0	The Company	FSP Technology Vietnam Co.,Ltd.	(Note 3)	2,737,774	32,000	32,000	2,933	32,000	0.23%	5,475,548	Y	N	N

Note 1: According to the Company's Regulations for Endorsement and Guarantee, the aggregate amount of endorsements and guarantees provided externally by the Company, as well as by the Company and its subsidiaries collectively, shall not exceed 40% of the Company's net worth for the current period. The limit for endorsements and guarantees provided to any single enterprise shall not exceed 20% of the Company's net worth for the current period.

Note 2: The calculation is based on the ending balance of endorsements and guarantees for the current period as a percentage of the Company's net worth in the most recent financial statements.

Note 3: Subsidiaries in which the Company directly holds more than 50% of the common shares.

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

Number of Shares: [insert number of shares]								
Securities holding company	Type and name of securities	Relationship with issuer of securities	Ledger account	End of Term				Remark
				Shares/Units	Carrying amount	Percentage of shareholding	Fair value	
The Company	Stock:	—						
	Mekong Resort Development Construction Co., Ltd.		Financial assets at fair value through profit or loss	1,998,330	74,654	8.65	74,654	
	Preferred stock:	—						
	HARRIS TECHNOLOGY		"	10,000	18,675	-	18,675	
The Company	Beneficiary certificates:	—						
	Fuh Hwa Guardian Fund		"	3,504,199	73,893	-	73,893	
	Fuh Hwa Ruei Hua Fund	—	"	1,961,169	24,162	-	24,162	
	Fuhua three to eight-year callable bonds A and bonds (NT\$)	—	"	5,000,000	55,877	-	55,877	
	Yuanta FTSE4Good TIP Taiwan ESG ETF Securities Investment Trust Fund	—	"	400,000	16,400	-	16,400	
	Taiwan Technology High Dividend Fund A	—	"	6,000,000	54,300	-	54,300	
	Asia Pacific Tech (USD)	—	"	105,988	53,600	-	53,600	
	0056 Yuanta Taiwan Dividend Plus ETF	—	"	300,000	10,428	-	10,428	
	00933B Cathay US Corporate 10+ Years Banking ETF	—	"	200,000	3,392	-	3,392	
	00919 Capital Tip Customized Taiwan Select High Dividend Exchange Traded Fund	—	"	300,000	6,675	-	6,675	
	00939 UPAMC Taiwan High Dividend Momentum ETF			1,000,000	13,780	-	13,780	
	00940 Yuanta Taiwan Value High Dividend ETF			1,000,000	9,060	-	9,060	
3Y Power	Fuh Hwa Taiwan Technology High Dividend Fund	—	"	2,000,000	18,100	-	18,100	
					339,667		339,667	

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

Securities holding company	Type and name of securities	Relationship with issuer of securities	Ledger account	End of Term				Remark
				Shares/Units	Carrying amount	Percentage of shareholding	Fair value	
The Company	Private equity fund:							
	Harmony Mobile Communication Co., LTD partnership	—	"	61,250,000	61,250	-	61,250	
	Hungchi Capital Co., Ltd.	—	"	30,000,000	30,000	-	30,000	
	Mesh Cooperative Ventures Fund	—	"	30,000,000	30,000	-	30,000	
					121,250		121,250	
The Company	Structured products:							
	X220401 Fan Yi Fan 115 USD 8Y	—	"	10,000	32,906	-	32,906	
3Y Power	XP240807 - Fan Yi Fan 142 USD 8Y	—	"	5,000	13,308	-	13,308	
					46,214		46,214	
					600,460		600,460	
The Company	Stock:							
	Voltronic Power Technology Corp.	Other related party	Financial assets at fair value through profit or loss	3,059,822	4,681,528	3.49	4,681,528	
	JESS-LINK Products Co., Ltd.	—	"	10,010,000	1,216,215	8.20	1,216,215	
	WT Microelectronics Co., Ltd. (Preferred stock)	—	"	1,000,000	50,000	0.74	50,000	
	WT Microelectronics Co., Ltd.	—	"	400,000	39,080	0.03	39,080	
	HARRIS TECHNOLOGY	—	"	29,829,678	8,690	9.07	8,690	
	Hon Hai Precision Industry Co., Ltd.	—	"	50,000	7,300	-	7,300	
	Taiwan Semiconductor Manufacturing Co., Ltd.	—	"	10,000	9,100	-	9,100	
	Coretronic Corporation	—	"	350,000	25,550	0.09	25,550	
	Eastern Union Interactive Corp.	—	"	839,000	134,240	3.38	134,240	
	Champ-ray Industrial Co., Ltd.	—	"	200,000	19,800	0.75	19,800	
	Channel Well Technology Co., Ltd.	—	"	10,000	826	-	826	
	Delta Electronics Inc.	—	"	10,000	3,600	-	3,600	
	Quanta Computer Inc.	—	"	135,000	30,307	-	30,307	
	Chenbro Micom Co., Ltd.	—	"	50,000	12,525	0.04	12,525	
	FORMOSA INTERNATIONAL HOTELS CORPORATION.	—	"	70,000	14,455	0.05	14,455	
	TOT BIOPHARM International Co., Ltd.	—	"	1,195,200	9,901	0.15	9,901	
	Taiwan Truewin Technology Co., Ltd.	—	"	1,965,317	147,399	3.09	147,399	
	StockFeel	—	"	1,002,121	44,000	6.18	44,000	
	Liwatt X Inc.	—	"	1,000,000	10,000	14.29	10,000	
	LINCO Technology Co., Ltd.	—	"	500,000	60,000	0.67	60,000	
					6,524,516		6,524,516	
FSP Jiangsu	Powerland Technology Inc.	—	"	-	55,301	-	55,301	
					6,579,817		6,579,817	

