



Stock Code: 3015

全漢企業股份有限公司  
FSP TECHNOLOGY INC.

2023 Annual Shareholders' Meeting  
**Meeting Handbook**



**Method for Convening the Meeting**

In-Person Shareholders' Meeting

**Date**

June 12, 2023

**Place**

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

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**FSP Technology Inc.**  
**Procedure for the 2023 Annual Shareholders' Meeting**

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# **FSP Technology Inc.**

## **Procedure for the 2023 Annual Shareholders' Meeting**

Method for Convening the Meeting: In-Person Shareholders' Meeting

Time: June 12, 2023 (Monday), 9:00 A.M.

Place: No. 147, Yanping Rd., Taoyuan Dist., Taoyuan City (Women Center, Taoyuan City)

Meeting Called to Order

Chairman's Remarks

### **Chapter 1** Announcements:

- I. The Company's 2022 Business Report.
- II. Audit Committee's Review Report on the 2022 Financial Statements.
- III. Proposal of compensation for employees and Directors for 2022.
- IV. Report on the Company's distribution of cash dividends from earnings for 2022.
- V. Report on the Company's handling of cash dividend payments with a capital surplus.
- VI. Report on amendments to the Company's "Rules of Procedure for Board of Directors' Meetings".

### **Chapter 2** Ratifications:

- I. The Company's 2022 Business Report and Financial Statements.
- II. The Company's 2022 Earnings Distribution Statement.

### **Chapter 3** Electoral Matters:

- I. Election of directors.

### **Chapter 4** Discussions:

- II. Amendment of the Company's "Articles of Incorporation".
- III. Lifting restrictions on directors' competitive activities.

### **Chapter 5** Extempore Motions

Adjournment

## **Chapter 1 Announcements**

### **Proposal 1**

Proposal: The Company's 2022 Business Report is provided for your review.

Explanation: Refer to Attachment I for the Business Report. (Pages 8-10)

### **Proposal 2**

Proposal: The Audit Committee's Review Report on the 2022 Financial Statements is provided for your review.

Explanation: Refer to Attachment II for the Audit Committee's Review Report. (Page 11)

### **Proposal 3**

Proposal: The proposal of compensation for employees and Directors for 2022 is provided for your review.

Explanation:

- I. Under the Company's Articles of Incorporation, if the Company has profit for the year, it shall allocate no less than 6% as compensation for employees and no more than 3% as compensation for Directors.
- II. The distribution proposal is as follows:
  - (1) Distribute compensation for employees totaling NT\$66,000,000 entirely in cash.
  - (2) Distribute compensation for Directors totaling NT\$7,000,000 entirely in cash.

### **Proposal 4**

Proposal: The report on the Company's distribution of cash dividends from earnings for 2022 is provided for your review.

Explanation:

- I. According to Article 21 of the Company's "Articles of Incorporation", the Board of Directors is authorized to resolve to distribute earnings, statutory surplus reserve, and capital surplus in cash.
- II. The Company proposes to set aside shareholders' dividends totaling NT\$561,785,850 from distributable earnings for 2022 and distribute cash dividends of NT\$3.0 per share.
- III. If the Company's shares in external circulation are subsequently changed due to the issuance of new shares for conversion of stock options, repurchase of the Company's shares, or the transfer and cancellation of treasury stock, which affect on the shareholder dividend ratio, the Chairman is authorized to process such adjustments.
- IV. The Chairman of the Board is authorized to determine the ex-dividend date, distribution date, and other related matters.

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

### **Proposal 5**

Proposal: The report on the Company's distribution of cash dividend payments with the capital surplus is provided for your review.

Explanation:

- I. The Company proposes to distribute NT\$149,809,560 of the additional capital reserve obtained from issuing shares at a price exceeding the par value, and distribute NT \$0.80 per share in cash following the held shares recorded in the register of shareholders on the base date of cash dividend distribution with capital reserve.
- II. The Chairman of the Board is authorized to determine the base date of distribution, date of payment, and other related matters.
- III. The current cash dividends are calculated according to the distribution ratio and rounded down to the whole dollar amounts with decimals rounded off. The fractional amounts less than NT\$1 shall be aggregated and rounded up based on the value of decimals from high to low after distribution to shareholders till the amount reaches zero.

### **Proposal 6**

Proposal: The report on amendments to the Company's "Rules of Procedure for Board of Directors' Meetings" is provided for your review.

Explanation:

- I. Articles 3, 7 and 9 of Regulations Governing Procedure for Board of Directors Meetings of Public Companies are amended following Letter No. 1110383263 issued by the Financial Supervisory Commission on August 5.
- II. It is proposed to amend some articles of the "Rules of Procedure for Board of Directors' Meetings" of the Company, and refer to Attachment III for the Table of Amendments. (Pages 12-17)

## **Chapter 2 Ratifications**

### **Proposal 1**

**Proposed by the board of directors**

Proposal: The Company's 2022 Business Report and Financial Statements are submitted for ratification.

Explanation:

- I. The Company's 2022 Business Report and the Parent Company Only Financial Statements and Consolidated Financial Statements audited by Chang, Chun-I, CPA, and Chao, Min-Ju, CPA of KPMG Taiwan have been reviewed by the Audit Committee and submitted to the Board of Directors for resolution and passage following laws. Please refer to Attachment I and Attachment IV. (Pages 8-10 and 18-33)
- II. They are submitted for ratification.

Resolution:

### **Proposal 2**

**Proposed by the board of directors**

Proposal: The Company's 2022 Earnings Distribution Statement is submitted for ratification.

Explanation:

- I. The Company's 2022 Earnings Distribution Statement has been reviewed by the Audit Committee and submitted to the Board of Directors for resolution and passage in accordance with laws. Please refer to Attachment V. (Page 34)
- II. They are submitted for ratification.

Resolution:

## Chapter 3 Electoral Matters

### Proposal 1

**Proposed by the board of directors**

Proposal: Election of directors.

Explanation:

- I. As the term of office of the current directors and independent directors expires on June 15, 2023, it is proposed to convene the general meeting of shareholders on June 12 this year for election, and the current directors and independent directors will be discharged immediately after the new directors and independent directors are elected and take office.
- II. The Articles of Incorporation of the Company stipulate that there should be 5 to 13 directors. Considering the company's business scale and the practical operations of the board of directors, it is proposed to elect eleven directors (including four independent directors). The newly elected directors and independent directors shall take office for three years from June 12, 2023 to June 11, 2026.
- III. The list of candidate directors and independent directors has been approved by the Board of Directors, and shareholders shall elect from the list of candidates, refer to Attachment VI. (Pages 35-37)
- IV. Candidate Mr. Liu, Shou-Hsiang has been an independent director of the Company for three consecutive terms. Because of his rich experience in economics, finance, accounting, risk management and insurance, he can provide important pieces of advise to the company. Although he has been an independent director of the Company for three terms, the Company still needs his professionalism, so that he can still give full play to his expertise in addition to exercising the duties of an independent director, and supervising and providing professional advice to the Board of Directors. Therefore, he continues to be nominated as an independent director of the Company in this election.
- V. The candidate, Mr. Cheng Jia-jun, has been an independent director of the Company for three consecutive terms. Because of his extremely rich management experience, he can provide significant pieces of advice to the Company. Although he has been an independent director of the Company for three consecutive terms, the Company still needs to rely on his expertise and enable him to exert his expertise in the exercise of independent director's duties, and supervise and provide professional advice to the Board of Directors. Therefore, he continues to be nominated as an independent director of the Company in this election.
- VI. Please elect the directors.

Election results:



## **Chapter 4 Discussions**

### **Proposal 1**

**Proposed by the board of directors**

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

Explanation:

- I. Under the operating requirements of the Company and the Letter No. 10802432410 issued by the the Ministry of Economic Affairs on January 9, 2020.
- II. The Company proposes to amend certain articles of the "Articles of Incorporation" and the Comparison Table of the Articles of Incorporation before and after the amendment is provided in Attachment VII. (Pages 38-42)
- III. Please discuss.

Resolution:

### **Proposal 2**

**Proposed by the board of directors**

Proposal: The proposal to lift restrictions on directors' competitive activities is submitted for discussion.

Explanation:

- I. To assist the Company in successfully expanding its business, following the provisions in Article 209 of the Company Act on Non-Competition, it is proposed at the Annual Shareholders' Meeting this year to lift the restrictions on the non-competition for the new directors and independent directors of the Company, refer to Attachment VIII for details. (Pages 43-44)
- II. Please discuss.

Resolution:

## **Chapter 5 Extempore Motions**

### **Adjournment**

## Attachment I

### FSP Technology Inc.

#### Business Report

In 2022, the COVID-19 epidemic came to an end, but during the epidemic, the electronics industry had overstock at all levels of the supply chain due to poor supply. In particular, the desktop computer market saw its global shipment decline by 16% last year compared to the previous year, resulting in inventory depletion of the entire supply chain. Fortunately, the trend of using edge computing devices was clear, and the accompanying demand for driving sensors, networking products, and terminal servers increased. FSP also made up for the decline in the PC market with the growth of industrial computers, networking computer power supplies, and server power supplies. The overall revenue of FSP was NT\$14.9 billion, which decreased by 10% compared to the previous year, and the number was nearly NT\$19.57 million. More than 60% of them were power supplies for networking and industrial computers. The results of operations in 2022 and the business outlook for 2023 are explained below:

#### I. Results of Operations in 2022

##### (I) Business Plan Implementation Results

FSP's consolidated revenue for 2022 was NT\$14,941,451 thousand, a decrease of 10% compared to consolidated revenue of NT\$16,650,252 thousand for 2021; the net income before tax for 2022 was NT\$951,767 thousand, a decrease of 1% compared to net income before tax of NT\$960,600 thousand for 2021; net income after tax for 2022 was NT\$789,621 thousand, a decrease of 1% compared to net income after tax of NT\$801,279 thousand for 2021; basic earnings per share before and after tax for 2022 were NT\$4.54 and NT\$3.85, respectively.

Unit: NT\$ thousands; %

Item	2022	2021	Change, by Amount	Change by Percentage
Operating Revenue	14,941,451	16,650,252	(1,708,801)	(10.26%)
Gross Profit	2,308,783	2,424,205	(115,422)	(4.76%)
Operating Income	542,320	671,909	(129,589)	(19.29%)
Non-Operating Income and Expenditures	409,447	288,691	120,756	41.83%
Net Income Before Tax	951,767	960,600	(8,833)	(0.92%)
Net income	789,621	801,279	(11,658)	(1.45%)

##### (II) Budget Implementation Status

The Company did not formulate a financial forecast for 2022.

### (III) Analysis of Financial Gains and Losses and Profitability

Unit: NT\$ thousands; %

Item		Year	2022	2021	Percentage of Increase (Decrease)%
Financial Revenue and Expenditures	Operating Revenue		14,941,451	16,650,252	(10.26%)
	Gross Profit		2,308,783	2,424,205	(4.76%)
	Net Profit After Tax		789,621	801,279	(1.45%)
Profitability Analysis	Return on total assets(%)		3.88	4.00	(3.00%)
	Return on equity(%)		5.79	6.40	(8.10%)
	Ratio of income before tax to paid-in capital(%)		50.83	51.30	(0.92%)
	Net profit margin(%)		5.28	4.81	9.77%
	Earnings Per Share (NT\$)		3.85	4.03	(4.47%)

### (IV) Research and Development

The results of R&D in 2022 were as follows:

- Compact ATX 750/850/1000/1200W.
- Efficient Titanium 850/1KW ATX power supply, plan for MP in 2023/Q1.
- Development of power supply to support the ATX 12Vo platform developed by Intel and meet new energy efficiency requirements.
- Research and develop Titanium 1.3/1.6KW products.
- High-wattage SFX 1KW power supply plan for MP in 2023/Q1.
- Compact PD 30~65W lipstick machine series products.
- PD 3.1 140W 28V output models.
- ATX 250~500W power supply of ATX 3.0.
- CRPS 2400W and 3000W high-power density devices.
- Completed CRPS modularized back panel and entry-level housing to meet the high-mix low-volume demand for edge computing: FC210C.
- Iterative design for 65W @ 2" x 4" series.
- Iterative design for 150W @ 2" x 4" series.
- Iterative design for 200W @ 3" x 5" series.
- 100W @ 2.44"x 6.1 series power supply for industrial applications.
- 150W @ 3"x 6.3 series power supply for industrial applications.
- 700W ATX PC Power.
- mass production of IP67 600W/completing appearance design of 2000W On Board/Off Board Charger.
- UDS automobile communication software development is completed.
- Continuous development of 3300W On Board Charger for cooling module.
- 3KW mobile energy storage - 800W/2.6KWh.
- Stationary energy storage system - 10KW Off-grid ESS; 30KW Hybrid ESS.
- Lithium iron phosphate battery module - 48V low voltage version.

