Stock Code: 3015

FSP Technology Inc. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

Fiscal years of 2025 and 2024

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Statement

In 2025 (from January 1 to December 31, 2025), pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the Company's entities that shall be included in preparing the Consolidated Financial Statements of Affiliates and the Parent-Subsidiary Consolidated Financial Statements for International Financial Reporting Standards (IFRS) 10 recognized by the Financial Supervisory Commission are the same. Moreover, the disclosure information required for the Consolidated Financial Statements of Affiliates has been fully disclosed in the aforementioned Parent-Subsidiary Consolidated Financial Statements; hence, the Consolidated Financial Statements of Affiliates will not be prepared.

Hereby Declare

Company Name: FSP Technology Inc.

Chairman: Cheng, Ya-Jen

Date: March 6, 2026

Independent Auditors' Report

To the Board of Directors of FSP Technology Inc.:

Opinions

We have audited the Consolidated Financial Statements of FSP Technology Inc. and its subsidiaries (the "Group"), which comprise the Consolidated Balance Sheets as of December 31, 2025 and 2024, and the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Changes in Equity, the Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) from January 1 to December 31, 2025 and 2024.

In our opinion, based on our audit results and the audit reports prepared by other independent auditors (please refer to Other Matters section), the accompanying Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and consolidated cash flows for the periods from January 1 to December 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), and interpretations from International Financial Reporting Interpretations Committee ("IFRIC") and Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinions

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Consolidated Financial Statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgment, revenue recognition is the key audit matter that should be communicated in the audit report.

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

Description of key audit matter:

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

Audit procedure to address the matter:

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

- Tested the effectiveness of the design and implementation of the internal control mechanism in relation to revenue recognition.
- Conducted trend analysis for the top ten customers, including comparison of customer lists and sales revenue between the current period and the most recent period as well as the same period last year, in order to assess whether there is any significant irregularity, and to identify and analyze the reasons for any material changes.
- Tested samples of sales transactions occurring before and after the balance sheet date to assess whether the timing of revenue recognition was appropriate, and determined whether there were any significant sales returns or allowances subsequent to the period end.

Other Matters

Some subsidiary financial statements included in the FSP Technology Inc.'s consolidated financial report were not audited by our accountant but were audited by other auditors. Therefore, our accountant's opinion on the aforementioned consolidated financial report is based on the audit reports of other auditors for the amounts listed in the financial statements of those subsidiary companies. As of December 31, 2024, the total assets of these subsidiaries accounted for 9.11% of the consolidated total assets, and for the year from January 1 to December 31, 2024, their net operating revenues accounted for 9.75% of the consolidated net operating revenues.

FSP Technology Inc. has prepared its parent-company-only financial statements for the years ended December 31, 2025 and 2024, on which we have issued an unqualified opinion and an unqualified opinion with the section of Other Matters in the audit report.

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

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

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

The governance of the Group, including the Audit Committee, is responsible for overseeing the financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Having a reasonable assurance is having a high level of confidence, but performing audit work in accordance with auditing standards cannot guarantee the detection of all material misstatements in the consolidated financial statements. Misstatements can arise from fraud or error Misstatements are considered material if misstated individual or aggregate amounts could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine the key audit matters in the audit of the Group's Consolidated Financial Statements for the year ended December 31, 2025. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG Taiwan

Taipei, Taiwan (Republic of China)

March 6, 2026

Notice to Readers

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

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

FSP Technology Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2025 and 2024

Unit: NT$ thousands

Code	Assets	2025.12.31 Amount	%	2024.12.31 Amount	%
11xx	**Current assets:**				
1100	Cash and cash equivalents (Note VI(I))	$ 3,452,598	18	3,879,851	18
1110	Financial assets at fair value through profit or loss - current (Note VI(II))	927,758	5	983,657	4
1136	Financial assets at amortized cost - current (Note VI(IV))	50,000	-	-	-
1150	Notes receivable, net (Notes VI(V) and (XX))	159,688	1	235,225	1
1170	Accounts receivable, net (Notes VI(V) and (XX))	2,732,588	14	2,532,685	12
1180	Accounts receivable - related parties, net (Notes VI(V), (XX) and VII)	629,225	3	622,078	3
1200	Other receivables (Notes VI(III), (VI) and VII)	360,368	2	451,059	2
1220	Current income tax assets	5,606	-	6,859	-
130x	Inventories (Note VI(VII))	2,503,505	13	2,172,006	10
1410	Prepayments	125,739	1	81,292	-
1470	Other current assets (Note VIII)	37,078	-	60,843	-
	Total current assets	10,984,153	57	11,025,555	50
15xx	**Non-current assets:**				
1510	Financial assets at fair value through profit or loss - non-current (Note VI(II))	124,217	1	46,287	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note VI(III))	4,967,864	26	7,906,709	36
1550	Investment under equity method (Note VI(VIII))	38,573	-	38,978	-
1600	Property, plant, and equipment (Notes VI(IX), (XI), (XII), (XIII), VIII and IX)	1,753,606	9	1,670,658	8
1755	Right-of-use assets (Notes VI(X), (XIV) and VII)	610,669	3	692,097	3
1780	Intangible assets (Notes VI(IX) and (XI))	249,954	2	232,124	1
1840	Deferred income tax assets (Note VI(XVII))	215,930	1	238,341	1
1900	Other non-current assets (Notes VI (IX), XVI, VIII and IX)	209,343	1	166,036	1
	Total non-current assets	8,170,156	43	10,991,230	50
1xxx	**Total assets**	$ 19,154,309	100	22,016,785	100

Code	Liabilities and equity	2025.12.31 Amount	%	2024.12.31 Amount	%
21xx	**Current liabilities:**				
2100	Short-term borrowings (Notes VI(IX), (XII) and VIII)	$ -	-	3,253	-
2150	Notes payable	14,383	-	14,297	-
2170	Accounts payable	3,555,955	18	3,255,750	15
2180	Accounts payable - related parties (Note VII)	49,217	-	63,626	-
2200	Other payables (Notes VI(XVI), (XXI) and VII)	1,489,638	8	1,530,177	7
2230	Current income tax liabilities	53,410	-	53,871	-
2250	Provisions - current (Note VI(XV))	106,886	1	138,268	1
2280	Lease liabilities - current (Notes VI(XIV) and VII)	174,869	1	173,749	1
2300	Other current liabilities (Notes VI(XIII) and (XX))	171,166	1	189,459	1
2320	Long-term liabilities - current portion (Notes VI(IX), (XIII) and VIII)	1,382	-	48,200	-
	Total current liabilities	5,616,906	29	5,470,650	25
25xx	**Non-current liabilities:**				
2540	Long-term borrowings (Notes VI(IX), (XIII), and VIII)	-	-	1,381	-
2570	Deferred income tax liabilities (Note VI (XVII))	144,783	1	162,950	1
2580	Lease liabilities - non-current (Notes VI(XIV) and VII)	440,160	2	518,374	2
2645	Guarantee deposits received	638	-	522	-
2670	Other non-current liabilities (Note VI(XIII))	-	-	2,433	-
	Total non-current liabilities	585,581	3	685,660	3
2xxx	**Total liabilities**	6,202,487	32	6,156,310	28
31xx	**Equity attributable to owners of the parent (Note VI(III), (VIII) & (XVIII))**				
3100	Capital stock	1,872,620	10	1,872,620	9
3200	Capital surplus	862,067	5	861,396	4
3300	Retained earnings:				
3310	Legal reserve	1,507,697	8	1,411,213	6
3350	Unappropriated earnings	4,382,849	23	4,382,326	20
	Total retained earnings	5,890,546	31	5,793,539	26
34xx	Other equity:				
3410	Exchange differences on translation of financial statements of foreign operations	(79,464)	(1)	(47,247)	-
3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	3,980,297	21	6,965,505	31
	Total other equity	3,900,833	20	6,918,258	31
	Total equity attributable to shareholders of the parent	12,526,066	66	15,445,813	70
36xx	**Non-controlling Interests (Note VI (XVIII))**	425,756	2	414,662	2
3xxx	**Total equity**	12,951,822	68	15,860,475	72
2-3xxx	**Total liabilities and equity**	$ 19,154,309	100	22,016,785	100

(Please see accompanying notes to the Consolidated Financial Statements)

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

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

Unit: NT$ thousands

		2025		2024	
		Amount	%	Amount	%
4000	**Operating revenue (Notes VI(XX) and VII)**	$ 13,060,096	100	11,601,092	100
5000	**Operating costs (Notes VI(VII), (IX), (X), (XI), (XIV), (XV), (XVI), VII and XII)**	10,788,831	83	9,577,853	83
5920	Add: realized (unrealized) sales gains (losses)	(1,072)	-	598	-
5900	**Gross profit**	2,270,193	17	2,023,837	17
6000	**Operating expenses (Notes VI(V), (IX), (X), (XI), (XIV), (XVI), (XXI), VII, and XII):**				
6100	Selling and marketing expenses	744,265	6	627,220	6
6200	General and administrative expenses	713,586	5	691,098	6
6300	Research and development expenses	643,029	5	621,609	5
6450	Expected credit loss	27,348	-	34,707	-
	Total operating expenses	2,128,228	16	1,974,634	17
6900	**Net operating income**	141,965	1	49,203	-
7000	**Non-operating income and expenses (Notes VI(II), (III), (VIII), (IX), (X), (XI), (XIII), (XIV), (XXII) and VII):**				
7100	Interest income	55,918	1	66,911	1
7010	Other income	256,788	2	270,097	3
7020	Other gains and losses	17,117	-	143,275	1
7050	Finance costs	(16,135)	-	(9,045)	-
7060	Share of profits (losses) of associates and joint ventures under equity	2,741	-	2,257	-
	Total non-operating income and expenses	316,429	3	473,495	5
7900	**Income before income tax from continuing operations**	458,394	4	522,698	5
7950	**Less: income tax expense (Note VI(XVII))**	77,594	1	84,679	1
8200	**Net income**	380,800	3	438,019	4
8300	**Other comprehensive income:**				
8310	**Items that will not be reclassified to profit or loss (Notes VI(XVI), (XVII), and (XVIII))**				
8311	Gains (losses) on re-measurements of defined benefit plans	7,188	-	11,302	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	(2,680,234)	(21)	1,284,738	11
8349	Less: income tax related to items that will not be reclassified subsequently	1,438	-	2,261	-
	Total items that will not be reclassified to profit or loss	(2,674,484)	(21)	1,293,779	11
8360	**Items that may be reclassified subsequently to profit or loss (Notes VI(VIII) and (XVIII))**				
8361	Exchange differences on translation of financial statements of foreign operations	(33,189)	-	81,284	1
8370	Share of other comprehensive income (losses) of associates and joint ventures under equity method	(2,074)	-	2,570	-
8399	Less: income tax related to items that may be reclassified subsequently	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(35,263)	-	83,854	1
8300	**Other comprehensive income**	(2,709,747)	(21)	1,377,633	12
8500	**Total comprehensive income**	$ (2,328,947)	(18)	1,815,652	16
	Current net income attributable to:				
8610	Shareholders of the parent	$ 348,069	3	404,559	4
8620	Non-controlling interests	32,731	-	33,460	-
		$ 380,800	3	438,019	4
	Total comprehensive income (losses) attributable to:				
8710	Shareholders of the parent	$ (2,358,632)	(18)	1,777,426	16
8720	Non-controlling interests	29,685	-	38,226	-
		$ (2,328,947)	(18)	1,815,652	16
	Earnings per share (unit: NT$) (Note VI(XIX))				
9750	Basic earnings per share	$	1.86		2.16
9850	Diluted earnings per share	$	1.85		2.15

(Please see accompanying notes to the Consolidated Financial Statements)

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

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

Unit: NT$ thousands

	Equity attributable to owners of the parent										
			Retained earnings			Other equity items					
	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	Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
Balance as of January 1, 2024	$ 1,872,620	861,207	1,301,707	4,126,229	5,427,936	(126,335)	6,232,008	6,105,673	14,267,436	401,788	14,669,224
Appropriation and distribution of earnings:											
Legal reserve	-	-	109,506	(109,506)	-	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	(599,238)	(599,238)	-	-	-	(599,238)	-	(599,238)
Net income	-	-	-	404,559	404,559	-	-	-	404,559	33,460	438,019
Other comprehensive income	-	-	-	9,041	9,041	79,088	1,284,738	1,363,826	1,372,867	4,766	1,377,633
Total comprehensive income	-	-	-	413,600	413,600	79,088	1,284,738	1,363,826	1,777,426	38,226	1,815,652
Proceeds received from the disposal of employee stock ownership trust shares	-	189	-	-	-	-	-	-	189	-	189
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	551,241	551,241	-	(551,241)	(551,241)	-	-	-
Distribution of cash dividends for non-controlling interests	-	-	-	-	-	-	-	-	-	(25,352)	(25,352)
Balance as of December 31, 2024	1,872,620	861,396	1,411,213	4,382,326	5,793,539	(47,247)	6,965,505	6,918,258	15,445,813	414,662	15,860,475
Appropriation and distribution of earnings:											
Legal reserve	-	-	96,484	(96,484)	-	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	(561,786)	(561,786)	-	-	-	(561,786)	-	(561,786)
Net income	-	-	-	348,069	348,069	-	-	-	348,069	32,731	380,800
Other comprehensive income	-	-	-	5,750	5,750	(32,217)	(2,680,234)	(2,712,451)	(2,706,701)	(3,046)	(2,709,747)
Total comprehensive income	-	-	-	353,819	353,819	(32,217)	(2,680,234)	(2,712,451)	(2,358,632)	29,685	(2,328,947)
Proceeds received from the disposal of employee stock ownership trust shares	-	671	-	-	-	-	-	-	671	-	671
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	304,974	304,974	-	(304,974)	(304,974)	-	-	-
Distribution of cash dividends for non-controlling interests	-	-	-	-	-	-	-	-	-	(18,591)	(18,591)
Balance as of December 31, 2025	$ 1,872,620	862,067	1,507,697	4,382,849	5,890,546	(79,464)	3,980,297	3,900,833	12,526,066	425,756	12,951,822