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

Company	Name of 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	Fortron/Source (Europa) GmbH	Substantive related party of the Company	(Sales)	(112,623)	(4.39)	Note 1			145,330	5.06	
The Company	FSP Power Solution GmbH	Substantive related party of the Company	(Sales)	(157,157)	(6.13)	Note 1			285,590	9.95	
The Company	Huili	100% indirectly owned subsidiary	Purchases (Note 2)	179,102	6.93	Note 4		Note 4	(78,208) (Note 3)	(2.72)	Note 5

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.

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

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

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

Note 5: Eliminated under consolidation.

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

Company with accounts receivable	Name of 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	139,391	2.84	-		32,199	-
The Company	FSP Power Solution GmbH	Substantive related party of the Company	285,590	2.12	-		40,029	-
The Company	Fortron/Source (Europa) GmbH	Substantive related party of the Company	145,330	4.11	-		12,605	-
The Company	WUXI Zhonghan	100% owned investment via indirect shareholding	125,371	1.86	-		22,273	-

Note: As of April 23, 2025.

6. Business relationship and significant intercompany transactions:

Number (Note 1)	Company	Counterparty	Nature of relationship (Note 2)	Description of Transactions			
				Ledger	Amount	Transaction term	Percentage of total consolidated operating revenue or total assets (Note 3)
0	The Company	3Y Power	1	Cost of goods sold	61,339	No significant difference from other suppliers	2.02%
0	The Company	Huili	1	Cost of goods sold	179,102	No comparison is available	5.91%
0	The Company	Zhonghan	1	Cost of goods sold	81,489	No comparison is available	2.69%
0	The Company	WUXI SPI	1	Cost of goods sold	54,712	No comparison is available	1.80%
0	The Company	WUXI Zhonghan	1	Operating revenue	63,104	No significant difference from other customers	2.08%
0	The Company	Zhong Han	1	Operating revenue	41,743	No significant difference from other customers	1.38%
0	The Company	FSP Technology USA Inc.	1	Operating revenue	92,591	No significant difference from other customers	3.05%
1	3Y Power	3Y Power Technology Inc.	3	Operating revenue	36,482	No significant difference from other customers	1.20%
1	3Y Power	Huili	3	Cost of goods sold	64,947	No comparison is available	2.14%
1	3Y Power	Zhong Han	3	Operating revenue	76,475	No significant difference from other customers	2.52%

Note 1: Fill in the number as per below:

1. 0 represents the Company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Types of relationships with traders are listed as follows:

1. The parent company to subsidiaries.
2. Subsidiaries to the parent company.
3. Subsidiaries to subsidiaries.

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

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

(II) Information on Invested Companies:

Reinvestment information from January 1 to March 31, 2025 is as follows:

Name of investor	Name of investee	Location	Main business activities	Initial Investment Amount		End-of-period Holdings			Profit (Loss) of investee for the period	Investment gain (loss) recognized for the period	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 Transfer	1,468,081	1,468,081	32,202,500	100.00	2,205,129	(68,504) (Note 1)	(68,504) (Note 1)	Subsidiary
	FSP Group Inc.	British Cayman Islands	Engaged in safety certification	1,752	1,752	50,000	100.00	327	4 (Note 2)	4 (Note 2)	Subsidiary
	Amacrox Technology Co., Ltd. (BVI)	British Virgin Islands	Investment Transfer	40,925	40,925	1,109,355	100.00	81,784	1,383 (Note 2)	1,383 (Note 2)	Subsidiary
	3Y Power	Taiwan	Manufacturing and trading of power supply	304,406	304,406	16,309,484	65.87	832,881	27,867 (Note 2)	18,350 (Note 2)	Subsidiary
	Harmony Trading (HK) Ltd.	Hong Kong	Investment Transfer	45	45	10,000	100.00	2,051	25 (Note 2)	25 (Note 2)	Subsidiary
	FSP Technology USA Inc.	U.S.A.	Business development and product technical service	3,143	3,143	100,000	100.00	19,421	6,956 (Note 2)	6,956 (Note 2)	Subsidiary
	FSP Turkey Dis Tic.Ltd.Sti.	Turkey	Business development and product technical service	22,640	22,640	6,673,000	91.41	23,580	156 (Note 2)	143 (Note 2)	Subsidiary
	FSP Technology VIETNAM CO.,LTD.	Vietnam	Manufacturing and trading of power supply	222,010	222,010	169,691,000	100.00	149,927	(9,762) (Note 2)	(9,762) (Note 2)	Subsidiary
	FSP International Inc. (BVI)	British Virgin Islands	Investment Transfer	62,883	62,883	2,100,000	100.00	112,260	(5,729) (Note 2)	≡	Sub-subsidiary
	Power Electronics Co., Ltd. (BVI)	British Virgin Islands	Investment Transfer	217,707	217,707	7,000,000	100.00	142,886	(14,466) (Note 1)	≡	Sub-subsidiary
	Famous Holding Ltd.	Samoa	Investment Transfer	807,483	807,483	27,000,000	100.00	1,355,411	(14,479) (Note 1)	≡	Sub-subsidiary
	Proteck Electronics (Samoa) Corp.	Samoa	Investment Transfer	32,984	32,984	1,100,000	100.00	20,772	(1,514) (Note 2)	≡	Sub-subsidiary
	FSP International (HK) Ltd.	Hong Kong	Investment Transfer	141,042	141,042	4,770,000	100.00	32,711	(3,059) (Note 2)	≡	Sub-subsidiary
	Amacrox Technology Co., Ltd. (BVI)	Germany	Trading of power supply	18,181	18,181	25,000	100.00	3,199	66 (Note 2)	≡	Sub-subsidiary
3Y Power	FSP Group USA Corp.	U.S.A.	Trading of power supply	14,903	14,903	247,500	45.00	40,078	2,015 (Note 2)	907 (Note 2)	Associate
	3Y Power Technology Inc.	U.S.A.	Trading of power supply	233,850	233,850	600,000	100.00	249,692	(4,797) (Note 2)	-	Sub-subsidiary
	Luckyield Co., Ltd.	Samoa	Investment Transfer	4,500	4,500	45,000	100.00	5,217	114 (Note 2)	-	Sub-subsidiary

Note 1: The investment profit or loss of the company was recognized based on the financial statements of the investee company for the same period audited by the independent auditors of Taiwan's parent company, accounted for and valued by the equity method.

Note 2: The investment profit or loss of the company was recognized based on the financial statements of the investee company for the same period without being reviewed by the independent auditors, accounted for and valued by the equity method.

Note 3: The profit and loss of the sub-subsidiary has been consolidated into the profit and loss of the subsidiary. The transactions between the Company and each subsidiary of the Group including sales transaction amount, accounts receivable and payable, carrying amount of long-term equity investment, except for the associates and investment profit and loss recognized in the current period, have been eliminated in preparing the consolidated financial statements.