## II. Summary of 2023 Business Plan

Looking ahead to 2023, based on the remote network working habits formed by the COVID-19 pandemic, the demand for network communication equipment, exchanger, and server power is still strong, the development trend of AI is clear, and the demand for related sensors, graphics and high-speed computing computers increases rapidly. For networking, high-speed computing, server power, unbranded CRPS power supply, FSP has a complete product line and will continue to lay out and launch relevant products to meet the market. In addition, the desktop computer market downturn in the past two years is expected to improve after inventory reduction this year. FSP's power supply in esports and desktop computer will actively participate in the market. The overall target for total sales of power supply units is 20.9 million units.

## III. Future Development Strategy

FSP is committed to its corporate mission of "maximizing value for customers, employees, and shareholders with innovative services and high-quality products". Continuously research and develop advanced technology, develop power sources for innovative industries, to provide high value added power products. In recent years, the awareness of sustainability raised, ESG-compliant products and services will be the first choice of the market and customers, FSP will invest more and better R&D resources to build efficient power supply products to meet the market demand for durability and efficiency requirements. Product applications are particularly focused on the large number of information flow devices, production sensors networking servers and edge computing AI devices, which contribute significantly to power consumption reduction.

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

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

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

I wish you

good health and all the best

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

## **Attachment II**

### **FSP Technology Inc.**

#### **Audit Committee's Review Report**

The Company's 2022 Parent Company Only Financial Statements and Consolidated Financial Statements have been audited by Chang, Chun-I, CPA, and Chao, Min-Ju, CPA of KPMG Taiwan, and have been submitted, along with the 2022 Business Report and Earnings Distribution Proposal to the Audit Committee for review. The Audit Committee found them to be compliant with the Company Act and related regulations. It therefore prepares this Review Report by Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act and filed for approval for your review.

To:

FSP Technology Inc.

2023 Annual Shareholders' Meeting

Convener of the Audit Committee: Liu, Shou-Hsiang

March 10, 2023

Attachment III

**FSP Technology Inc.**

**Comparison of Amendments to the Rules of Procedure for Board of Directors' Meetings**

Article	Current Article	Article after Amendment	Explanation
Article 3	(Paragraphs 1 to 3 are not amended, please ignore.) Matters stated in Paragraph 1, Article 14 shall be listed in the causes for the convening and cannot be raised as an extempore motion, <del>unless there is an emergency or a justifiable reason.</del>	(Paragraphs 1 to 3 are not amended, please ignore.) Matters stated in Paragraph 1, Article 14 shall be listed in the causes for the convening and cannot be raised as an extempore motion.	<p>I. Amendments were made via Letter No. 1110383263 issued by the Financial Supervisory Commission on August 5, 2022.</p> <p>II. Paragraphs 1 to 3 are not amended.</p> <p>III. Whereas, since the first paragraph of Article 14 relates to important matters concerning the operation of the company, it shall be stated in the reasons for convening so that the directors have sufficient information and time to evaluate their proposal before making a decision, and the provisions of the fourth paragraph shall be deleted, and the matters stipulated in the first paragraph of Article 14 shall be listed in the reasons for convening, and shall not be proposed by a provisional motion. Since the matters stated in Paragraph 1, Article 14 are important for the Company's operations, they should be listed in the causes for the</p>

Article	Current Article	Article after Amendment	Explanation
			<p>convening, so that the directors have sufficient information and time to evaluate their proposals before making decisions; <b>therefore, the exception in Paragraph 4 is deleted to clearly stipulates that the matters stated in Paragraph 1, Article 14 shall be listed in the causes for the convening and cannot be raised as an extempore motion.</b> In addition, if the Company has an urgent matter that should be brought to the Board of Directors for discussion, it can convene the meeting at any time according to Paragraph 2, and should not affect the Company's business or operations. The convening of an emergency board meeting shall still be carried out following Article 4 at a place and time convenient for directors to attend, and following Article 11, the proceedings of such board meetings, meeting materials and notice of convening shall be sent to the members</p>

Article	Current Article	Article after Amendment	Explanation
			of the board.
Article 14	<p>The following matters shall be submitted to the Board of Directors for discussion: (Paragraphs 1 to 5 of paragraph 1 are not amended, please ignore.)</p> <p>VI. Appointment and discharge of a financial, accounting or internal audit supervisor.</p> <p>VII. Donations to related parties or major donations to non-related parties. However, commonweal donations for emergency rescue due to a major natural disaster shall be submitted for retroactive approval by the next board meeting.</p> <p>VIII. Matters that shall be resolved by the Shareholders' meeting following Article 14-3 of the Securities and Exchange Act, other major matters stipulated by applicable laws and regulations or the Articles of Incorporation, or significant matters</p>	<p>The following matters shall be submitted to the Board of Directors for discussion: (Paragraphs 1 to 5 of paragraph 1 are not amended, please ignore.)</p> <p><u>VI. The election and discharge of chairman if the board of directors does not have a managing director.</u></p> <p><u>VII.</u> Appointment and discharge of a financial, accounting or internal audit supervisor.</p> <p><u>VIII.</u> Donations to related parties or major donations to non-related parties. However, commonweal donations for emergency rescue due to a major natural disaster shall be submitted for retroactive approval by the next board meeting.</p> <p><u>IX.</u> Matters that shall be resolved by the Shareholders' meeting following Article 14-3 of the Securities and Exchange Act, other major matters stipulated by applicable laws and regulations or the Articles of Incorporation, or significant matters</p>	<p>I. Amendments were made via Letter No. 1110383263 issued by the Financial Supervisory Commission on August 5, 2022.</p> <p>II. According to Paragraphs 1 and 2 of Article 208, the Company Act, the election of the chairman is the responsibility of the board of directors, and the procedure for discharge of the chairman is not expressly stipulated in the Company Act and shall be handled by reference to Letter No. 0940210599 issued by the Ministry of Economic Affairs on August 2, 2005; the method for discharging the chairman is not expressly stipulated in the Company Act, and it shall be handled by reference to the original resolution of the board of directors on the election of the chairman, unless otherwise stipulated in the Articles of Incorporation.</p> <p>III. By reference to the above-mentioned</p>



Article	Current Article	Article after Amendment	Explanation
	<p>stipulated by competent authorities.</p> <p>IX. If the remuneration of directors and managerial officer recommended by the Remuneration Committee is rejected or amended, more than two-thirds of directors shall attend the board meeting, and more than half of the directors present should agree to do so, and it shall be stated in the resolution whether the remuneration plan approved by the board is better than that recommended by the Remuneration Committee.</p> <p>X. The Board of Directors of the Company may set up various functional committees (hereinafter referred to as committees). If the Board of Directors has set up such committees, each committee shall be responsible to the Board of Directors and submit the proposal to the Board for resolution.</p> <p>The term "related party" as used in Subparagraph 7 of the preceding paragraph refers to a related party regulated by the Regulations Governing the</p>	<p>stipulated by competent authorities.</p> <p><u>X.</u> If the remuneration of directors and managerial officer recommended by the Remuneration Committee is rejected or amended, more than two-thirds of directors shall attend the board meeting, and more than half of the directors present should agree to do so, and it shall be stated in the resolution whether the remuneration plan approved by the board is better than that recommended by the Remuneration Committee.</p> <p><u>XI.</u> The Board of Directors of the Company may set up various functional committees (hereinafter referred to as committees). If the Board of Directors has set up such committees, each committee shall be responsible to the Board of Directors and submit the proposal to the Board for resolution.</p> <p>The term "related party" as used in Subparagraph <u>8</u> of the preceding paragraph refers to a related party regulated by the Regulations Governing the</p>	<p><b>provisions of the Company Act and the Letter issued by the Ministry of Economic Affairs, and based on the fact that the discharge and election of the chairman are both important matters of the Company, a new article is added as <b>Article 6 to clarify that if the board of directors does not have a managing director, the election or discharge of the chairman shall be discussed at the board meeting, the current Articles 6 to 10 are re-numbered as Articles 7 to 11.</b></b></p> <p>IV. Paragraph 2 shall be amended per Paragraph, and Paragraphs 3 to 4 are not amended.</p>

Article	Current Article	Article after Amendment	Explanation
	<p>Preparation of Financial Reports by Securities Issuers; the term "major donations to non-related parties" refers to a donation or the accumulated donation to the same object within one year amounting to NT\$100,000,100 or more, or accounting for 1% of the net operating income listed in the financial statements audited and signed by CPAs for the last year, or equivalent to 5% or more of the paid-in capital. "Within one year" as described in the preceding paragraph is one year retrospectively calculated from the date of this board meeting, and those that have been approved by resolution of the Board shall be excluded.</p> <p>At least one independent director shall attend the board meeting in person; for the matters in the first paragraph to be submitted for resolution of the board, all independent directors shall attend the board meeting, and if any independent directors cannot attend in person, they shall be represented by other independent directors. If an independent director has any objection or reservation, such objection or reservation shall be recorded in the minutes of the board meeting; if any independent director is</p>	<p>Preparation of Financial Reports by Securities Issuers; the term "major donations to non-related parties" refers to a donation or the accumulated donation to the same object within one year amounting to NT\$100,000,100 or more, or accounting for 1% of the net operating income listed in the financial statements audited and signed by CPAs for the last year, or equivalent to 5% or more of the paid-in capital. "Within one year" as described in the preceding paragraph is one year retrospectively calculated from the date of this board meeting, and those that have been approved by resolution of the Board shall be excluded.</p> <p>At least one independent director shall attend the board meeting in person; for the matters in the first paragraph to be submitted for resolution of the board, all independent directors shall attend the board meeting, and if any independent directors cannot attend in person, they shall be represented by other independent directors. If an independent director has any objection or reservation, such objection or reservation shall be recorded in the minutes of the board meeting; if any independent director is</p>	

Article	Current Article	Article after Amendment	Explanation
	unable to attend the board meeting in person to express his objection or reservation, he shall issue a written opinion in advance unless for justifiable reasons, and such opinion shall be recorded in the minutes of the board meeting.	unable to attend the board meeting in person to express his objection or reservation, he shall issue a written opinion in advance unless for justifiable reasons, and such opinion shall be recorded in the minutes of the board meeting.	

## **Attachment IV**

### **Independent Auditors' Report**

To the Board of Directors of FSP Technology Inc.:

#### **Opinions**

We have audited the Parent Company Only Financial Statements of FSP Technology Inc. (the “Company”), which comprise the Parent Company Only Balance Sheets as of December 31, 2021 and 2022, and the Parent Company Only Statements of Comprehensive Income, the Parent Company Only Statements of Changes in Equity, the Parent Company Only Statements of Cash Flows, and Notes to the Parent Company Only Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2022 and 2021.

In our opinion, based on our audit results and the audit reports prepared by other independent auditors (please refer to Other Matters section), the accompanying Parent Company Only Financial Statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and cash flows for the periods from January 1 to December 31, 2022 and 2021, following the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinions**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Parent Company Only Financial Statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, revenue recognition is the key audit matter that should be communicated in the audit report.

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

Description of key audit matter:

The sales revenue of the Company is a key indicator for investors and management to evaluate financial or business performance. As a listed company, there is a high inherent risk of misrepresentation for the Company. In addition, the timing of revenue recognition varies with the trading conditions of the customer, and there may be risks that revenue on the days close to the balance sheet date may not be recorded in the correct period. Therefore, the recognition of income on the days close to the balance sheet date and the judgment of the commodity control transfer point is extremely

important for the presentation of financial statements. Therefore, we consider income recognition as an important matter in the audit of the financial statements for the current year.

Audit procedure to address the matter:

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

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

### **Other Matters**

Included in the investment of the Company using the equity method, and financial statements of some investment companies have not been audited by us, but by other accountants. Therefore, in the opinions expressed by us on the parent company only financial statements, the amounts listed in the financial statements of some investment companies are based on the audit reports of other CPAs. As of December 31, 2022 and 2021, the amount of long-term equity investments recognized accounted for 4.30% and 3.58% of the total assets, respectively, and the shares of subsidiaries, affiliated enterprises and joint venture recognized in profits and losses using the equity method for such investments accounted for 15.66% and 10.11% of the net profit before tax, respectively.

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

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

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

Those charged with governance (including the audit committee) are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Parent Company Only Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error, and to

issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted by the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered material if misstated individual or aggregate amounts could reasonably be expected to influence the economic decisions of users taken based on these Parent Company Only Financial Statements.

