

**FSP Technology Inc. and Subsidiaries**  
**Consolidated Financial Statements and**  
**Independent Auditors' Review Report**  
**For the Three Months Ended March 31, 2024 and 2023**

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## **Independent Auditors' Report**

To the Board of Directors of FSP Technology Inc.:

### **Preface**

We have reviewed the Consolidated Financial Statements of FSP Technology Inc. and its subsidiaries, which comprise the Consolidated Balance Sheets as of March 31, 2024 and 2023, and the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Changes in Equity, the Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) from January 1 to March 31, 2024 and 2023. The Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard (IAS) 34 "Interim Financial Reporting" endorsed and issued into effect by Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope**

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

### **Basis for Qualified Conclusion**

As stated in Note IV(II) of the consolidated financial statements, the subsidiaries included in the aforementioned consolidated financial statements are not significant. The financial statements of these investee companies for the same period were used as the basis, without being reviewed by the auditors. As of March 31, 2024 and 2023, the total assets were NT\$2,439,330 thousand and NT\$2,502,604 thousand, respectively, accounting for 12.08% and 11.88% of the consolidated total assets. The total liabilities were NT\$814,648 thousand and NT\$1,032,092 thousand, respectively, accounting for 14.52% and 14.37% of the consolidated total liabilities. The total comprehensive income for the period from

January 1 to March 31, 2024 and 2023, was NT\$26,690 thousand and NT\$47,368 thousand, respectively, accounting for 5.18% and 5.45% of the consolidated total comprehensive income.

In addition to the above, Note VI(VII) of the consolidated financial statements states that FSP Technology Inc. and its subsidiaries accounted for investments using the equity method amounting to NT\$36,467 thousand and NT\$36,258 thousand for the years 2024 and 2023, respectively. The share of income from associated companies and joint ventures recognized using the equity method for the period from January 1 to March 31, 2024 and 2023 was NT\$4 thousand and NT\$1,056 thousand, respectively, based on the unaudited financial statements of the investee companies for the same period and have not been reviewed by the independent auditors.

### **Qualified Conclusion**

Except for possible effects from financial statements of these investees mentioned in the paragraph titled "Basis for Qualified Conclusion" if they were reviewed by independent auditors, we did not discover matters which would lead us to believe that the aforementioned consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of FSP Technology Inc. and its subsidiaries as of March 31, 2024 and 2023, and their consolidated financial performance and cash flows from January 1 to March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34, "Interim Financial Reporting," endorsed and issued into effect by the Financial Supervisory Commission. The engagement partners on the audit resulting in this independent auditors' report are Chang, Chun-I and Chiang, chia Chi.

KPMG

Taipei, Taiwan (Republic of China)

April 26, 2024

### *Notice to Readers*

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

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

**FSP Technology Inc. and Subsidiaries**

**Consolidated Balance Sheets**

**As of March 31, 2024, December 31, 2023 and March 31, 2023**

**Unit: NT\$ thousands**

Assets		2024.3.31		2023.12.31		2023.3.31		Liabilities and Equity		2024.3.31		2023.12.31		2023.3.31	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
11xx	<b>Current Assets:</b>							21xx	<b>Current Liabilities:</b>						
1100	Cash and cash equivalents (Note VI(I))	\$ 4,084,357	20	4,225,848	21	4,033,503	19	2100	Short-term borrowings (Notes VI(VIII) and (XI), and VIII)	\$ 1,600	-	1,536	-	7,610	-
1110	Financial assets at fair value through profit or loss - current (Note VI(II))	750,987	4	698,828	3	577,693	3	2150	Notes payable	10,694	-	11,450	-	10,712	-
1150	Notes receivable, net (Notes VI(IV) and (XIX))	125,783	-	126,773	1	76,859	-	2170	Accounts payable	2,497,699	13	2,993,921	15	3,768,979	18
1170	Accounts receivable, net (Notes VI(V) and (XIX))	2,325,872	12	2,331,178	11	3,021,616	14	2180	Accounts payable - related parties (Note VII)	83,361	-	87,065	-	207,663	1
1180	Accounts receivable - related parties, net (Notes VI(IV), (XIX) and VII)	625,894	3	541,208	3	779,269	4	2200	Other payables (Notes VI(XV), (XX) and VII)	1,323,084	7	1,535,992	8	1,106,230	5
1200	Other receivables (Notes VI(III), (V) and VII)	363,268	2	430,235	2	93,358	1	2216	Dividends payable (Note VI(XVII))	599,238	3	-	-	711,595	3
1220	Current income tax assets	9,791	-	8,351	-	6,584	-	2230	Current income tax liabilities	164,137	1	133,695	1	184,842	1
130x	Inventories (Note VI(VI))	2,132,420	11	2,540,765	12	2,873,712	14	2250	Provisions - current (Note VI(XIV))	130,629	1	130,311	1	128,943	1
1410	Prepayments	72,446	-	63,325	-	60,839	-	2280	Lease liabilities - current (Notes VI(XIII) and VII)	170,294	1	190,025	1	186,427	1
1470	Other current assets	20,430	-	23,537	1	20,978	-	2300	Other current liabilities (Notes VI(XII) and (XIX))	194,973	1	200,961	1	197,556	1
	<b>Total current Assets</b>	<u>10,511,248</u>	<u>52</u>	<u>10,990,048</u>	<u>54</u>	<u>11,544,411</u>	<u>55</u>	2320	Long-term liabilities - current portion (Notes VI(VIII) and (XII), and VIII)	75,790	-	75,616	-	75,096	-
15xx	<b>Non-current Assets:</b>								<b>Total current liabilities</b>	<u>5,251,499</u>	<u>27</u>	<u>5,360,572</u>	<u>27</u>	<u>6,585,653</u>	<u>31</u>
1517	Financial assets at fair value through other comprehensive income - non-current (Note VI(III) and (XVII))	7,316,705	36	7,016,906	34	7,014,026	33	25xx	<b>Non-current Liabilities:</b>						
1550	Investment under equity method (Note VI(VII))	36,467	-	34,561	-	36,258	-	2540	Long-term borrowings (Notes VI(VIII) and (XII), and VIII)	29,774	-	48,788	-	105,564	1
1600	Property, plant and equipment (Notes VI(VIII), (XI), (XII), (VIII) and IX)	1,470,825	8	1,481,716	7	1,462,267	7	2570	Deferred income tax liabilities	90,087	-	86,100	-	122,414	1
1755	Right-of-use assets (Notes VI(IX), (XIII) and VII)	395,228	2	434,682	3	531,532	3	2580	Lease liabilities - non-current (Notes VI(XIII) and VII)	233,729	1	255,209	2	357,645	1
1780	Intangible assets (Note VI(X))	224,892	1	223,440	1	223,181	1	2640	Net defined benefit liabilities - non-current	-	-	-	-	6,419	-
1840	Deferred income tax assets	176,408	1	171,954	1	193,190	1	2645	Guarantee deposits received	509	-	500	-	535	-
1900	Other non-current assets (Notes VI(VIII), (XV), VIII and IX)	65,510	-	69,515	-	57,160	-	2670	Other non-current liabilities (Note VI(XII))	2,985	-	2,429	-	2,815	-
	<b>Total non-current Assets</b>	<u>9,686,035</u>	<u>48</u>	<u>9,432,774</u>	<u>46</u>	<u>9,517,614</u>	<u>45</u>		<b>Total non-current liabilities</b>	<u>357,084</u>	<u>1</u>	<u>393,026</u>	<u>2</u>	<u>595,392</u>	<u>3</u>
								2xxx	<b>Total liabilities</b>	<u>5,608,583</u>	<u>28</u>	<u>5,753,598</u>	<u>29</u>	<u>7,181,045</u>	<u>34</u>
								31xx	<b>Equity Attributable to Owners of the Parent (Note VI(III), (VII) &amp; (XVII)):</b>						
								3100	Capital Stock	1,872,620	9	1,872,620	9	1,872,620	9
								3200	Capital Surplus	864,425	4	861,207	4	861,207	4
								3300	Retained earnings:						
								3310	Legal reserve	1,301,707	6	1,301,707	6	1,175,322	5
								3350	Unappropriated earnings	3,698,204	19	4,126,229	20	3,362,475	16
									Total retained earnings	4,999,911	25	5,427,936	26	4,537,797	21
								34xx	Other Equity:						
								3410	Exchange differences on translation of financial statements of foreign operations	(89,260)	-	(126,335)	(1)	(69,326)	-
								3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	6,527,210	32	6,232,008	31	6,265,865	30
									Total other equity	6,437,950	32	6,105,673	30	6,196,539	30
									Total equity attributable to shareholders of the parent	14,174,906	70	14,267,436	69	13,468,163	64
								36xx	<b>Non-controlling Interests (Note VI(XVII))</b>	413,794	2	401,788	2	412,817	2
								3xxx	<b>Total Equity</b>	<u>14,588,700</u>	<u>72</u>	<u>14,669,224</u>	<u>71</u>	<u>13,880,980</u>	<u>66</u>
1xxx	<b>Total Assets</b>	<u>\$ 20,197,283</u>	<u>100</u>	<u>20,422,822</u>	<u>100</u>	<u>21,062,025</u>	<u>100</u>	2-3xxx	<b>Total Liabilities and Equity</b>	<u>\$ 20,197,283</u>	<u>100</u>	<u>20,422,822</u>	<u>100</u>	<u>21,062,025</u>	<u>100</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 Comprehensive Income**  
**January 1 to March 31, 2024 and 2023**

Unit: NT\$ thousands

		<b>January to March, 2024</b>		<b>January to March, 2023</b>	
		Amount	%	Amount	%
4000	<b>Operating revenue (Notes VI(XIX) and VII)</b>	\$ 2,706,526	100	3,434,859	100
5000	<b>Operating costs (Notes VI(VI), (VIII), (IX), (X), (XIII), (XIV), (XV), VII and XII)</b>	2,245,221	83	2,884,553	84
5920	Add: Realized Profit on Sales	252	-	1,312	-
5900	<b>Gross Profit</b>	461,557	17	551,618	16
6000	<b>Operating expenses (Notes VI(IV), (VIII), (IX), (X), (XIII), (XV), (XX), VII and XII):</b>				
6100	Selling and marketing expenses	142,842	5	144,628	4
6200	General and administrative expenses	166,338	6	156,957	4
6300	Research and development expenses	152,523	6	139,360	4
6450	Expected credit impairment losses (gains)	5,141	-	(10,000)	-
	<b>Total operating expenses</b>	466,844	17	430,945	12
6900	<b>Net Operating Margin (Loss)</b>	(5,287)	-	120,673	4
7000	<b>Non-operating income and expenses (Notes VI(II), (III), (VII), (VIII), (IX), (XII), (XIII), (XXI), and VII):</b>				
7100	Interest income	19,022	1	16,351	-
7010	Other income	43,035	2	12,008	-
7020	Other gains and losses	97,974	3	(16,541)	-
7050	Finance costs	(3,110)	-	(3,358)	-
7060	Share of profits (losses) of associates and joint ventures under equity method	(4)	-	1,056	-
	<b>Total non-operating income and expenses</b>	156,917	6	9,516	-
7900	<b>Income before income tax from continuing operations</b>	151,630	6	130,189	4
7950	<b>Less: Income tax expense (Note VI(XVI))</b>	28,457	1	27,596	1
8200	<b>Current Net Income</b>	123,173	5	102,593	3
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified to profit or loss</b>				
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	352,422	13	758,989	22
8349	Less: Income tax related to components that will not be reclassified to profit or loss	-	-	-	-
	<b>Total items that will not be reclassified to profit or loss</b>	352,422	13	758,989	22
8360	<b>Items that may be reclassified subsequently to profit or loss (Note VI(VII) and (XVII))</b>				
8361	Exchange differences on translation of financial statements of foreign operations	37,942	1	7,718	-
8370	Share of other comprehensive income (losses) of associates and joint ventures under equity method	1,657	-	(310)	-
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>	39,599	1	7,408	-
8300	<b>Other Current Comprehensive Income</b>	392,021	14	766,397	22
8500	<b>Total Current Comprehensive Income</b>	<b>\$ 515,194</b>	<b>19</b>	<b>868,990</b>	<b>25</b>
	<b>Current Net income attributable to:</b>				
8610	Shareholders of the parent	\$ 113,993	5	83,495	3
8620	Non-controlling Interests	9,180	-	19,098	-
		<b>\$ 123,173</b>	<b>5</b>	<b>102,593</b>	<b>3</b>
	<b>Total comprehensive income (losses) attributable to:</b>				
8710	Shareholders of the parent	\$ 503,490	19	850,507	25
8720	Non-controlling Interests	11,704	-	18,483	-
		<b>\$ 515,194</b>	<b>19</b>	<b>868,990</b>	<b>25</b>
	<b>Earnings per share (unit: NT\$) (Note VI(XVIII))</b>				
9750	Basic earnings per share	<b>\$ 0.61</b>		<b>0.45</b>	
9850	Diluted earnings per share	<b>\$ 0.61</b>		<b>0.44</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 Changes in Equity**  
**January 1 to March 31, 2024 and 2023**

