

FSP Technology Inc. and Subsidiaries
Consolidated Financial Statements and
Independent Auditors' Review Report
For the Three Months Ended March 31, 2026 and 2025

Address: No. 22, Jianguo E. Rd., Taoyuan Dist., Taoyuan City
Tel: (03)3759888

Table of Contents

Item	Page
I. Cover Page	1
II. Table of Contents	2
III. Independent Auditors' Report	3
IV. Consolidated Balance Sheets	5
V. Consolidated Statements of Comprehensive Income	6
VI. Consolidated Statements of Changes in Equity	7
VII. Consolidated Statements of Cash Flows	8
VIII. Notes to Consolidated Financial Statements	
(I) Company History	9
(II) Date of Authorization for Issuance of the Consolidated Financial Statements and Procedures for Authorization	9
(III) Application of New and Amended Standards and Interpretations	9~11
(IV) Summary of Significant Accounting Policies	11~14
(V) Primary Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions	14
(VI) Details of Significant Accounts	14~47
(VII) Related Party Transactions	48~50
(VIII) Pledged Assets	51
(IX) Significant Contingent Liabilities and Unrecognized Contract Commitments	51~52
(X) Significant Disaster Loss	52
(XI) Significant Events after the Balance Sheet Date	52
(XII) Others	53
(XIII) Supplementary Disclosures	
1. Information on Significant Transactions	53~56
2. Information on Invested Companies	57
3. Information on Investments in Mainland China	58
(XIV) Segment Information	59

Independent Auditors' Report

To the Board of Directors of FSP Technology Inc.:

Preface

We have reviewed the Consolidated Financial Statements of FSP Technology Inc. and its subsidiaries, which comprise the Consolidated Balance Sheets as of March 31, 2026 and 2025, and the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Changes in Equity, the Consolidated Statements of Cash Flows, and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) from January 1 to March 31, 2026 and 2025. The Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard (IAS) 34 "Interim Financial Reporting" endorsed and issued into effect by Financial Supervisory Commission (FSC) of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

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

Basis for Qualified Conclusion

As stated in Note IV(II) to the consolidated financial statements, it has included part of its insignificant subsidiaries in the aforesaid consolidated financial statements based on the financial statements of these invested companies not reviewed by the independent auditors for the same period. As of March 31, 2026 and 2025, the total assets of these subsidiaries amounted to NT\$3,018,540 thousand and NT\$2,836,656 thousand, respectively, representing 16.56% and 13.66% of the consolidated total assets, respectively; total liabilities amounted to NT\$964,081 thousand and NT\$969,343 thousand, respectively, representing 16.11% and 14.56% of the consolidated total liabilities, respectively. For the three months ended March 31, 2026 and 2025, total comprehensive profit (loss) amounted to NT\$33,976 thousand and NT\$(49,344) thousand, respectively, representing (11.35)% and 4.16% of the consolidated total comprehensive profit (loss), respectively.

Besides the above-mentioned in the previous paragraph, as stated in Note VI(VII) of the consolidated financial statements, investments accounted for under the equity method of FSP Technology Inc. and subsidiaries amounted to NT\$40,078 thousand and NT\$36,467 thousand as of March 31, 2025, and 2024, respectively. The share of corporate profit recognized under the equity method was NT\$907 thousand and NT\$4,000 thousand from January 1 to March 31, 2025, and 2024, respectively. Those amounts were recognized based on financial statements of the investees for the same period and have not been reviewed by the independent auditors.

Qualified Conclusion

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

KPMG Taiwan

Taipei, Taiwan (Republic of China)