When auditing by auditing standards, we use professional judgments and professional suspicions. We also perform the following tasks:

1. Identify and assess the risks of material misstatement of the Parent Company Only Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Company's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Parent Company Only Financial Statements, including the disclosures, and whether the Parent Company Only Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investee companies under the equity method to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine the key audit matters in the audit of the Company's Parent Company Only Financial Statements for the year ended December 31, 2022. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. The engagement partners on the audit resulting in this independent auditors' report are Chang, Chun-I and Chao, Min-Ju.

KPMG Taiwan

Taipei, Taiwan (Republic of China)

March 10, 2022

#### Notice to Readers

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

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

**FSP Technology Inc.**  
**Parent Company Only Balance Sheets**  
**December 31, 2022 and 2021**

Unit: NT\$ thousands

Assets		2022.12.31		2021.12.31		Liabilities and Equity		2022.12.31		2021.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
11xx	<b>Current Assets:</b>					21xx	<b>Current Liabilities:</b>				
1100	Cash and cash equivalents (Note VI(I))	\$ 2,390,487	13	1,683,746	9	2150	Notes payable	\$ 13,057	-	14,445	-
1110	Financial assets at fair value through profit or loss - current (Note VI(II))	293,290	2	316,390	2	2170	Accounts payable	2,607,891	15	3,417,288	19
1136	Financial assets at amortized cost - current (Note VI(IV))	-	-	10,800	-	2180	Accounts payable - related parties (Note VII)	439,919	3	330,210	2
1150	Net notes receivable (Note VI(V) and (XXI))	1,791	-	2,682	-	2200	Other payables (note VI(XVII) and (XXII))	891,094	5	825,993	5
1170	Net accounts receivable (Note VI(V) and (XXI))	1,922,560	11	2,359,536	13	2220	Other payables - related parties (Note VII)	30,153	-	47,611	-
1180	Net accounts receivable - related parties (Note VI(V), (XXI) and VII)	802,722	5	985,345	5	2230	Current income tax liabilities	86,960	-	111,599	1
1200	Other receivables (Note VI(VI))	34,519	-	16,480	-	2250	Provisions for liabilities - current (Note VI(XVI))	131,155	1	146,223	1
1210	Other receivables - related parties (Notes VI(VI) and VII)	36,107	-	40,968	-	2280	Lease liabilities - current (Note VI(XV))	3,483	-	3,040	-
130x	Inventories (Note VI(VII))	1,879,414	10	2,162,501	12	2300	Other current liabilities (Note VI(XIV), (XXI) and VII)	137,945	1	64,258	-
1410	Prepayments (Note VII)	26,326	-	65,083	-	2320	Current portion of long-term debt (Notes VI(X) and (XIV), and VIII)	74,930	-	73,014	-
1470	Other current assets	12,097	-	14,822	-		<b>Total current liabilities</b>	<b>4,416,587</b>	<b>25</b>	<b>5,033,681</b>	<b>28</b>
	<b>Total current assets</b>	<b>7,399,313</b>	<b>41</b>	<b>7,658,353</b>	<b>41</b>	25xx	<b>Non-current Liabilities:</b>				
15xx	<b>Non-current Assets:</b>					2540	Long-term borrowings (Notes VI(X) and (XIV), and VIII)	124,404	1	199,334	1
1517	Financial assets at fair value through other comprehensive income - non-current (Note VI(III) and (XIX))	6,350,320	36	6,736,644	37	2570	Deferred income tax liabilities (Note VI(XVIII))	4,502	-	2,919	-
1550	Investments recognized through the equity method (Note VI(VIII) and (IX))	2,987,232	17	2,944,275	16	2580	Lease liabilities - non-current (Note VI(XXV))	47,517	-	49,239	-
1600	Property, plant and equipment (Notes VI(X), (XIII), and (XIV), VIII and IX)	967,991	5	966,351	5	2640	Net defined benefit liabilities - non-current (Note VI(XVII))	8,511	-	44,234	-
1755	Right-of-use assets (Note VI(XI) and (XV))	48,373	-	49,919	-	2670	Other non-current liabilities - others (Notes VI(XIV) and VII)	4,726	-	6,312	-
1780	Intangible assets (Note VI(XII))	119,139	1	117,968	1		<b>Total non-current liabilities</b>	<b>189,660</b>	<b>1</b>	<b>302,038</b>	<b>1</b>
1840	Deferred income tax assets (Note VI(XVIII))	53,246	-	67,326	-	2xxx	<b>Total liabilities</b>	<b>4,606,247</b>	<b>26</b>	<b>5,335,719</b>	<b>29</b>
1900	Other non-current assets (Notes VI(X), VIII and IX)	3,767	-	3,844	-	31xx	<b>Equity (Note VI(III), (VIII), (IX), (XVII), (XVIII) and (XIX)):</b>				
	<b>Total non-current assets</b>	<b>10,530,068</b>	<b>59</b>	<b>10,886,327</b>	<b>59</b>	3100	Capital Stock	1,872,620	10	1,872,620	10
1xxx	<b>Total assets</b>	<b>\$ 17,929,381</b>	<b>100</b>	<b>18,544,680</b>	<b>100</b>	3200	Capital Surplus	1,011,016	6	1,011,016	5
						3300	Retained earnings:				
						3310	Statutory surplus reserve	1,175,322	6	1,033,544	6
						3350	Unappropriated earnings	3,713,296	21	3,209,195	17
							Total retained earnings	4,888,618	27	4,242,739	23
						34xx	Other Equity:				
						3410	Exchange differences on translation of financial statements of foreign operations	(77,427)	-	(117,703)	(1)
						3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	5,628,307	31	6,200,289	34
							Total other equity	5,550,880	31	6,082,586	33
						3xxx	<b>Total equity</b>	<b>13,323,134</b>	<b>74</b>	<b>13,208,961</b>	<b>71</b>
						2-3xxx	<b>Total liabilities and equity</b>	<b>\$ 17,929,381</b>	<b>100</b>	<b>18,544,680</b>	<b>100</b>

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

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun



**FSP Technology Inc.**  
**Parent Company Only Statements of Comprehensive Income**  
**January 1 to December 31, 2022 and 2021**

		Unit: NT\$ thousands			
		2022		2021	
		Amount	%	Amount	%
4000	<b>Operating income (Note VI(XXI) and VII)</b>	\$ 10,831,532	100	12,319,833	100
5000	<b>Operating costs (Notes VI(VII), (X), (XI), (XII), (XVI), and (XVII), VII and XII)</b>	9,056,686	84	10,483,687	85
5910	Add: Unrealized sales gains (losses)	(4,269)	-	(10,948)	-
5900	<b>Gross profit</b>	<u>1,770,577</u>	16	<u>1,825,198</u>	15
6000	<b>Operating expenses (Note VI(V), (X), (XI), (XII), (XV), (XVII), (XXII), VII and XII):</b>				
6100	Selling and marketing expenses	440,189	4	445,124	4
6200	General and administrative expenses	458,921	4	487,276	4
6300	Research and development expenses	387,628	3	363,444	3
6450	Expected credit impairment losses (gains)	(6,290)	-	3,828	-
	<b>Total operating expenses</b>	<u>1,280,448</u>	11	<u>1,299,672</u>	11
6900	<b>Net operating income</b>	<u>490,129</u>	5	<u>525,526</u>	4
7000	<b>Non-operating income and expenses (Note VI(II), (III), (VIII), (VIX), (XIV), (XV), (XXIII) and VII)</b>				
7100	Interest income	12,449	-	2,375	-
7010	Other income	144,206	1	148,325	1
7020	Other gains and losses	168,638	2	(512)	-
7050	Finance costs	(7,061)	-	(3,867)	-
7070	Share of profits (losses) of subsidiaries, associates and joint ventures under equity method	41,534	-	202,618	2
	<b>Total non-operating income and expenses</b>	<u>359,766</u>	3	<u>348,939</u>	3
7900	<b>Income before income tax from continuing operations</b>	849,895	8	874,465	7
7950	<b>less: income tax expense (Note VI(XVIII))</b>	<u>128,864</u>	1	<u>120,383</u>	1
8200	<b>Net Income</b>	<u>721,031</u>	7	<u>754,082</u>	6
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified to profit or loss (Note VI(XVII), (XVIII) and (XIX))</b>				
8311	Gains (losses) on re-measurements of defined benefit plans	25,058	-	6,610	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	(50,513)	-	1,854,340	15
8330	Share of other comprehensive income (losses) of subsidiaries, associates and joint ventures under equity method	1,297	-	246	-
8349	Less: Income tax related to items that will not be reclassified subsequently	5,012	-	1,322	-
	<b>Total items that will not be reclassified to profit or loss</b>	<u>(29,170)</u>	-	<u>1,859,874</u>	15
8360	<b>Items that may be reclassified subsequently to profit or loss (Note VI(VIII) and (XIX))</b>				
8361	Exchange differences on translation of financial statements of foreign operations	36,894	-	(27,216)	-
8380	Share of other comprehensive income (losses) of subsidiaries, associates and joint ventures under equity method	3,382	-	(809)	-
8399	Less: Income tax related to items that may be reclassified subsequently	-	-	-	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>	<u>40,276</u>	-	<u>(28,025)</u>	-
8300	<b>Other comprehensive income for current period</b>	<u>11,106</u>	-	<u>1,831,849</u>	15
8500	<b>Total comprehensive income for current period</b>	<u>\$ 732,137</u>	<u>7</u>	<u>\$ 2,585,931</u>	<u>21</u>
	<b>Earnings per share (unit: NTD) (Note VI(XX))</b>				
9750	Basic earnings per share	<u>\$ 3.85</u>		<u>4.03</u>	
9850	Diluted earnings per share	<u>\$ 3.81</u>		<u>3.99</u>	

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

**Chairman: Cheng, Ya-Jen**

**Managerial Officer: Cheng, Ya-Jen**

**Chief Accounting Officer: Sang, Hsi-Yun**

**FSP Technology Inc.**  
**Parent Company Only Statements of Changes in Equity**  
**January 1 to December 31, 2022 and 2021**

Unit: NT\$ thousands

	Retained earnings					Other equity items		Total	Total Equity
	Capital stock - common shares	Capital Surplus	Statutory surplus reserve	Unappropriate d earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income		
<b>Balance as of January 1, 2021</b>	\$ 1,872,620	1,011,016	940,416	2,446,328	3,386,744	(89,678)	5,004,114	4,914,436	11,184,816
Appropriation and distribution of earnings:									
Statutory surplus reserve	-	-	93,128	(93,128)	-	-	-	-	-
Cash dividends of common stock	-	-	-	(561,786)	(561,786)	-	-	-	(561,786)
Net Income	-	-	-	754,082	754,082	-	-	-	754,082
Other comprehensive income for current period	-	-	-	5,534	5,534	(28,025)	1,854,340	1,826,315	1,831,849
Total comprehensive income for current period	-	-	-	759,616	759,616	(28,025)	1,854,340	1,826,315	2,585,931
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	658,165	658,165	-	(658,165)	(658,165)	-
Balance as of December 31, 2021	1,872,620	1,011,016	1,033,544	3,209,195	4,242,739	(117,703)	6,200,289	6,082,586	13,208,961
Appropriation and distribution of earnings:									
Statutory surplus reserve	-	-	141,778	(141,778)	-	-	-	-	-
Cash dividends of common stock	-	-	-	(617,964)	(617,964)	-	-	-	(617,964)
Net Income	-	-	-	721,031	721,031	-	-	-	721,031
Other comprehensive income for current period	-	-	-	21,343	21,343	40,276	(50,513)	(10,237)	11,106
Total comprehensive income for current period	-	-	-	742,374	742,374	40,276	(50,513)	(10,237)	732,137
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	521,469	521,469	-	(521,469)	(521,469)	-
<b>Balance as of December 31, 2022</b>	<b>\$ 1,872,620</b>	<b>1,011,016</b>	<b>1,175,322</b>	<b>3,713,296</b>	<b>4,888,618</b>	<b>(77,427)</b>	<b>5,628,307</b>	<b>5,550,880</b>	<b>13,323,134</b>