(Please see accompanying notes to the Consolidated Financial Statements)

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

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

Unit: NT$ thousands

	2025	2024
Cash flows from operating activities:		
Income before income tax	$ 458,394	522,698
Adjustments for:		
Adjustments to reconcile profit or loss		
Depreciation expense	416,807	401,414
Amortization expense	18,900	7,852
Expected credit loss	27,348	34,707
Interest expense	16,135	9,045
Interest income	(55,918)	(66,911)
Dividend income	(217,358)	(175,553)
Share of profits (losses) of associates and joint ventures under equity	(2,741)	(2,257)
Loss (gain) on disposal and scrap of property, plant and equipment	642	(5,976)
Expenses transfer from property, plant, and equipment	-	176
Loss on disposal and write-off of intangible assets	189	36
Unrealized (realized) sales gains	1,072	(598)
Gains on lease modifications	-	(1,208)
Total adjustments for profit or loss	205,076	200,727
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(22,031)	(331,116)
Notes receivable	75,537	(108,452)
Accounts receivable	(227,251)	(236,214)
Accounts receivable - related parties	(7,147)	(80,870)
Other receivables	104,371	(30,572)
Inventories	(331,499)	368,759
Prepayments	(44,447)	(17,967)
Other current assets	(8,235)	(4,521)
Other non-current assets	(815)	(9,120)
Total changes in operating assets	(461,517)	(450,073)
Changes in operating liabilities:		
Notes payable	86	2,847
Accounts payable	300,205	261,829
Accounts payable - related parties	(14,409)	(23,439)
Other payables	(43,077)	5,112
Provisions for liabilities	(31,382)	7,957
Other current liabilities	(20,726)	(11,825)
Total changes in operating liabilities	190,697	242,481
Total changes in operating assets and liabilities	(270,820)	(207,592)
Total adjustments	(65,744)	(6,865)
Cash flows generated by operating activities	392,650	515,833
Interest received	55,397	69,518
Interest paid	(16,135)	(9,048)
Income tax paid	(74,681)	(153,891)
Net cash flows generated from operating activities	357,231	422,412
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(154,563)	(228,730)
Disposal of financial assets at fair value through other comprehensive income	399,743	631,169
Acquisition of financial assets at amortized cost	(50,000)	-
Acquisition of property, plant, and equipment	(270,534)	(394,985)
Disposal of property, plant, and equipment	10	9,806
Acquisition of intangible assets	(33,665)	(16,550)
Increase in refundable deposits	(1,760)	(3,462)
Increase in prepayments for equipment	(65,750)	(74,130)
Dividends received	217,630	176,199
Decrease (increase) in restricted time deposits	32,000	(32,785)
Net cash flows from investing activities	73,111	66,532
Cash flows from financing activities:		
Proceeds from short-term borrowings	1,778,420	7,165
Decrease in short-term loans	(1,774,881)	(5,365)
Repayments of long-term loans	(48,200)	(74,823)
Increase in deposited margin	113	5
Repayment of the principal of lease liabilities	(195,925)	(204,925)
Cash dividends paid	(561,786)	(599,238)
Cash dividends paid to non-controlling interests	(18,591)	(25,352)
Proceeds received from the disposal of employee stock ownership trust shares	671	189
Net cash flows used in financing activities	(820,179)	(902,344)
Effects of exchange rate changes on the balance of cash held in foreign currencies	(37,416)	67,403
Net decrease in cash and cash equivalents	(427,253)	(345,997)
Cash and cash equivalents at the beginning of the year	3,879,851	4,225,848
Cash and cash equivalents at the end of the year	$ 3,452,598	3,879,851

(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
Fiscal years of 2025 and 2024
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

I. Company History

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

II. Date of Authorization for Issuance of the Consolidated Financial Statements and Procedures for Authorization

The Consolidated Financial Statements were authorized for issue by the Board of Directors on March 6, 2026.

III. Application of New and Amended Standards and Interpretations

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

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

- IAS 21 "Lack of Exchangeability"
- Amendments to IFRS 9 and IFRS 7, "Amendments to the Classification and Measurement of Financial Instruments," regarding the application guidance of Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

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

The Group assesses that the adoption of the following new amendments effective from January 1, 2026 will not have a significant impact on the Consolidated Financial Statements.

- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IFRS 9 and IFRS 7, "Amendments to the Classification and Measurement of Financial Instruments," regarding the application guidance of Section 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards

- Amendments to IFRS 9 and IFRS 7, "Contracts Referencing Nature-dependent Electricity"

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

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:

New or Amended Standards	Content of Amendment	Effective Date per International Accounting Standards Board
IFRS 18 "Presentation and Disclosure of Financial Statements"	The new guidelines introduce three categories of income and expenses, two subtotals on the income statement, and a single footnote regarding management performance measurement. These three amendments and enhancements to the guidance on segmenting information in financial statements lay the foundation for providing users with improved and consistent information, and will have an impact on all companies. • A more structured income statement: The company currently uses various formats to express its financial performance, which makes it challenging for investors to compare the financial performance of different companies. The new guidelines have implemented a more structured income statement. They have introduced a new subtotal called 'operating profit' and require that all revenues and expenses be classified into three new categories based on the company's main business activities. • Management Performance Measurement (MPM): The new criteria introduce the concept of management performance measurement. Companies are now required to provide an explanation, in a single footnote in the financial statements, regarding the usefulness of each measurement indicator, its calculation method, and how it is adjusted for amounts recognized in accordance with IFRS Accounting Standards. • More detailed information: The new guidelines provide instructions on how companies can improve the organization of information in financial statements. This guidance includes determining whether the information should be included in the primary financial statements or further disaggregated in the notes.	January 1, 2027 Note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 in the fiscal year 2028. If the Company wishes to apply the standard early, it may do so upon obtaining approval from the FSC.

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 19 “Subsidiaries Not Subject to Public Accountability: Disclosures” and Amendments to IFRS 19
- Amendments to International Accounting Standards 21 “The Effects of Changes in Foreign Exchange Rates – Hyperinflationary Currencies”

IV. Summary of Significant Accounting Policies

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

(I) Compliance declaration

The Company's accompanying Consolidated Financial Statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", and International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), and interpretations from International Financial Reporting Interpretations Committee ("IFRIC") and Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (collectively as "IFRSs").

(II) Preparation basis

1. Measurement basis

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

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

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

(3) Defined benefit assets are measured based on the fair value of the retirement fund assets plus unrecognized prior service costs and unrecognized actuarial losses, less unrecognized actuarial gains and the present value of defined

benefit obligations, and adjusted for the effect of the ceiling described in Note IV(XVII).

2. Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The Consolidated Financial Statements are presented in New Taiwan Dollars, which is the Company's functional currency. All financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

(III) Basis of consolidation

1. Principles of preparation of the Consolidated Financial Statements

The entities in the Consolidated Financial Statements include the Company and its subsidiaries.

The financial statements of the subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. Profit or loss attributable to the non-controlling interests of the subsidiaries is attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. If the Group loses control over a subsidiary, the Group derecognizes the assets and liabilities of the subsidiary, as well as any carrying amount of non-controlling interests at the date of loss of control. In addition, the Group recognizes the fair value of the retained investment in the former subsidiary at the date of loss of control, and also recognizes the resulting difference in profit or loss as income or loss attributable to the Company.

All inter-company transactions, balances and resulting unrealized income and loss are eliminated on consolidation.

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

2. Subsidiaries included in the Consolidated Financial Statements

Subsidiaries included in the Consolidated Financial Statements are as follows:

Name of investor	Name of subsidiary	Nature of business	Percentage of all ownership		Description
			2025.12.31	**2024.12.31**	
The Company	FSP International Inc. (BVI)	Investment holdings	100.00%	100.00%	Note 3
〃	FSP Group Inc.	Engaged in safety certification	100.00%	100.00%	
〃	Amacrox Technology Co., Ltd. (BVI)	Investment holdings	100.00%	100.00%	

Name of investor	Name of subsidiary	Nature of business	Percentage of all ownership 2025.12.31	Percentage of all ownership 2024.12.31	Description
〃	3Y Power Technology (TAIWAN) Inc. (hereinafter referred to as 3Y Power)	Trading and manufacturing of power supplies and related electronic products	65.87%	65.87%	
〃	Harmony Trading (HK) Ltd.	Trading of power supplies and related electronic products	100.00%	100.00%	
〃	FSP Technology USA Inc.	Business development and product technical service	100.00%	100.00%	
〃	FSP Turkey Dis Tic.Ltd.Sti.	Business development and product technical service	91.41%	91.41%	
〃	FSP Technology Vietnam Co., Ltd. (hereinafter referred to as FSP VN)	Manufacturing of power supplies and related electronic products	100.00%	100.00%	Note 1
FSP International Inc. (BVI)	Shenzhen Huili Electronic Co., Ltd. (hereinafter referred to as Huili)	Manufacturing of power supplies and related electronic products	100.00%	100.00%	Note 3
〃	FSP Technology Inc. (BVI)	Investment holdings	100.00%	100.00%	
〃	Proteck Electronics (Samoa) Corp.	Investment holdings	100.00%	100.00%	
〃	Power Electronics Co., Ltd. (BVI)	Investment holdings	100.00%	100.00%	
〃	Famous Holding Ltd.	Investment holdings	100.00%	100.00%	
〃	FSP International (HK) Ltd.	Investment holdings	100.00%	100.00%	
FSP Technology Inc. (BVI)	FSP-C R&D Center (hereinafter referred to as FSP Jiangsu)	Research & development and design of various energy saving technology	100.00%	100.00%	
Protek Electronics (Samoa) Corp.	Protek Electronics (China) Corp. (hereinafter referred to as Protek Dongguan)	Manufacturing of power supplies and related electronic products	100.00%	100.00%	
Power Electronics Co., Ltd. (BVI)	Zhonghan Electronics (Shenzhen) Co., Ltd. (hereinafter referred to as Zhonghan)	Manufacturing of power supplies and related electronic products	100.00%	100.00%	

Name of investor	Name of subsidiary	Nature of business	Percentage of all ownership 2025.12.31	Percentage of all ownership 2024.12.31	Description
Famous Holding Ltd.	WUXI SPI Technology Co., Ltd. (hereinafter referred to as WUXI SPI)	Manufacturing of power supplies and related electronic products	100.00%	100.00%	
〃	WUXI Zhonghan Technology Co., Ltd. (hereinafter referred to as WUXI Zhonghan)	Trading and manufacturing of power supplies and related electronic products	100.00%	100.00%	Note 4
FSP International (HK) Ltd.	Hao Han Electronic Technology (Jian) Co., Ltd. (hereinafter referred to as Hao Han)	Trading and manufacturing of electronic components	100.00%	100.00%	
WUXI Zhonghan	Shenzhen Zhong Han Science & Tech. Co., Ltd. ("Zhonghan Tech.")	Trading and manufacturing of power supplies and related electronic products	100.00%	100.00%	
Amacrox Technology Co., Ltd. (BVI)	Amacrox GmbH	Trading of power supplies and related electronic products	100.00%	100.00%	
3Y Power	3Y Power Technology Inc. (hereinafter referred to as 3Y Power USA)	Trading of power supplies and related electronic products	100.00%	100.00%	
〃	Luckyield Co., Ltd.	Investment holdings	100.00%	100.00%	
Luckyield Co., Ltd.	WUXI 3Y Technology Co., Ltd. (hereinafter referred to as WUXI 3Y)	Design, manufacturing and trading of power supplies	100.00%	100.00%	Note 2

Note 1: On June 19, 2023, the Company established FSP VN with an investment of NT$30,500 thousand (US$1,000 thousand), and it became a subsidiary of the Company from that date. On November 5, 2025, the Board of Directors approved a capital increase of US$10,000 thousand. As of December 31, 2025, the Company had actually contributed US$4,000 thousand to FSP Technology Vietnam Co., Ltd.

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

Note 3: On February 1, 2024, the Company received approval from the Investment Commission to increase the capital of our subsidiary, FSP International Inc. (BVI), by US$10,000 thousand. Subsequently, FSP International Inc. (BVI) increased the capital of Shenzhen Huili Electronic Co., Ltd. in Mainland China by US$10,000 thousand. As of December 31, 2025, a total of US$8,000 thousand has been remitted through FSP International Inc. (BVI) for the capital increase of Shenzhen Huili Electronic Co., Ltd. in Mainland China.

Note 4: On January 2, 2026, the Company's Board of Directors resolved to reduce the capital of its subsidiary, Wuxi SPI Technology Co., Ltd., by US$20,000 thousand, representing a capital reduction ratio of 16.67%.

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

(IV) Foreign currencies

1. Foreign currency transactions

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

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

2. Foreign operations

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

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

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

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

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

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

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

(VI) Cash and cash equivalents

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

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents in the Consolidated Statements of Cash Flows.