Unit: NT\$ thousands

	Equity Attributable to Owners of the Parent										
	Retained Earnings					Other equity items			Total equity attributable to shareholders of the parent	Non-controlling Interests	Total Equity
	Capital stock - common shares	Capital Surplus	Legal reserve	Unappropriated earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total			
<b>Balance as of January 1, 2023</b>	\$ 1,872,620	1,011,016	1,175,322	3,713,296	4,888,618	(77,427)	5,628,307	5,550,880	13,323,134	394,238	13,717,372
Retroactive adjustments to new standards	-	-	-	6,039	6,039	78	-	78	6,117	96	6,213
Balance after restatement as of January 1, 2023	1,872,620	1,011,016	1,175,322	3,719,335	4,894,657	(77,349)	5,628,307	5,550,958	13,329,251	394,334	13,723,585
Appropriation and distribution of earnings:											
Cash dividends of common stock	-	-	-	(561,786)	(561,786)	-	-	-	(561,786)	-	(561,786)
Changes in other capital surplus:											
Cash dividends appropriated from capital surplus	-	(149,809)	-	-	-	-	-	-	(149,809)	-	(149,809)
Current Net Income	-	-	-	83,495	83,495	-	-	-	83,495	19,098	102,593
Other Current Comprehensive Income	-	-	-	-	-	8,023	758,989	767,012	767,012	(615)	766,397
Total Current Comprehensive Income	-	-	-	83,495	83,495	8,023	758,989	767,012	850,507	18,483	868,990
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	121,431	121,431	-	(121,431)	(121,431)	-	-	-
<b>Balance as of March 31, 2023</b>	<b>\$ 1,872,620</b>	<b>861,207</b>	<b>1,175,322</b>	<b>3,362,475</b>	<b>4,537,797</b>	<b>(69,326)</b>	<b>6,265,865</b>	<b>6,196,539</b>	<b>13,468,163</b>	<b>412,817</b>	<b>13,880,980</b>
<b>Balance as of January 1, 2024</b>	\$ 1,872,620	861,207	1,301,707	4,126,229	5,427,936	(126,335)	6,232,008	6,105,673	14,267,436	401,788	14,669,224
Appropriation and distribution of earnings:											
Cash dividends of common stock	-	-	-	(599,238)	(599,238)	-	-	-	(599,238)	-	(599,238)
Changes in other capital surplus:											
Changes in other capital surplus	-	3,218	-	-	-	-	-	-	3,218	302	3,520
Current Net Income	-	-	-	113,993	113,993	-	-	-	113,993	9,180	123,173
Other Current Comprehensive Income	-	-	-	-	-	37,075	352,422	389,497	389,497	2,524	392,021
Total Current Comprehensive Income	-	-	-	113,993	113,993	37,075	352,422	389,497	503,490	11,704	515,194
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	57,220	57,220	-	(57,220)	(57,220)	-	-	-
<b>Balance as of March 31, 2024</b>	<b>\$ 1,872,620</b>	<b>864,425</b>	<b>1,301,707</b>	<b>3,698,204</b>	<b>4,999,911</b>	<b>(89,260)</b>	<b>6,527,210</b>	<b>6,437,950</b>	<b>14,174,906</b>	<b>413,794</b>	<b>14,588,700</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 March 31, 2024 and 2023**

Unit: NT\$ thousands

	January to March, 2024	January to March, 2023
<b>Cash flows from operating activities:</b>		
<b>Income before income tax</b>	\$ 151,630	130,189
<b>Adjustments for:</b>		
Adjustments to reconcile profit or loss		
Depreciation expenses	98,845	93,265
Amortization expenses	1,382	1,749
Expected credit impairment losses (gains)	5,141	(10,000)
Interest expense	3,110	3,358
Interest income	(19,022)	(16,351)
Dividend income	(388)	(55)
Share of profits (losses) of associates and joint ventures under equity method	4	(1,056)
Loss (gain) on disposal and scrap of property, plant and equipment	(6,126)	8
Realized Profit on Sales	(252)	(1,312)
Lease Modification Loss	216	-
Total adjustments for profit or loss	82,910	69,606
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(52,159)	(17,244)
Notes receivable	990	4,709
Accounts receivable	165	128,994
Accounts receivable - related parties	(84,686)	(57,431)
Other receivables	60,973	7,999
Inventories	411,362	184,927
Prepayments	(9,121)	(16,261)
Other current assets	3,107	9,880
Other Non-Current Assets	5,924	(437)
Total changes in operating assets	336,555	245,136
Changes in operating liabilities:		
Notes payable	(756)	(2,345)
Accounts payable	(496,222)	(85,840)
Accounts payable - related parties	(3,704)	55,890
Other payables	(217,275)	(137,117)
Provisions for liabilities	318	(2,212)
Other current liabilities	(3,434)	29,121
Net defined benefit liabilities	-	(2,092)
Total changes in operating liabilities	(721,073)	(144,595)
Total changes in operating assets and liabilities	(384,518)	100,541
Total adjustments	(301,608)	170,147
Cash Inflows (Outflows) Generated from Operations	(149,978)	300,336
Interest received	18,945	15,222
Interest paid	(3,191)	(3,339)
Income tax paid	(1,453)	(214)
<b>Net cash inflows (outflows) provided by operating activities</b>	(135,677)	312,005
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(19,248)	-
Disposal of financial assets at fair value through other comprehensive income	77,942	112,906
Acquisition of property, plant, and equipment	(30,780)	(24,688)
Disposal of property, plant and equipment	8,824	-
Acquisition of intangible assets	(2,822)	(22)
Increase in refundable deposits	(2,386)	(2,432)
Increase in prepayments for equipment	(783)	(2,040)
Dividends received	388	28
<b>Net cash flows from investing activities</b>	31,135	83,752
<b>Cash flows from financing activities:</b>		
Proceeds from short-term borrowings	19,560	-
Decrease in short-term loans	(19,525)	(82)
Repayments of long-term loans	(18,840)	(18,674)
Repayment of the principal of lease liabilities	(49,778)	(45,244)
<b>Net cash flows used in financing activities</b>	(68,583)	(64,000)
<b>Effects of exchange rate changes on the balance of cash held in foreign currencies</b>	31,634	5,776
<b>Net increase (decrease) in cash and cash equivalents</b>	(141,491)	337,533
<b>Cash and cash equivalents at the beginning of the year</b>	4,225,848	3,695,970
<b>Cash and cash equivalents at the end of the year</b>	\$ 4,084,357	4,033,503

(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**  
**Notes to Consolidated Financial Statements**  
**For the Three Months Ended March 31, 2024 and 2023**  
**(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

**I. Company History**

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

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

These consolidated financial statements were authorized for issue by the Board of Directors on April 26, 2024.

**III. Application of Amended Standards and Interpretations**

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

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

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

(II) IFRSs issued by the International Accounting Standards Board (“IASB”) but not yet endorsed by the FSC

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

<b>New or Amended Standards</b>	<b>Content of Amendment</b>	<b>Effective Date per International Accounting Standards Board</b>
International Financial Reporting Standard No. 18 'Presentation and Disclosure of Financial Statements'	<p>The new guidelines introduce three categories of income and expenses, two subtotals on the income statement, and a single footnote regarding management performance measurement. These three amendments and enhancements to the guidance on segmenting information in financial statements lay the foundation for providing users with improved and consistent information, and will have an impact on all companies.</p> <ul style="list-style-type: none"> <li>• A more structured income statement: The company currently uses various formats to express its financial performance, which makes it challenging for investors to compare the financial performance of different companies. The new guidelines have implemented a more structured income statement. They have introduced a new subtotal called 'operating profit' and require that all revenues and expenses be classified into three new categories based on the company's main business activities.</li> <li>• Management Performance Measurement (MPM): The new criteria introduce the concept of management performance measurement. Companies are now required to provide an explanation, in a single footnote in the financial statements, regarding the usefulness of each measurement indicator, its calculation method, and how it is adjusted for amounts recognized in accordance with international financial reporting standards accounting principles.</li> <li>• More detailed information: The new guidelines provide instructions on how companies can improve the organization of information in financial statements. This guidance includes determining whether the information should be included in the primary financial statements or further disaggregated in the notes.</li> </ul>	January 1, 2027

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

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

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Ventures"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendment to IFRS 17, "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"
- IAS 21 "Lack of Exchangeability"

#### IV. Summary of Significant Accounting Policies

Except for the following descriptions, the consolidated financial statements adopt the same significant accounting policies as the ones used in the consolidated financial statements for the year ended December 31, 2023. Please refer to Note IV of the consolidated financial statements for the year ended December 31, 2023 for details.

(I) Compliance declaration

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

(II) Basis of consolidation

The consolidated financial statements adopt the preparation principles as the ones used in the consolidated financial statements for the year ended December 31, 2023. Please refer to Note IV(III) of the consolidated financial statements for the year ended December 31, 2023 for details.

1. Subsidiaries included in the Consolidated Financial Statements

Subsidiaries included in the Consolidated Financial Statements are as follows:

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

Name of Investor	Name of Subsidiary	Main Business Activities	Percentage of All Ownership			Description
			2024.3.31	2023.12.31	2023.3.31	
The Company	FSP International Inc. (BVI)	Investment holdings	100.00%	100.00%	100.00%	
"	FSP Group Inc.	Engaged in safety certification	100.00%	100.00%	100.00%	Note 4
"	Amacrox Technology Co., Ltd. (BVI)	Investment holdings	100.00%	100.00%	100.00%	Note 4
"	3Y Power Technology (TAIWAN) Inc. ("3Y Power")	Trading and manufacturing of power supplies and related electronic products	65.87%	65.87%	65.87%	Note 4
"	Harmony Trading (HK) Ltd.	Trading of power supplies and related electronic products	100.00%	100.00%	100.00%	Note 4
"	FSP Technology USA Inc.	Business development and product technical service	100.00%	100.00%	100.00%	Note 4
"	FSP Turkey Dis Tic.Ltd.Sti.	Business development and product technical service	91.41%	91.41%	91.41%	Note 4
"	FSP Technology Vietnam Co., Ltd. ("FSP VN")	Manufacturing of power supplies and related electronic products	100.00%	100.00%	- %	Note 1 and 4
FSP International Inc. (BVI)	Shenzhen Huili Electronic Co., Ltd. ("Huili")	Manufacturing of power supplies and related electronic products	100.00%	100.00%	100.00%	
"	FSP Technology Inc. (BVI)	Investment holdings	100.00%	100.00%	100.00%	Note 4
"	Protek Electronics (Samoa) Corp.	Investment holdings	100.00%	100.00%	100.00%	Note 4
"	Power Electronics Co., Ltd. (BVI)	Investment holdings	100.00%	100.00%	100.00%	
"	Famous Holding Ltd.	Investment holdings	100.00%	100.00%	100.00%	
"	FSP International (HK) Ltd.	Investment holdings	100.00%	100.00%	100.00%	Note 4
FSP Technology Inc. (BVI)	FSP-C R&D Center ("FSP Jiangsu")	Research & development and design of various energy saving technology	100.00%	100.00%	100.00%	Note 4
Protek Electronics (Samoa) Corp.	Protek Electronics (China) Corp. ("Protek Dongguan")	Manufacturing of power supplies and related electronic products	100.00%	100.00%	100.00%	Note 4
Power Electronics Co., Ltd. (BVI)	Zhonghan Electronics (Shenzhen) Co., Ltd. ("Zhonghan")	Manufacturing of power supplies and related electronic products	100.00%	100.00%	100.00%	
Famous Holding Ltd.	WUXI SPI Technology Co., Ltd. ("WUXI SPI")	Manufacturing of power supplies and related electronic products	100.00%	100.00%	100.00%	
"	WUXI Zhonghan Technology Co., Ltd. ("WUXI Zhonghan Technology Co., Ltd.")	Trading and manufacturing of power supplies and related electronic products	100.00%	100.00%	100.00%	
FSP International	Hao Han Electronic Technology (Jian)	Trading and manufacturing of	100.00%	100.00%	100.00%	Note 4

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

Name of Investor	Name of Subsidiary	Main Business Activities	Percentage of All Ownership			Description
			2024.3.31	2023.12.31	2023.3.31	
(HK) Ltd.	Co., Ltd. (“Hao Han”)	electronic components				
WUXI Zhonghan Technology Co., Ltd. Technology Co., Ltd.	Shenzhen Zhonghan Technology Co., Ltd. (“Zhonghan Tech.”)	Trading and manufacturing of power supplies and related electronic products	100.00%	100.00%	100.00%	
Amacrox Technology Co., Ltd. (BVI)	Amacrox GmbH	Trading of power supplies and related electronic products	100.00%	100.00%	100.00%	Note 4
“	Proteck Power North America, Inc.	Trading of power supplies and related electronic products	- %	- %	100.00%	Note 2 and 4
3Y Power	3Y Power Technology Inc. (“3Y Power”)	Trading of power supplies and related electronic products	100.00%	100.00%	100.00%	Note 4
“	Luckyield Co., Ltd.	Investment holdings	100.00%	100.00%	100.00%	Note 4
Luckyield Co., Ltd.	WUXI 3Y Technology Co., Ltd. (“WUXI 3Y”)	Design, manufacturing and trading of power supplies	100.00%	100.00%	100.00%	Note 3 and 4

Note 1: The Company established FSP VN for NT\$30,500 thousand (US\$1,000 thousand) on June 19, 2023 and it became a subsidiary of the Company since then.