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

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

**FSP Technology Inc.**  
**Parent Company Only Statements of Cash Flows**  
**January 1 to December 31, 2022 and 2021**

**Unit: NT\$ thousands**

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
<b>Income before income tax</b>	\$ 849,895	874,465
<b>Adjustments for:</b>		
Adjustments to reconcile profit or loss		
Depreciation expenses	65,293	62,893
Amortization expenses	5,960	2,576
Expected credit impairment losses (gains)	(6,290)	3,828
Interest expenses	7,061	3,867
Interest income	(12,449)	(2,375)
Dividend income	(127,003)	(122,933)
Share of profits of subsidiaries, associates and joint ventures	(41,534)	(202,618)
Loss on disposal of property, plant, and equipment	644	656
Unrealized sales gains (losses)	4,269	10,948
Unrealized loss on foreign currency exchange	29,440	20,737
Gains on lease modifications	-	(80)
Gains on bargain purchase	-	(2,523)
Total adjustments for profit or loss	(74,609)	(225,024)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	23,100	(38,770)
Notes receivable	891	(2,256)
Accounts receivable	440,984	(89,006)
Accounts receivable - related parties	182,623	(236,097)
Other receivables	(17,828)	4,035
Other receivables - related parties	4,861	8,697
Inventories	283,087	(535,092)
Prepayments	38,757	(35,691)
Other current assets	2,725	819
Total changes in operating assets	959,200	(923,361)
Changes in operating liabilities:		
Notes payable	(1,388)	(556)
Accounts payable	(830,676)	(101,854)
Accounts payable - related parties	109,949	2,907
Other payables	51,571	219,472
Other payables - related parties	(17,522)	5,747
Provisions for liabilities	(15,068)	(10,967)
Other current liabilities	73,459	8,235
Net defined benefit liabilities	(10,665)	(6,374)
Other non-current liabilities	(1,358)	3,919
Total changes in operating liabilities	(641,698)	120,529
Total changes in operating assets and liabilities	317,502	(802,832)
Total adjustments	242,893	(1,027,856)
Cash provided by operations	1,092,788	(153,391)
Interest received	12,404	2,441
Interest paid	(7,061)	(3,867)
Income tax paid	(142,852)	(77,574)
<b>Net cash provided by operating activities</b>	955,279	(232,391)
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(187,324)	(296,047)
Disposal of financial assets at fair value through other comprehensive income	523,135	660,425
Acquisition of financial assets at amortized cost	-	(10,959)
Disposal of financial assets at amortized cost	10,959	-
Acquisition of investments accounted for using the equity method	-	(22,640)
Acquisition of property, plant, and equipment	(56,992)	(124,320)
Disposal of property, plant and equipment	-	7
Decrease in refundable deposits	76	1,503
Acquisition of intangible assets	(7,131)	(5,684)
Dividends received	162,884	155,552
<b>Net cash flows from investing activities</b>	445,607	357,837
<b>Cash flows from financing activities:</b>		
Proceeds from long-term loans	-	181,989
Repayments of long-term loans	(73,014)	(18,094)
Repayment of the principal of lease liabilities	(3,167)	(5,087)
Cash dividends paid	(617,964)	(561,786)
<b>Net cash flows used in financing activities</b>	(694,145)	(402,978)
<b>Net increase (decrease) in cash and cash equivalents</b>	706,741	(277,532)
<b>Cash and cash equivalents at the beginning of the year</b>	1,683,746	1,961,278
<b>Cash and cash equivalents at the end of the year</b>	\$ 2,390,487	1,683,746

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

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

## Independent Auditors' Report

To the Board of Directors of FSP Technology Inc.:

### Opinions

We have audited the Consolidated Financial Statements of FSP Technology Inc. and its subsidiaries (the “Group”), which comprise the Consolidated Balance Sheets as of December 31, 2022 and 2021, and the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Changes in Equity, the Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2022 and 2021.

In our opinion, based on our audit results and the audit reports prepared by other independent auditors (please refer to Other Matters section), the accompanying Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and consolidated cash flows for the periods from January 1 to December 31, 2022 and 2021, under the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (“IFRS”), International Accounting Standards (“IAS”), and interpretations from International Financial Reporting Interpretations Committee (“IFRIC”) and Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinions

We conducted our audits following the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Certified Public Accountants Code of Professional Ethics in the Republic of China (the “Code”), and we have fulfilled other ethical responsibilities in accordance with the Code. Based on our audit results and the reports of other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Consolidated Financial Statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, revenue recognition is the key audit matter that should be communicated in the audit report.

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

Description of key audit matter:

The sales revenue of the Group is a key indicator for investors and management to evaluate financial or business performance. As a listed company, there is a high inherent risk of misrepresentation for the Group. In addition, the timing of revenue recognition varies with the trading conditions of the

customer, and there may be risks that revenue on the days close to the balance sheet date may not be recorded in the correct period. Therefore, the recognition of income on the days close to the balance sheet date and the judgment of the commodity control transfer point are extremely important for the presentation of financial statements. Therefore, we consider the income recognition as an important matter in the audit of the financial statements for the current year.

Audit procedure to address the matter:

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

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

### **Other Matters**

Among the subsidiaries included in the consolidated financial reports of the Group, some of the consolidated financial statements of the subsidiaries have not been audited by us, but by other CPAs. Therefore, in the opinions expressed by us on the consolidated financial statements, the amounts listed in the consolidated financial statements of these subsidiaries are based on the audit reports of other CPAs. The total assets of these subsidiaries as of December 31, 2021 and 2022 accounted for 9.58% and 8.14% of the total consolidated assets, respectively, and the net operating income from January 1 to December 31, 2021 and 2022 accounted for 12.79% and 9.64% of the net consolidated operating income, respectively.

FSP Technology Inc. has prepared its parent-company-only financial statements for the years ended December 31, 2022 and 2021, on which we have issued an unqualified opinion with the section of Other Matters in the audit report.

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

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

In preparing the Consolidated Financial Statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing related matters and adopting the going concern basis of accounting unless management either intends to liquidate the Group or to cease

operations, or has no realistic alternative but to do so.

Those charged with governance (including the audit committee) are responsible for overseeing the Group's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted by the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered material if misstated individual or aggregate amounts could reasonably be expected to influence the economic decisions of users taken based on these Consolidated Financial Statements.

When auditing by auditing standards, we use professional judgments and professional suspicions. We also perform the following tasks:

1. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Group's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in

internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine the key audit matters in the audit of the Group's Consolidated Financial Statements for the year 2022. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication. The engagement partners on the audit resulting in this independent auditors' report are Chang, Chun-I and Chao, Min-Ju.

KPMG Taiwan  
Taipei, Taiwan (Republic of China)  
March 10, 2022

#### Notice to Readers

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

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

**FSP Technology Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2022 and 2021**

Unit: NT\$ thousands

Assets		2022.12.31		2021.12.31		Liabilities and Equity		2022.12.31		2021.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
11xx	<b>Current Assets:</b>					21xx	<b>Current Liabilities:</b>				
1100	Cash and cash equivalents (Note VI(I))	\$ 3,695,970	18	2,794,253	13	2100	Short-term borrowings (Notes VI(XI) and (XIV), and VIII)	\$ 7,692	-	16,315	-
1110	Financial assets at fair value through profit or loss - current (Note VI(II))	560,449	3	516,074	3	2150	Notes payable	13,057	-	14,445	-
1136	Financial assets at amortized cost - current (Note VI(IV))	-	-	10,800	-	2170	Accounts payable	3,854,819	19	4,986,689	24
1150	Notes receivable, net (Notes VI(V) and (XXII))	81,568	-	62,112	-	2180	Accounts payable - related parties (Note VII)	151,773	1	90,024	-
1170	Accounts receivable, net (Notes VI(V) and (XXII))	3,140,610	16	3,864,730	19	2200	Other payables (Notes VI(XVIII), (XXIII) and VII)	1,247,717	6	1,151,339	5
1180	Accounts receivable - related parties, net (Notes VI(V), (XXII) and VII)	721,838	4	801,748	4	2230	Current income tax liabilities	156,741	1	167,169	1
1200	Other receivables (Note VI(VI) & VII)	91,330	1	73,406	-	2250	Provisions for liabilities - current (Note VI(XVII))	131,155	1	146,223	1
1220	Current income tax assets	5,865	-	5,779	-	2280	Lease liabilities - current (Notes VI(XVI) and VII)	175,602	1	166,758	1
130x	Inventories (Note VI(VII))	3,058,639	15	3,590,546	17	2300	Other current liabilities (Note VI(XV) & (XXII))	168,256	1	92,137	1
1410	Prepayments (Note VI(XIII))	44,578	-	77,899	-	2320	Current portion of long-term debt (Notes VI(XI) and (XV), and VIII)	74,930	-	73,014	-
1470	Other current assets	30,858	-	34,848	-		<b>Total current liabilities</b>	<b>5,981,742</b>	<b>30</b>	<b>6,904,113</b>	<b>33</b>
	<b>Total current assets</b>	<b>11,431,705</b>	<b>57</b>	<b>11,832,195</b>	<b>56</b>	25xx	<b>Non-current Liabilities:</b>				
15xx	<b>Non-current Assets:</b>					2540	Long-term borrowings (Notes VI(XI) and (XV), and VIII)	124,404	1	199,334	1
1517	Financial assets at fair value through other comprehensive income - non-current (Note VI(III) and (XX))	6,376,814	32	6,763,138	32	2570	Deferred income tax liabilities (Note VI(XIX))	4,502	-	2,919	-
1550	Investments Recognized Through the Equity Method (Note VI(IX))	34,200	-	26,947	-	2580	Lease liabilities - non-current (Notes VI(XVI) and VII)	364,713	1	474,996	2
1600	Property, plant and equipment (Notes VI(XI), (XIV), (XV), VIII and IX)	1,487,995	7	1,544,427	8	2640	Net defined benefit liabilities (Note VI(XVIII))	8,511	-	44,234	-
1755	Right-of-use assets (Notes VI(XII) and (XVI), and VII)	527,497	3	635,433	3	2645	Guarantee deposits received	532	-	500	-
1780	Intangible assets (Note VI(XIII))	224,905	1	223,496	1	2670	Other non-current liabilities (Note VI(XV))	2,994	-	3,970	-
1840	Deferred income tax assets (Note VI(XIX))	69,081	-	82,240	-		<b>Total non-current liabilities</b>	<b>505,656</b>	<b>2</b>	<b>725,953</b>	<b>3</b>
1900	Other non-current assets (Notes VI(XI) and (XVIII), VIII and IX)	52,573	-	69,666	-	2xxx	<b>Total liabilities</b>	<b>6,487,398</b>	<b>32</b>	<b>7,630,066</b>	<b>36</b>
	<b>Total non-current assets</b>	<b>8,773,065</b>	<b>43</b>	<b>9,345,347</b>	<b>44</b>	31xx	<b>Equity Attributable to Owners of the Parent (Note VI(III), (IX), (X), (XVIII), (XIX) &amp; (XX))</b>				
						3100	Capital Stock	1,872,620	9	1,872,620	9
						3200	Capital Surplus	1,011,016	5	1,011,016	5
						3300	Retained earnings:				
						3310	Statutory surplus reserve	1,175,322	6	1,033,544	5
						3350	Unappropriated earnings	3,713,296	18	3,209,195	15
							Total retained earnings	4,888,618	24	4,242,739	20
						34xx	Other Equity:				
						3410	Exchange differences on translation of financial statements of foreign operations	(77,427)	-	(117,703)	(1)
						3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	5,628,307	28	6,200,289	29
							Total other equity	5,550,880	28	6,082,586	28
							Total equity attributable to shareholders of the parent	13,323,134	66	13,208,961	62
						36xx	<b>Non-controlling Interests</b>	394,238	2	338,515	2
						3xxx	<b>Total equity</b>	<b>13,717,372</b>	<b>68</b>	<b>13,547,476</b>	<b>64</b>
1xxx	<b>Total assets</b>	<b>\$ 20,204,770</b>	<b>100</b>	<b>21,177,542</b>	<b>100</b>	2-3xxx	<b>Total liabilities and equity</b>	<b>\$ 20,204,770</b>	<b>100</b>	<b>21,177,542</b>	<b>100</b>