(VII) Financial instruments

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

1. Financial assets

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

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

   (1) Financial assets at amortized cost

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

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

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

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

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

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

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

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

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

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

(4) Impairment of financial assets

The Group recognizes allowance for expected credit losses on financial assets measured at amortized cost, including cash and cash equivalents, notes and accounts receivable, other receivables, restricted bank deposits, and refundable deposits.

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

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

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

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

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

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

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

(5) Derecognition of financial assets

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

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

2. Financial liabilities and equity instruments

(1) Equity instruments

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

(2) Financial liabilities

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

(3) Derecognition of financial liabilities

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

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

(4) Offsetting of financial assets and liabilities

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

(VIII) Inventories

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

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

(IX) Investments in associates

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

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

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

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

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

(X) Property, plant, and equipment

1. Recognition and measurement

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

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

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

2. Subsequent costs

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

3. Depreciation

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

Land is not depreciated.

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

Housing and construction	1~50 years
Buildings and building improvements	3~15 years
Machinery	1~24 years
Transportation equipment	1~19 years
Other equipment	1~26 years
Leasehold improvements	2~11 years

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

(XI) Leases - lessee

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

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

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

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

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

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

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

1. There is a change in future lease payments arising from the change in an index or rate;
2. There is a change in the estimate of the amount expected to be payable under a residual value guarantee;
3. There is a change in the assessment on the purchase option of the underlying asset;
4. There is a change in the lease term assessment resulting from a change in the estimate regarding whether the extension or termination option will be exercised;

5. There is any modification in lease subject, scope of the lease or other clauses.

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

For lease modifications that reduce the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease, and any difference between this amount and the remeasured lease liability is recognized in the income statement.

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

For certain short-term leases and low-value asset leases related to buildings, construction, machinery, equipment, and transportation equipment, the Group has opted not to recognize right-of-use assets and lease liabilities. Instead, the related lease payments are recognized as expenses on a straight-line basis over the lease term.

(XII) Intangible assets

1. Recognition and measurement

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

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

2. Subsequent expenditures

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

3. Amortization

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

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

Software cost	1~5 years
Patent	9 months~20 years

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

(XIII) Impairment of non-financial assets

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

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

The recoverable amount of an individual asset or cash-generating unit is the higher of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit exceeds the recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then to reduce the carrying amount of the other assets in the cash-generating unit on a pro rata basis.

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

(XIV) Provisions for liabilities

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

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

(XV) Revenue recognition

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

(XVI) Government grant

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

(XVII) Employee benefits

1. Defined contribution plans

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

2. Defined benefit plans

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

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

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

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

3. Short-term employee benefits

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

(XVIII) Income tax

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

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

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

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

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

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

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

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

1. The Group has a legally enforceable right to set off current income tax assets against current income tax liabilities; and

2. The deferred income tax assets and the deferred income tax liabilities relate to income taxes levied by the same taxation authority on either:
   (1) The same taxable entity; or
   (2) Different taxable entities which intend to settle current income tax assets and income tax liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax assets are expected to be recovered or significant amounts of deferred income tax liabilities are expected to be settled.

(XIX) Earnings per share

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

(XX) Segment Information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's key operation decision maker, who determine the allocation of resources to the segment and assesses its performance.

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

When preparing the consolidated financial statements, management is required to make judgments and estimates about the future (including climate-related risks and opportunities). These judgments and estimates will affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from the estimates.

Management continuously reviews estimates and underlying assumptions to ensure alignment with the Group's risk management and climate-related commitments. Changes in these estimates are recognized prospectively during the period of the change and in future periods affected by the change.

The Consolidated Financial Statements involve material judgment as to whether the Group has substantive control over the investee, FSP Group USA Corp. and it has a material impact on the amounts recognized in the Consolidated Financial Statements. The related information is as follows:

The Group holds 45% of the shares of FSP Group USA Corp., and the remaining 55% of the shares are held by the other three shareholders. In the past years, these three shareholders attended each shareholders' meeting and hence the Group did not have more than half of the voting rights. These three shareholders may jointly exercise the right of consent at the shareholders' meeting due to the same position. In addition, the Group did not assume the position of director, so it was determined that the Group only has significant influence over FSP Group USA Corp.

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

VI. Details of Significant Accounts

(I) Cash and cash equivalents

	2025.12.31	2024.12.31
Cash on hand	$ 6,986	7,405
Cash equivalents		
Repurchase agreements	13,829	14,425
Deposits in saving accounts and checking accounts	1,585,619	2,469,138
Time deposits	1,846,164	1,388,883
	$ 3,452,598	3,879,851

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

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

	2025.12.31	2024.12.31
Financial assets mandatorily measured at fair value through profit or loss - current:		
Non-derivative financial assets		
Beneficiary certificates	$ 347,286	355,779
Private equity funds	185,431	121,250
Foreign unlisted stocks	-	72,248
Foreign listed stocks	12,881	-
Structured deposits	382,160	434,380
Subtotal	927,758	983,657

		2025.12.31	2024.12.31
Financial assets mandatorily measured at fair value through profit or loss - non-current:			
Non-derivative financial assets			
Preferred shares of foreign listed companies		18,855	-
Foreign unlisted stocks		60,287	-
Structured products		45,075	46,287
Subtotal		124,217	46,287
Total	$	1,051,975	1,029,944

As of December 31, 2025 and 2024, the Group held structured deposits with expected rates of return ranging from 0.70% to 1.90% and 0.85% to 2.20%, respectively. These deposits will mature in January 2026 and from March to April 2025, respectively.

The dividend income recognized by the Group for the financial assets measured at fair value through profit or loss, as listed above, amounted to NT$4,230 thousand for 2025 and NT$3,218 thousand for 2024.

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

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

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

		2025.12.31	2024.12.31
Equity instruments at fair value through other comprehensive income			
Domestic listed (OTC) stocks	$	4,583,694	7,582,980
Foreign listed stocks		17,712	9,028
Foreign unlisted stocks		100,000	55,302
Domestic unlisted stocks		266,458	259,399
Total	$	4,967,864	7,906,709

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

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

   The dividend income recognized by the Group for 2025 and 2024 from equity instruments designated as at fair value through other comprehensive income amounted to NT$213,128,000 and NT$172,255,000, respectively.

In 2025, to align with the Group's capital utilization plan, designated financial assets measured at fair value through other comprehensive income were sold. The total fair value at the time of disposal amounted to NT$413,174 thousand, with total disposal gains of NT$304,974 thousand. As of December 31, 2025, the outstanding proceeds from disposal amounted to NT$14,370 thousand, which was recognized under other receivables. In 2024, to align with the Group's capital utilization plan, designated financial assets measured at fair value through other comprehensive income were sold. The total fair value at the time of disposal amounted to NT$623,666 thousand, with total disposal gains of NT$551,241. As of December 31, 2024, the outstanding proceeds from disposal amounted to NT$939 thousand, which was recognized under other receivables.

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

(IV) Financial assets at amortized cost

	2025.12.31	2024.12.31
Time deposits with original maturity exceeding three months	$ 50,000	-
Interest rate range	1.2500	-
Maturity period	April 2026	-

The Group assesses that the asset is held to maturity to receive contractual cash flows. The asset is classified as financial assets at amortized cost because the cash flows from the financial asset are solely the payment of principal and interest on the outstanding principal amount.

The above financial assets are not pledged as collateral.

(V) Notes receivable and accounts receivable

	2025.12.31	2024.12.31
Notes receivable	$ 159,688	235,225
Accounts receivable	2,780,188	2,553,215
Accounts receivable - related parties	629,225	622,078
Less: allowance for impairment loss	(47,600)	(20,530)
	$ 3,521,501	3,389,988

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

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

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

	2025.12.31		
	Carrying amount of notes receivable and accounts receivable	**Weighted-average expected credit loss rate (%)**	**Allowance for expected credit loss**
Not past due	$ 2,631,425	0.12	3,253
Past due within 30 days	139,959	2.75	3,846
Past due 31~60 days	9,659	11.80	1,140
Past due 61~90 days	4,806	22.29	1,072
Past due 91~120 days	14,766	38.55	5,692
Past due over 121 days	18,149	100.00	18,149
	$ 2,818,764		33,152

The carrying amount of the above notes and accounts receivable did not include the account receivable due from a specific customer, amounting to NT$6,127 thousand. The aging analysis is as follows:

	2025.12.31
Not past due	$ 6,127

Due to the uncertainty in the recoverability of the related receivables, an allowance for loss amounting to NT$1,225 thousand has been recognized for the above-mentioned receivables. Accordingly, the Group does not intend to include these amounts in the calculation of the allowance for expected credit losses over the remaining period.

	2024.12.31		
	Carrying amount of notes receivable and accounts receivable	Weighted-average expected credit loss rate (%)	Allowance for expected credit loss
Not past due	$ 2,441,936	0.09	2,128
Past due within 30 days	42,814	5.74	2,459
Past due 31~60 days	6,879	18.10	1,245
Past due 61~90 days	5,837	34.65	2,023
Past due 121~180 days	1,620	100.00	1,620
Past due 181~365 days	2,235	100.00	2,235
Past due over a year above	750	100.00	750
	$ 2,502,071		12,460

The carrying amount of the above notes and accounts receivable did not include the account receivable due from a specific customer, amounting to NT$13,108 thousand. The aging analysis is as follows:

	2024.12.31
Not past due	$ 9,269
Past due within 30 days	2,653
Past due 31~60 days	1,186
	$ 13,108

Due to poor recovery of the account receivable due from this customer, the Group has specifically recorded an allowance for loss of NT$2,622 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:

	2025.12.31		
	Carrying amount of notes receivable and accounts receivable	Weighted-average expected credit loss rate (%)	Allowance for expected credit loss
Not past due	$ 522,726	0.07	351
Past due within 30 days	35,153	0.07	24
Past due 31~60 days	18,447	0.07	12

	2025.12.31		
	Carrying amount of notes receivable and accounts receivable	Weighted-average expected credit loss rate (%)	Allowance for expected credit loss
Past due 61~90 days	2,775	0.07	2
Past due 91~120 days	99	0.07	-
Past due 121~180 days	29	0.07	-
Past due over a year above	1,309	0.07	1
	$ 580,538		390

	2024.12.31		
	Carrying amount of notes receivable and accounts receivable	Weighted-average expected credit loss rate (%)	Allowance for expected credit loss
Not past due	$ 708,265	0.05	365
Past due within 30 days	20,404	0.05	11
Past due 31~60 days	17,247	0.05	9
Past due 61~90 days	2,198	0.05	1
Past due 91~120 days	1,458	0.05	1
Past due 121~180 days	1,080	0.05	1
Past due 181~365 days	482	0.05	-
Past due over a year above	1,304	0.05	1
	$ 752,438		389

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

	2025.12.31		
	Carrying amount of notes receivable and accounts receivable	Weighted-average expected credit loss rate (%)	Allowance for expected credit loss
Not past due	$ 136,879	-	-
Past due within 30 days	11,763	-	-
Past due 31~60 days	2,197	-	-
Past due over a year above	12,833	100.00	12,833
	$ 163,672		12,833

	2024.12.31		
	Carrying amount of notes receivable and accounts receivable	**Weighted-average expected credit loss rate (%)**	**Allowance for expected credit loss**
Not past due	$ 93,209	-	-
Past due within 30 days	32,608	-	-
Past due 31~60 days	3,698	0.14	5
Past due 181~365 days	13,386	37.76	5,054
	$ 142,901		**5,059**

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

	2025	2024
Beginning balance	$ 20,530	14,448
Impairment losses recognized	27,348	34,707
Write-off	(132)	(28,901)
Effect of foreign exchange rate changes	(146)	276
Ending balance	**$ 47,600**	**20,530**

(VI) Other receivables

	2025.12.31	2024.12.31
Other receivables	$ 389,126	481,057
Less: allowance for impairment loss	(28,758)	(29,998)
	$ 360,368	**451,059**

Changes in loss allowance for other receivables:

	2025	2024
Beginning balance	$ 29,998	28,605
Effect of foreign exchange rate changes	(1,240)	1,393
Ending balance	**$ 28,758**	**29,998**

(VII) Inventories

		2025.12.31	2024.12.31
Finished goods	$	1,510,150	1,197,721
Work in process		454,739	481,919
Raw materials		538,616	492,366
	$	2,503,505	2,172,006

For the years ended December 31, 2025 and 2024, other than the transfer of inventory to cost of sales in the normal course of business, the total expenses and losses directly recognized in cost of sales were presented as follows:

		2025	2024
Inventory valuation loss (reversal gain)		(46,396)	26,088
Unallocated manufacturing expense		380,050	319,078
Loss on inventory obsolescence		42,994	39,913
Income from sales of scraps		(2)	(187)
Included in operating costs	$	376,646	384,892

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

In 2025, the reversal of previously recognized inventory write-downs and obsolescence losses was primarily due to the sale of inventories for which such write-downs had been recorded.