Note 2: The liquidation of Proteck Power North America, Inc. was approved by the Board of Directors on January 5, 2023. The liquidation was completed on August 29, 2023.

Note 3: Held by the Company through Luckyield Co., Ltd. The Company invested in WUXI 3Y through Luckyield Co., Ltd., and the comprehensive shareholding percentage as of March 31, 2024, December 31, 2023 and March 31, 2023 were all 65.87%.

Note 4: It was a non-significant subsidiary, and its financial statements were not reviewed by the independent auditors.

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

(III) Employee benefits

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

(IV) Income Tax

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

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

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

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

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

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

When preparing the consolidated financial statements according to Preparation Regulations and IAS 34 "Interim Financial Reporting" endorsed by the FSC, the management has to make judgments, estimates, and assumptions, which may influence the adoption of accounting policies, and the reporting amount of assets, liabilities, incomes, and expenses. Actual results may differ from the estimates.

When preparing the consolidated financial statements, significant accounting judgments, estimates and key sources of uncertainty made by the management for the adoption of the Group's accounting policies are consistent with Note V of the consolidated financial statements for the year ended December 31, 2023.

**VI. Details of Significant Accounts**

Except for the following descriptions, the details of significant accounts in the consolidated financial statements are not materially different from the consolidated financial statements for the year ended December 31, 2023. Please refer to Note VI of the consolidated financial statements for the year ended December 31, 2023 for relevant information.

(I) Cash and cash equivalents			
	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Cash on hand	\$ 7,876	9,808	10,348
Cash equivalents			
Repurchase agreements	142,080	105,842	-
Deposits in saving accounts and checking accounts	1,874,347	1,544,510	1,920,206
Time deposits	<u>2,060,054</u>	<u>2,565,688</u>	<u>2,102,949</u>
	<b><u>\$ 4,084,357</u></b>	<b><u>4,225,848</u></b>	<b><u>4,033,503</u></b>

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

(II)	Financial assets at fair value through profit or loss	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
	Financial assets mandatorily measured at fair value through profit or loss:			
	Non-derivative financial assets			
	Beneficiary certificates	\$ 324,270	277,366	209,118
	Private equity funds	68,545	68,545	18,000
	Foreign unlisted stocks	71,632	71,632	71,632
	Structured deposits	<u>286,540</u>	<u>281,285</u>	<u>278,943</u>
	Total	<u>\$ 750,987</u>	<u>698,828</u>	<u>577,693</u>

As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group held structured deposits and expected yields ranged from 1.20% to 2.75%, 1.30% to 2.70%, and 1.30% to 3.00% with maturity from May to June 2024, February to March 2024, and May 2023, respectively.

The Group recognized dividend income of NT\$358,000 and NT\$0 for the aforementioned financial assets at fair value through profit or loss from January 1 to March 31, 2024 and 2023, respectively.

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

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

(III)	Financial assets at fair value through other comprehensive income	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
	Equity instruments at fair value through other comprehensive income			
	Domestic listed (OTC) stocks	\$ 7,025,930	6,748,094	6,815,144
	Foreign listed stocks	8,066	9,253	9,596
	Foreign unlisted stocks	26,493	26,493	26,494
	Domestic unlisted stocks	<u>256,216</u>	<u>233,066</u>	<u>162,792</u>
	Total	<u>\$ 7,316,705</u>	<u>7,016,906</u>	<u>7,014,026</u>

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

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

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

The Group recognized dividend income of NT\$30 thousand and NT\$55 thousand for the aforementioned investments in equity instruments at fair value through other comprehensive income from January 1 to March 31, 2024 and 2023, respectively.

In order to meet the needs of funding plan, the Group divested the shares of Voltronic Power Technology Corp., WT Microelectronics Co., Ltd., Taiwan Cement Co., Ltd., Delta Electronics Inc., and Coretronic Corp. designated at fair value through other comprehensive income from January 1, 2024 to March 31, 2024 and the fair value at the time of disposal was NT\$71,872 thousand, resulting in a total disposal gain of NT\$57,220 thousand. As of March 31, 2024, the outstanding disposal price is NT\$2,372 thousand, which is recorded as other receivables. In order to meet the needs of funding plan, the Group divested the shares of Voltronic Power Technology Corp. designated at fair value through other comprehensive income from January 1, 2023 to March 31, 2023 and the fair value at the time of disposal was NT\$121,777 thousand and with disposal gains of NT\$121,431 thousand. As of March 31, 2023, the outstanding proceeds from disposal amounted to NT\$8,871 thousand, which was recognized under other receivables.

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

(IV) Notes receivable and accounts receivable

	<u>2024.3.31</u>	<u>2023.12.31</u>	<u>2023.3.31</u>
Notes receivable	\$ 125,783	126,773	76,859
Accounts receivable	2,345,697	2,345,626	3,036,259
Accounts receivable - related parties	625,894	541,208	779,269
Less: Loss allowances	<u>(19,825)</u>	<u>(14,448)</u>	<u>(14,643)</u>
	<u>\$ 3,077,549</u>	<u>2,999,159</u>	<u>3,877,744</u>

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

The Group applies the simplified approach to estimate expected credit loss for all notes receivable and accounts receivable, i.e. the use of lifetime expected credit loss for all receivables. For the measurement purpose, notes receivable and accounts receivable are grouped according to common credit risk characteristics that represent the customer's ability to pay all amounts due under the terms of the contract. Forward-looking information, including macroeconomy and related industry information, is taken into consideration as well.



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

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

	<b>2024.3.31</b>		
	<b>Carrying amount of notes receivable and accounts receivable</b>	<b>Weighted- average expected credit loss rate (%)</b>	<b>Allowance for expected credit loss</b>
Not Past Due	\$ 2,197,879	0.01	3,740
Past due within 30 days	41,906	6.04	2,532
Past due 31~60 days	4,006	19.08	719
Past due 61~90 days	2,234	36.79	822
Past due over 121 days	2,039	100	2,039
	<b>\$ 2,248,064</b>		<b>9,852</b>

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

	<b>2023.12.31</b>		
	<b>Carrying amount of notes receivable and accounts receivable</b>	<b>Weighted- average expected credit loss rate (%)</b>	<b>Allowance for expected credit loss</b>
Not Past Due	\$ 2,047,808	0.24	4,533
Past due within 30 days	48,729	6.30	3,068
Past due 31~60 days	1,452	19.88	289
Past due 91~120 days	1,303	45.45	592
Past due over 121 days	1,645	100.00	1,645
	<b>\$ 2,100,937</b>		<b>10,127</b>

The carrying amount of the above notes and accounts receivable did not include the account receivable due from a specific customer, amounting to NT\$2,381 thousand. Due to poor recovery of the account receivable due from this customer, the Group has specifically recorded an allowance for loss of NT\$476 thousand for this uncollected payment, net of insurance claims, and therefore the amount was excluded from the

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

above calculation of allowance for expected credit loss.

	<b>2023.3.31</b>		
	<b>Carrying amount of notes receivable and accounts receivable</b>	<b>Weighted- average expected credit loss rate (%)</b>	<b>Allowance for expected credit loss</b>
Not Past Due	\$ 2,995,636	0~0.26	6,717
Past due within 30 days	12,504	7.21	902
Past due 31~60 days	7,155	22.77	1,629
	<b>\$ 3,015,295</b>		<b>9,248</b>

The carrying amount of the above notes and accounts receivable did not include the account receivable due from a specific customer amounted to NT\$25,049 thousand. Due to poor recovery of the account receivable due from this customer, the Group has specifically recorded an allowance for loss of NT\$5,010 thousand for this uncollected payment, net of insurance claims, and therefore the amount was excluded from the above calculation of allowance for expected credit loss.

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

	<b>2024.3.31</b>		
	<b>Carrying amount of notes receivable and accounts receivable</b>	<b>Weighted- average expected credit loss rate (%)</b>	<b>Allowance for expected credit loss</b>
Not Past Due	\$ 564,869	0.06	343
Past due within 30 days	6,753	0.06	4
Past due 31~60 days	46,808	0.06	28
Past due 61~90 days	11,190	0.06	7
Past due 91~120 days	3	0.06	-
Past due 181~365 days	1,283	0.06	1
	<b>\$ 630,906</b>		<b>383</b>

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

	<b>2023.12.31</b>		
	<b>Carrying amount of notes receivable and accounts receivable</b>	<b>Weighted- average expected credit loss rate (%)</b>	<b>Allowance for expected credit loss</b>
Not Past Due	\$ 720,132	0.05	362
Past due within 30 days	14,133	0.05	7
Past due 31~60 days	10,105	0.05	5
Past due 61~90 days	2,077	0.05	1
Past due 121~180 days	604	0.05	-
Past due 181~over 360 days	656	-	-
Past due over a year above	<u>376</u>	-	<u>1</u>
	<b><u>\$ 748,083</u></b>		<b><u>376</u></b>

	<b>2023.3.31</b>		
	<b>Carrying amount of notes receivable and accounts receivable</b>	<b>Weighted- average expected credit loss rate (%)</b>	<b>Allowance for expected credit loss</b>
Not Past Due	\$ 597,786	0.06	371
Past due within 30 days	10,640	0.06	7
Past due 31~60 days	9,570	0.06	6
Past due 61~90 days	<u>2,342</u>	0.06	<u>1</u>
	<b><u>\$ 620,338</u></b>		<b><u>385</u></b>

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

	<b>2024.3.31</b>		
	<b>Carrying amount of notes receivable and accounts receivable</b>	<b>Weighted- average expected credit loss rate (%)</b>	<b>Allowance for expected credit loss</b>
Not Past Due	\$ 146,776	-	-
Past due within 30 days	25,269	-	-
Past due 31~60 days	10,034	-	-
Past due 61~90 days	5,198	-	-
Past due 91-120 days	8,814	-	-
Past due 121~180 days	16,025	49.92	8,000
Past due over a year above	<u>415</u>	100.00	<u>415</u>
	<b><u>\$ 212,531</u></b>		<b><u>8,415</u></b>

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

	<b>2023.12.31</b>		
	<b>Carrying amount of notes receivable and accounts receivable</b>	<b>Weighted- average expected credit loss rate (%)</b>	<b>Allowance for expected credit loss</b>
Not Past Due	\$ 107,133	-	-
Past due within 30 days	22,222	-	-
Past due 31~60 days	13,523	-	-
Past due 61~90 days	8,559	-	-
Past due 91~120 days	10,371	0.30	3,071
Past due over 121 days	398	100.00	398
	<b>\$ 162,206</b>		<b>3,469</b>

	<b>2023.3.31</b>		
	<b>Carrying amount of notes receivable and accounts receivable</b>	<b>Weighted- average expected credit loss rate (%)</b>	<b>Allowance for expected credit loss</b>
Not Past Due	\$ 168,062	-	-
Past due within 30 days	21,878	-	-
Past due 31~60 days	19,247	-	-
Past due 61~90 days	9,442	-	-
Past due 91~120 days	12,184	-	-
Past due over 121 days	892	-	-
	<b>\$ 231,705</b>		<b>-</b>

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

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Beginning balance	\$ 14,448	24,641
Impairment losses recognized (reversed)	5,141	(10,000)
Effect of foreign exchange rate changes	236	2
Ending balance	<b>\$ 19,825</b>	<b>14,643</b>

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

(V)	Other receivables			
		<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
	Other receivables	\$ 393,080	458,840	93,864
	Less: Loss allowances	(29,812)	(28,605)	(506)
		<b><u>\$ 363,268</u></b>	<b><u>430,235</u></b>	<b><u>93,358</u></b>

Changes in loss allowance for other receivables:

		<b>January to</b>	<b>January to</b>
		<b>March, 2024</b>	<b>March, 2023</b>
Beginning balance	\$	28,605	510
Effect of foreign exchange rate changes		1,207	(4)
Ending balance	<b>\$</b>	<b><u>29,812</u></b>	<b><u>506</u></b>

(VI)	Inventories			
		<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
	Finished goods	\$ 1,250,267	1,503,290	1,565,363
	Work in process	414,229	434,453	597,387
	Raw materials	467,924	603,022	710,962
		<b><u>\$ 2,132,420</u></b>	<b><u>2,540,765</u></b>	<b><u>2,873,712</u></b>

Breakdown of cost of goods sold:

		<b>January to</b>	<b>January to</b>
		<b>March, 2024</b>	<b>March, 2023</b>
Inventories sold	\$	2,206,006	2,876,922
Loss (reversal) on inventory write-down		17,672	(4,788)
Unallocated manufacturing expense		21,518	12,247
Loss on inventory obsolescence		25	172
	<b>\$</b>	<b><u>2,245,221</u></b>	<b><u>2,884,553</u></b>

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

(VII) Investments Accounted for Using the Equity Method

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

		<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
	Associate	<b><u>\$ 36,467</u></b>	<b><u>34,561</u></b>	<b><u>36,258</u></b>

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

1. Associate

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

	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
The carrying amount of investments in associates that were not individually material to the Group at the end of the period	<u><u>\$ 36,467</u></u>	<u><u>34,561</u></u>	<u><u>36,258</u></u>

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Attributable to the Group:		
Income (Loss) from Continuing Operations	\$ (4)	1,056
Other comprehensive income	<u>1,657</u>	<u>(310)</u>
Total Comprehensive Income	<u><u>\$ 1,653</u></u>	<u><u>746</u></u>