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun



**FSP Technology Inc. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**January 1 to December 31, 2022 and 2021**

**Unit: NT\$ thousands**

		<u>2022</u>		<u>2021</u>	
		Amount	%	Amount	%
4000	<b>Operating revenue (Note VI(XXII) and VII)</b>	\$ 14,941,451	100	16,650,252	100
5000	<b>Operating costs (Notes VI(VII), (XI), (XII), (XIII), (XVI), (XVII) and (XVIII), VII and XII)</b>	12,632,927	85	14,225,200	85
5920	Plus: realized (unrealized) sales gains (losses)	259	-	(847)	-
5900	<b>Gross profit</b>	<u>2,308,783</u>	15	<u>2,424,205</u>	15
6000	<b>Operating expenses (Notes VI(V), (VI), (XI), (XII), (XIII), (XVI), (XVIII) &amp; (XXIII), VII and XII):</b>				
6100	Selling and marketing expenses	622,750	4	620,915	4
6200	General and administrative expenses	668,340	4	676,460	4
6300	Research and development expenses	481,663	3	455,887	3
6450	Gain on expected credit loss	(6,290)	-	(966)	-
	<b>Total operating expenses</b>	<u>1,766,463</u>	11	<u>1,752,296</u>	11
6900	<b>Net operating income</b>	<u>542,320</u>	4	<u>671,909</u>	4
7000	<b>Non-operating income and expenses (Note VI(II), (III), (VIII), (VIX), (X), (XV), (XVI) &amp; (XIV), VII and IX (IV)):</b>				
7100	Interest income	27,155	-	23,348	-
7010	Other income	205,748	1	198,340	1
7020	Other gains and losses	189,960	1	75,065	1
7050	Finance costs	(17,028)	-	(11,346)	-
7060	Share of profits (losses) of associates and joint ventures under equity method	3,612	-	3,284	-
	<b>Total non-operating income and expenses</b>	<u>409,447</u>	2	<u>288,691</u>	2
7900	<b>Income before income tax from continuing operations</b>	951,767	6	960,600	6
7950	<b>Less: Income tax expense (Note VI(XIX))</b>	162,146	1	159,321	1
8200	<b>Net Income</b>	<u>789,621</u>	5	<u>801,279</u>	5
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss (Note VI(XVIII), (XIX) and (XX))</b>				
8311	Gains (losses) on re-measurements of defined benefit plans	27,519	-	7,076	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	(50,513)	-	1,854,340	11
8349	Less: Income tax related to items that will not be reclassified subsequently	5,504	-	1,415	-
	<b>Total items that will not be reclassified to profit or loss</b>	<u>(28,498)</u>	-	<u>1,860,001</u>	11
8360	<b>Items that may be reclassified subsequently to profit or loss (Note VI(IX) and (XX))</b>				
8361	Exchange differences on translation of financial statements of foreign operations	41,946	-	(29,332)	-
8370	Share of other comprehensive income (losses) of associates and joint ventures under equity method	3,382	-	(809)	-
8399	Less: Income tax related to items that may be reclassified subsequently	-	-	-	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>	<u>45,328</u>	-	<u>(30,141)</u>	-
8300	<b>Other comprehensive income for current period</b>	16,830	-	1,829,860	11
8500	<b>Total comprehensive income for current period</b>	<u>\$ 806,451</u>	5	<u>2,631,139</u>	16
	<b>Net income (losses) attributable to:</b>				
8610	Shareholders of the parent	\$ 721,031	5	754,082	5
8620	Non-controlling Interests	68,590	-	47,197	-
		<u>\$ 789,621</u>	5	<u>801,279</u>	5
	<b>Total comprehensive income (losses) attributable to:</b>				
8710	Shareholders of the parent	\$ 732,137	5	2,585,931	16
8720	Non-controlling Interests	74,314	-	45,208	-
		<u>\$ 806,451</u>	5	<u>2,631,139</u>	16
	<b>Earnings per share (Unit: NT\$) (Note VI(XXI))</b>				
9750	Basic earnings per share	<u>\$ 3.85</u>		<u>4.03</u>	
9850	Diluted earnings per share	<u>\$ 3.81</u>		<u>3.99</u>	

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

**FSP Technology Inc. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**January 1 to December 31, 2022 and 2021**

Unit: NT\$ thousands

	Equity Attributable to Owners of the Parent										
	Retained earnings					Other equity items		Total	Total equity attributable to shareholders of the parent	Non-controlling Interests	Total Equity
	Capital stock - common shares	Capital Surplus	Statutory surplus reserve	Unappropriated earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income				
<b>Balance as of January 1, 2021</b>	\$ 1,872,620	1,011,016	940,416	2,446,328	3,386,744	(89,678)	5,004,114	4,914,436	11,184,816	307,844	11,492,660
Appropriation and distribution of earnings:											
Statutory surplus reserve	-	-	93,128	(93,128)	-	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	(561,786)	(561,786)	-	-	-	(561,786)	-	(561,786)
Net Income	-	-	-	754,082	754,082	-	-	-	754,082	47,197	801,279
Other comprehensive income for current period	-	-	-	5,534	5,534	(28,025)	1,854,340	1,826,315	1,831,849	(1,989)	1,829,860
Total comprehensive income for current period	-	-	-	759,616	759,616	(28,025)	1,854,340	1,826,315	2,585,931	45,208	2,631,139
Distribution of cash dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(16,901)	(16,901)
Increase or decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	2,364	2,364
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	658,165	658,165	-	(658,165)	(658,165)	-	-	-
<b>Balance as of December 31, 2021</b>	1,872,620	1,011,016	1,033,544	3,209,195	4,242,739	(117,703)	6,200,289	6,082,586	13,208,961	338,515	13,547,476
Appropriation and distribution of earnings:											
Statutory surplus reserve	-	-	141,778	(141,778)	-	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	(617,964)	(617,964)	-	-	-	(617,964)	-	(617,964)
Net Income	-	-	-	721,031	721,031	-	-	-	721,031	68,590	789,621
Other comprehensive income for current period	-	-	-	21,343	21,343	40,276	(50,513)	(10,237)	11,106	5,724	16,830
Total comprehensive income for current period	-	-	-	742,374	742,374	40,276	(50,513)	(10,237)	732,137	74,314	806,451
Distribution of cash dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(18,591)	(18,591)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	521,469	521,469	-	(521,469)	(521,469)	-	-	-
<b>Balance as of December 31, 2022</b>	<b>\$ 1,872,620</b>	<b>1,011,016</b>	<b>1,175,322</b>	<b>3,713,296</b>	<b>4,888,618</b>	<b>(77,427)</b>	<b>5,628,307</b>	<b>5,550,880</b>	<b>13,323,134</b>	<b>394,238</b>	<b>13,717,372</b>

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

**FSP Technology Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**January 1 to December 31, 2022 and 2021**

**Unit: NT\$ thousands**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities:</b>		
<b>Income before income tax</b>	\$ 951,767	960,600
<b>Adjustments for:</b>		
Adjustments to reconcile profit or loss		
Depreciation expenses	366,270	339,849
Amortization expenses	8,080	4,732
Gain on expected credit loss	(6,290)	(966)
Interest expenses	17,028	11,346
Interest income	(27,155)	(23,348)
Dividend income	(127,003)	(122,933)
Share of profits (losses) of associates and joint ventures under equity method	(3,612)	(3,284)
Loss on disposal of property, plant, and equipment	536	530
Gains on disposal of non-current assets held for sale	-	(72,399)
Unrealized (Realized) sales gains (losses)	(259)	847
Gains on lease modifications	(20)	(97)
Rent concessions reclassified to revenue	(3,861)	-
Gains on bargain purchase	-	(2,523)
Total adjustments for profit or loss	<u>223,714</u>	<u>131,754</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(44,375)	49,658
Notes receivable	(19,456)	23,835
Accounts receivable	730,410	(249,685)
Accounts receivable - related parties	79,910	(184,995)
Other receivables	(17,637)	(3,530)
Inventories	531,907	(918,687)
Prepayments	32,768	(789)
Other current assets	3,990	(10,558)
Other Non-Current Assets	(1,717)	(3,222)
Total changes in operating assets	<u>1,295,800</u>	<u>(1,297,973)</u>
Changes in operating liabilities:		
Notes payable	(1,388)	(556)
Accounts payable	(1,131,870)	135,026
Accounts payable - related parties	61,749	10,020
Other payables	89,178	185,539
Provisions for liabilities	(15,068)	(10,967)
Other current liabilities	75,143	16,159
Net defined benefit liabilities	(10,665)	(6,374)
Other non-current liabilities	-	3,591
Total changes in operating liabilities	<u>(932,921)</u>	<u>332,438</u>
Total changes in operating assets and liabilities	<u>362,879</u>	<u>(965,535)</u>
Total adjustments	<u>586,593</u>	<u>(833,781)</u>
<b>Cash flows generated by operating activities</b>	<u>1,538,360</u>	<u>126,819</u>
<b>Interest received</b>	26,868	23,320
<b>Interest paid</b>	(16,979)	(11,335)
<b>Income tax paid</b>	(162,738)	(107,486)
<b>Net cash flows generated from operating activities</b>	<u>1,385,511</u>	<u>31,318</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(187,324)	(296,047)
Disposal of financial assets at fair value through other comprehensive income	523,135	660,425
Acquisition of financial assets at amortized cost	-	(10,959)
Disposal of financial assets at amortized cost	10,959	-
Acquisition of subsidiaries (deducting cash obtained)	-	3,832
Disposal of non-current assets held for sale	-	87,067
Acquisition of property, plant, and equipment	(116,401)	(214,977)
Disposal of property, plant and equipment	668	450
Acquisition of intangible assets	(8,937)	(7,190)
Decrease (increase) in refundable deposits	(1,830)	2,464
Increase in prepayments for equipment	(91)	(3,475)
Dividends received	127,003	122,933
Reduction in restricted deposits	18,679	-
<b>Net cash flows from investing activities</b>	<u>365,861</u>	<u>344,523</u>
<b>Cash flows from financing activities:</b>		
Decrease in short-term loans	(8,623)	(15,847)
Proceeds from long-term loans	-	181,989
Repayments of long-term loans	(73,014)	(32,884)
Increase in guarantee deposits received	26	-
Repayment of the principal of lease liabilities	(166,203)	(162,242)
Cash dividends paid	(617,964)	(561,786)
Cash dividends paid to non-controlling interests	(18,591)	(16,901)
<b>Net cash flows used in financing activities</b>	<u>(884,369)</u>	<u>(607,671)</u>
<b>Effects of exchange rate changes on the balance of cash held in foreign currencies</b>	34,714	(25,034)
<b>Net increase (decrease) in cash and cash equivalents</b>	901,717	(256,864)
<b>Cash and cash equivalents at the beginning of the year</b>	2,794,253	3,051,117
<b>Cash and cash equivalents at the end of the year</b>	<u>\$ 3,695,970</u>	<u>2,794,253</u>

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

**Attachment V****FSP Technology Inc.  
2022 Earnings Distribution Statement**

Unit: NT\$

Item	Amount	Subtotal
Beginning balance of retained earnings	2,449,452,707	
Plus: Disposal of equity instruments in other comprehensive income measured at fair value through profit and loss	521,469,193	
Plus: Changes in the current period of re-measurements of defined benefit plans	21,343,073	
Current net income	721,030,673	
Total distributable income for this period		3,713,295,646
Appropriation of 10% as statutory surplus reserve	126,384,294	
Shareholder bonus (distributed entirely in cash)	561,785,850	
Total distributable amount		688,170,144
Unappropriated retained earnings at the end of period		3,025,125,502
Note:		

Chairman Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

**FSP Technology Inc.**  
**List of Candidate Directors**  
**(including Independent Directors)**

Nominee category	Name	Primary education background (diploma)	Current title	Number of shares held (including shares under trust)
Independent Director	Liu, Shou-Hsiang	Doctor of Economics, National Taiwan University; Associate Professor, Ming Chuan University; Researcher, Chung-Hua Institution for Economic Research; Chairman and General Manager, UOB Investment Trust; Independent Director, Hwatai Bank; Advisory Committee Member, Chung-Hua Institution for Economic Research	Independent Director, FSP Technology Inc.	—
Independent Director	Cheng, Chia-Chun	Master of Business Administration, Institute of Business Administration, National Chengchi University; Independent Director, ProbeLeader Co., Ltd.; General Manager, Shihlien Energy Technology Co., Ltd.; General Manager, SEEDNet; Chairman, ISSDU Inc.	Independent Director, FSP Technology Inc.; Independent Director, Azion Corporation; Independent Director, Bizlink Holding Inc.	—
Independent Director	Hsu, Cheng-Hung	Department of Physics, Tamkang University; General Manager, Unitech Printed Circuit Board Corp.	Independent Director, FSP Technology Inc.; Director, Unitech Electronics International Limited; Director, Unitech Electronics International (Nantong) Limited	—

Nominee category	Name	Primary education background (diploma)	Current title	Number of shares held (including shares under trust)
Independent Director	Li, Shao-Tang	Department of International Business, Tamkang University; Business Manager, IBM (Taiwan); Associate Managing Director, Oracle Taiwan; Managing Director, Oracle (China); CEO, Dopod Communication Co., Ltd.; General Manager, UC&GN International Corp.; CEO, YODN Lighting Corp.; CEO, 1111 Job Bank; Director, EasyCard Investment Holdings Co., Ltd	Director, Avatack Co., Ltd.; Director, Symbio, Inc.; Director, Ye Siang Enterprise Co., Ltd.; Director, Kiwi Technology Inc.	–
Directors	Cheng, Ya-Jen	School of Engineering, Tatung University; Chairman, FSP Technology Inc.	Note 1	12,167,477
Directors	Yang, Fu-An	Feng Chia University; Deputy General Manager, FSP Technology Inc.	Note 2	11,792,834
Directors	Chu, Hsiu-Ying	Department of Life and Death Studies, Nanhua University	Chairman, Unitel Pty Ltd.; Chairman, Dehuang Biomedical Technology Inc.	2,660,070
Directors	Huang, Chih-Wen	Master, St. Louis University, USA; Supervisor, Touch Cloud Inc.; Supervisor, Genepharm Biotech Corp.	Director, FSP Technology Inc.; Deputy General Manager of Investment Department, IBF Venture Capital Co., Ltd.; Independent Director, Bizlink Holding Inc.; Independent Director, Netronix, Inc.; Supervisor, TTBio, Corp.	–
Directors	Chuan Han Investment Co., Ltd.	–	–	15,091,766
	Representative: Wang, Chung-Shun	Feng Chia University; Chairman, FSP Technology Inc.	Note 3	11,605,794
Directors	2K Industries Inc. (BVI)	–	–	5,193,162