(VIII) Investments recognized through the equity method

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

		2025.12.31	2024.12.31
Associate	$	38,573	38,978

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:

		2025.12.31	2024.12.31
The carrying amount of investments in associates that were not individually material to the Group at the end of the period	$	38,573	38,978

		2025	2024
Attributable to the Group:			
Net profit for the period from continuing operations	$	2,741	2,257
Other comprehensive income		(2,074)	2,570
Total comprehensive income	$	667	4,827

2. Collateral

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

(IX) Property, plant, and equipment

The details of changes in cost, depreciation, and impairment losses of property, plant, and equipment for the Group for 2025 and 2024 are as follows:

		Land	Housing and construction	Buildings and building improvements	Machinery	Transportation equipment	Other equipment	Leasehold improvements	Construction in progress and equipment under installation	Total
Cost or deemed cost:										
Balance as of January 1, 2025	$	307,879	1,255,665	28,794	1,439,745	25,469	534,449	96,975	207,531	3,896,507
Addition		-	20,443	-	154,640	391	30,172	3,551	63,300	272,497
Disposal and obsolescence		-	-	-	(40,706)	-	(5,917)	-	-	(46,623)
Reclassification (Note)		-	159,207	-	28,483	-	614	1,127	(159,875)	29,556
Effect of exchange rate changes		-	992	79	1,055	(188)	431	(873)	1,189	2,685
Balance as of December 31, 2025	$	307,879	1,436,307	28,873	1,583,217	25,672	559,749	100,780	112,145	4,154,622
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		-	20,682	-	120,303	3,634	28,771	3,977	206,694	384,061
Disposal and obsolescence		(2,597)	(7,236)	-	(22,248)	(908)	(16,491)	-	-	(49,480)
Reclassification (Note)		-	8,460	-	1,745	-	636	-	(9,348)	1,493
Effect of exchange rate changes		-	9,269	845	32,382	683	4,131	3,119	837	51,266
Balance as of December 31, 2024	$	307,879	1,255,665	28,794	1,439,745	25,469	534,449	96,975	207,531	3,896,507
Depreciation and impairment loss:										
Balance as of January 1, 2025	$	-	618,592	14,105	1,063,284	17,232	451,605	61,031	-	2,225,849
Recognition in current period		-	58,883	2,007	107,067	2,049	34,407	11,142	-	215,555
Disposal and obsolescence		-	-	-	(40,082)	-	(5,889)	-	-	(45,971)
Effect of exchange rate changes		-	1,617	98	3,077	-	563	228	-	5,583
Balance as of December 31, 2025	$	-	679,092	16,210	1,133,346	19,281	480,686	72,401	-	2,401,016

	Land	Housing and construction	Buildings and building improvements	Machinery	Transportation equipment	Other equipment	Leasehold improvements	Construction in progress and equipment under installation	Total
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	-	52,529	2,178	100,359	3,398	35,235	11,988	-	205,687
Disposal and obsolescence	-	(7,107)	-	(22,056)	(908)	(15,403)	-	-	(45,474)
Effect of exchange rate changes	-	8,271	329	24,204	465	3,274	1,642	-	38,185
Balance as of December 31, 2024	$ -	618,592	14,105	1,063,284	17,232	451,605	61,031	-	2,225,849
Carrying amounts:									
Balance as of December 31, 2025	$ 307,879	757,215	12,663	449,871	6,391	79,063	28,379	112,145	1,753,606
Balance as of December 31, 2024	$ 307,879	637,073	14,689	376,461	8,237	82,844	35,944	207,531	1,670,658

Note: In 2025, NT$32,206 thousand was reclassified from advance payments for equipment, and NT$2,650 thousand was transferred to intangible assets; in 2024, NT$1,493 thousand was reclassified from advance payments for equipment.

Details of assets pledged as collateral for short-term and long-term borrowings, as well as credit facilities, as of December 31, 2025, and December 31, 2024, are provided in Note VIII.

(X) 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	Office equipment	Transportation equipment	Total
Costs of right-of-use assets:					
Balance as of January 1, 2025	$ 26,555	1,593,334	402	6,656	1,626,947
Addition	-	121,503	287	2,071	123,861
Reduction (contract expired)	-	(13,591)	-	(1,887)	(15,478)
Effect of exchange rate changes	66	420	-	(19)	467
Balance as of December 31, 2025	$ 26,621	1,701,666	689	6,821	1,735,797
Balance as of January 1, 2024	$ 27,483	1,194,676	-	5,618	1,227,777
Addition	-	497,068	402	1,720	499,190
Lease modification	-	3,679	-	-	3,679
Reduction (contract expired and contract modification)	(1,489)	(144,274)	-	(716)	(146,479)
Effect of exchange rate changes	561	42,185	-	34	42,780
Balance as of December 31, 2024	$ 26,555	1,593,334	402	6,656	1,626,947
Depreciation of right-of-use assets:					
Balance as of January 1, 2025	$ 6,096	924,807	13	3,934	934,850
Depreciation in current period	943	197,937	138	2,234	201,252
Reduction (contract expired)	-	(13,591)	-	(1,887)	(15,478)
Effect of exchange rate changes	28	4,494	-	(18)	4,504

	Land	Housing and construction	Office equipment	Transportation equipment	Total
Balance as of December 31, 2025	$ 7,067	1,113,647	151	4,263	1,125,128
Balance as of January 1, 2024	$ 5,087	785,603	-	2,405	793,095
Depreciation in current period	962	192,529	13	2,223	195,727
Lease modification	-	2,801	-	-	2,801
Reduction (contract expired and contract modification)	(38)	(83,372)	-	(716)	(84,126)
Effect of exchange rate changes	85	27,246	-	22	27,353
Balance as of December 31, 2024	$ 6,096	924,807	13	3,934	934,850
Carrying amounts:					
Balance as of December 31, 2025	$ 19,554	588,019	538	2,558	610,669
Balance as of December 31, 2024	$ 20,459	668,527	389	2,722	692,097

(XI) Intangible assets

The Group's costs, amortization and impairment loss of intangible assets for the years ended December 31, 2025 and 2024 were as follows:

	Goodwill	Software cost	Patent	Total
Costs:				
Balance as of January 1, 2025	$ 218,672	30,072	16,731	265,475
Addition in current period	-	29,808	4,432	34,240
Disposal and obsolescence	-	(11,167)	(335)	(11,502)
Transferred to property, plant, and equipment	-	2,650	-	2,650
Effect of exchange rate changes	-	46	(8)	38
Balance as of December 31, 2025	$ 218,672	51,409	20,820	290,901
Balance as of January 1, 2024	$ 218,672	15,376	16,715	250,763
Addition in current period	-	16,474	76	16,550
Disposal and obsolescence	-	(1,778)	(89)	(1,867)
Effect of exchange rate changes	-	-	29	29
Balance as of December 31, 2024	$ 218,672	30,072	16,731	265,475
Amortization and impairment loss:				

	Goodwill	Software cost	Patent	Total
Balance as of January 1, 2025	$ -	17,228	16,123	33,351
Amortization for the period	-	17,864	1,036	18,900
Disposal and obsolescence	-	(11,167)	(146)	(11,313)
Effect of exchange rate changes	-	10	(1)	9
Balance as of December 31, 2025	**$ -**	**23,935**	**17,012**	**40,947**
Balance as of January 1, 2024	$ -	11,237	16,086	27,323
Amortization for the period	-	7,769	83	7,852
Disposal and obsolescence	-	(1,778)	(53)	(1,831)
Effect of exchange rate changes	-	-	7	7
Balance as of December 31, 2024	**$ -**	**17,228**	**16,123**	**33,351**
Carrying amounts:				
Balance as of December 31, 2025	**$ 218,672**	**27,474**	**3,808**	**249,954**
Balance as of December 31, 2024	**$ 218,672**	**12,844**	**608**	**232,124**

1. Amortization expense

The amortization of intangible assets was included in the following items of the Statements of Comprehensive Income for the years ended December 31, 2025 and 2024:

	2025	2024
Operating costs	$ 3,721	570
Operating expenses	15,179	7,282
Total	**$ 18,900**	**7,852**

2. Impairment test for goodwill

(1) For the purpose of impairment test, goodwill is allocated to the Group's operating units, which are the smallest levels used by the Group to monitor goodwill for internal management purposes and shall not be larger than the operating departments of the Group. Allocation of the carrying amount of goodwill as of December 31, 2025 and 2024 was as follows:

	2025.12.31	2024.12.31
FSP Technology Inc. and Processing Subsidiaries	$ 114,411	114,411
3Y Power	104,261	104,261
	$ 218,672	218,672

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

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

B. The Group estimates the pre-tax discount rate based on the weighted average cost of capital (WACC), the discount rates as of December 31, 2025 and 2024 were 8.24% and 9.47% respectively.

(3) According to the asset impairment test conducted in 2025 and 2024, no impairment losses were recognized as the recoverable amount of cash-generating unit was higher than the carrying amount.

(XII) Short-term loans

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

	2025.12.31	2024.12.31
Credit loans	$ -	3,253
Unused facility	$ 1,291,028	834,175
Interest rate range	-	5.56~7.10

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

(XIII) Long-term loans

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

	2025.12.31	2024.12.31
Secured bank borrowings	$ 1,223	48,788
Other long-term borrowings	159	793
Subtotal	1,382	49,581
Less: current portion of long-term debt	1,382	48,200
Total	**$ -**	**1,381**
Unused facility	**$ -**	**-**
Interest rate range	**1.58~3.50**	**1.58~3.50**

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 other current liabilities and other non-current liabilities. Deferred income for 2025 and 2024 was reclassified as other income in the amounts of NT$146,000 and NT$564,000, respectively.

(XIV) Lease liabilities

The carrying amount of lease liabilities were as follows:

	2025.12.31	2024.12.31
Current	$ 174,869	173,749
Non-current	440,160	518,374
Total	**$ 615,029**	**692,123**

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

The amounts recognized in profit or loss were as follows:

		2025	2024
Interest expense on lease liabilities	$	13,247	7,313
Variable lease payments not included in the measurement of lease liabilities	$	1,708	1,910
Expenses of short-term leases	$	15,772	15,514
Expenses relating to leases of low-value assets (excluding short-term leases of low-value assets)	$	317	257

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

		2025	2024
Total cash outflow in operating activities	$	31,044	24,994
Total cash outflow in financing activities		195,925	204,925
Total cash flows on lease	$	226,969	229,919

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 in 2025 were as follows:

		Variable payment	Estimated impact on lease payment for each 1% increase in the actual floor area used
Lease contracts with variable payment calculated based on the actual floor area used per month	$	1,708	17

2. Other leases

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

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

(XV) Provisions for liabilities

		2025	2024
Balance as of January 1	$	138,268	130,311
Addition of provision during the year		70,692	57,752
Amount utilized during the year		(102,074)	(49,795)
Closing balance as of December 31	$	**106,886**	**138,268**

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.

(XVI) Employee benefits

1. Defined benefit plans

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

		2025.12.31	2024.12.31
Present value of defined benefit obligation	$	97,691	109,429
Fair value of plan assets		(124,145)	(128,868)
Net defined benefit assets	$	**(26,454)**	**(19,439)**

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

(1) Composition of plan assets

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

As of December 31, 2025, the balance of the labor pension reserve account at Bank of Taiwan was NT$122,517 thousand. For information on the labor pension fund assets, including yield of the fund and the asset portfolio, please refer to the website of the Bureau of Labor Funds.

The Group's subsidiary, 3Y Power, no longer had employees under the old pension scheme. However, the Bank of Taiwan account associated with the old scheme had not yet been settled. As of December 31, 2025, and December 31, 2024, the balance in the Bank of Taiwan's labor retirement reserve account for the subsidiary amounted to NT$14,699 thousand and NT$13,720 thousand, respectively.

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

Changes in present value of the defined benefit obligations in 2025 and 2024 were as follows:

		2025	2024
Defined benefit obligations as of January 1	$	109,429	130,884
Service costs and interest in the year		4,303	2,849
Remeasurement on the net defined benefit liabilities (assets)			
— Actuarial loss (gain) arising from experience adjustments		205	4,879
— Actuarial loss (gain) arising from changes in demographic assumption		1	(1)
— Actuarial loss (gain) arising from changes in financial assumption		2,205	(4,154)
Benefits paid by the plan		(1,873)	(9,103)
Planned repayment impact amount		(16,579)	(15,843)
Effect of plan curtailment		-	(82)
Defined benefit obligations as of December 31	**$**	**97,691**	**109,429**

(3) Changes in fair value of plan assets

Changes in fair value for the Group's defined benefit plan assets for the years ended December 31, 2025 and 2024 were as follows:

		2025	2024
Fair value of plan assets as of January 1	$	128,868	131,665
Interest income		2,029	1,502
Remeasurement on the net defined benefit assets - return on plan assets (excluding interests)		9,599	12,026
Amount contributed to the plan		-	5,550
Benefits paid by the plan		(1,461)	(7,207)
Scheduled repayment amount		(14,890)	(14,668)
Fair value of plan assets as of December 31	**$**	**124,145**	**128,868**

Note: Changes in the fair value of plan assets for 2025 and 2024 do not include the balance of the Bank of Taiwan labor retirement reserve account of the Group's subsidiary, 3Y Power.

(4) Expenses recognized in profit or loss

Details of the Group's expenses (gains) recognized in profit or loss for the years ended December 31, 2025 and 2024:

		2025	2024
Service costs for the current period	$	2,605	1,373
Net interest expense of net defined benefit liabilities		(331)	(26)
Impact of changes or curtailments		-	(82)
Benefits of clearing		(1,689)	(1,175)
	$	**585**	**90**
Operating costs	$	37	8
Selling and marketing expenses		104	13
General and administrative expenses		156	28
Research and development expenses		288	41
	$	**585**	**90**

(5) Actuarial assumptions

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

	2025.12.31	2024.12.31
Discount rate	1.35%	1.60%
Future salary increases	2.00%	2.00%

The Group estimates to make contribution of NT$2,178 thousand to the defined benefit plan in the year following December 31, 2025.