2. Collateral

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

3. Unreviewed Investments Recognized Through the Equity Method

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

(VIII) Property, Plant, and Equipment

The changes in costs, depreciation and impairment loss of property, plant and equipment from January 1 to March 31, 2024, and 2023 were as follows:

	Land	Housing and Construction	Buildings and Building Improvements	Machinery	Transportation Equipment	Other Equipment	Leasehold Improvements	Construction in progress and equipment under installation	Total
Cost or deemed cost:									
Balance as of January 1, 2024	\$ 310,476	1,224,490	27,949	1,307,563	22,060	517,402	89,879	9,348	3,509,167
Addition	-	346	-	26,926	-	5,331	699	1,926	35,228
Disposal and obsolescence	(2,597)	(6,408)	-	(8,023)	(890)	(3,373)	-	-	(21,291)
Reclassification (Note)	-	1,861	-	692	-	-	-	(1,303)	1,250
Effect of exchange rate changes	-	4,971	455	17,220	355	2,228	1,560	-	26,789
Balance as of March 31, 2024	<u><u>\$ 307,879</u></u>	<u><u>1,225,260</u></u>	<u><u>28,404</u></u>	<u><u>1,344,378</u></u>	<u><u>21,525</u></u>	<u><u>521,588</u></u>	<u><u>92,138</u></u>	<u><u>9,971</u></u>	<u><u>3,551,143</u></u>
Balance as of January 1, 2023	\$ 310,476	1,217,961	28,387	1,235,925	18,803	499,757	76,042	73	3,387,424
Addition	-	1,572	-	10,162	1,964	6,302	99	200	20,299
Disposal and obsolescence	-	-	-	(343)	-	(1,629)	(213)	-	(2,185)

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

	Land	Housing and Construction	Buildings and Building Improvements	Machinery	Transportation Equipment	Other Equipment	Leasehold Improvements	Construction in progress and equipment under installation	Total
Reclassification (Note)	-	-	-	322	-	73	-	(73)	322
Effect of exchange rate changes	-	1,412	121	4,551	52	543	370	-	7,049
Balance as of March 31, 2023	<u>\$ 310,476</u>	<u>1,220,945</u>	<u>28,508</u>	<u>1,250,617</u>	<u>20,819</u>	<u>505,046</u>	<u>76,298</u>	<u>200</u>	<u>3,412,909</u>
Depreciation and impairment loss:									
Balance as of January 1, 2024	\$ -	564,899	11,598	960,777	14,277	428,499	47,401	-	2,027,451
Recognition in current period	-	12,864	536	24,633	853	9,262	3,026	-	51,174
Disposal and obsolescence	-	(6,333)	-	(8,017)	(889)	(3,354)	-	-	(18,593)
Effect of exchange rate changes	-	4,431	175	12,979	248	1,576	877	-	20,286
Balance as of March 31, 2024	<u>\$ -</u>	<u>575,861</u>	<u>12,309</u>	<u>990,372</u>	<u>14,489</u>	<u>435,983</u>	<u>51,304</u>	<u>-</u>	<u>2,080,318</u>
Balance as of January 1, 2023	\$ -	519,214	9,607	912,700	13,376	405,636	38,896	-	1,899,429
Recognition in current period	-	12,676	543	23,446	355	9,043	2,275	-	48,338
Disposal and obsolescence	-	-	-	(337)	-	(1,627)	(213)	-	(2,177)
Effect of exchange rate changes	-	1,176	38	3,243	40	365	190	-	5,052
Balance as of March 31, 2023	<u>\$ -</u>	<u>533,066</u>	<u>10,188</u>	<u>939,052</u>	<u>13,771</u>	<u>413,417</u>	<u>41,148</u>	<u>-</u>	<u>1,950,642</u>
Carrying amounts:									
Balance as of January 1, 2024	<u>\$ 310,476</u>	<u>659,591</u>	<u>16,351</u>	<u>346,786</u>	<u>7,783</u>	<u>88,903</u>	<u>42,478</u>	<u>9,348</u>	<u>1,481,716</u>
Balance as of March 31, 2024	<u>\$ 307,879</u>	<u>649,399</u>	<u>16,095</u>	<u>354,006</u>	<u>7,036</u>	<u>85,605</u>	<u>40,834</u>	<u>9,971</u>	<u>1,470,825</u>
Balance as of March 31, 2023	<u>\$ 310,476</u>	<u>687,879</u>	<u>18,320</u>	<u>311,565</u>	<u>7,048</u>	<u>91,629</u>	<u>35,150</u>	<u>200</u>	<u>1,462,267</u>

Note: From January 1 to March 31, 2024 and 2023, the amount transferred from equipment prepayment was NT\$1,250 thousand and NT\$322 thousand, respectively.

Please refer to Note VIII for the details of property, plant and equipment that have been pledged as collaterals for long-term and short-term borrowings and credit facilities as of March 31, 2024, December 31, 2023, and March 31, 2023.

(IX) Right-of-use assets

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

	Land	Housing and Construction	Transportation Equipment	Total
Costs of right-of-use assets:				
Balance as of January 1, 2024	\$ 27,483	1,194,676	5,618	1,227,777
Addition	-	1,009	1,719	2,728
Reduction (contract expired and contract modification)	(1,484)	-	(715)	(2,199)
Effect of exchange rate changes	299	21,541	21	21,861
Balance as of March 31, 2024	<u>\$ 26,298</u>	<u>1,217,226</u>	<u>6,643</u>	<u>1,250,167</u>
Balance as of January 1, 2023	\$ 27,784	1,119,990	3,497	1,151,271
Addition	-	44,848	2,100	46,948
Reduction (contract expired)	-	(1,414)	-	(1,414)
Effect of exchange rate changes	85	4,669	(4)	4,750
Balance as of March 31, 2023	<u>\$ 27,869</u>	<u>1,168,093</u>	<u>5,593</u>	<u>1,201,555</u>

Depreciation of right-of-use assets:

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

	<b>Land</b>	<b>Housing and Construction</b>	<b>Transportation Equipment</b>	<b>Total</b>
Balance as of January 1, 2024	\$ 5,087	785,603	2,405	793,095
Depreciation in current period	242	46,908	521	47,671
Reduction (contract expired and contract modification)	(37)	-	(716)	(753)
Effect of exchange rate changes	44	14,870	12	14,926
Balance as of March 31, 2024	<b><u>\$ 5,336</u></b>	<b><u>847,381</u></b>	<b><u>2,222</u></b>	<b><u>854,939</u></b>
Balance as of January 1, 2023	\$ 4,106	618,627	1,041	623,774
Depreciation in current period	257	44,321	349	44,927
Reduction (contract expired)	-	(1,414)	-	(1,414)
Effect of exchange rate changes	10	2,727	(1)	2,736
Balance as of March 31, 2023	<b><u>\$ 4,373</u></b>	<b><u>664,261</u></b>	<b><u>1,389</u></b>	<b><u>670,023</u></b>
Carrying amounts:				
Balance as of January 1, 2024	<b><u>\$ 22,396</u></b>	<b><u>409,073</u></b>	<b><u>3,213</u></b>	<b><u>434,682</u></b>
Balance as of March 31, 2024	<b><u>\$ 20,962</u></b>	<b><u>369,845</u></b>	<b><u>4,421</u></b>	<b><u>395,228</u></b>
Balance as of March 31, 2023	<b><u>\$ 23,496</u></b>	<b><u>503,832</u></b>	<b><u>4,204</u></b>	<b><u>531,532</u></b>

(X) Intangible Assets

The changes in costs, amortization and impairment loss of intangible assets from January 1 to March 31, 2024 and 2023 were as follows:

	<b>Goodwill</b>	<b>Software cost</b>	<b>Patent</b>	<b>Total</b>
Costs:				
Balance as of January 1, 2024	\$ 218,672	15,376	16,715	250,763
Addition in current period	-	2,790	32	2,822
Effect of exchange rate changes	-	-	16	16
Balance as of March 31, 2024	<b><u>\$ 218,672</u></b>	<b><u>18,166</u></b>	<b><u>16,763</u></b>	<b><u>253,601</u></b>
Balance as of January 1, 2023	\$ 218,672	18,846	16,507	254,025
Addition in current period	-	-	22	22
Effect of exchange rate changes	-	-	3	3
Balance as of March 31, 2023	<b><u>\$ 218,672</u></b>	<b><u>18,846</u></b>	<b><u>16,532</u></b>	<b><u>254,050</u></b>
Amortization and impairment loss:				
Balance as of January 1, 2024	\$ -	11,237	16,086	27,323
Amortization for the period	-	1,359	23	1,382
Effect of exchange rate changes	-	-	4	4
Balance as of March 31, 2024	<b><u>\$ -</u></b>	<b><u>12,596</u></b>	<b><u>16,113</u></b>	<b><u>28,709</u></b>
Balance as of January 1, 2023	\$ -	13,099	16,021	29,120
Amortization for the period	-	1,733	16	1,749



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

	<b>Goodwill</b>	<b>Software cost</b>	<b>Patent</b>	<b>Total</b>
Balance as of March 31, 2023	<u>\$ -</u>	<u>14,832</u>	<u>16,037</u>	<u>30,869</u>
Carrying amounts:				
Balance as of January 1, 2024	<u>\$ 218,672</u>	<u>4,139</u>	<u>629</u>	<u>223,440</u>
Balance as of March 31, 2024	<u>\$ 218,672</u>	<u>5,570</u>	<u>650</u>	<u>224,892</u>
Balance as of March 31, 2023	<u>\$ 218,672</u>	<u>4,014</u>	<u>495</u>	<u>223,181</u>

(XI) Short-term loans

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

	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Credit loans	<u>\$ 1,600</u>	<u>1,536</u>	<u>7,610</u>
Unused facility	<u>\$ 819,500</u>	<u>818,000</u>	<u>803,000</u>
Interest rate range	<u>6.96</u>	<u>7.42</u>	<u>6.80</u>

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

(XII) Long-term loans

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

	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Secured bank borrowings	<u>\$ 105,564</u>	<u>124,404</u>	<u>180,660</u>
Less: current portion of long-term debt	<u>75,790</u>	<u>75,616</u>	<u>75,096</u>
Total	<u>\$ 29,774</u>	<u>48,788</u>	<u>105,564</u>
Unused facility	<u>\$ -</u>	<u>-</u>	<u>-</u>
Interest rate range	<u>1.58</u>	<u>1.40</u>	<u>1.58</u>

1. Collateral for bank borrowings

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

2. Government-subsidized loan with preferential interest rate

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

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

other current liabilities and other non-current liabilities. Such deferred revenue was transferred to other income amounted to NT\$179 thousand and NT\$279 thousand, respectively, from January 1 to March 31, 2024, and 2023.

(XIII) Lease liabilities

The carrying amount of lease liabilities were as follows:

	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Current	\$ 170,294	190,025	186,427
Non-current	<u>233,729</u>	<u>255,209</u>	<u>357,645</u>
Total	<b><u>\$ 404,023</u></b>	<b><u>445,234</u></b>	<b><u>544,072</u></b>

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

The amounts recognized in profit or loss were as follows:

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Interest expense on lease liabilities	<b><u>\$ 2,118</u></b>	<b><u>2,459</u></b>
Variable lease payments not included in the measurement of lease liabilities	<b><u>162</u></b>	<b><u>361</u></b>
Expenses of short-term leases	<b><u>\$ 3,486</u></b>	<b><u>3,420</u></b>
Expenses relating to leases of low-value assets (excluding short-term leases of low-value assets)	<b><u>\$ 177</u></b>	<b><u>123</u></b>

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

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Total cash outflow in operating activities	\$ 5,943	6,363
Total cash outflow in financing activities	<u>49,778</u>	<u>45,244</u>
Total cash flows on lease	<b><u>\$ 55,721</u></b>	<b><u>51,607</u></b>

1. Lease of land, buildings and construction

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

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

For these lease contracts, the variable lease payments paid by the Group from January 1 to March 31, 2024, were as follows:

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

	<b>Variable payment</b>	<b>Estimated impact on lease payment for each 1% increase in the actual floor area used</b>
Lease contracts with variable payment calculated based on the actual floor area used per month	<b>\$ 162</b>	<b>2</b>

2. Other leases

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

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

(XIV) Provisions for liabilities

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Balance as of January 1	\$ 130,311	131,155
Addition of provision during the year	13,853	12,898
Amount utilized during the year	(13,535)	(15,110)
Balance as of March 31	<b>\$ 130,629</b>	<b>128,943</b>

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

(XV) Employee benefits

1. Defined benefit plans

Since no major market fluctuations, major reductions, liquidations or other major one-off events occurred after the previous annual reporting date, the Group has measured and disclosed the pension costs for the interim period by the pension costs determined by actuary on December 31, 2023, and 2022.

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

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

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Operating Costs	\$ 29	34
Selling and marketing expenses	48	58
General and administrative expenses	107	131
Research and development expenses	<u>153</u>	<u>185</u>
	<b><u>\$ 337</u></b>	<b><u>408</u></b>

2. Defined contribution plans

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

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Operating Costs	\$ 590	569
Selling and marketing expenses	1,752	1,681
General and administrative expenses	2,697	2,398
Research and development expenses	<u>4,557</u>	<u>4,129</u>
	<b><u>\$ 9,596</u></b>	<b><u>8,777</u></b>

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

Following local regulations, other consolidated subsidiaries recognized pension expenses of NT\$23,297 thousand and NT\$22,114 thousand, respectively, from January 1 to March 31, 2024, and 2023.