Nominee category	Name	Primary education background (diploma)	Current title	Number of shares held (including shares under trust)
	Representative: Wang, Po-Wen	Bachelor of Arts (Economics) U.C. Berkeley	Operations Manager, Fortron/Source Group Ltd.; Director, Fu Chuang Yuan Corporation	—
Directors	Bai Chuang Investment Co., Ltd.	—	—	5,000,000
	Representative: Chen, Kuang- Chun	Lee-Ming Institute of Technology	Director, FSP Technology Inc.	2,947,913

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

Note 2: Director & Deputy General Manager of FSP Technology Inc., Director of Shenzhen Huili Electronic Co., Ltd., and Director of Zhonghan Electronics (Shenzhen) Co., Ltd. Director of FSP International Inc., Director of Chuan Han Investment Co., Ltd., Director of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhong Han Science & Tech. Co., Ltd., Director of 3Y Power Technology (Taiwan) Inc., Director of FSP-C R&D Center, Director of Fu Chuang Yuan Corporation, Chairman of Yang Chi Investment Co., Ltd., Supervisor of Chin Yu Investment Co., Ltd., Supervisor of An Wen Investment Co., Ltd., and Supervisor of Bai Chuang Investment Co., Ltd.

Note 3: Vice Chairman and Deputy General Manager of FSP Technology Inc., Representative of Shenzhen Huili Electronic Co., Ltd., Representative of Zhonghan Electronics (Shenzhen) Co., Ltd., Director of FSP International Inc., Director of Chuan Han Investment Co., Ltd., Director of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhonghan Technology Co., Ltd., Director of 3Y Power Technology (Taiwan) Inc., Representative of FSP-C R&D Center, and Supervisor of Fu Chuang Yuan Corporation.

**The qualifications of the above nominees for directors and independent directors have been reviewed and approved by the 20th Board Meeting of the 10th Board of Directors of the Company on May 2, 2023.**

**FSP Technology Inc.**

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

Article	Current Article	Article after Amendment	Explanation
Article 2	<p>The business scope of the Company is as follows:</p> <p>I. CB01010 Manufacture of machinery and equipment.</p> <p>II. CC01010 Power generation, transmission and distribution machinery manufacturing.</p> <p>III. CC01080 Electronic parts and components manufacturing.</p> <p>IV. CE01010 Precision instruments manufacturing.</p> <p>V. E603050 Automated control equipment engineering.</p> <p>VI. EZ05010 Apparatus installation construction.</p> <p>VII. F113030 Precision equipment wholesale.</p> <p>VIII.F213040 Precision equipment retail.</p> <p>IX. F401010 International trade.</p> <p>X. CC01104 Restricted telecom radio frequency equipment and materials manufacturing.</p> <p><del>XI. F401021 Restrained Telecom Radio</del></p>	<p>The business scope of the Company is as follows:</p> <p>I. CB01010 Manufacture of machinery and equipment.</p> <p>II. CC01010 Power generation, transmission and distribution machinery manufacturing.</p> <p>III. CC01080 Electronic parts and components manufacturing.</p> <p>IV. CE01010 Precision instruments manufacturing.</p> <p>V. E603050 Automated control equipment engineering.</p> <p>VI. EZ05010 Apparatus installation construction.</p> <p>VII. F113030 Precision equipment wholesale.</p> <p>VIII.F213040 Precision equipment retail.</p> <p>IX. F401010 International trade.</p> <p>X. CC01100 Restricted telecom radio frequency equipment and materials manufacturing.</p> <p>XI. <u>F113110 Battery wholesale.</u></p>	<p>I. Under the Company's operational needs.</p>



Article	Current Article	Article after Amendment	Explanation
	<p style="text-align: center;"><del>Frequency Equipment and Materials Import.</del></p> <p><del>XII.</del> ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	<p><u>XII.</u> CC01990 Other <u>electrical engineering and electronic machinery equipment manufacturing.</u></p> <p><u>XIII.</u> IG03010 <u>Energy technical services.</u></p> <p><u>XIV.</u> ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.</p>	
Article 21	<p>If the Company has <del>net profit after tax</del> in its final accounts of the year, it shall first make up for accumulated losses (including adjustments of the unappropriated retained earnings) and then set aside 10% as a legal surplus reserve. However, no additional legal surplus reserve shall be appropriated once it reaches the Company's paid-in capital. The Company shall also appropriate or reverse special reserve based on the requirements for the Company's operations and legal requirements. The Board of Directors shall draft the proposal for the appropriation of earnings based on the remaining earnings, if any, combined</p>	<p>If the Company has a <u>surplus</u> in its final accounts of the year, it shall first make up for accumulated losses (including adjustments of the unappropriated retained earnings) and then set aside 10% as a legal surplus reserve. However, no additional legal surplus reserve shall be appropriated once it reaches the Company's paid-in capital. The Company shall also appropriate or reverse special reserve based on the requirements for the Company's operations and legal requirements. The Board of Directors shall draft the proposal for the appropriation of earnings based on the remaining earnings, if any, combined</p>	<p>Following Letter No. 10802432410 issued by the Ministry of Economic Affairs on January 9, 2020 and the Company's operational needs.</p>

Article	Current Article	Article after Amendment	Explanation
	<p>with accumulated unappropriated earnings at the beginning of the period and submit it to the shareholders' meeting for resolution on the distribution of <del>dividends and</del> bonus to shareholders. The basis for the appropriation of the aforementioned legal surplus reserve is "the net profit after tax of this period plus items other than the net profit after tax of this period is included in the undistributed earnings of the current year". Where the earnings, statutory surplus reserve, and capital reserve is distributed in cash, the Board of Directors shall be authorized to determine the distribution with a resolution adopted by a majority vote in a meeting of the Board of Directors attended by more than two-thirds of the Directors and report to the shareholder's meeting. Where the Company intends to distribute earnings by issuing new shares, it shall file a proposal to the shareholders' meeting and obtain approval in a resolution.</p>	<p>with accumulated unappropriated earnings at the beginning of the period and submit it to the shareholders' meeting for resolution on the distribution of bonus to shareholders. The basis for the appropriation of the aforementioned legal surplus reserve is "the net profit after tax of this period plus items other than the net profit after tax of this period is included in the undistributed earnings of the current year". Where the earnings, statutory surplus reserve, and capital reserve is distributed in cash, the Board of Directors shall be authorized to determine the distribution with a resolution adopted by a majority vote in a meeting of the Board of Directors attended by more than two-thirds of the Directors and report to the shareholder's meeting. Where the Company intends to distribute earnings by issuing new shares, it shall file a proposal to the shareholders' meeting and obtain approval in a resolution.</p>	
Article 24	<p>The Articles of Incorporation were established on April 8, 1993. The 1st amendment was made on January 20, 1994.</p>	<p>The Articles of Incorporation were established on April 8, 1993. The 1st amendment was made on January 20, 1994.</p>	I. Amended to include the last amendment date.

Article	Current Article	Article after Amendment	Explanation
	<p>The 2nd amendment was made on October 9, 1983.</p> <p>The 3rd amendment was made on August 9, 1997.</p> <p>The 4th amendment was made on October 28, 1998.</p> <p>The 5th amendment was made on June 15, 1999.</p> <p>The 6th amendment was made on June 15, 2000.</p> <p>The 7th amendment was made on June 16, 2001.</p> <p>The 8th amendment was made on June 22, 2002.</p> <p>The 9th amendment was made on December 26, 2003.</p> <p>The 10th amendment was made on June 3, 2004.</p> <p>The 11th amendment was made on June 10, 2005.</p> <p>The 12th amendment was made on June 14, 2006.</p> <p>The 13th amendment was made on June 15, 2007.</p> <p>The 14th amendment was made on June 13, 2008.</p> <p>The 15th amendment was made on June 10, 2009.</p> <p>The 16th amendment was made on June 17, 2010.</p> <p>The 17th amendment was made on June 15, 2011.</p> <p>The 18th amendment was made on June 18, 2012.</p> <p>The 19th amendment was made on June 10, 2013.</p> <p>The 20th amendment was made on June 10, 2015.</p>	<p>The 2nd amendment was made on October 9, 1983.</p> <p>The 3rd amendment was made on August 9, 1997.</p> <p>The 4th amendment was made on October 28, 1998.</p> <p>The 5th amendment was made on June 15, 1999.</p> <p>The 6th amendment was made on June 15, 2000.</p> <p>The 7th amendment was made on June 16, 2001.</p> <p>The 8th amendment was made on June 22, 2002.</p> <p>The 9th amendment was made on December 26, 2003.</p> <p>The 10th amendment was made on June 3, 2004.</p> <p>The 11th amendment was made on June 10, 2005.</p> <p>The 12th amendment was made on June 14, 2006.</p> <p>The 13th amendment was made on June 15, 2007.</p> <p>The 14th amendment was made on June 13, 2008.</p> <p>The 15th amendment was made on June 10, 2009.</p> <p>The 16th amendment was made on June 17, 2010.</p> <p>The 17th amendment was made on June 15, 2011.</p> <p>The 18th amendment was made on June 18, 2012.</p> <p>The 19th amendment was made on June 10, 2013.</p> <p>The 20th amendment was made on June 10, 2015.</p>	

Article	Current Article	Article after Amendment	Explanation
	<p>The 21st amendment was made on June 8, 2016.</p> <p>The 22nd amendment was made on June 8, 2017.</p> <p>The 23rd amendment was made on June 16, 2020.</p> <p>The 24th amendment was made on July 20, 2021.</p> <p>The 25th amendment was made on June 9, 2022.</p>	<p>The 21st amendment was made on June 8, 2016.</p> <p>The 22nd amendment was made on June 8, 2017.</p> <p>The 23rd amendment was made on June 16, 2020.</p> <p>The 24th amendment was made on July 20, 2021.</p> <p>The 25th amendment was made on June 9, 2022.</p> <p><u>The 26th amendment was mad on June 12, 2023.</u></p>	

## FSP Technology Inc.

### Lifting Restrictions on Directors' Competitive Activities

Title	Name	Other positions concurrently held at the company or other companies
Independent Director	Liu, Shou-Hsiang	-
Independent Director	Cheng, Chia-Chun	Independent Director, Azion Corporation; Independent Director, Bizlink Holding Inc.
Independent Director	Hsu, Cheng-Hung	Director, Unitech Electronics International Limited; Director, Unitech Electronics International (Nantong) Limited
Independent Director	Li, Shao-Tang	Director, Avatack Co., Ltd.; Director, Symbio, Inc.; Director, Ye Siang Enterprise Co., Ltd. Director, Kiwi Technology Inc.
Directors	Cheng, Ya-Jen	Chairman & General Manager of FSP Technology Inc., Chairman of Chuan Han Investment Co., Ltd., Chairman of 3Y Power Technology (Taiwan) Inc., Director of FSP International Inc., Director of Power Electronics Co., Ltd., Director of Famous Holding Ltd., Director of FSP group Inc., Director of AMACROX Technology Co., Ltd.; Director of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhonghan Technology Co., Ltd., Director of FSP Technology Inc., Director of FSP-C R&D Center, Supervisor of Yung Han Co., Ltd., Chairman of 3Y Power Technology Inc., Director of FSP International (HK) Limited, Director of Nanjing FSP-Powerland Technology Inc., Chairman of Amacrox GmbH, Director of Harmony Trading (HK) Limited, Director of Protek Electronics (Samoa) Corp., Director of Luckyield Co., Ltd., Director of FSP Group USA Corp., Chairman of FSP Technology USA Inc., Director of Haohan Electronic Technology (Ji'an) Co., Ltd., Representative of Corporate Director of Voltronic Power Technology Corp., Director of Fu Chuang Yuan Corporation, Supervisor of Hsiang Tsan Investment Co., Ltd., and Chairman of An Wen Investment Co., Ltd.
Directors	Yang, Fu-An	Deputy General Manager of FSP Technology Inc., Director of Shenzhen Huili Electronic Co., Ltd., and Director of Zhonghan Electronics (Shenzhen) Co., Ltd. Director of FSP International Inc., Director of Chuan Han Investment Co., Ltd., Director of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhong Han Science & Tech. Co., Ltd., Director of 3Y Power Technology (Taiwan) Inc., Director of FSP-C R&D Center, Director of Fu Chuang Yuan Corporation, Chairman of Yang Chi Investment Co., Ltd., Supervisor of Chin Yu Investment Co., Ltd., Supervisor of An Wen Investment Co., Ltd., and Supervisor of Bai Chuang Investment Co., Ltd.