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

(6) Sensitivity analysis

The impact of a change in assumptions on the present value of the defined benefit obligation as of December 31, 2025 and 2024 is summarized below:

	Impact on the defined benefit obligation	
	Increase by 0.25%	**Decrease by 0.25%**
December 31, 2025		
Discount rate (change by 0.25%)	(1,808)	1,885
Future salary adjustment rate (change by 0.25%)	1,831	(1,765)
December 31, 2024		
Discount rate (change by 0.25%)	(2,072)	2,148
Future salary adjustment rate (change by 0.25%)	2,093	(2,028)

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

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

2. Defined contribution plans

Per Group's defined contribution plan, the Group contributes monthly an amount equal to 6% of each employee's monthly wages to the employee’s individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the

Group has no legal or constructive obligation to pay additional amounts after contributing a fixed amount to the Bureau of Labor Insurance.

The retirement expenses under the defined contribution retirement plan for the Group were NT$38,885,000 for 2025 and NT$38,783,000 for 2024, and they have been allocated to the Labor Insurance Bureau.

The remaining retirement expenses for the consolidated subsidiaries for 2025 and 2024, as per local regulations, were NT$138,849,000 and NT$98,688,000, respectively.

3. Other short-term employee benefits

For the years ended December 31, 2025 and 2024, the Group contributed NT$15,479,000 and NT$16,370,000 respectively to a specific trust account for employee incentives, which were recognized as operating costs and operating expenses.

As of December 31, 2025 and 2024, the Group had accrued unused leave bonuses of NT$53,639,000 and NT$50,372,000, respectively, which were recorded under other payables.

(XVII) Income tax

1. Details of income tax expense (benefit) for the years ended December 31, 2025 and 2024 were as follows:

		2025	2024
Income tax expense for the period			
Income tax expense incurred	$	78,361	106,343
Adjustment for prior year		(2,888)	(30,784)
		75,473	75,559
Deferred income tax benefit			
Origination and reversal of temporary differences		2,121	9,120
Income tax expense	$	77,594	84,679

Details of the Group's income tax expense (benefit) recognized in other comprehensive income for the years ended December 31, 2025 and 2024 were as follows:

		2025	2024
Items that will not be reclassified to profit or loss:			
Gains (losses) on re-measurements of defined benefit plans	$	1,438	2,261

The reconciliation of income tax expenses to income before tax for the Group for 2025 and 2024 was as follows:

		2025	2024
Income before tax	$	458,394	522,698
Income tax using the Company's statutory tax rate	$	91,679	104,540
Effect of different tax rates in foreign jurisdictions		35,864	20,981
Non-deductible expenses		7,437	13,296
Tax-exempt income		-	(450)
Cash dividend income		(43,133)	(35,111)
Gains on securities transactions		60,995	109,658
Gains on exemption from securities transaction tax		(70,692)	(110,636)
Adjustments in respect of prior years		(2,888)	(30,784)
Tax on undistributed earnings 5%		1,339	1,970
Investment tax credits		(8,546)	(2,487)
Basic income tax amount		6,271	9,586
Net change in unrecognized deferred tax assets		(739)	4,116
Others		7	-
Total	$	77,594	84,679

2. Deferred income tax assets and liabilities

(1) Unrecognized deferred income tax assets

Group's unrecognized deferred income tax assets:

		2025.12.31	2024.12.31
Tax loss	$	118,010	84,296

In accordance with the U.S. federal tax laws, losses approved by the tax authority may be deducted from the net income of the current year before income tax is assessed. Losses incurred in 2018 and subsequent years can be deducted indefinitely against the taxable income of future years, provided that the amount of offsetting in any profitable year is limited to 80% of the taxable income of that year. Losses incurred before 2018 can be deducted for 20 years, and there is no limit to the deductible amount in a single tax year. The above deferred income tax asset was not recognized as the Group believed that it is not probable that future taxable income will be available against which the Group can utilize the temporary differences.

As of December 31, 2025, the expiry years of unused tax losses were as follows:

Loss year	Unused tax loss		Year of expiry
2014	$	1,608	2034
2015		3,499	2035
2017		3,823	2037
2018		9,763	No expiry date
2019		37,575	No expiry date
2020		14,337	No expiry date
Fiscal year 2023		13,691	No expiry date
2024		33,714	No expiry date
Total	$	118,010	

(2) Recognized deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities in 2025 and 2024 were as follows:

		Allowance for inventory valuation loss	Pension provision	Unrealized foreign exchange gain or loss	Others	Total
Deferred income tax assets:						
January 1, 2025	$	49,561	1,061	1,047	186,672	238,341
Credit/(Debit) income statement		(9,942)	-	3,392	(15,496)	(22,046)
Exchange differences on translation of financial statements of foreign operations		(103)	-	-	(262)	(365)
December 31, 2025	$	39,516	1,061	4,439	170,914	215,930
January 1, 2024	$	42,682	1,061	16,475	111,736	171,954
Credit/(Debit) income statement		6,652	-	(15,428)	34,379	25,603
Exchange differences on translation of financial statements of foreign operations		227	-	-	40,557	40,784
December 31, 2024 (Restated)	$	49,561	1,061	1,047	186,672	238,341

		Pension provision	Unrealized valuation gains	Others	Total
Deferred income tax liabilities:					
January 1, 2025	$	(6,793)	(6,657)	(149,500)	(162,950)
Debit income statement		117	3,738	16,070	19,925
Debit other comprehensive income		(1,438)	-	-	(1,438)
Exchange differences on translation of financial statements of foreign operations		-	-	(320)	(320)
December 31, 2025	**$**	**(8,114)**	**(2,919)**	**(133,750)**	**(144,783)**
January 1, 2024	$	(3,441)	(2,919)	(79,740)	(86,100)
Debit income statement		(1,091)	(3,738)	(29,894)	(34,723)
Debit other comprehensive income		(2,261)	-	-	(2,261)
Exchange differences on translation of financial statements of foreign operations		-	-	(39,866)	(39,866)
December 31, 2024	**$**	**(6,793)**	**(6,657)**	**(149,500)**	**(162,950)**

3. Income tax assessment

   The tax returns for the years up to 2023 filed by the Company have been approved by the tax authority.

(XVIII) Capital and other equity

1. Common stock issuance

   As of December 31, 2025 and 2024, the Company's authorized common stock was NT$3,600,000,000 with the par value of NT$10 per share. 187,262,000 shares were issued.

2. Capital surplus

The Company's capital surplus was as follows:

		2025.12.31	2024.12.31
Paid-in capital in excess of par value	$	856,427	856,427
Proceeds received from the disposal of employee stock ownership trust shares		860	189
Adjustments arising from changes in percentage of ownership in subsidiaries		4,780	4,780
	$	**862,067**	**861,396**

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.

3. Retained earnings

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

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

Dividends can be in the form of either stock or cash, with cash dividends constituting no less than 30% of the total shareholder dividends.

(1) Legal reserve

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

(2) Special reserve

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

(3) Earning distribution

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

	2024	**2023**
Cash dividend distributed to the shareholders of common stock	**$ 561,786**	**599,238**

On March 7, 2026, the shareholders' meeting resolved on the distribution of earnings for the year ended 2025, and the amount of dividends distributed to shareholders was as follows:

	2025
Cash dividend distributed to the shareholders of common stock	**$ 411,976**

For information on the distribution of our company's earnings, please contact the Market Observation Post System.

4. Other equity items (net after tax)

	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total
Balance as of January 1, 2025	$ (47,247)	6,965,505	6,918,258
Exchange differences on translation of financial statements of foreign operations	(30,143)	-	(30,143)
Share of other comprehensive income of associates and joint-ventures under the equity method	(2,074)	-	(2,074)
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	-	(2,680,234)	(2,680,234)
Disposal of equity instruments at fair value through other comprehensive income	-	(304,974)	(304,974)
Balance as of December 31, 2025	$ (79,464)	3,980,297	3,900,833

	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total
Balance as of January 1, 2024	$ (126,335)	6,232,008	6,105,673
Exchange differences on translation of financial statements of foreign operations	76,518	-	76,518
Share of other comprehensive income of associates and joint-ventures under the equity method	2,570	-	2,570
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	-	1,284,738	1,284,738
Disposal of equity instruments at fair value through other comprehensive income	-	(551,241)	(551,241)
Balance after December 31, 2024	$ (47,247)	6,965,505	6,918,258

5. Non-controlling interests (net after tax)

	2025	2024
Beginning balance	$ 414,662	401,788
Net income for the year attributable to non-controlling interests	32,731	33,460
Exchange differences on translation of financial statements of foreign operations	(3,046)	4,766
Distribution of cash dividends to non-controlling interests	(18,591)	(25,352)
Ending balance	**$ 425,756**	**414,662**

(XIX) Earnings per share

	2025	2024
Basic earnings per share:		
Net income attributable to the ordinary shareholders of the Company	**$ 348,069**	**404,559**
Weight-average number of ordinary shares outstanding (unit: thousands of shares)	**187,262**	**187,262**
Basic earnings per share (unit: in New Taiwan Dollars)	**$ 1.86**	**2.16**
Diluted earnings per share:		
Net income attributable to the ordinary shareholders of the Company	**$ 348,069**	**404,559**
Weight-average number of ordinary shares outstanding (unit: thousands of shares)	187,262	187,262
Employee compensation (unit: thousands of shares)	1,055	1,146
Weight-average number of ordinary shares outstanding (unit: thousands of shares)	**188,317**	**188,408**
Diluted earnings per share (unit: in New Taiwan Dollars)	**$ 1.85**	**2.15**

(XX) Revenue from contracts with customers

1. Breakdown of revenue

	2025					
	The Company and its processing subsidiaries	**3Y Power**	**Zhonghan Tech.**	**WUXI Zhonghan**	**Others**	**Total**
Primary geographical markets:						
Taiwan	$ 2,158,845	690,038	-	-	11	2,848,894
China	1,751,786	62,455	1,021,475	487,187	10,377	3,333,280
U.S.A.	763,296	7,427	-	-	594,523	1,365,246
Germany	2,385,797	114,807	-	-	-	2,500,604
Other countries	2,813,507	67,040	-	-	131,525	3,012,072
	$ 9,873,231	941,767	1,021,475	487,187	736,436	13,060,096
Major product/service line:						
Sales of power supply	$ 9,873,231	941,767	1,021,475	487,187	736,436	13,060,096

	2024					
	The Company and its processing subsidiaries	**3Y Power**	**Zhonghan Tech.**	**WUXI Zhonghan**	**Others**	**Total**
Primary geographical markets:						
Taiwan	$ 1,691,531	535,070	-	-	-	2,226,601
China	1,630,919	101,178	1,306,217	563,979	11,743	3,614,036
U.S.A.	915,723	18,803	-	-	541,216	1,475,742
Germany	1,491,939	107,937	-	-	-	1,599,876
Other countries	2,482,707	38,124	-	-	164,006	2,684,837
	$ 8,212,819	801,112	1,306,217	563,979	716,965	11,601,092
Major product/service line:						
Sales of power supply	$ 8,212,819	801,112	1,306,217	563,979	716,965	11,601,092

2. Contract balance

	2025.12.31	**2024.12.31**	**2024.1.1**
Notes and accounts receivable (including related parties)	$ 3,569,101	3,410,518	3,013,607
Less: allowance for impairment loss	(47,600)	(20,530)	(14,448)
Total	$ 3,521,501	3,389,988	2,999,159
Contract liabilities (recognized in other current liabilities)	$ 98,619	60,843	61,491

The amounts recognized as income for the contract liabilities' initial balances of January 1, 2025 and 2024 were NT$52,778,000 and NT$17,382,000, respectively.

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

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

(XXI) Remuneration of employees and directors

On June 11, 2025, the Company’s shareholders approved the amendment of the Articles of Incorporation. According to the amended Articles, no less than 6% of the annual profits shall be appropriated as employees’ compensation (of which no less than 10% shall be allocated to non-managerial employees), and no more than 3% shall be appropriated as directors’ compensation. 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 previous Articles of Incorporation stipulate that a minimum of 6% of annual profit, if any, shall be allocated to employee remuneration and a maximum of 3% of annual profit shall be allocated to Directors’ remuneration. However, if the Company has accumulated losses, the Company shall set aside a part of the surplus profit first for making up the losses. Employees who are entitled to receive the employee remuneration in shares or cash include the employees of subsidiaries of the Company who meet certain specific requirements.

The estimated amounts of employee remuneration for the 2025 and 2024 fiscal years of the Company are NT$48,000,000 and NT$56,000,000, respectively. The estimated amounts of director remuneration are NT$5,600,000 and NT$5,600,000, respectively. These estimates are based on the Company's pre-tax net profit for the respective periods, after deducting the amounts of employee and director remuneration, multiplied by the distribution percentages of employee and director remuneration as stipulated in the Company's articles of incorporation. They are reported as operating expenses for the 2025 and 2024 fiscal years. The difference between accrual and actual payment is treated as the change in accounting estimate and recognized in profit or loss in the following year. There was no difference between the amount of the remuneration to employees and Directors resolved by the Board of Directors and the accrual amount recognized in the Consolidated Financial Statements for the years ended 2025 and 2024. Information related to remuneration to employees and Directors resolved by the Board of Directors is available on the Market Observation Post System website of Taiwan Stock Exchange.