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

(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	Share of profits/losses for the period	Carrying amount of investment at the end of the period	Accumulated Investment Income Repatriated at End of Period
					Remitted	Repatriated						
Huili	Processing of power supply	384,086	(II), 1	403,203	-	-	403,203	(32,083)	100.00	(32,083) (Note 3 & 5)	434,113 (Note 3 & 5)	197,299
Zhonghan	Processing of power supply	235,921 (Note 2)	(II), 1	104,342	-	-	104,342	(14,477)	100.00	(14,477) (Note 3 & 5)	140,920 (Note 3 & 5)	75,044
WUXI SPI	Processing of power supply	760,444 (Note 2)	(II), 1	508,326	-	-	508,326	(3,462)	100.00	(3,462) (Note 3 & 5)	91,911 (Note 3 & 5)	-
WUXI Zhonghan	Manufacturing and trading of power supply	438,034	(II), 1	380,595	-	-	380,595	(24,660)	100.00	(24,660) (Note 3 & 5)	870,334 (Note 3 & 5)	-
Zhong Han	Manufacturing and trading of power supply	137,190	(II), 1	20,196	-	-	20,196	(17,937)	100.00	(17,937) (Note 3 & 5)	754,566 (Note 3 & 5)	-
FSP Jiangsu	Research & development and design of various energy saving technology	69,009 (Note 2)	(II), 1	13,380	-	-	13,380	(5,729)	100.00	(5,729) (Note 4 & 5)	113,947 (Note 4 & 5)	-
Protek Dongguan	Processing of power supply	41,468	(II), 1	38,038	-	-	38,038	(1,517)	100.00	(1,517) (Note 4 & 5)	20,554 (Note 4 & 5)	-
Hao Han	Transformer processing	172,301 (Note 2)	(II), 1	-	-	-	-	(3,059)	100.00	(3,059) (Note 4 & 5)	32,711 (Note 4 & 5)	-
WUXI 3Y	Design, manufacturing and trading of power supplies	4,340	(II), 2	-	-	-	-	114	65.87	75 (Note 4 & 5)	5,217 (Note 4 & 5)	-

Note 1: Method of investment can be divided into the following 3 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. to invest 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 profit or loss of the company and the carrying amount of the investment at the end of the period were recognized based on the financial statements of the investee company audited by the independent auditors of Taiwan's parent company, accounted for and valued by the equity method.

Note 4: The investment profit or loss of the company and the carrying amount of the investment at the end of the period were recognized based on the financial statements of the investee company for the same period without being reviewed by the independent auditors, accounted for and valued by the equity method.

Note 5: Eliminated under consolidation.

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\$ 12,500,000 and US\$ 42,640,000)	2,115,713 (Note 2) (HK\$ 12,500,000 and US\$ 62,110,000)	8,213,323 (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 the 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: 1:32.8946, CNY/TWD: 1:4.5117, HKD/TWD: 1:4.2279). Paid-in capital, investment amount approved by the Investment Commission of MOEA, and the carrying amount at the end of the period is based on the exchange rates on March 31, 2025 (USD/TWD: 1:33.2050, CNY/TWD: 1:4.5730, HKD/TWD: 1:4.2680).

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

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

Please refer to the "Information on Significant Transactions" for direct or indirect material transactions between the Group and investees in China (which have been eliminated during the preparation of consolidated financial statements) from January 1 to March 31, 2025.

XIV. Segment Information

the Company's operating segment information and reconciliation were as follows:

	The Company and its processing subsidiaries	3Y Power	Zhong Han	WUXI Zhonghan	Others	Adjustment and elimination	Total
January to March, 2025							
Revenue:							
Revenue from external customers	\$ 2,256,803	233,482	199,316	110,314	231,760	-	3,031,675
Intersegment revenue	699,359	183,170	9,254	3,281	69,820	(964,884)	-
Total revenues	\$ 2,956,162	416,652	208,570	113,595	301,580	(964,884)	3,031,675
Reportable segment profit or loss	\$ 41,326	38,451	(3,976)	(5,466)	(19,333)	9,583	60,585
January to March, 2024							
Revenue:							
Revenue from external customers	\$ 1,908,277	179,770	266,875	132,844	218,760	-	2,706,526
Intersegment revenue	486,774	260,560	4,794	1,412	40,531	(794,071)	-
Total revenues	\$ 2,395,051	440,330	271,669	134,256	259,291	(794,071)	2,706,526
Reportable segment profit or loss	\$ 133,506	35,642	(11,489)	(2,504)	(4,302)	777	151,630

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

The total revenue of the reportable segment and the inter-segment revenue to be eliminated were NT\$964,844 thousand and NT\$794,071 thousand from January 1 to March 31, 2025 and 2024, respectively.