Title	Name	Other positions concurrently held at the company or other companies
Directors	Huang, Chih-Wen	Deputy General Manager of Investment Department, IBF Venture Capital Co., Ltd.; Independent Director, Bizlink Holding Inc.; Independent Director, Netronix, Inc.; Supervisor, TTBio, Corp.
Directors	Chu, Hsiu-Ying	Chairman, Unitel Pty Ltd.; Chairman, Dehuang Biomedical Technology Inc.
Corporate Director	Representative of Chuan Han Investment Co., Ltd.: Wang, Chung-Shun	The Company's Vice Chairman serves concurrently as the Vice President of the Company, Representative of Shenzhen HuiLi Electronics Co., Ltd., Representative of Zhonghan Electronics Shenzhen Co., Ltd., Director of FSP International Inc., Director of Chuan Han Investment Co., Ltd., Director of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhong Han Science & Tech. Co., Ltd., Director of 3Y Power Technology (Taiwan) Inc., Representative of Jiangsu FSP Power Technology R&D Co., Ltd., and Supervisor of Fu Chuang Yuan Corporation
Corporate Director	Representative of 2K Industries Inc. (BVI): Wang, Po-Wen	Operations Manager, Fortron/Source Group Ltd Director, Fu Chuang Yuan Corporation
Corporate Director	Representative of Bai Chuang Investment Co., Ltd.: Chen, Kuang-Chun	-

## Appendix I

### FSP Technology Inc.

#### Rules of Procedure for Shareholders' Meetings

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

- Article 1** The shareholders' meetings of the Company shall be processed by these Rules.
- Article 2** When shareholders (or proxies) attend the meeting, they must wear their attendance pass, submit an attendance card to sign in, and use it to calculate the number of shares in attendance. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.
- Article 3** When a shareholders' meeting is attended by shareholders (or proxies) representing more than half of all outstanding shares, the chair shall call the meeting to order. When the attending shareholders do not represent a majority of the total number of issued shares at the appointed meeting time, the chair may announce a postponement. If the number of shares in attendance is still insufficient but after two postponements but shareholders (or proxies) representing more than one-third of the outstanding shares are in attendance, a tentative resolution may be passed by a majority of those present for general items. After the tentative resolution specified in the preceding paragraph is adopted, if the number of shares represented by the shareholders (or proxies) in attendance constitute a quorum, the chair may put the tentative resolution to vote in the meeting.
- Article 4** The agenda of the meeting shall be set by the Board of Directors. Unless a resolution is passed, the meeting shall proceed following the agenda. Unless otherwise resolved at the shareholders' meeting, the chair may not announce the adjournment of the meeting before the scheduled agenda items (including extempore motions) outlined in the agenda in the preceding paragraph are concluded. If the chair announces the adjournment of the meeting and violates these rules of procedure during the shareholders' meeting, the meeting may be continued after those in attendance elect one of the attendees to be the chair based on the approval of the majority of the votes represented by the attending shareholders. Shareholders may not designate any other person as chair and continue the meeting in the same or another place after the meeting is adjourned.
- Article 5** Before speaking, an attending shareholder (or proxy) must specify on a speaker's slip his/her attendance pass number, account name, and the subject of the speech. The order in which shareholders speak will be set by the chair. A shareholder (or proxy) in attendance who has submitted a speaker's slip but does not speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject

given on the speaker's slip, the spoken content shall prevail.

**Article 6** Deleted.

**Article 7** The explanation for a proposal may not exceed 5 minutes. The response shall be limited to 3 minutes per person, which may be extended by 3 minutes with the permission of the chair. If the speech by the shareholder (or proxy) exceeds the duration, number of speeches, or the scope of the agenda item, the chair may stop him/her from speaking. When a shareholder (or proxy) is speaking, other shareholders (or proxies) must not interfere with the speech except with the consent of the chair. The chair shall stop violators and regulations in Article 15 shall apply mutatis mutandis to those who fail to comply with the chair's decision.

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

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

**Article 10** The chair shall submit agenda items for which discussions are terminated or suspended to a vote. An item that is not an agenda item shall not be discussed or voted on. A scrutineer and counting personnel for the voting on a proposal shall be appointed by the chairman, provided that all monitoring personnel shall be shareholders of the Company.

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

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

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

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

**Article 14** The chair may direct the proctors (or security personnel) to help maintain order at the



meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband.

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

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

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

## Appendix II

### FSP Technology Inc. Rules of Procedure for Board of Directors' Meetings

Amendment approved by the Board of Directors on March 19, 2020

#### **Article 1** (Basis for the Rules)

To establish a good governance system for the Board of Directors, improve the supervisory function and enhance the management function, the Rules are formulated by Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies for compliance.

#### **Article 2** (Scope of the Rules)

The Rules of Procedure for Board of Directors Meetings of the Company, main proceedings, procedures, matters to be recorded in minutes, announcements and other matters shall be handled under the provisions of the Rules.

#### **Article 3** (Notice of Convening the Board of Directors and Board Meeting)

The Board of Directors of the Company shall convene at least once a quarter.

The cause for convening the board of directors shall be recorded, the directors and supervisors shall be notified seven days in advance, but in case of emergency, notified at any time.

The notice of convening in the preceding paragraph, with the consent of the other party, may be made electronically.

Matters stated in Paragraph 1, Article 14 shall be listed in the causes for the convening and cannot be raised as an extempore motion, unless there is an emergency or a justifiable reason.

#### **Article 4** (Principle of Place and Time of Board Meeting)

The board meeting shall be held at the place where the Company is located and during office hours or at such place and time as is convenient for the attendance of directors and suitable for the board meeting.

#### **Article 5** (Chairman of the Board and His Representative)

The board of directors of the Company shall be convened and chaired by the chairman. However, for the first session of the board of directors, the convener of the board of directors with the largest number of voting rights shall be the chairman of the board meeting, and if there are two or more conveners, one of them shall be recommended as the convener.

According to Paragraph 4 of Article 203 or Paragraph 3 of Article 203-1, the Company Act, the board of directors shall be convened by a majority of the directors themselves, and the directors shall choose one among them to serve as the chairman.

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

**Article 6** (Sign-in Book and Other Documents Kept for Reference and Attendance Entrusted by Directors)

When the board of directors convene, a sign-in book shall be available for signature by the attending directors for later reference.

Directors shall attend the board of directors in person. If they cannot attend in person, they may entrust another director to attend by the Articles of Incorporation; if they attend the meeting by video conferencing, they shall be deemed to attend in person.

Each time when a director entrusts another director to attend the board meeting, they shall issue a power of attorney and list the scope of authorization for the cause for convening.

The entrusted representative mentioned in Paragraph 2 is limited to one person.

**Article 7** (Attendees Without Voting Rights and Convention of Board Meetings)

For the board meeting held by the Company, depending on the content of the proposal, relevant departments or subsidiaries shall be notified of their attendance. If necessary, CPAs, lawyers or other professionals may also be invited to attend the board meeting and explain to the attendees. However, such attendees should leave the meeting when discussing and voting.

The chairman of the board of directors shall declare a meeting open immediately upon the scheduled time of the meeting and the presence of a majority of the directors. If half of the directors are absent, the chairman shall declare to adjourn the meeting, and such adjourning shall not exceed two times. If half of the directors still fail to attend the board meeting which has been adjourned for two times, the chairman shall reconvene by the procedures prescribed in Paragraph 2 of Article 3.

"All directors" mentioned in the preceding paragraph refers to the actual incumbents.

**Article 8** (Discussion on Proposals)

The board meeting shall proceed by the procedure laid down in the Notice of Meeting. However, with the consent of more than half of the directors present, it can be changed. Without the consent of the majority of directors present, the chairman shall not adjourn the meeting.

In the course of the board meeting, if less than half of the directors are present at the board meeting, upon the proposal of the present directors, the chairman shall suspend the meeting and apply the provisions of Paragraph 3, Article 7.

**Article 9** (Voting)

The chairman may declare the discussion of a proposal closed and put it to a vote when he considers that the discussion has reached the stage for voting.

When the resolution of the board of directors is voted, it shall be deemed to be approved when no objection is raised in response to the chairman request. If any objection is raised, a vote shall be taken.

The voting shall be done by a show of hands, and the chairman shall designate a person for counting, and all the directors present shall be the scrutineers.

The total number of directors present mentioned in the preceding two paragraphs does not include directors who are not allowed to exercise their voting rights by the provisions of Paragraph 1, Article 10.

**Article 10** (Recusal of Directors due to Conflict of Interest)

If a Director or a corporate entity that the Director represents is considered an interested party in the agenda, a full disclosure is required during the current meeting session. The Director shall recuse himself/herself from all discussions and voting if it is in conflict with the Company's interests. Under such circumstances, the Director shall not exercise voting rights on behalf of other Directors.

If the spouse or second-degree relatives of a director, or a company controlled by the director has an interest in the matters in the preceding paragraph to be discussed at the meeting shall be deemed a conflict of interest for the director.

The resolution of the board of directors shall apply mutatis mutandis to the directors who shall not exercise their voting rights under the provisions of the preceding two paragraphs, by the provisions of Paragraph 2 Article 180, as specified in Paragraph 4, Article 206 of the Company Act.

**Article 11** (Notice of Meeting and Meeting Materials)

The executive office is designated by the board of directors of the Company to handle the affairs for board meetings.

It shall draw up the proceedings of the board meeting and provide sufficient meeting materials to be sent at the time of notification.

If any director believes that the meeting material is insufficient, he may request supplementation from the executive office. If any director believes that the information for the proposal is insufficient, the board meeting shall be adjourned by a resolution by the board of directors.

**Article 12** (Audio or Video Recordings of Board Meetings as Evidence)

The entire process of the board meeting shall be recorded in the forms of audio and video as evidence and the audio or video recordings shall be retained electronically for at least five years.

Before the expiration of the retention period specified in the preceding paragraph, in the event of litigation concerning the relevant matters resolved at the board meeting, the relevant audio or video recordings shall be retained until the end of the litigation.

If the board meeting is convened in the form of a video conference, video and audio data shall be part of the minutes and shall be kept properly for the existence of the Company.

**Article 13** (Proceedings)

The proceedings of the periodic board meeting shall include at least the following matters:

- I. Announcements:
  - (I) Minutes of the last meeting and its implementation.
  - (II) Important financial reports.
  - (III) Internal audit reports.
  - (IV) Other important reports.
- II. Discussions:
  - (I) Matters reserved for discussion at the last meeting.
  - (II) Matters to be discussed at this meeting.
- III. Extempore Motions

**Article 14** (Matters to be Discussed by the Board Meeting)

The following matters shall be submitted to the Board of Directors for discussion:

- I. The Company's operating plan.
- II. Annual Financial Report and Semi-Annual Financial Report. However, this does not apply to semi-annual financial reports that do not need to be audited by CPAs under applicable laws and regulations.
- III. Development of or amendment to the internal control system and the assessment of its effectiveness by Article 14-1 of the Securities and Exchange Act.
- IV. Formulation of or amendment to the procedures for handling significant financial business activities to acquire or dispose of assets, engage in derivative transactions, lend funds to others, provide endorsement or guarantees for others by Article 36-1 of the Securities and Exchange Act.
- V. Raising, issuance or private placement of marketable securities of the equity nature.
- VI. Appointment and discharge of a financial, accounting or internal audit supervisor.
- VII. Donations to related parties or major donations to non-related parties. However, commonweal donations for emergency rescue due to a major natural disaster shall be submitted for retroactive approval by the next board meeting.
- VIII. Matters that shall be resolved by the Shareholders' meeting by Article 14-3 of the Securities and Exchange Act, other major matters stipulated by applicable laws and regulations or the Articles of Incorporation, or significant matters stipulated by competent authorities.
- IX. If the remuneration of directors, supervisors and managerial officers recommended by the Remuneration Committee is rejected or amended, more than two-thirds of directors shall attend the board meeting, and more than half of the directors present should agree to do so, and it shall be stated in the resolution whether the remuneration plan approved by the board is better than that recommended by the Remuneration Committee.