(XXII) Non-operating income and expenses

1. Interest income

		2025	2024
Bank deposits	$	55,918	66,911

2. Other income

		2025	2024
Dividend income	$	217,358	175,553
Other income			
Government grant		9,682	16,960
Tax refund		12,928	23,171
Gain on write-off of overdue payable		127	3
Compensation income		-	30,000
Others		16,693	24,410
	$	256,788	270,097

3. Other gains and losses

		2025	2024
Foreign currency exchange gain (loss), net	$	(29,350)	138,667
Gain (loss) on financial assets measured at fair value through profit or loss		49,493	3,436
Gain (loss) on disposal of property, plant and equipment, net		(642)	5,976
Loss on disposal of intangible assets, net		(189)	(36)
Gains on lease modifications		-	1,208
Others		(2,195)	(5,976)
	$	17,117	143,275

4. Finance costs

		2025	2024
Interest expense:			
Loan interest	$	2,888	1,732
Lease liabilities		13,247	7,313
	$	16,135	9,045

(XXIII) Financial instruments

1. Credit risk

(1) Exposure to credit risk

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

(2) Concentration of credit risk

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

(3) Credit risk from receivables and debt securities

Please refer to Note VI(V) for credit risk exposure of notes receivable and accounts receivable. For the details of other receivables, please refer to Note VI(VI). 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	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2025							
Non-derivative financial liabilities							
Long-term loans	$ 1,382	1,535	1,535	-	-	-	-
Notes payable	14,383	14,383	14,383	-	-	-	-
Accounts payable	3,555,955	3,555,955	3,555,955	-	-	-	-
Accounts payable - related parties	49,217	49,217	49,217	-	-	-	-
Other payables	1,489,638	1,489,638	1,489,638	-	-	-	-
Lease liabilities	615,029	639,561	93,539	91,466	192,832	233,831	27,893
Guarantee deposits received	638	638	-	-	-	-	638
	$ 5,726,242	5,750,927	5,204,267	91,466	192,832	233,831	28,531
December 31, 2024							
Non-derivative financial liabilities							
Short-term loans	$ 3,253	3,335	3,334	1	-	-	-
Long-term loans	49,581	50,038	38,711	9,911	1,416	-	-
Notes payable	14,297	14,297	14,297	-	-	-	-
Accounts payable	3,255,750	3,255,750	3,255,750	-	-	-	-

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
Accounts payable - related parties	63,626	63,626	63,626	-	-	-	-
Other payables	1,530,177	1,530,177	1,530,177	-	-	-	-
Lease liabilities	692,123	726,791	99,030	86,647	140,955	368,891	31,268
Guarantee deposits received	522	522	-	-	-	-	522
	$ 5,609,329	5,644,536	5,004,925	96,559	142,371	368,891	31,790

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

3. Foreign exchange risk

(1) Exposure to foreign exchange risk

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

	2025.12.31			2024.12.31		
	Foreign currencies	Exchange rate	NTD	Foreign currencies	Exchange rate	NTD
Financial assets						
Monetary items						
RMB	$ 123,541	4.496	555,440	171,663	4.478	768,707
USD	119,354	31.430	3,751,296	120,698	32.785	3,957,084
HKD	7,224	4.038	29,171	3,653	4.222	15,423
EUR	76	36.900	2,804	69	34.140	2,356
Non-monetary items						
USD	4,746	31.982	151,787	5,261	30.726	161,647
RMB	33,193	3.013	100,000	12,350	4.478	55,302
HKD	2,988	4.040	12,072	2,139	4.221	9,028
AUD	1,166	21.008	24,495	-	-	-
Financial liabilities						
Monetary items						
RMB	91,565	4.496	411,676	86,450	4.478	387,123
USD	97,640	31.430	3,068,825	82,642	32.785	2,709,418
HKD	9,416	4.038	38,022	9,126	4.222	38,530

(2) Sensitivity analysis

The Group's exposure to foreign exchange risk arises from cash and cash equivalents, accounts receivable (including related parties), other receivables, financial assets measured at fair value through profit or loss, short-term borrowings, accounts payable (including related parties) and other payables that are denominated in foreign currencies and subject to foreign exchange loss in currency translation. If, as of December 31, 2025 and 2024, the New Taiwan Dollar depreciates or appreciates by 5% against the US Dollar, Renminbi, Hong Kong Dollar, and Euro, with all other factors remaining constant, the pre-tax net income for 2025 and 2024 would increase or decrease by NT$41,009 thousand and NT$64,340 thousand, respectively. The analyses for both periods were based on the same assumptions.

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

Due to the wide variety of functional currencies within the Group, the information on gains or losses from currency exchange is disclosed in an aggregated manner. For 2025 and 2024, the gains or losses from foreign currency exchange (including realized and unrealized) were NT$(29,350,000) and NT$138,667,000, 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:

	2025		2024	
Security price at the reporting date	**Other comprehensive income (pre-tax)**	**Pre-tax income**	**Other comprehensive income (pre-tax)**	**Pre-tax income**
Increase by 5%	$ 230,070	18,008	379,600	17,789
Decrease by 5%	$ (230,070)	(18,008)	(379,600)	(17,789)

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

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

	2025.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Beneficiary certificates	$ 347,286	347,286	-	-	347,286
Private equity funds	185,431	-	-	185,431	185,431
Foreign listed stocks	12,881	12,881	-	-	12,881
Preferred shares of foreign listed companies	18,855	-	-	18,855	18,855
Non-publicly quoted equity instruments measured at fair value	60,287	-	-	60,287	60,287
Structured deposits	382,160	-	-	382,160	382,160
Structured products	45,075	-	45,075	-	45,075
Subtotal	1,051,975	360,167	45,075	646,733	1,051,975
Financial assets at fair value through other comprehensive income					
Domestic listed (OTC) stock	4,583,694	4,583,694	-	-	4,583,694
Foreign listed stock	17,712	17,712	-	-	17,712
Foreign unlisted stocks	100,000	-	-	100,000	100,000
Domestic unlisted stocks	266,458	-	-	266,458	266,458
Subtotal	4,967,864	4,601,406	-	366,458	4,967,864
Financial assets at amortized cost					
Cash and cash equivalents	3,452,598	-	-	-	-
Notes receivable and accounts receivable (including related parties)	3,521,501	-	-	-	-
Other receivables	360,368	-	-	-	-
Restricted bank deposits (classified in other non-current assets)	100	-	-	-	-
Refundable deposits (classified in other non-current assets)	52,142	-	-	-	-
Subtotal	7,386,709	-	-	-	-
Total	$ 13,406,548	4,961,573	45,075	1,013,191	6,019,839
Financial liabilities measured at amortized cost					

	2025.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Long-term and short-term borrowings	$ 1,382	-	-	-	-
Accounts payable and trade payables (including related parties)	3,619,555	-	-	-	-
Other payables	1,489,638	-	-	-	-
Lease liabilities	615,029	-	-	-	-
Guarantee deposits received	638	-	-	-	-
Total	$ 5,726,242	-	-	-	-

	2024.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Beneficiary certificates	$ 355,779	355,779	-	-	355,779
Private equity funds	121,250	-	-	121,250	121,250
Non-publicly quoted equity instruments measured at fair value	72,248	-	-	72,248	72,248
Structured deposits	434,380	-	-	434,380	434,380
Structured products	46,287	-	46,287	-	46,287
Subtotal	1,029,944	355,779	46,287	627,878	1,029,944
Financial assets at fair value through other comprehensive income					
Domestic listed (OTC) stock	7,582,980	7,582,980	-	-	7,582,980
Foreign listed stock	9,028	9,028	-	-	9,028
Non-publicly quoted equity instruments measured at fair value	314,701	-	-	314,701	314,701
Subtotal	7,906,709	7,592,008	-	314,701	7,906,709
Financial assets at amortized cost					
Cash and cash equivalents	3,879,851	-	-	-	-
Notes receivable and accounts receivable (including related parties)	3,389,988	-	-	-	-
Other receivables	451,059	-	-	-	-
Restricted bank deposits (classified in other current assets)	32,785	-	-	-	-
Restricted bank deposits (classified in other non-current assets)	100	-	-	-	-

	2024.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Refundable deposits (classified in other non-current assets)	50,382	-	-	-	-
Subtotal	7,804,165	-	-	-	-
Total	$ 16,740,818	7,947,787	46,287	942,579	8,936,653
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings	$ 52,834	-	-	-	-
Accounts payable and trade payables (including related parties)	3,333,673	-	-	-	-
Other payables	1,530,177	-	-	-	-
Lease liabilities	692,123	-	-	-	-
Guarantee deposits received	522	-	-	-	-
Total	$ 5,609,329	-	-	-	-

(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. Structured products are priced based on quotations provided by financial institutions.

Except for the above-mentioned financial instruments with active markets, the fair values of the remaining financial instruments are obtained using valuation techniques or by referencing to quoted prices from counterparties. 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. In addition, the Group’s preferred shares of foreign listed companies are measured at fair value based on recent transaction prices. Therefore, they are excluded from the disclosure scope of quantitative information on significant unobservable inputs and the sensitivity analysis of fair value to reasonably possible alternative assumptions.

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

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

The 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:

Item	Valuation technique	Significant unobservable inputs	Relationship between significant unobservable inputs and fair value
Financial assets measured at fair value through profit or loss - Investment in equity instrument without an active market	Net assets value method	• Net asset value	• The higher the net assets value, the higher the fair value
Financial assets measured at fair value through profit or loss - private equity fund investment	Net assets value method	• Net asset value	• The higher the net assets value, the higher the fair value
Financial assets measured at fair value through other comprehensive income - investment in equity instrument without an active market	Comparable to the Company Act	• P/E ratios (as of December 31, 2025, and December 31, 2024) were 4.93 and 16.22, respectively	• The higher the multiple, the higher the fair value
		• Net worth multiples (1.92–7.80 as of December 31, 2025, and 1.92–6.50 as of December 31, 2024)	• The higher the multiple, the higher the fair value
		• Discount for lack of marketability (29.39% as of both December 31, 2025 and December 31, 2024)	• The higher the discount for lack of market liquidity, the lower the fair value

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

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

	Input	Upward or downward change	Fair value change reflected in current profit or loss		Fair value change reflected in other comprehensive income	
			Favorable change	Unfavorable change	Favorable change	Unfavorable change
December 31, 2025						
Financial assets at fair value through profit or loss						
Investment in equity instrument without an active market	Net assets value method	5%	3,014	(3,014)	-	-
Private equity funds	Net assets value method	5%	9,272	(9,272)	-	-
Financial assets at fair value through other comprehensive income						
Investment in equity instrument without an active market	Price-to-earnings ratio	5%	-	-	5,000	(5,000)
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	13,323	(13,323)
December 31, 2024						
Financial assets at fair value through profit or loss						
Investment in equity instrument without an active market	Net assets value method	5%	3,612	(3,612)	-	-
Financial assets at fair value through other comprehensive income						
Investment in equity instrument without an active market	Price-to-earnings ratio	5%	-	-	2,765	(2,765)
Investment in equity instrument without an active market	Net worth ratio	5%	-	-	12,970	(12,970)

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.

(XXIV) Financial risk management

1. Overview

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

(1) Credit risk

(2) Liquidity risk

(3) Market risk

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

2. Risk management framework

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

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

3. Credit risk

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

(1) Accounts receivable and other receivables

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

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

(2) Investment

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

4. Liquidity risk

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

The Group ensures that it has sufficient cash to meet all contractual obligations. Additionally, as of December 31, 2025 and 2024, the Group had unused borrowing facilities totaling NT$1,291,028,000 and NT$834,175,000, respectively.

5. Market risk

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

(1) Foreign exchange risk

The Group is exposed to exchange rate risk arising from sales, procurement, and borrowing transactions denominated in currencies other than the functional currency of the respective group entities. The Group's functional currencies mainly include New Taiwan Dollar, US Dollar and Renminbi. The currencies used in these transactions are mainly New Taiwan Dollar, Hong Kong Dollar, US Dollar and Renminbi.

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

(2) Interest rate risk

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

(3) Other market price risk

The Group’s financial assets at fair value through profit or loss—current, financial assets at fair value through profit or loss—non-current, and financial assets at fair value through other comprehensive income—non-current consist of investments in domestic funds, private equity funds, listed company shares, unlisted (OTC) company shares, foreign listed company shares, and foreign unlisted (OTC) company shares. Since these assets are measured at fair value, the Group is exposed to market price fluctuations of equity securities. To manage market risk, the Group exercises prudent selection of investment targets and controls its holdings.

(XXV) Capital management

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

As of December 31, 2025 and 2024, debt-to-equity ratio was as follows:

	2025.12.31	2024.12.31
Total liabilities	$ 6,202,487	6,156,310
Less: cash and cash equivalents	(3,452,598)	(3,879,851)
Net liability	**$ 2,749,889**	**2,276,459**
Equity	**$ 12,951,822**	**15,860,475**
Debt-to-equity ratio	**21.23%**	**14.35%**

As of December 31, 2025, there was no material change in the Group's capital management.