3. Other short-term employee benefits

From January 1 to March 31, 2024 and 2023, the Group contributed NT\$4,927 thousand and NT\$3,339 thousand, respectively, to a specific trust account for employee incentives, which were recognized as operating costs and operating expenses.

As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group had accrued unused leave bonuses of NT\$39,861 thousand, NT\$48,304 thousand and NT\$41,046 thousand, respectively, which were recorded under other payables.

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

(XVI) Income Tax

The income tax expense of the Group from January 1 to March 31, 2024, and 2023 was as below:

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Income tax expense for the period	<b>\$ 28,457</b>	<b>27,596</b>

The Company's profit-seeking enterprise income tax has been approved by the tax authority to the year of 2021.

(XVII) Capital and other equity

Except for the following descriptions, there was no significant change in the capital and other equity of the Group from January 1 to March 31, 2024, and 2023. Please refer to Note VI(XVIII) of the consolidated financial statements for the year ended December 31, 2023, for details.

1. Capital Surplus

The Company's capital surplus was as follows:

	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Paid-in capital in excess of \$ par value	856,427	856,427	856,427
Adjustments arising from changes in percentage of ownership in subsidiaries	4,780	4,780	4,780
Others	3,218	-	-
	<b>\$ 864,425</b>	<b>861,207</b>	<b>861,207</b>

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

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

2. Earning distribution

On March 14, 2024 and March 10, 2023, the Board of Directors resolved on the amount of cash dividends of the distribution of earnings for the years ended

**Notes to Consolidated Financial Statements of FSP Technology Inc. and Subsidiaries**  
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December 31, 2023 and 2022, respectively, and the amount of dividends distributed to shareholders was as follows:

	<b>2023</b>	<b>2022</b>
Cash dividend distributed to the shareholders of common stock	<b>\$ 599,238</b>	<b>561,786</b>

The surplus allocated for the fiscal year 2023 has not been paid as of March 31, 2024, and is recorded as a dividend payable.

3. Other equity items (net after tax)

	<b>Exchange differences on translation of financial statements of foreign operations</b>	<b>Unrealized gains (losses) on financial assets at fair value through other comprehensive income</b>	<b>Total</b>
Balance as of January 1, 2024	\$ (126,335)	6,232,008	6,105,673
Exchange differences on translation of financial statements of foreign operations	35,418	-	35,418
Share of other comprehensive income of associates and joint-ventures under the equity method	1,657	-	1,657
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	-	352,422	352,422
Disposal of equity instruments at fair value through other comprehensive income	-	(57,220)	(57,220)
Balance as of March 31, 2024	<b>\$ (89,260)</b>	<b>6,527,210</b>	<b>6,437,950</b>
Balance as of January 1, 2023	\$ (77,427)	5,628,307	5,550,880
Retroactive adjustments to new standards	78	-	78
Balance after restatement as of January 1, 2023	(77,349)	5,628,307	5,550,958
Exchange differences on translation of financial statements of foreign operations	8,333	-	8,333
Share of other comprehensive income of associates and joint-ventures under the equity method	(310)	-	(310)
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	-	758,989	758,989
Disposal of equity instruments at fair value through other comprehensive income	-	(121,431)	(121,431)
Balance as of March 31, 2023	<b>\$ (69,326)</b>	<b>6,265,865</b>	<b>6,196,539</b>

4. Non-controlling interests (net after tax)

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

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Beginning balance	\$ 401,788	394,238
Retroactive adjustments to new standards	<u>-</u>	<u>96</u>
Opening balance after restatement	401,788	394,334
Changes in capital surplus attributable to non-controlling interests.	302	-
Net income for the year attributable to non-controlling interests	9,180	19,098
Exchange differences on translation of financial statements of foreign operations	<u>2,524</u>	<u>(615)</u>
	<b><u>\$ 413,794</u></b>	<b><u>412,817</u></b>

(XVIII) Earnings per Share

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
<b>Basic earnings per share:</b>		
Net income attributable to the ordinary shareholders of the Company	<b><u>\$ 113,993</u></b>	<b><u>83,495</u></b>
Weight-average number of ordinary shares outstanding (Unit: Thousands of shares)	<b><u>187,262</u></b>	<b><u>187,262</u></b>
Basic earnings per share (Unit: In New Taiwan Dollars)	<b><u>\$ 0.61</u></b>	<b><u>0.45</u></b>
<b>Diluted earnings per share:</b>		
Net income attributable to the ordinary shareholders of the Company	<b><u>\$ 113,993</u></b>	<b><u>83,495</u></b>
Weight-average number of ordinary shares outstanding (Unit: Thousands of shares)	187,262	187,262
Employee compensation (Unit: Thousands of shares)	<u>1,050</u>	<u>1,263</u>
Weight-average number of ordinary shares outstanding (Unit: Thousands of shares)	<b><u>188,312</u></b>	<b><u>188,525</u></b>
Diluted earnings per share (Unit: In New Taiwan Dollars)	<b><u>\$ 0.61</u></b>	<b><u>0.44</u></b>

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

(XIX) Revenue from contracts with customers

1. Breakdown of revenue

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

		January to March, 2023					
		The Company and its processing subsidiaries	3Y Power	Zhonghan Tech.	WUXI Zhonghan Technology Co., Ltd.	Others	Total
Primary geographical markets:							
	Taiwan	\$ 470,960	161,966	-	-	-	632,926
	China	415,607	60,843	329,899	122,717	3,133	932,199
	U.S.A.	298,317	4,405	-	-	199,972	502,694
	Germany	671,300	21,679	-	-	-	692,979
	Other countries	637,757	1,049	-	-	35,255	674,061
		<b>\$ 2,493,941</b>	<b>249,942</b>	<b>329,899</b>	<b>122,717</b>	<b>238,360</b>	<b>3,434,859</b>
Major product/service line:							
	Sales of power supply	<b>\$ 2,493,941</b>	<b>249,942</b>	<b>329,899</b>	<b>122,717</b>	<b>238,360</b>	<b>3,434,859</b>

2. Contract balance

	2024.3.31	2023.12.31	2023.3.31
Notes and accounts receivable (including related parties)	\$ 3,097,374	3,013,607	3,892,387
Less: Loss allowances	(19,825)	(14,448)	(14,643)
Total	<b>\$ 3,077,549</b>	<b>2,999,159</b>	<b>3,877,744</b>
Contract liabilities (recognized in other current liabilities)	<b>\$ 56,812</b>	<b>61,491</b>	<b>54,206</b>

The change in contractual liabilities primarily occurs due to the discrepancy between the timing of fulfilling contractual obligations and the timing of customer payments.

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



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

(XX) Remuneration of Employees and Directors

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

The Company accrued NT\$8,530 thousand and NT\$6,421 thousand as employee compensation and NT\$1,328 thousand and NT\$776 thousand as remuneration for Directors from January 1 to March 31, 2024 and 2023, respectively. These amounts were calculated using the Company's pre-tax income before deducting for employee compensation and remuneration for Directors multiplied by the percentages which are stated under the Company's Article of Incorporation. The amounts were recognized as operating expenses for the periods. The difference between accrual and actual payment is treated as the change in accounting estimate and recognized in profit or loss in the following year. If employee compensation is resolved to be distributed in stock, the number of shares is determined by dividing the amount of compensation by the closing price on the day preceding the Board of Directors' meeting.

For the years ended December 31, 2023 and 2022, the Company provided its remuneration to employees amounted to NT\$66,000 thousand, and the remuneration for Directors of NT\$7,000 thousand, which was consistent with the actual status of the distribution. The information can be obtained from the MOPS.

(XXI) Non-operating Income and Expenses

1. Interest income

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Bank deposits	<u><u>\$ 19,022</u></u>	<u><u>16,351</u></u>

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

2. Other income		<b>January to</b>	<b>January to</b>
		<b>March, 2024</b>	<b>March, 2023</b>
Dividend income	\$	388	55
Other income			
Compensation payment		30,000	-
Government grant		2,349	3,739
Tax refund		4,709	3,754
Gain on write-off of overdue payable		-	113
Others		5,589	4,347
		<u>\$ 43,035</u>	<u>12,008</u>
3. Other gains and losses		<b>January to</b>	<b>January to</b>
		<b>March, 2024</b>	<b>March, 2023</b>
Foreign currency exchange gain (loss), net	\$	88,278	(18,590)
Gain on financial assets measured at fair value through profit or loss		3,952	2,501
Gain (loss) on disposal of property, plant and equipment, net		6,126	(8)
Lease Modification Loss		(216)	-
Others		(166)	(444)
		<u>\$ 97,974</u>	<u>(16,541)</u>
4. Finance costs		<b>January to</b>	<b>January to</b>
		<b>March, 2024</b>	<b>March, 2023</b>
Interest expense:			
Bank borrowings	\$	992	899
Lease liabilities		2,118	2,459
		<u>\$ 3,110</u>	<u>3,358</u>

(XXII) Financial instruments

Except for the following descriptions, there have been no significant changes in the classification and fair value of the Group's financial instruments, and the exposure to credit risk, liquidity risk and market risk arising from the financial instruments. Please refer to Note VI(XXIII) of the consolidated financial statements for the year ended December 31, 2023, for relevant information.

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

1. Credit risk

(1) Exposure to credit risk

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

(2) Concentration of credit risk

As of March 31, 2024, December 31, 2023, and March 31, 2023, the top three customers accounted for 16%, 19%, and 25%, respectively, of the Group's accounts receivable balance.

(3) Credit risk from receivables and debt securities

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

2. Liquidity risk

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

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

	Carrying amount	Contractual cash flows	Within 6 months	6 to 12 months	1-2 years	2-5 years	Over 5 years
<b>March 31, 2024</b>							
Non-derivative financial liabilities							
Short-term loans	\$ 1,600	1,634	1,634	-	-	-	-
Long-term loans	105,564	106,814	38,519	38,391	29,904	-	-
Notes payable	10,694	10,694	10,694	-	-	-	-
Accounts payable	2,497,699	2,497,699	2,497,699	-	-	-	-
Accounts payable - related parties	83,361	83,361	83,361	-	-	-	-
Other payables	1,323,084	1,323,084	1,323,084	-	-	-	-
Dividends payable	599,238	599,238	599,238	-	-	-	-
Lease liabilities	404,023	422,358	104,867	71,778	82,576	124,855	38,282
Guarantee deposits received	509	509	-	-	-	-	509
	<u>\$ 5,025,772</u>	<u>5,045,391</u>	<u>4,659,096</u>	<u>110,169</u>	<u>112,480</u>	<u>124,855</u>	<u>38,791</u>
<b>December 31, 2023</b>							
Non-derivative financial liabilities							
Short-term loans	\$ 1,536	1,599	1,593	6	-	-	-
Long-term loans	124,404	124,893	38,579	38,455	47,859	-	-
Notes payable	11,450	11,450	11,450	-	-	-	-
Accounts payable	2,993,921	2,993,921	2,993,921	-	-	-	-

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

	Carrying amount	Contractual cash flows	Within 6 months	6 to 12 months	1-2 years	2-5 years	Over 5 years
Accounts payable - related parties	87,065	87,065	87,065	-	-	-	-
Other payables	1,535,992	1,535,992	1,535,992	-	-	-	-
Lease liabilities	445,234	465,388	102,561	94,467	98,348	126,090	43,922
Guarantee deposits received	500	500	-	-	-	-	500
	<b><u>\$ 5,200,102</u></b>	<b><u>5,220,808</u></b>	<b><u>4,771,161</u></b>	<b><u>132,928</u></b>	<b><u>146,207</u></b>	<b><u>126,090</u></b>	<b><u>44,422</u></b>

**March 31, 2023**

Non-derivative financial liabilities

Short-term loans	\$ 7,610	7,787	7,787	-	-	-	-
Long-term loans	180,660	184,222	38,769	38,639	76,910	29,904	-
Notes payable	10,712	10,712	10,712	-	-	-	-
Accounts payable	3,768,979	3,768,979	3,768,979	-	-	-	-
Accounts payable - related parties	207,663	207,663	207,663	-	-	-	-
Other payables	1,106,230	1,106,230	1,106,230	-	-	-	-
Dividends payable	711,595	711,595	711,595	-	-	-	-
Lease liabilities	544,072	569,697	97,003	98,455	165,039	138,699	70,501
Guarantee deposits received	535	535	-	-	-	-	535
	<b><u>\$ 6,538,056</u></b>	<b><u>6,567,420</u></b>	<b><u>5,948,738</u></b>	<b><u>137,094</u></b>	<b><u>241,949</u></b>	<b><u>168,603</u></b>	<b><u>71,036</u></b>

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

3. Foreign exchange risk

(1) Exposure to foreign exchange risk

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

	2024.3.31			2023.12.31			2023.3.31		
	Foreign currencies	Exchange Rate	NT\$	Foreign currencies	Exchange Rate	NT\$	Foreign currencies	Exchange Rate	NT\$
<u>Financial assets</u>									
<u>Monetary items</u>									
RMB	\$ 156,419	4.408	689,495	169,439	4.327	733,163	159,231	4.431	705,553
USD	107,290	32.000	3,433,280	137,572	30.705	4,224,148	149,528	30.450	4,553,128
HKD	8,020	4.089	32,794	1,976	3.929	7,764	3,979	3.879	15,435
EUR	28	34.460	965	36	33.980	1,223	76	33.150	2,519
<u>Non-monetary items</u>									
USD	2,534	28.268	71,632	2,534	28.268	71,632	2,534	28.268	71,632
RMB	6,322	4.191	26,494	6,322	4.191	26,494	6,322	4.149	26,494
HKD	1,972	4.090	8,066	2,355	3.929	9,253	2,486	3.860	9,590
<u>Financial liabilities</u>									
<u>Monetary items</u>									
RMB	64,267	4.408	283,289	122,215	4.327	528,824	88,726	4.431	393,145
USD	64,302	32.000	2,057,664	84,642	30.705	2,598,933	100,640	30.450	3,064,488
HKD	7,265	4.089	29,707	6,747	3.929	26,505	8,335	3.879	32,331

(2) Sensitivity analysis

The Group's exposure to foreign exchange risk arises from cash and cash equivalents, accounts receivable (including related parties), other receivables, financial assets measured at amortized cost, financial assets measured at fair value through profit or loss, short-term borrowings, accounts payable

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

(including related parties) and other payables that are denominated in foreign currencies and subject to foreign exchange loss in currency translation. As of March 31, 2024 and 2023, if the New Taiwan Dollar had depreciated or appreciated by 5% against the US Dollar, Renminbi, Hong Kong Dollar, and Euro with all other factors remaining unchanged, net income would have increased or decreased by NT\$71,435 thousand and NT\$71,467 thousand, respectively, from January 1 to March 31, 2024 and 2023. The analysis of the two periods was conducted on the same basis.