- X. The Board of Directors of the Company may set up various functional committees (hereinafter referred to as committees). If the Board of Directors has set up such committees, each committee shall be responsible to the Board of Directors and submit the proposal to the Board for resolution.

The term "related party" as used in Subparagraph 7 of the preceding paragraph refers to a related party regulated by the Regulations Governing the Preparation of Financial Reports by Securities Issuers; the term "major donations to non-related parties" refers to a donation or the accumulated donation to the same object within one year amounting to NT\$100,000,100 or more, or accounting for 1% of the net operating income listed in the financial statements audited and signed by CPAs for the last year, or equivalent to 5% or more of the paid-in capital.

"Within one year" as described in the preceding paragraph is one year retrospectively calculated from the date of this board meeting, and those that have been approved by resolution of the Board shall be excluded.

At least one independent director shall attend the board meeting in person; for the matters in the first paragraph to be submitted for resolution of the board, all independent directors shall attend the board meeting, and if any independent directors cannot attend in person, they shall be represented by other independent directors. If an independent director has any objection or reservation, such objection or reservation shall be recorded in the minutes of the board meeting; if any independent director is unable to attend the board meeting in person to express his objection or reservation, he shall issue a written opinion in advance unless for justifiable reasons, and such opinion shall be recorded in the minutes of the board meeting.

#### **Article 15** (Minutes)

The proceedings of the board meeting shall be recorded in the minutes, which shall contain details of the following matters:

- I. Date (or time) of the meeting.
- II. Name of the chairman.
- III. Directors' attendance, including names and numbers of directors present, absent and absent on leave.
- IV. Names and titles of attendees without voting rights.
- V. Name of the recorder.
- VI. Announcements.
- VII. Matters to be discussed: the resolution method and results of each proposal, summaries of statements by directors, supervisors, experts and other personnel, objections or reservations, records or written statements and written opinions of independent directors by Paragraph 5 of Article 6.
- VIII. Provisional motion: the name of the proposer, the resolution method and results of the proposal, a summary of the statements made by the directors, supervisors, experts and other personnel, the name of the director who has a conflict of interest

against the proceedings by the Paragraph 1 of Article 10, a description of such conflict of interest, the reasons for recusal or not, the circumstances of recusal, the objection or reservation, and the record or written statement.

IX. Other matters to be recorded.

Matters resolved by the Board of Directors, if any independent director has objections or reservations with a record or written statement, shall, unless stated in the minutes of the Board of meeting, be notified to the Market Observation Post System designated by the Financial Supervisory Commission of the Executive Yuan within two days from the date of the board meeting.

The sign-in books of board meetings shall be kept as part of the minutes properly during the existence of the Company.

The minutes shall be signed or sealed by the chairman of the board meeting and the recorder, sent to the directors and supervisors within 20 days after the meeting, included in the important files of the Company, and kept permanently in a proper way during the existence of the Company.

The minutes in Paragraph 1 can be developed and distributed electronically.

**Article 16** (Principle of Authorization by Board of Directors)

In addition to the matters that should be submitted to the Board of Directors in Paragraph 1 of Article 14, during the adjournment of the board meeting, the Board of Directors, following the provisions of applicable laws and regulations or the Articles of Incorporation of the Company, authorizes the Chairman of the Board to exercise the below functions and powers of the Board of Directors:

- I. Convene the board of directors and implement its resolutions.
- II. Approve the budget accounts and business reports, etc.
- III. Review rules and regulations and contract related to business.
- IV. Approve the acquisition or disposal of assets related to operations.
- V. Approve the capital loans and endorsement/guarantees related to operations.
- VI. Approve the property mortgage loans and other loans.
- VII. Assign directors and supervisors of reinvestment companies.
- VIII. Approve the capital increase or decrease, profit distribution or loss recovery.

**Article 17** (Miscellaneous)

The formulation of the Rules of Procedure for Board of Directors Meetings shall be agreed upon by the Board of Directors of the Company and shall be reported to the Shareholders' Meeting. Any amendment to it in the future must be approved by resolution of the Board of Directors.

## Appendix III

### FSP Technology Inc. Articles of Incorporation

#### Chapter 1 General Principles

- Article 1: The Company is organized pursuant to the Company Act and it is named "FSP Technology Inc".
- Article 2: The business scope of the Company is as follows:
- I. CB01010 Manufacture of machinery and equipment.
  - II. CC01010 Power generation, transmission and distribution machinery manufacturing.
  - III. CC01080 Electronic parts and components manufacturing.
  - IV. CE01010 Precision instruments manufacturing.
  - V. E603050 Automated control equipment engineering.
  - VI. EZ05010 Apparatus installation construction.
  - VII. F113030 Precision equipment wholesale.
  - VIII. F213040 Precision equipment retail.
  - IX. F401010 International trade.
  - X. CC01101 Restricted telecom radio frequency equipment and materials manufacturing.
  - XI. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import.
  - XII. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 5-1: The Company may provide external guarantees.
- Article 5-2: The Company may invest in other business entities and the Company's investments in other businesses shall not be restricted by the 40% of the Company's paid-up capital as specified in Article 13 of the Company Act.
- Article 3: The Company's headquarters is located in Taoyuan City. The Company may set up branch offices in locations in Taiwan or foreign countries as resolved by the Board of Directors, if necessary.
- Article 4: (Deleted).

#### Chapter 2 Capital Stock

- Article 5: The Company's authorized capital is NT\$3.6 billion divided into 360 million shares with a par value of NT\$10 per share. The Board of Directors is authorized to issue the unissued shares in installments if deemed necessary.
- Of the authorized capital specified in the preceding paragraph, NT\$100 million is reserved and divided into 10 million shares priced at NT\$10 per share for the exercise of stock options on warrants, preferred shares with warrants, or corporate bonds with warrants.
- Where the Company reports the issuance of employee stock warrants at a strike price that is lower than the closing price of the Company's common stocks on the date of issuance, it shall obtain the approval of at least two thirds of the voting rights present at the shareholders



meeting attended by shareholders representing a majority of total issued shares before issuance.

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

Article 5-1: The recipients of the Company's treasury stock buyback, distribution of employee stock warrants, employee subscription of new shares, and issuance of new restricted employee shares include employees of controlling or subordinate companies that meet the criteria. Where the scope of the employees in the preceding paragraph is otherwise specified by the competent authority of securities, such regulations shall prevail.

Article 6: (Deleted).

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

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

### **Chapter 3 Shareholders' Meeting**

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

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

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

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

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

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

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

#### **Chapter 4 Directors and Supervisors**

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

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

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

The Company may purchase liability insurance for Directors.

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

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

Article 14-1: Directors shall be notified of board meetings seven days before the meeting with the reason indicated. A board meeting may be called at any time in the event of an emergency. Board meetings may be called by means of written notice, email, or fax.

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

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

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

### **Chapter 5 Managerial Personnel**

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

### **Chapter 6 Accounting**

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

Article 19: (Deleted).

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

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

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

Article 20-1: (Deleted).

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

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

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

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

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

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

## **Chapter 7 Miscellaneous**

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

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

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

The 2nd amendment was made on October 9, 1983.

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

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

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

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

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

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

The 9th amendment was made on December 26, 2003.

The 10th amendment was made on June 3, 2004.

The 11th amendment was made on June 10, 2005.

The 12th amendment was made on June 14, 2006.

The 13th amendment was made on June 15, 2007.

The 14th amendment was made on June 13, 2008.

The 15th amendment was made on June 10, 2009.

The 16th amendment was made on June 17, 2010.

The 17th amendment was made on June 15, 2011.

The 18th amendment was made on June 18, 2012.

The 19th amendment was made on June 10, 2013.

The 20th amendment was made on June 10, 2015.

The 21st amendment was made on June 8, 2016.

The 22nd amendment was made on June 8, 2017.

The 23rd amendment was made on June 16, 2020.

The 24th amendment was made on July 20, 2021.

The 25th amendment was made on June 9, 2022.

**FSP Technology Inc.**

**Chairman: Cheng, Ya-Jen**

## Appendix IV

### **FSP Technology Inc. Procedures for Election of Directors**

The amendment was approved at the Annual Shareholders' Meeting on June 8, 2017.

- Article 1 The election, re-election and by-election of directors of the Company shall be conducted under the Procedures for Election of Directors.
- Article 2 In the election of directors, the names of voters may be substituted with their numbers of attendees.
- Article 3 The directors of the Company shall be elected by the single-name cumulative election. Unless otherwise stated in the Articles of Incorporation, each share shall have the same voting rights as the number of directors to be elected, and the same number of votes as the number of directors to be elected shall be made and distributed by the Board of directors to the shareholders.
- Article 3-1 The qualifications of independent directors of the Company shall comply with Articles 2, 3 and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
- The election of independent directors of the Company shall be under Articles 5, 6, 7, 8 and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted by Article 24 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- The directors (including independent directors) of the Company shall be elected under the candidate nomination system by Article 192-1 of the Company Act.
- Independent directors and non-independent directors shall be elected jointly, and the number of independent directors and non-independent directors shall be calculated respectively, and they shall be elected according to the number of votes from electors with voting rights respectively.
- Article 4 Number of directors to be elected shall be determined by the Articles of Incorporation of the Company, and they shall be elected according to the number of votes from electors with voting rights. If two or more candidates obtain the same number of votes but the quota has been exceeding, a lottery shall be drawn by the one with the same power. If the person does not attend, lots must be to be drawn to determine the one as elected, and the chairman shall draw the lots on behalf of the one(s) absent.
- Article 5 In preparing the votes, the Board of Directors shall print the votes according to the number of attendees and attach the weights.
- Article 6 At the beginning of the election, the chairman shall designate the scrutineer and the counter for the scrutinizing and counting of votes.
- Article 7 The vote box shall be prepared by the board of directors and opened by the scrutineer in the presence of all attendees before voting.

- Article 8 If any electee is a shareholder, voters must fill in the electee's name and shareholder account number in the Electee field of the vote, and if the electee is not a shareholder, the voter's name and identity number shall be entered. However, if any government or corporate shareholder is an electee, the name of the government body or the corporate shall be filled in the Electee column of the vote by Paragraph 1, Article 27 of the Company Act, and the name of its representative shall also be entered by Paragraph 2 of Article 27; if there are several representatives, the names of all the representatives shall be entered separately.
- Article 9 A vote shall be voided if:
- (I) The vote is not as stipulated in the Procedures for Election of Directors.
  - (II) The vote is blank.
  - (III) The handwriting is blurred and cannot be identified or has been altered.
  - (IV) The name and shareholder account number of the electee who is a shareholder of the Company filled in do not match the shareholder registry; the name and identity number of the electee who is not a shareholder are found unmatched after verification.
  - (V) More than two electees are filled in the same vote.
  - (VI) In addition to filling in the name of the electee and the shareholder account number or identity number, any other information is written in the vote.
  - (VII) The name of the electee filled in is the same as that of another shareholder but whose shareholder account number or identification number is not filled in.
- Article 10 (Deleted)
- Article 11 After the voting is completed, the vote box shall be opened on the spot under the supervision of the scrutineer, and the results of the voting shall be announced by the chairman on the spot.
- Article 12 Matters not stipulated in the Procedures for Election of Directors shall be handled by the Company Act and other applicable laws and regulations.
- Article 13 The Procedures and their amendments shall come into force after the approval by the Shareholders' Meeting.

**Appendix V**

**FSP Technology Inc.**  
**Shareholding of Directors of the Company**

Baseline date: April 14, 2023

Title	Name	Current Shareholding		
		Type	Shares (Including shares under trust)	%
Chairman	Cheng, Ya-Jen	Common stock	12,167,477	6.50%
Vice Chairman	Wang, Tsung-Shun	Common stock	11,605,794	6.20%
Directors	Yang, Fu-An	Common stock	11,792,834	6.30%
Directors	2K Industries Inc. (BVI) Representative: Wang, Po-Wen	Common stock	5,193,162	2.77%
Directors	Huang, Chih-Wen	—	—	—
Directors	Datazone Limited Representative: Chu, Hsiu-Yin	Common stock	390,839	0.21%
Directors	Chen, Kuang-Chun	Common stock	2,947,913	1.57%
Independent Director	Liu, Shou-Hsiang	—	—	—
Independent Director	Cheng, Chia-Chun	—	—	—
Independent Director	Hsu, Cheng-Hung	—	—	—
Total		—	44,098,019	23.55%

Total outstanding shares as of April 14, 2023: 187,261,950 shares.

Minimum required shareholding by the Directors of the Company by the law: 11,235,717 shares held. As of April 14, 2023: The Directors held: 44,098,019 shares (shares held by independent directors are not included in the aforementioned total)