(XXVI) Investing and financing activities not affecting cash flows

The reconciliation of liabilities arising from financing activities in 2025 and 2024 was as follows:

			Non-cash changes			
	2025.1.1	**Cash flow**	**Addition**	**Contract termination and reassessment**	**Changes in foreign exchange rate**	**2025.12.31**
Long-term loans	$ 49,581	(48,200)	-	-	1	1,382
Short-term loans	3,253	3,539	-	-	(6,792)	-
Lease liabilities	692,123	(195,925)	123,861	-	(5,030)	615,029
Total liabilities from financing activities	$ 744,957	(240,586)	123,861	-	(11,821)	616,411

			Non-cash changes			
	2024.1.1	**Cash flow**	**Addition**	**Contract termination and reassessment**	**Changes in foreign exchange rate**	**2024.12.31**
Long-term loans	$ 124,404	(74,823)	-	-	-	49,581
Short-term loans	1,536	1,800	-	-	(83)	3,253
Lease liabilities	445,234	(204,925)	499,190	(62,683)	15,307	692,123
Total liabilities from financing activities	$ 571,174	(277,948)	499,190	(62,683)	15,224	744,957

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:

Related party	Relationship with the Group
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
FSP Foundation	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:

	2025	2024
Associate	$ 90,660	74,349
Other related party	1,643,178	1,715,076
	$ 1,733,838	1,789,425

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:

	2025	2024
Other related party	$ 113,525	135,106

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

3. Receivables from related parties

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

Accounting subject	Related party category/name	2025.12.31	2024.12.31
Accounts receivable - related parties, net	Associate	$ 21,373	25,666
	Other related party		
	FSP Power Solution GmbH	295,677	350,026
	Others	312,175	246,386
		629,225	622,078
Other receivables	Associate	2,015	565
	Other related party	17,734	15,710
		19,749	16,275
		$ 648,974	638,353

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

4. Payables to related parties

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

Accounting subject	Related party category/name	2025.12.31	2024.12.31
Accounts payable - related parties	Other related party	$ 49,217	63,626

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:

	2025	2024
Associate		
FSP Group USA Corp.	$ 10,534	10,787
Other related party		
FSP North America Inc.	23,792	15,026
Others	22,106	15,356
	$ 56,432	41,169

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:

Accounting subject	Related party category/name	2025.12.31	2024.12.31
Other payables	Associate	$ 934	1,258
	Other related party	16,085	20,920
		$ 17,019	22,178

6. Leases

The Group leased office space from the Company's Chairman. As of December 31, 2025 and December 31, 2024, the lease liabilities were NT$3,992 thousand

and NT$4,946 thousand, respectively. For the years 2025 and 2024, interest expenses recognized amounted to NT$80 thousand and NT$97 thousand, respectively.

7. Donation expenses

The amounts of donations made by the Group to related parties are as follows:

	2025	2024
Other related party	$ 10,500	-

(III) Compensation for key management personnel

	2025	2025
Short-term employee benefits	$ 57,617	69,510
Post-employment benefits	479	770
	$ 58,096	70,280

VIII. Pledged Assets

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

Assets	Pledged to secure	2025.12.31	2024.12.31
Restricted time deposits (recognized in other non-current assets)	Custom duty performance guarantee	$ 100	100
Restricted time deposits (recognized in other current assets)	Subsidiaries' short-term loan facilities	-	32,785
Land	Long-term and short-term loan facilities	161,077	161,077
Housing and construction	Long-term and short-term loan facilities	154,462	162,458
Total		$ 315,639	356,420

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) As of December 31, 2025 and 2024, the Company had banking guarantees for customs duties and commodity taxes of NT$63,000 thousand and NT$203,000 thousand, respectively, of which NT$30,000 thousand and NT$60,000 thousand had been utilized.

(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.

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 merged company recognized the aforementioned expenses in as expenses for the year in which they occurred based on fiscal conservatism.

(III) As of December 31, 2025, and December 31, 2024, the Group had signed property, plant, and equipment procurement contracts amounting to NT$1,006,684 thousand and NT$483,800 thousand, respectively. The amounts paid under these contracts were NT$224,509 thousand and NT$50,760 thousand, respectively, and were recorded under construction in progress and other non-current assets within property, plant, and equipment.

X. Significant Disaster Loss: None.

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

XII. Others

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

By function / By nature	2025			2024		
	Operation costs	**Operation expenses**	**Total**	**Operation costs**	**Operation expenses**	**Total**
Employee benefits expense						
Salary expense	1,473,219	1,019,848	2,493,067	1,278,542	985,674	2,264,216
Labor and health insurance expenses	34,664	84,779	119,443	20,290	85,771	106,061
Pension expense	130,276	48,043	178,319	92,715	44,846	137,561
Remuneration to directors	-	8,568	8,568	-	15,728	15,728
Other employee benefit expense	54,554	44,963	99,517	55,671	40,708	96,379
Depreciation expense	298,381	118,426	416,807	293,178	108,236	401,414
Amortization expense	3,721	15,179	18,900	570	7,282	7,852

XIII. Supplementary Disclosures

(I) Information on Significant Transactions

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

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

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

Shares units: Shares

Securities holding company	Type and name of securities	Relationship with issuer of securities	Ledger account	Year-end Shares/Units	Year-end Carrying amount	Year-end Percentage of shareholding (%)	Year-end Fair value	Maximum shareholding during the period (%)	Remark
	Stock:								
The Company	Mekong Resort Development Construction Co., Ltd.	—	Financial assets at fair value through profit or loss	1,998,300	60,287	9.17	60,287	9.17	
Shenzhen Zhong Han	601988 Bank of China	—	〃	500,000	12,881	-	12,881	-	
	Preferred stock:								
The Company	HARRIS TECHNOLOGY	—	〃	44,870,678	18,855	10.91	18,855	10.91	
	Beneficiary certificates:								
The Company	Fuh Hwa Guardian Fund	—	〃	3,504,199	76,196	-	76,196	-	
〃	Fuh Hwa Ruei Hua Fund	—	〃	1,961,169	24,908	-	24,908	-	
〃	The maturity of the Fu Hua three to eight-year floating rate notes and bonds (in New Taiwan Dollars)	—	〃	2,500,000	27,873	-	27,873	-	
〃	Yuanta FTSE4Good TIP Taiwan ESG ETF Securities Investment Trust Fund	—	〃	400,000	22,140	-	22,140	-	
〃	Taiwan Technology High Dividend Fund A	—	〃	6,000,000	71,040	-	71,040	-	
〃	Asia-Pacific Technology (in USD)	—	〃	52,994	44,055	-	44,055	-	
〃	0056 Yuanta High Dividend	—	〃	300,000	11,019	-	11,019	-	
〃	00991A Fuh Hwa Taiwan Future 50 Active ETF	—	〃	1,000,000	10,470	-	10,470	-	
〃	00919 Capital Taiwan High Dividend	—	〃	300,000	6,720	-	6,720	-	
〃	00939 Unified Taiwan High Interest	—	〃	1,000,000	14,700	-	14,700	-	
〃	00940 Yuanta Taiwan High-yield Value			1,000,000	9,260	-	9,260	-	
3Y Power	Fuh Hwa Taiwan Technology High Dividend Fund	—	〃	2,000,000	23,680	-	23,680	-	
〃	00991A Fuh Hwa Taiwan Future 50 Active ETF	—	〃	500,000	5,225	-	5,225	-	
					347,286		347,286		
	Private equity fund:								
The Company	Heshunhsing Intelligent Mobile LP	—	〃	77,954,545	92,262	1.11	92,262	1.11	
〃	Hong Chi Sustainable Climate Limited Partnership	—	〃	36,000,000	54,291	5.74	54,291	5.74	
〃	Mesh Cooperative Ventures Fund	—	〃	30,000,000	28,875	2.49	28,875	2.49	
〃	FSP Yu-Hang Innovation & Sustainability Limited Partnership			10,000,000	10,003	99.98	10,003	99.98	
					185,431		185,431		
	Structured products:								
The Company	X220401	—	〃	10,000	30,597	-	30,597	-	
3Y Power	XP240807	—	〃	5,000	14,478	-	14,478	-	
					45,075		45,075		
	Structured deposits:								
Shenzhen Zhong Han	Ping An Bank Structured Deposits for Corporate Clients	—	〃	-	179,840	-	179,840	-	
WUXI Zhonghan	SPD Bank Structured Deposits for Corporate Clients	—	〃	-	202,320	-	202,320	-	
					382,160		382,160		
					1,051,975		1,051,975		

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				Maximum shareholding during the period (%)	Remark
				Shares/Units	Carrying amount	Percentage of shareholding (%)	Fair value		
	Stock:								
The Company	Voltronic Power Technology Corp.	Other related party	Financial assets at fair value through other comprehensive income	2,896,822	2,812,814	3.30	2,812,814	3.30	
〃	JESS-LINK Products Co., Ltd.	—	〃	10,010,000	1,391,390	8.20	1,391,390	8.20	
〃	WT Microelectronics Co., Ltd. (Preferred stock)	—	〃	1,000,000	51,400	0.74	51,400	0.74	
〃	WT Microelectronics Co., Ltd.	—	〃	250,000	34,250	0.02	34,250	0.02	
〃	Taiwan Semiconductor Manufacturing Co., Ltd.	—	〃	9,000	13,950	-	13,950	-	
〃	Coretronic Corporation	—	〃	225,000	19,350	0.06	19,350	0.06	
	Stock:								
The Company	Eastern Union Interactive Corp.	—	Financial assets at fair value through other comprehensive income	980,000	183,750	3.94	183,750	3.94	
〃	HARRIS TECHNOLOGY	—	〃	29,829,678	5,640	9.07	5,640	9.07	
〃	Champ-ray Industrial Co., Ltd.	—	〃	235,000	18,871	0.78	18,871	0.78	
〃	Channel Well Technology Co., Ltd.	—	〃	45,000	3,141	0.02	3,141	0.02	
〃	Delta Electronics Inc.	—	〃	3,000	2,889	-	2,889	-	
〃	Quanta Computer Inc.	—	〃	100,000	27,200	-	27,200	-	
〃	Hon Hai Precision Industry Co., Ltd.	—	〃	25,000	5,763	-	5,763	-	
〃	Formosa International Hotels Corporation	—	〃	95,000	17,955	0.07	17,955	0.07	
〃	TOT BIOPHARM International Co., Ltd.	—	〃	1,195,200	12,072	0.15	12,072	0.15	
〃	Taiwan Truewin Technology Co., Ltd.	—	〃	2,226,704	119,873	3.44	119,873	3.44	
〃	StockSense Media Technology Co., Ltd.	—	〃	1,602,121	80,106	5.04	80,106	5.04	
〃	Liwatt X Inc.	—	〃	1,000,000	6,479	14.29	6,479	14.29	
〃	LINCO Technology Co., Ltd.	—	〃	550,000	60,000	0.66	60,000	0.66	
					4,866,893		4,866,893		
FSP Jiangsu	Powerland Technology Inc.	—	〃	-	100,000	3.39	100,000	3.39	
3Y Power	Voltronic Power Technology Corp.	Other related party	〃	1,000	971	-	971	-	
					4,967,864		4,967,864		

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

Company purchases (sales) of goods	Related party	Relationship	Transaction situation				Unusual transaction terms and reasons		Notes and accounts receivable (payable)		Remark
			Purchases (sales)	Amount	Percentage of total purchases (sales) (%)	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	
The Company	Sparkle Power Inc.	The Chairman of the Company is the second-degree relatives of the entity's Chairman	(Sales)	(357,551)	(3.30)	Note 1			120,510	4.14	
The Company	Fortron/ Source (EUROPA) GmbH	Substantive related party of the Company	(Sales)	(476,692)	(4.40)	Note 1			144,214	4.96	
The Company	FSP Power Solution GmbH	Substantive related party of the Company	(Sales)	(564,627)	(5.21)	Note 1			272,769	9.38	
The Company	WUXI Zhonghan	100% owned investment via indirect shareholding	(Sales)	(276,578)	(2.55)	Note 1			106,555	3.66	Note 6
The Company	FSP Technology USA Inc.	100% owned investment via direct shareholding	(Sales)	(288,988)	(2.67)	Note 1			72,196	2.48	Note 6
The Company	Zhonghan Tech.	100% owned investment via indirect shareholding	(Sales)	(237,983)	(2.20)	Note 1			-	-	
The Company	Huili	100% owned investment via indirect shareholding	Purchases (Note 2)	889,203	12.31	Note 4		Note 4	(85,440) (Note 3)	(2.75)	Note 6
The Company	Zhonghan	100% owned investment via indirect shareholding	Purchases (Note 2)	389,496	5.39	Note 4		Note 4	(41,259) (Note 3)	(1.33)	Note 6
The Company	WUXI SPI	100% owned investment via indirect shareholding	Purchases (Note 2)	285,886	3.96	Note 4		Note 4	(23,807) (Note 3)	(0.77)	Note 6
The Company	Voltronic	The Company is the Director of this company	Purchases	110,572	1.53	Note 5			(49,217)	(1.59)	
The Company	3Y Power	65.87% owned investment via direct shareholding	Purchases (Note 2)	285,986	3.96	Note 1			(92,311) (Note 3)	(2.97)	Note 6
3Y Power	3Y Power Technologh Inc.	100% owned investment via direct shareholding	(Sales)	(147,316)	(7.93)	Note 1			17,348	4.72	Note 6
3Y Power	FSP Power Solution Gmbh	Substantive related party of the Company	(Sales)	(114,833)	(6.18)	Note 1			22,907	6.24	
3Y Power	Zhonghan Tech.	Affiliate	(Sales)	(435,181)	(23.42)	Note 1			-	-	Note 6
3Y Power	Huili	Affiliate	Purchases (Note 2)	259,640	21.13	Note 4		Note 4	-	-	Note 6
The Company	FSP Technology Vietnam Co., Ltd.	100% owned investment via indirect shareholding	Purchases	417,738	5.78	Note 4		Note 4	(43,056)	(1.39)	Note 6

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: The Company does not purchase similar products from other manufacturers, so there is no transaction price from regular manufacturers for comparison. The payment terms were not significantly different from those of regular manufacturers.
Note 6: Eliminated under consolidation.