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

As the Group has a large variety of functional currencies, the exchange gains and losses of monetary items were disclosed on an aggregated basis. The foreign exchange gains (losses) (including realized and unrealized) from January 1 to March 31, 2024 and 2023 were NT\$88,278 thousand and NT\$(18,590) thousand, respectively.

4. Market risk

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

	<b>January to March, 2024</b>		<b>January to March, 2023</b>	
<b>Security price at the reporting date</b>	<b>Other comprehensive income (pre-tax)</b>	<b>Pre-tax income</b>	<b>Other comprehensive income (pre-tax)</b>	<b>Pre-tax income</b>
Increase by 5%	<u>\$ 351,700</u>	<u>16,214</u>	<u>341,237</u>	<u>10,456</u>
Decrease by 5%	<u>\$ (351,700)</u>	<u>(16,214)</u>	<u>(341,237)</u>	<u>(10,456)</u>

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

5. Interest rate analysis

The Group's demand deposits, time deposits and short-term liabilities are subject to floating interest rates. However, changes in market interest rates are not significant and thus changes in interest rates do not give rise to significant cash flow risk.

6. Fair value information

(1) Category of financial instruments and their fair value

Group's financial instruments measured at fair value on a recurring basis include the financial assets at fair value through profit or loss and the

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

financial assets at fair value through other comprehensive income. Carrying amount and fair value of various financial assets and financial liabilities (including fair value level information, except for financial instruments whose carrying amount is a reasonable approximation of fair value, and lease liabilities which are not required to disclose their fair value information) were as follows:

	2024.3.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Beneficiary certificates	\$ 324,270	324,270	-	-	324,270
Private equity funds	68,545	-	-	68,545	68,545
Non-publicly quoted equity instruments measured at fair value	71,632	-	-	71,632	71,632
Structured deposits	<u>286,540</u>	<u>-</u>	<u>-</u>	<u>286,540</u>	<u>286,540</u>
Subtotal	<u>750,987</u>	<u>324,270</u>	<u>-</u>	<u>426,717</u>	<u>750,987</u>
Financial assets at fair value through other comprehensive income					
Domestic listed (OTC) stock	\$ 7,025,930	7,025,930	-	-	7,025,930
Foreign listed stock	8,066	8,066	-	-	8,066
Non-publicly quoted equity instruments measured at fair value	282,709	-	-	282,709	282,709
Subtotal	<u>7,316,705</u>	<u>7,033,996</u>	<u>-</u>	<u>282,709</u>	<u>7,316,705</u>
Financial assets at amortized cost					
Cash and cash equivalents	4,084,357	-	-	-	-
Notes receivable and accounts receivable	3,077,549	-	-	-	-
Other receivables	363,268	-	-	-	-
Restricted bank deposits (classified in other non-current assets)	100	-	-	-	-
Refundable deposits (classified in other non-current assets)	49,306	-	-	-	-
Subtotal	<u>7,574,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 15,642,272</u>	<u>7,358,266</u>	<u>-</u>	<u>709,426</u>	<u>8,067,692</u>
Financial liabilities measured at amortized cost					
Bank borrowings	\$ 107,164	-	-	-	-

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

	2024.3.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Notes payable and accounts payable	2,591,754	-	-	-	-
Other payables	1,323,084	-	-	-	-
Dividends payable	599,238	-	-	-	-
Lease liabilities	404,023	-	-	-	-
Guarantee deposits received	509	-	-	-	-
<b>Total</b>	<b><u>\$ 5,025,772</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
	2023.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Beneficiary certificates	\$ 277,366	277,366	-	-	277,366
Private equity funds	68,545	-	-	68,545	68,545
Non-publicly quoted equity instruments measured at fair value	71,632	-	-	71,632	71,632
Structured deposits	281,285	-	-	281,285	281,285
Subtotal	<u>698,828</u>	<u>277,366</u>	<u>-</u>	<u>421,462</u>	<u>698,828</u>
Financial assets at fair value through other comprehensive income					
Domestic listed (OTC) stock	\$ 6,748,094	6,748,094	-	-	6,748,094
Foreign listed stock	9,253	9,253	-	-	9,253
Non-publicly quoted equity instruments measured at fair value	259,559	-	-	259,559	259,559
Subtotal	<u>7,016,906</u>	<u>6,757,347</u>	<u>-</u>	<u>259,559</u>	<u>7,016,906</u>
Financial assets at amortized cost					
Cash and cash equivalents	4,225,848	-	-	-	-
Notes receivable and accounts receivable	2,999,159	-	-	-	-
Other receivables	430,235	-	-	-	-
Restricted bank deposits (classified in other non-current assets)	100	-	-	-	-
Refundable deposits (classified in other non-current assets)	46,920	-	-	-	-
Subtotal	<u>7,702,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

		<b>2023.12.31</b>			
		<b>Fair value</b>			
	<b>Carrying amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Total	<b>\$ 15,417,996</b>	<b>7,034,713</b>	<b>-</b>	<b>681,021</b>	<b>7,715,734</b>
Financial liabilities					
measured at amortized cost					
Bank borrowings	\$ 125,940	-	-	-	-
Notes payable and accounts payable	3,092,436	-	-	-	-
Other payables	1,535,992	-	-	-	-
Lease liabilities	445,234	-	-	-	-
Guarantee deposits received	500	-	-	-	-
Total	<b>\$ 5,200,102</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
		<b>2023.3.31</b>			
		<b>Fair value</b>			
	<b>Carrying amount</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss					
Beneficiary certificates	\$ 209,118	209,118	-	-	209,118
Private equity funds	18,000	-	-	18,000	18,000
Non-publicly quoted equity instruments measured at fair value	71,632	-	-	71,632	71,632
Structured deposits	278,943	-	-	278,943	278,943
Subtotal	<u>577,693</u>	<u>209,118</u>	<u>-</u>	<u>368,575</u>	<u>577,693</u>
Financial assets at fair value through other comprehensive income					
Domestic listed (OTC) stock	\$ 6,815,144	6,815,144	-	-	6,815,144
Foreign listed stock	9,596	9,596	-	-	9,596
Non-publicly quoted equity instruments measured at fair value	189,286	-	-	189,286	189,286
Subtotal	<u>7,014,026</u>	<u>6,824,740</u>	<u>-</u>	<u>189,286</u>	<u>7,014,026</u>
Financial assets at amortized cost					
Cash and cash equivalents	4,033,503	-	-	-	-
Notes receivable and accounts receivable	3,877,744	-	-	-	-
Other receivables	93,358	-	-	-	-
Restricted bank deposits (classified in other non-current assets)	100	-	-	-	-



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

	2023.3.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Refundable deposits (classified in other non-current assets)	43,552	-	-	-	-
Subtotal	8,048,257	-	-	-	-
Total	<b><u>\$ 15,639,976</u></b>	<b><u>7,033,858</u></b>	<b><u>-</u></b>	<b><u>557,861</u></b>	<b><u>7,591,719</u></b>
Financial liabilities measured at amortized cost					
Bank borrowings	\$ 188,270	-	-	-	-
Notes payable and accounts payable	3,987,354	-	-	-	-
Other payables	1,106,230	-	-	-	-
Dividends payable	711,595	-	-	-	-
Lease liabilities	544,072	-	-	-	-
Guarantee deposits received	535	-	-	-	-
Total	<b><u>\$ 6,538,056</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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

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

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

Among the financial instruments held by the Group, the listed stocks and beneficiary certificates are financial assets with standard terms and conditions that are traded in the active market, and their fair values are determined with reference to quoted market prices.

Except for the above-mentioned financial instruments with active markets, the fair values of the remaining financial instruments are obtained using

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

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

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

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

The Level 3 of fair value measurements mainly includes financial assets measured at fair value through profit or loss - investments in equity securities, investments in private equity funds and financial assets measured at fair value through other comprehensive income.

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

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

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

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

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Relationship between significant unobservable inputs and fair value</u>
Financial assets measured at fair value through profit or loss - Investment in equity instrument without an active market	Net assets value method	<ul style="list-style-type: none"> <li>• Net asset value</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the net assets value, the higher the fair value</li> </ul>
Financial assets measured at fair value through profit or loss - private equity fund investment	Net assets value method	<ul style="list-style-type: none"> <li>• Net asset value</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the net assets value, the higher the fair value</li> </ul>
Financial assets measured at fair value through other comprehensive income - Investment in equity instrument without an active market	Comparable to the Company Law	<ul style="list-style-type: none"> <li>• The P/E ratios as of March 31, 2024, December 31, 2023, and March 31, 2023 were 2.66, 2.34, and 10.65, respectively.</li> <li>• Net worth multiple (as of March 31, 2024, December 31, 2023, and March 31, 2023 are respectively 2.40~2.70, 2.57~25.9, and 2.57~4.54)</li> <li>• Lack of market liquidity discount (as of March 31, 2024, December 31, 2023, and March 31, 2023, all at 29.39%)</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the multiple, the higher the fair value</li> <li>• The higher the multiple, the higher the fair value</li> <li>• The higher the discount for lack of market liquidity, the lower the fair value</li> </ul>

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

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

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

	Input	Upward or downward change	Fair value change reflected in current profit or loss		Fair value change reflected in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
<b>March 31, 2024</b>						
Financial assets at fair value through profit or loss						
Investment in equity instrument without an active market	Net assets value method	5%	3,228	(3,228)	-	-
Financial assets at fair value through other comprehensive income						
Investment in equity instrument without an active market	Price-to-earnings ratio	5%	-	-	7,212	(7,212)
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	3,993	(3,993)
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	6,844	(6,844)
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	598	(598)
<b>December 31, 2023</b>						
Financial assets at fair value through profit or loss						
Investment in equity instrument without an active market	Net assets value method	5%	3,258	(3,258)	-	-
Financial assets at fair value through other comprehensive income						
Investment in equity instrument without an active market	Price-to-earnings ratio	5%	-	-	6,313	(6,313)
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	2,155	(2,155)
<b>March 31, 2023</b>						
Financial assets at fair value through profit or loss						
Investment in equity instrument without an active market	Net assets value method	5%	3,273	(3,273)	-	-
Financial assets at fair value through other comprehensive income						
Investment in equity instrument without an active market	Price-to-earnings ratio	5%	-	-	1,177	(1,177)

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

	Input	Upward or downward change	Fair value change reflected in current profit or loss		Fair value change reflected in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	3,013	(3,013)
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	170	(170)
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	4,791	(4,791)
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	886	(886)

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

(XXIII) Financial risk management

There were no significant changes in the objectives and policies of the Group's financial risk management comparing to those disclosed in Note VI(XXIV) of the consolidated financial statements for the year ended December 31, 2023.

(XXIV) Capital management

The Group's capital management objectives, policies and procedures were consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2023. In addition, there were no significant changes in the aggregate quantitative information of capital management items comparing to the information disclosed in the consolidated financial statements for the year ended December 31, 2023. Please refer to Note VI(XXV) of the consolidated financial statements of 2023 for relevant information.

(XXV) Investing and financing activities not affecting cash flows

The reconciliation of liabilities arising from financing activities from January 1 to March 31, 2024 and 2023 was as follows:

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

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

	<u>2023.1.1</u>	<u>Cash flows from</u>	<u>Non-cash changes</u>				<u>2023.3.31</u>
			<u>Addition</u>	<u>Disposal and obsolescence</u>	<u>Changes in foreign exchange rate</u>	<u>Changes in lease payment</u>	
Long-term loans	\$ 199,334	(18,674)	-	-	-	-	180,660
Short-term loans	7,692	(82)	-	-	-	-	7,610
Lease liabilities	540,315	(45,244)	46,948	-	2,053	-	544,072
Total liabilities from financing activities	<u>\$ 747,341</u>	<u>(64,000)</u>	<u>46,948</u>	<u>-</u>	<u>2,053</u>	<u>-</u>	<u>732,342</u>

**VII. Related Party Transactions**

(I) Related party name and relationship

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

<u>Related Party</u>	<u>Relationship with the Group</u>
FSP Group USA Corp.	Group's associate
Sparkle Power Inc.	The entity's Chairman is the second-degree relatives of the Chairman of the Company
Amacrox Technology Inc. ("Amacrox")	The entity's Chairman is the second-degree relatives of the Chairman of the Company
Voltronic Power Technology Corp. ("Voltronic")	Substantive related party
Fortron/Source (Europa) GmbH	Substantive related party
FSP(GB) Ltd.	Substantive related party
FSP North America Inc.	Substantive related party
FSP Power Solution GmbH	Substantive related party
3Y Power Exchange Inc.	Substantive related party
Cheng, Ya-Jen	Chairman of the Company

(II) Significant related party transactions

1. Operating revenue

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

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

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Associate	\$ 19,871	20,972
Other related party	417,725	623,297
	<b>\$ 437,596</b>	<b>644,269</b>

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

2. Purchases

The amounts of purchases from related parties were as follows:

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Other related party	<b>\$ 37,772</b>	<b>184,277</b>

The Group purchased goods from the above-mentioned related parties, and did not purchase similar products from other manufacturers, so there was no transaction price from regular manufacturers for comparison. The payment terms were not significantly different from those of regular manufacturers.

3. Receivables from related parties

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

<b>Accounting Subject</b>	<b>Related party category/name</b>	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Accounts receivable	Associate	\$ 20,414	19,427	19,278
	Other related party	605,480	521,781	759,991
		625,894	541,208	779,269
Other receivables	Associate	706	347	7
	Other related party			
	FSP Power Solution GmbH	17,216	22,252	12,767
	Others	5,742	8,608	5,702
		23,664	31,207	18,476
		<b>\$ 649,558</b>	<b>572,415</b>	<b>797,745</b>

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

For the details of the loss allowance for accounts receivable related party as of March 31, 2024, December 31, 2023 and March 31, 2023, please refer to Note VI(IV). On March 31, 2023 to other related parties, 3Y Power Exchange Inc. Please refer to Note VI(V) for the details of the loss allowance for other receivables.

4. Payables to related parties

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

<b>Accounting Subject</b>	<b>Related party category/name</b>	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Accounts payable	Other related party	<u>\$ 83,361</u>	<u>87,065</u>	<u>207,663</u>

5. Purchase of services from related parties

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

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Associate		
FSP Group USA Corp.	\$ 2,688	2,704
Other related party		
Amacrox	1,435	3,039
Others	<u>986</u>	<u>547</u>
	<u>\$ 5,109</u>	<u>6,290</u>

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

<b>Accounting Subject</b>	<b>Related party category/name</b>	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Other payables	Associate	\$ 1,174	1,279	665
	Other related party	<u>5,116</u>	<u>5,332</u>	<u>7,210</u>
		<u>\$ 6,290</u>	<u>6,611</u>	<u>7,875</u>

6. Leases

The Group leased an office to the Chairman of the Company. The balance of lease liabilities as of March 31, 2024, December 31, 2023, and March 31, 2023, were NT\$5,651 thousand, NT\$5,883 thousand, and NT\$6,576 thousand, respectively. The recognized interest expense from January 1 to March 31, 2024 and 2023 was



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

NT\$26 thousand and NT\$30 thousand, respectively.

(III) Compensation for key management personnel

	<b>January to March, 2024</b>	<b>January to March, 2023</b>
Short-term employee benefits	\$ 10,271	8,785
Post-employment benefits	169	161
	<b>\$ 10,440</b>	<b>8,946</b>

**VIII. Pledged Assets**

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

<b>Assets</b>	<b>Pledged to secure</b>	<b>2024.3.31</b>	<b>2023.12.31</b>	<b>2023.3.31</b>
Restricted time deposits (recognized in other non-current assets)	Custom duty performance guarantee	\$ 100	100	100
Land	Long-term loan and short-term loan facilities	161,077	161,077	161,077
Housing and Construction	Long-term loan and short-term loan facilities	168,455	170,455	176,451
Total		<b>\$ 329,632</b>	<b>331,632</b>	<b>337,628</b>

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

**IX. Significant Contingent Liabilities and Unrecognized Contract Commitments**

(I) As of March 31, 2024, December 31, 2023, and March 31, 2023, the guarantee facilities extended by banks for customs and excise duties were NT\$203,000 thousand, NT\$215,000 thousand, and NT\$215,000 thousand, and utilized facilities were NT\$30,000 thousand, NT\$33,000 thousand and NT\$33,000 thousand, respectively.

(II) The Group purchased products of Beyond Innovation Technology Co., Ltd. (hereinafter referred to as Beyond Innovation) through a distributor in Taiwan. O2 Micro International Limited (hereinafter referred to as O2), a competitor of Beyond Innovation, states that such products infringe upon its patent rights in the United States, and therefore filed a civil lawsuit against three companies including the Group in the Marshall Division, United States District Court for the Eastern District of Texas (hereinafter referred to as the United States District Court).

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

After the case was remanded to the United States District Court, the Court only reviewed the lawsuit between O2 and Beyond Innovation, and rendered a judgment on September 27, 2010, which found that although Beyond Innovation had infringed upon O2's patent rights, the infringement was not based on malicious intent. Beyond Innovation later filed an appeal and the United States Court of Appeals for the Federal Circuit (CAFC) rejected Beyond Innovation's appeal and affirmed the decision of the lower court.

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

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

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

- (III) The customer of the consolidated company, Zebra Technology Inc. (referred to as Zebra), the printers sold to end customers experienced a fire incident on July 10, 2021, resulting in property losses for the end customers. Some parts of the Zebra printers were sold by the consolidated company to the related party, FSP North America Inc. , and then sold to Zebra by FSP North America Inc. Therefore, the insurance company of the end customer, Great American Insurance Company, filed a damage claim against the consolidated company, FSP North America Inc., and Zebra on February 16, 2023, in the United States District Court of the Southern District of Texas, Galveston Division. The claim seeks compensation of USD 4,933 thousand from Zebra. The legal proceedings related to this claim are still ongoing.

The Group has taken out product liability insurance for all of its product lines. The case is currently being handled by an attorney. The amount of the aforementioned claim is still within the limits of the Group's product liability insurance. The Group's product liability insurance company will be responsible for the damages in the event of any subsequent damages.

- (IV) As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group had entered into purchase agreements for property, plant and equipment amounting to NT\$1,143 thousand, NT\$16,534 thousand and NT\$4,209 thousand, respectively, and had paid NT\$571 thousand, NT\$8,045 thousand and NT\$1,812 thousand, respectively, which were recorded as construction in progress of property, plant and equipment as well as other non-current assets.

**X. Significant Disaster Loss : None.**

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

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

**XII. Others**

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

By nature \ By function	January to March, 2024			January to March, 2023		
	Operation Costs	Operation Expenses	Total	Operation Costs	Operation Expenses	Total
Employee benefits						
Salary expense	276,054	254,638	530,692	328,583	240,104	568,687
Insurance expense	4,593	21,384	25,977	1,990	20,180	22,170
Pension expense	22,215	11,015	33,230	20,408	10,891	31,299
Other employee benefit expense	13,582	9,011	22,593	10,430	10,216	20,646
Depreciation expenses	72,620	26,225	98,845	70,230	23,035	93,265
Amortization expenses	67	1,315	1,382	98	1,651	1,749

- (II) Seasonality in Operation

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

**XIII. Supplementary Disclosures**

- (I) Information on Significant Transactions

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, information on significant transactions from January 1 to March 31, 2024 is disclosed as follows:

1. Financing provided to other parties: None.
2. Guarantees and endorsements provided to other parties: None.
3. Marketable securities held at the end of the period (excluding investments in subsidiaries, associates and joint ventures):

Securities Holding Company	Type and Name of Securities	Relationship with Issuer of Securities	Ledger Account	Year-end				Remark
				Shares/Units	Carrying amount	Percentage of shareholding %	Fair value	
The Company	Stock:							
	Mekong Resort Development Construction Co., Ltd.	—	Financial assets at fair value through profit or loss	1,905,750	71,632	8.25	71,632	
	Beneficiary certificates:							
	Fuh Hwa Money Market Fund		"	3,650,421	54,141	-	54,141	
	Fuh Hwa Guardian Fund	—	"	3,504,199	70,887	-	70,887	
	Fuh Hwa Ruei Hua Fund	—	"	1,961,169	23,196	-	23,196	
	The maturity of the Fu Hua three to eight-year floating rate notes and bonds (in New Taiwan Dollars)		"	5,000,000	51,815	-	51,815	
	The maturity of the Fu Hua three to eight-year floating rate notes and bonds (in USD)		"	200,000	66,989	-	66,989	

Shares units: Shares

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

Securities Holding Company	Type and Name of Securities	Relationship with Issuer of Securities	Ledger Account	Year-end				Remark
				Shares/Units	Carrying amount	Percentage of shareholding %	Fair value	
	0056 Yuanta High Dividend		"	200,000	7,972	-	7,972	
	00933B Cathay 10-Year+ Financial Bond		"	200,000	3,350	-	3,350	
	00919 Capital Taiwan High Dividend		"	200,000	5,052	-	5,052	
	00939 Unified Taiwan High Interest		"	1,000,000	14,920	-	14,920	
	00940 Yuanta Taiwan High-yield Value		"	1,000,000	9,920	-	9,920	
	Yuanta FTSE4Good TIP Taiwan ESG ETF Securities Investment Trust Fund		"	400,000	16,028	-	16,028	
	Private equity fund: Heshunhsing Intelligent Mobile LP		"	44,545,455	44,545	1.11	44,545	
	Mesh Cooperative Ventures Fund LP		"	24,000,000	24,000	2.46	24,000	
					<b>464,447</b>		<b>464,447</b>	
The Company	Stock:							
	Voltronic Power Technology Corp.	Other related party	Financial assets at fair value through other comprehensive income	3,344,822	5,485,508	3.81	5,485,508	
	JESS-LINK Products Co., Ltd.	-	"	10,000,000	1,390,000	11.40	1,390,000	
	WT Microelectronics Co., Ltd. (Preferred stock)	-	"	1,000,000	47,000	0.74	47,000	
	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	10,000	7,790	-	7,790	
	Coretronic Corporation		"	750,000	60,300	0.19	60,300	
	TOT BIOPHARM International Co., Ltd.	-	"	1,195,200	8,066	0.15	8,066	
	Eastern Union Interactive Corp.	-	"	880,000	79,864	4.03	79,864	
	WT Microelectronics Co., Ltd.		"	81,000	11,948	0.01	11,948	
	Delta Electronics Inc.		"	20,000	6,820	-	6,820	
	Taiwan Truewin Technology Co., Ltd.		"	1,965,317	147,399	3.67	147,399	
	StockSense Media Technology Co., Ltd.		"	340,000	17,000	0.97	17,000	
	Liwatt X Inc.		"	1,000,000	11,953	14.29	11,953	
	Champ-ray Industrial Co., Ltd.	-	"	200,000	16,564	0.75	16,564	
					<b>7,290,212</b>		<b>7,290,212</b>	
WUXI Zhonghan Technology Co., Ltd.	Wuxi Lead Solar Energy Co., Ltd.	-	"	-	-	12.04	-	
FSP Jiangsu	Powerland Technology Inc.	-	"	-	26,493	3.39	26,493	
					<b>7,316,705</b>		<b>7,316,705</b>	

4. Marketable securities for which the accumulated purchase or sale amounts for the period exceed NT\$300,000 thousand or 20% of the paid-in capital: None.
5. Acquisition of real estate at costs which exceed NT\$300,000 thousand or 20% of the paid-in capital: None.

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

6. Disposal of real estate at prices which exceed NT\$300,000 thousand or 20% of the paid-in capital: None.
7. Total purchases from and sales to related parties which exceed NT\$100,000 thousand or 20% of the paid-in capital:

Company Purchases and (Sales) of Goods	Related Party	Relationship	Transaction Situation				Unusual Transaction Terms and Reasons		Notes and Accounts Receivable (Payable)		Remark
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales)(%)	Credit Period	Unit Price	Credit Period	Balance	Percentage of total notes and accounts receivable (payable)%	
The Company	FSP Power Solution GmbH	Substantive related party of the Company	(Sales)	(125,931)	(5.98)	Note 1			230,349	9.98	
The Company	Huili	100% owned investment via indirect shareholding	Purchases (Note 2)	132,769	12.11	Note 4		Note 4	(21,050) (Note 3)	(5.28)	Note 5
3Y Power	Zhonghan Tech.	Affiliate	(Sales)	(122,104)	(5.80)	Note 1		Note 4	-	-	Note 5

- Note 1: The Company's trading terms for this related party are not significantly different from those of other customers.  
 Note 2: Including purchases of products, purchases of raw materials and processing.  
 Note 3: Including accounts payable arising from purchases of products and raw materials and processing fee.  
 Note 4: The transaction price is not available for regular customers for comparison, and the credit term is 5 days after the monthly settlement.  
 Note 5: Eliminated under consolidation.