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

Company with accounts receivable	Related party	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Recovery from overdue receivables from related parties (Note)	Loss allowance
					Amount	Action taken		
The Company	Sparkle Power Inc.	The Chairman of the Company is the second-degree relatives of the entity's Chairman	120,510	2.94	-		67,856	-
The Company	FSP Power Solution GmbH	Substantive related party of the Company	272,769	1.94	-		108,535	-
The Company	Fortron/ Source (Europa) GmbH	Substantive related party of the Company	144,214	4.37	-		52,774	-
The Company	WUXI Zhonghan	100% owned investment via indirect shareholding	106,555 (Note 2)	2.19	-		44,512	-
The Company	FSP Technology Vietnam Co., Ltd.	100% owned investment via indirect shareholding	118,368 (Note 2)	3.02	-		-	-

Note 1: As of February 28, 2026.
Note 2: Eliminated under consolidation.

6. Business relationship and significant intercompany transactions:

Number (Note 1)	Company	Counterparty	Nature of relationship (Note 2)	Description of transactions			
				Ledger account	Amount	Transaction term	Percentage of total consolidated operating revenue or total assets (Note 3)
0	The Company	3Y Power	1	Cost of goods sold	285,986	No significant difference from other suppliers	2.19%
0	The Company	Huili	1	Cost of goods sold	889,203	No comparison is available	6.81%
0	The Company	Zhonghan	1	Cost of goods sold	389,496	No comparison is available	2.98%
0	The Company	WUXI SPI	1	Cost of goods sold	285,886	No comparison is available	2.19%
0	The Company	WUXI Zhonghan	1	Operating revenue	276,578	No significant difference from other customers	2.12%
0	The Company	Zhonghan Tech.	1	Operating revenue	237,983	No significant difference from other customers	1.82%
0	The Company	FSP Technology USA Inc.	1	Operating revenue	288,988	No significant difference from other customers	2.21%
0	The Company	FSP Technology Vietnam Co., Ltd.	1	Cost of goods sold	417,738	No significant difference from other suppliers	3.20%
1	3Y Power	3Y Power Technology Inc.	3	Operating revenue	147,316	No significant difference from other customers	1.13%
1	3Y Power	Huili	3	Cost of goods sold	259,640	No comparison is available	1.99%
1	3Y Power	Zhonghan Tech.	3	Operating revenue	435,181	No significant difference from other customers	3.33%

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: Types of relationships with traders are listed as follows:
1. The parent company to subsidiaries.

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

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

(II) Information on Invested Companies:

Investment information in 2025 is as follows:

Name of investor	Name of Investee	Location	Main business activities	Initial investment amount		Year-end holdings			Maximum shareholding during the period	Profit (loss) of investee for the period (Note 1)	Investment gain (loss) recognized for the period (Note 1)	Remark
				End of the current period	At the end of last year	Shares	Shareholding (%)	Carrying amount (Note 1)				
The Company	FSP International Inc. (BVI)	British Virgin Islands	Investment holdings	1,501,391	1,468,081	33,202,500	100.00	2,169,857	1,501,391	(144,599)	(144,555)	Subsidiary
〃	FSP Group Inc.	British Cayman Islands	Engaged in safety certification	1,752	1,752	50,000	100.00	312	1,752	(11)	(11)	Subsidiary
〃	Amacrox Technology Co., Ltd. (BVI)	British Virgin Islands	Investment holdings	40,925	40,925	1,109,355	100.00	79,040	40,925	1,875	1,875	Subsidiary
〃	3Y Power	Taiwan	Manufacturing and trading of power supply	304,406	304,406	16,309,484	65.87	834,764	304,406	96,469	62,930	Subsidiary
〃	Harmony Trading (HK) Ltd.	Hong Kong	Investment holdings	45	45	10,000	100.00	1,918	45	(107)	(107)	Subsidiary
〃	FSP Technology USA Inc.	U.S.A.	Business development and product technical service	3,143	3,143	100,000	100.00	21,342	3,143	9,529	9,529	Subsidiary
〃	FSP Turkey Dis Tic.Ltd.Sti.	Turkey	Business development and product technical service	22,640	22,640	6,673,000	91.41	21,652	22,640	1,247	1,140	Subsidiary
〃	FSP Technology Vietnam Co., Ltd.	Vietnam	Manufacturing and trading of power supply	347,540	222,010	-	100.00	266,459	347,540	(9,910)	(7,500)	Subsidiary
FSP International Inc. (BVI)	FSP Technology Inc. (BVI)	British Virgin Islands	Investment holdings	62,883	62,883	2,100,000	100.00	136,904	62,883	(25,784)	-	Sub-subsidiary
〃	Power Electronics Co., Ltd. (BVI)	British Virgin Islands	Investment holdings	217,707	217,707	7,000,000	100.00	142,364	217,707	(12,111)	-	Sub-subsidiary
〃	Famous Holding Ltd.	Samoa	Investment holdings	807,483	807,483	27,000,000	100.00	1,282,697	807,483	(61,988)	-	Sub-subsidiary
〃	Proteck Electronics (Samoa) Corp.	Samoa	Investment holdings	32,984	32,984	1,100,000	100.00	17,489	32,984	(4,285)	-	Sub-subsidiary
〃	FSP International (HK) Ltd.	Hong Kong	Investment holdings	141,042	141,042	4,770,000	100.00	22,557	141,042	(12,194)	-	Sub-subsidiary
Amacrox Technology Co., Ltd. (BVI)	Amacrox GmbH	Germany	Trading of power supply	18,181	18,181	25,000	100.00	3,177	18,181	(33)	-	Sub-subsidiary
〃	FSP Group USA Corp.	U.S.A.	Trading of power supply	14,903	14,903	247,500	45.00	38,573	14,903	6,091	2,741	Associate
3Y Power	3Y Power Technology Inc.	U.S.A.	Trading of power supply	233,850	233,850	600,000	100.00	241,336	233,850	(3,968)	-	Sub-subsidiary
〃	Luckyield Co., Ltd.	Samoa	Investment holdings	4,500	4,500	150,000	100.00	6,248	4,500	1,187	-	Sub-subsidiary

Note 1: The investment gains or losses recognized by the company and the carrying amounts of the investments at period-end were measured using the equity method, based on the financial statements of the investee audited by the certified public accountants of the Taiwanese parent company.

Note 2: 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 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	Method of investments (Note 1)	Accumulated amount of investments remitted from Taiwan at beginning of period	Amount of investments remitted or repatriated for the period		Accumulated amount of investments remitted from Taiwan at end of period	Maximum shareholding during the period	Profit (loss) of investee for the period	Percentage of ownership of direct or indirect investment	Recognition of investment gains and losses for the current period (Notes 3 and 4)	The year-end carrying value of investments (Notes 3 and 4)	Accumulated investment income repatriated at end of period
					Remitted	Repatriated							
Huili	Processing of power supply	410,260	(II), 1	403,203	33,310	-	436,513	436,513	(29,484)	100.00	(29,484)	460,826	197,299
Zhonghan	Processing of power supply	231,949 (Note 2)	(II), 1	104,342	-	-	104,342	104,342	(12,069)	100.00	(12,069)	140,452	75,044
WUXI SPI	Processing of power supply	747,640 (Note 2)	(II), 1	508,326	-	-	508,326	508,326	13,816	100.00	13,816	108,147	-
WUXI Zhonghan	Manufacturing and trading of power supply	430,658	(II), 1	380,595	-	-	380,595	380,595	(89,755)	100.00	(89,755)	787,130	-
Zhonghan Tech.	Manufacturing and trading of power supply	134,880	(II), 1	20,196	-	-	20,196	20,196	(71,136)	100.00	(71,136)	685,930	-
FSP Jiangsu	Research & development and design of various energy saving technology	69,009 (Note 2)	(II), 1	13,380	-	-	13,380	13,380	(25,784)	100.00	(25,784)	138,590	-
Protek Dongguan	Processing of power supply	40,770	(II), 1	38,038	-	-	38,038	38,038	(4,277)	100.00	(4,277)	17,281	-
Hao Han	Transformer processing	169,400 (Note 2)	(II), 1	-	-	-	-	-	(12,194)	100.00	(12,194)	22,557	-
WUXI 3Y	Design, manufacturing and trading of power supplies	4,267	(II), 2	-	-	-	-	-	1,187	65.87	782	6,248	-

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

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

Note 3: The investment gains or losses recognized by the company and the carrying amounts of the investments at period-end were measured using the equity method, based on the financial statements of the investee audited by the certified public accountants of the Taiwanese parent company.

Note 4: Eliminated under consolidation.

2. The limit of investment in Mainland China:

Accumulated investment in Mainland China at the end of period	Investment amounts approved by Investment Commission, MOEA	Limit of investment in Mainland China approved by Investment Commission, MOEA
1,468,916 (Note 2) (HK$ 12,500 thousand and US$ 43,640 thousand)	2,002,592 (Note 2) (HK$ 12,500 thousand and US$ 62,110 thousand)	7,515,640 (Note 1)

Note 1: 60% of net worth.

Note 2: Note 2: The relevant amounts of investment in the Mainland China region mentioned above, except for the cumulative amount of investment from Taiwan to the Mainland China region at the end of this period, are based on the historical exchange rate. The recognition of investment gains and losses for this period is based on the weighted average exchange rate, with the exchange rate of USD to TWD at 1: 31.1797, the exchange rate of RMB to TWD at 1: 4.3334, and the exchange rate of HKD to TWD at 1: 3.9998. The paid-in capital, the approved amount by the Ministry of Economic Affairs Investment Commission, and the end-of-period investment book value are calculated based on the exchange rate on December 31, 2025, with the exchange rate of USD to TWD at 1: 31.4300, the exchange rate of RMB to TWD at 1: 4.4960, and the exchange rate of HKD to TWD at 1: 4.0380.

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

For the direct or indirect significant transactions between the Group and its investee companies in Mainland China in 2025 (which were eliminated when preparing the consolidated report), please refer to the description of "Information on Significant Transactions".

XIV. Segment Information

(I) General information

The Company and its processing subsidiaries (including Huili, Zhonghan, WUXI SPI and Protek Dongguan), Zhonghan Tech., WUXI Zhonghan and 3Y Power, manufacture and sell their own products separately. The reportable segment of the Group is a product-specific business unit, and provides different products according to the functional requirements of customers. Since each product-specific business unit requires different technologies and marketing strategies, it has to be managed separately. The Group does not allocate income tax expenses to reportable segments. The reported amounts are consistent with the reports used by operation decision makers. The accounting policies of the operating segments are the same as the summary of significant accounting policies described in Note IV. Profit or loss of the operating segments of the Group is measured at net income before income taxes and are used as the basis for evaluating performance.

(II) Information on segment's profit or loss, assets, liabilities and reconciliation

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

	2025						
	The Company and its processing subsidiaries	**3Y Power**	**Zhonghan Tech.**	**WUXI Zhonghan**	**Others**	**Adjustment and elimination**	**Consolidation**
Revenue:							
Revenue from external customers	$ 9,873,231	941,767	1,021,475	487,187	736,436	-	13,060,096
Intersegment revenue	2,848,680	906,944	39,771	15,666	495,781	(4,306,842)	-
Total revenue	$ 12,721,911	1,848,711	1,061,246	502,853	1,232,217	(4,306,842)	13,060,096
Segment profit (loss)	$ 432,951	90,809	(16,421)	(24,693)	(24,553)	301	458,394

	2024						
	The Company and its processing subsidiaries	**3Y Power**	**Zhonghan Tech.**	**WUXI Zhonghan**	**Others**	**Adjustment and elimination**	**Consolidation**
Revenue:							
Revenue from external customers	$ 8,212,819	801,112	1,306,217	563,979	716,965	-	11,601,092
Intersegment revenue	2,495,689	1,124,252	27,093	16,691	168,336	(3,832,061)	-
Total revenues	$ 10,708,508	1,925,364	1,333,310	580,670	885,301	(3,832,061)	11,601,092
Segment profit (loss)	$ 497,461	96,481	(33,045)	(10,798)	(60,861)	33,460	522,698

Note: As the total assets of the segment are not provided to the operation decision makers, it is not intended to disclose the measured amounts of the assets.

(III) Export sales information

1. Product and service information

The Group is engaged in the single electronics business and does not operate in other industries. Its revenue from external customers is provided in the operating segment's financial information.

2. Geographic information

Revenue from external customers:

Region		2025	2024
Taiwan	$	2,848,894	2,226,601
China		3,333,280	3,614,036
U.S.A.		1,365,246	1,475,742
Germany		2,500,604	1,599,876
Others (below 5%)		3,012,072	2,684,837
Total	**$**	**13,060,096**	**11,601,092**

Non-current assets:

Region		2025.12.31	2024.12.31
Taiwan	$	1,490,785	1,450,122
Mainland China		977,831	1,047,728
Other countries		261,561	193,144
Total	**$**	**2,730,177**	**2,690,994**

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and other assets, but exclude financial instruments, deferred tax assets and retirement benefits assets.

(IV) Major customer information

In 2025 and 2024, there were no customers whose sales revenue accounted for more than 10% of the revenue on the income statement.