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

Company with accounts receivable	Related Party	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Recovery from overdue receivables from related parties (Note 1)	Loss allowance
					Amount	Action taken		
The Company	Sparkle Power Inc.	The Chairman of the Company is the second-degree relatives of the entity's Chairman	129,752	3.26	-		31,864	-
The Company	FSP Power Solution GmbH	Substantive related party of the Company	230,349	2.43	-		-	-
The Company	FSP North America Inc.	Substantive related party of the Company	107,985	3.51	-		-	-

Note 1: As of April 15, 2024.

9. Derivative instruments transactions: None.

10. Business relationship and significant intercompany transactions:

Number (Note 1)	Company	Counterparty	Nature of Relationship (Note 2)	Description of Transactions			Percentage of total consolidated operating revenue or total assets (Note 3)
				Ledger Account	Amount	Transaction Term	
0	The Company	3Y Power	1	Cost of goods sold	72,623	No significant difference from other suppliers	2.68%
0	The Company	Huili	1	Cost of goods sold	132,769	No comparison is available	4.91%
0	The Company	Zhonghan	1	Cost of goods sold	61,286	No comparison is available	2.26%
0	The Company	WUXI SPI	1	Cost of goods sold	48,480	No comparison is available	1.79%
0	The Company	WUXI Zhonghan Technology	1	Operating revenue	49,165	No significant difference from other customers	1.82%

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

Number (Note 1)	Company	Counterparty	Nature of Relationship (Note 2)	Description of Transactions			Percentage of total consolidated operating revenue or total assets (Note 3)
				Ledger Account	Amount	Transaction Term	
0	The Company	Co., Ltd. Zhonghan Tech.	1	Operating revenue	37,695	No significant difference from other customers	1.39%
1	3Y Power	3Y Power Technology Inc.	3	Operating revenue	56,068	No significant difference from other customers	2.07%
1	3Y Power	Huili	3	Cost of goods sold	41,537	No comparison is available	1.53%
1	3Y Power	Zhonghan Tech.	3	Operating revenue	122,104	No significant difference from other customers	4.51%

Note 1: Fill in the number as per below:

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

Note 2: The relationships with counterparty are as follows:

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

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

### (II) Information on Invested Companies:

Reinvestment information from January 1 to March 31, 2024 is as follows:

Name of Investor	Name of Investee	Location	Main Business Activities	Initial Investment Amount		Year-End Holdings			Profit (Loss) of Investee for the Period	Investment gain (loss) recognized for the period	Remark	
				Ending Balance for the Current Period	At the end of last year	Shares	Shareholding (%)	Carrying amount				
The Company	FSP International Inc. (BVI)	British Virgin Islands	Investment holdings	1,241,751	1,241,751	32,202,500	100.00	1,978,097	(79,593)	(79,593)	Subsidiary	
	FSP Group Inc.	British Cayman Islands	Engaged in safety certification	1,752	1,752	50,000	100.00	311	13	13	Subsidiary	
	Amacrox Technology Co., Ltd. (BVI)	British Virgin Islands	Investment holdings	40,925	40,925	1,109,355	100.00	74,132	1,755	1,755	Subsidiary	
	3Y Power Technology (Taiwan) Inc.	Taiwan	Manufacturing and trading of power supply	304,406	304,406	16,309,484	65.87	809,298	23,707	15,617	Subsidiary	
	Harmony Trading (HK) Ltd.	Hong Kong	Investment holdings	45	45	10,000	100.00	2,033	82	82	Subsidiary	
	FSP Technology USA Inc.	U.S.A.	Business development and product technical service	3,143	3,143	100,000	100.00	10,405	4,068	4,068	Subsidiary	
	FSP Turkey Dis Tic.Ltd.Sti.	Turkey	Business development and product technical service	22,640	22,640	6,673,000	91.41	21,622	3,628	3,317	Subsidiary	
	FSP Technology Vietnam Co.,Ltd.	Vietnam	Manufacturing of power supply	70,500	70,500	70,500,000	100.00	68,594	(8,880)	(8,880)	Subsidiary	
	FSP International Inc. (BVI)	FSP Technology Inc. (BVI)	British Virgin Islands	Investment holdings	62,883	62,883	2,100,000	100.00	101,853	(1,039)	-	Sub- subsidiary
		Power Electronics Co., Ltd. (BVI)	British Virgin Islands	Investment holdings	217,707	217,707	7,000,000	100.00	144,801	(14,762)	-	Sub- subsidiary
		Famous Holding Ltd.	Samoa	Investment holdings	807,483	807,483	27,000,000	100.00	1,354,133	(15,621)	-	Sub- subsidiary
		Proteck Electronics (Samoa) Corp.	Samoa	Investment holdings	32,984	32,984	1,100,000	100.00	31,339	(1,916)	-	Sub- subsidiary

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

Name of Investor	Name of Investee	Location	Main Business Activities	Initial Investment Amount		Year-End Holdings			Profit (Loss) of Investee for the Period	Investment gain (loss) recognized for the period	Remark
				Ending Balance for the Current Period	At the end of last year	Shares	Shareholding (%)	Carrying amount			
FSP International Inc. (BVI)	FSP International (HK) Ltd.	Hong Kong	Investment holdings	141,042	141,042	4,770,000	100.00	43,977	(3,017) (Note 2)	-	Sub-subsidiary
Amacrox Technology Co., Ltd. (BVI)	Amacrox GmbH	Germany	Trading of power supply	18,181	18,181	25,000	100.00	3,018	(37) (Note 2)	-	Sub-subsidiary
	FSP Group USA Corp.	U.S.A.	Trading of power supply	14,903	14,903	247,500	45.00	36,467	(8) (Note 2)	(4) (Note 2)	Associate
3Y Power	3Y Power Technology Inc.	U.S.A.	Trading of power supply	233,850	233,850	600,000	100.00	268,640	(5,542) (Note 2)	-	Sub-subsidiary
	Luckyfield Co., Ltd.	Samoa	Investment holdings	4,500	4,500	45,000	100.00	3,632	737 (Note 2)	-	Sub-subsidiary

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

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

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

### (III) Information on investment in Mainland China:

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

Investee Company	Main Business Activities	Paid-in Capital	Investor Type (Note 1)	Accumulated Amount of Investments Remitted from Taiwan at Beginning of Period	Amount of Investments Remitted or Repatriated for the Period		Accumulated Amount of Investments Remitted from Taiwan at End of Period	Profit (Loss) of Investee for the Period	Percentage of ownership of direct or indirect investment	Share of profits/losses for the period	Carrying amount of investment at the end of the period	Accumulated Investment Income Repatriated at End of Period
					Remitted	Repatriated						
Huili	Processing of power supply	147,227	(II), 1	176,873	-	-	176,873	(45,937)	100.00	(45,937)	208,656	197,299
Zhonghan	Processing of power supply	227,409 (Note 2)	(II), 1	104,342	-	-	104,342	(14,799)	100.00	(14,799) (Note 3 & 5)	142,881 (Note 3 & 5)	75,044
WUXI SPI	Processing of power supply	733,006 (Note 2)	(II), 1	508,326	-	-	508,326	(1,534)	100.00	(1,534) (Note 3 & 5)	85,786 (Note 3 & 5)	-
WUXI Zhonghan Technology Co., Ltd.	Manufacturing and trading of power supply	422,229	(II), 1	380,595	-	-	380,595	(13,993)	100.00	(13,993)	892,979	-
Zhonghan Tech.	Manufacturing and trading of power supply	132,240	(II), 1	20,196	-	-	20,196	(11,489)	100.00	(11,489) (Note 3 & 5)	766,662 (Note 3 & 5)	-
FSP Jiangsu	Research & development and design of various energy saving technology	69,009 (Note 2)	(II), 1	13,380	-	-	13,380	(1,039)	100.00	(1,039) (Note 4 & 5)	103,539 (Note 4 & 5)	-
Protek Dongguan	Processing of power supply	39,972	(II), 1	38,038	-	-	38,038	(1,924)	100.00	(1,924)	31,132	-
Hao Han	Transformer processing	166,085 (Note 2)	(II), 1	-	-	-	-	(3,017)	100.00	(3,017) (Note 4 & 5)	43,977 (Note 4 & 5)	-
WUXI 3Y	Design, manufacturing and trading of power supplies	4,183	(II), 2	-	-	-	-	737	65.87	485 (Note 4 & 5)	3,632 (Note 4 & 5)	-

Note 1: Method of investment can be divided into the following 3 categories:  
 (I) Direct investment in mainland China.  
 (II) Indirect investment in mainland China through a holding company established in other countries  
 1. Through FSP International Inc. Invest in mainland China.  
 2. Through 3Y Power to invest in mainland China.  
 (III) Others.

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

Note 3: The investment profit or loss of the company and the carrying amount of the investment at the end of the period were recognized based on the financial statements of the investee company audited by the independent auditors of Taiwan's parent company, accounted for and valued by the equity method.

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

Note 5: Eliminated under consolidation.



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

2. The limit of investment in mainland China:

Accumulated investment in mainland China at the end of period	Investment amounts approved by Investment Commission, MOEA	Limit of investment in mainland China approved by Investment Commission, MOEA
1,241,750 (Note 2) (HK\$ 12,500 thousand and US\$ 35,640 thousand)	1,814,633 (Note 2) (HK\$ 12,500 thousand and US\$ 55,110 thousand)	8,504,943 (Note 1)

Note 1: 60% of net worth.

Note 2: For the amounts of the above investment in mainland China, except that the accumulated investment amount remitted from Taiwan to mainland China at the end of the current period is based on the historical exchange rate, the investment profit and loss recognized in the current period is based on the weighted average exchange rate (USD/TWD: 1:31.4477, CNY/TWD: 1:4.3658, HKD/TWD: 1:4.0208). Paid-in capital, investment amount approved by the Investment Commission of MOEA, and the carrying amount at the end of the period are based on the exchange rates on March 31, 2024 (USD/TWD: 1:32.0000, CNY/TWD: 1:4.4080, HKD/TWD: 1:4.0890).

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

Please refer to the "Information on Significant Transactions" for direct or indirect material transactions between the Group and investees in China (which have been eliminated during the preparation of consolidated financial statements) from January 1 to March 31, 2024.

(IV) Information on Major Shareholders:

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

1. The information of major shareholders in this table was calculated by Taiwan Depository & Clearing Corporation on the last business day at the end of each quarter, and the shareholders who held more than 5% of the common shares and preferred shares of the Company that have been delivered (including treasury shares) were disclosed. The number of shares recorded in the Company's financial statements and the number of shares actually delivered by the Company without physical registration may differ due to different basis of preparation of the calculations.

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

2. If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. As for the insider declaration for shareholding more than 10% of total shares in accordance with the Securities and Exchange Act, their shareholding shall include the shares held by themselves plus the shares that they have delivered to the trust and have the right to exercise decision-making power over the trust property. For more information, please refer to Market Observation Post System website.
3. The percentage of shareholding is calculated by rounding to two decimal places.

**XIV. Segment Information**

The Group's operating segment information and reconciliation were as follows:

	The Company and its processing subsidiaries	3Y Power	Zhonghan Tech.	WUXI Zhonghan Technology Co., Ltd.	Others	Adjustment and elimination	Total
<b>January to March, 2024</b>							
Revenue:							
Revenue from external customers	\$ 1,908,277	179,770	266,875	132,844	218,760	-	2,706,526
Intersegment revenue	<u>486,774</u>	<u>260,560</u>	<u>4,794</u>	<u>1,412</u>	<u>40,531</u>	<u>(794,071)</u>	<u>-</u>
<b>Total revenues</b>	<b><u>\$ 2,395,051</u></b>	<b><u>440,330</u></b>	<b><u>271,669</u></b>	<b><u>134,256</u></b>	<b><u>259,291</u></b>	<b><u>(794,071)</u></b>	<b><u>2,706,526</u></b>
<b>Reportable segment profit or loss</b>	<b><u>\$ 133,506</u></b>	<b><u>35,642</u></b>	<b><u>(11,489)</u></b>	<b><u>(2,504)</u></b>	<b><u>(4,302)</u></b>	<b><u>777</u></b>	<b><u>151,630</u></b>
<b>January to March, 2023</b>							
Revenue:							
Revenue from external customers	\$ 2,493,941	249,942	329,899	122,717	238,360	-	3,434,859
Intersegment revenue	<u>678,973</u>	<u>419,785</u>	<u>3,595</u>	<u>2,563</u>	<u>18,568</u>	<u>(1,123,484)</u>	<u>-</u>
<b>Total revenues</b>	<b><u>\$ 3,172,914</u></b>	<b><u>669,727</u></b>	<b><u>333,494</u></b>	<b><u>125,280</u></b>	<b><u>256,928</u></b>	<b><u>(1,123,484)</u></b>	<b><u>3,434,859</u></b>
<b>Reportable segment profit or loss</b>	<b><u>\$ 72,972</u></b>	<b><u>54,949</u></b>	<b><u>(10,394)</u></b>	<b><u>2,924</u></b>	<b><u>9,232</u></b>	<b><u>506</u></b>	<b><u>130,189</u></b>

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

The total revenue of the reportable segment and the inter-segment revenue to be eliminated were NT\$794,071 thousand and NT\$1,123,484 thousand from January 1 to March 31, 2024 and 2023, respectively.