April 30, 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

As of March 31, 2026, December 31, 2025 and March 31, 2025

Unit: NT\$ thousands

		2026.3.31		2025.12.31		2025.3.31				2026.3.31		2025.12.31		2025.3.31	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and equity		Amount	%	Amount	%	Amount	%
11xx	Current assets:							21xx	Current liabilities:						
1100	Cash and cash equivalents (Note VI(I))	\$ 3,295,094	18	3,452,598	18	3,864,020	19	2100	Short-term borrowings (Notes VI(IX), (XII) and VIII)	\$ -	-	-	-	3,267	-
1110	Financial assets at fair value through profit or loss - current (Note VI(II))	1,022,593	6	927,758	5	947,141	4	2150	Notes payable	14,043	-	14,383	-	12,821	-
1136	Financial assets at amortized cost - current (Note VI(IV))	-	-	50,000	-	-	-	2170	Accounts payable (Note VII)	3,103,396	18	3,555,955	18	3,312,656	16
1150	Notes receivable, net (Notes VI(V) and (XX))	152,716	1	159,688	1	174,641	1	2180	Accounts payable - related parties (Note VII)	50,128	-	49,217	-	83,593	-
1170	Accounts receivable - related parties, net (Notes VI(V), (XX) and VII)	2,574,598	14	2,732,588	14	2,607,398	13	2200	Other payables (Notes VI(XVI), (XXI) and VII)	1,247,069	7	1,489,638	8	1,331,183	6
1180	Accounts receivable - related parties, net (Notes VI(V), (XX) and VII)	664,303	4	629,225	3	718,001	3	2216	Dividends payable (Note VI(XVIII))	411,976	2	-	-	561,786	3
1200	Other receivables (Note VI(VI) & VII)	252,005	1	360,368	2	333,307	2	2230	Current income tax liabilities	61,777	-	53,410	-	65,215	-
1220	Current income tax assets	5,866	-	5,606	-	5,961	-	2250	Provisions - current (Note VI(XV))	118,278	1	106,886	1	136,793	1
130x	Inventories (Note VI(VII))	2,377,826	13	2,503,505	13	2,170,352	10	2280	Lease liabilities - current (Notes VI(XIV) and VII)	186,526	1	174,869	1	197,745	1
1410	Prepayments	139,877	1	125,739	1	108,896	1	2300	Other current liabilities (Notes VI(XIII) and (XX))	189,497	1	171,166	1	189,424	1
1470	Other current assets (Note VIII)	30,052	-	37,078	-	62,829	-	2320	Long-term liabilities - current portion (Notes VI(IX), (XIII) and VIII)	-	-	1,382	-	30,422	-
	Total current assets	10,514,930	58	10,984,153	57	10,992,546	53		Total current liabilities	5,382,690	30	5,616,906	29	5,924,905	28
15xx	Non-current assets:							25xx	Non-current liabilities:						
1510	Financial assets at fair value through profit or loss - non-current (Note VI(II))	106,233	1	124,217	1	64,889	-	2570	Deferred income tax liabilities	148,626	1	144,783	1	166,027	1
1517	Financial assets at fair value through other comprehensive income - non-current (Note VI(III))	4,389,121	24	4,967,864	26	6,579,817	32	2580	Lease liabilities - non-current (Notes VI(XIV) and VII)	451,957	2	440,160	2	564,373	3
1550	Investment under equity method (Note VI(VIII))	42,115	-	38,573	-	40,078	-	2645	Guarantee deposits received	514	-	638	-	533	-
1600	Property, plant, and equipment (Notes VI(IX), (XI), (XII), (XIII), VIII and IX)	1,753,844	10	1,753,606	9	1,703,588	8	2670	Other non-current liabilities (Note VI(XIII))	-	-	-	-	2,304	-
1755	Right-of-use assets (Notes VI(X), (XIV) and VII)	632,931	3	610,669	3	761,710	4		Total non-current liabilities	601,097	3	585,581	3	733,237	4
1780	Intangible assets (Notes VI(IX) and (XI))	242,711	1	249,954	2	229,756	1	2xxx	Total liabilities	5,983,787	33	6,202,487	32	6,658,142	32
1840	Deferred income tax assets	220,126	1	215,930	1	241,675	1	31xx	Equity attributable to owners of the parent (Note VI(III), (VIII) & (XVIII)):						
1900	Other non-current assets (Notes VI(V), (IX), VIII and IX)	322,397	2	209,343	1	157,786	1	3100	Capital Stock	1,872,620	10	1,872,620	10	1,872,620	9
	Total non-current assets	7,709,478	42	8,170,156	43	9,779,299	47	3200	Capital surplus	862,101	5	862,067	5	861,524	4
								3300	Retained earnings:						
								3310	Legal reserve	1,507,697	8	1,507,697	8	1,411,213	7
								3350	Unappropriated earnings	4,125,991	23	4,382,849	23	3,949,660	19
									Total retained earnings	5,633,688	31	5,890,546	31	5,360,873	26
								34xx	Other Equity:						
								3410	Exchange differences on translation of financial statements of foreign operations	(22,802)	-	(79,464)	(1)	(12,694)	-
								3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	3,458,955	19	3,980,297	21	5,606,548	27
									Total other equity	3,436,153	19	3,900,833	20	5,593,854	27
									Total equity attributable to shareholders of the parent	11,804,562	65	12,526,066	66	13,688,871	66
								36xx	Non-controlling Interests (Note VI (XVIII))	436,059	2	425,756	2	424,832	2
								3xxx	Total equity	12,240,621	67	12,951,822	68	14,113,703	68
								2-3xxx	Total liabilities and equity	\$ 18,224,408	100	19,154,309	100	20,771,845	100
1xxx	Total assets	\$ 18,224,408	100	19,154,309	100	20,771,845	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 March 31, 2026 and 2025

Unit: NT\$ thousands

		January to March, 2026		January to March, 2025	
		Amount	%	Amount	%
4000	Operating revenue (Notes VI(XX) and VII)	\$ 3,045,119	100	3,031,675	100
5000	Operating costs (Notes VI(VII), (IX), (X), (XI), (XIV), (XV), (XVI), VII and XII)	2,498,679	82	2,498,567	82
5920	Add: realized (unrealized) sales gains (losses)	995	-	(37)	-
5900	Gross profit	<u>547,435</u>	<u>18</u>	<u>533,071</u>	<u>18</u>
6000	Operating expenses (Notes VI(V), (IX), (X), (XI), (XIV), (XVI), (XXI), VII, and XII):				
6100	Selling and marketing expenses	185,639	6	172,988	6
6200	General and administrative expenses	177,870	6	177,759	6
6300	Research and development expenses	167,720	5	157,661	5
6450	Expected credit impairment losses (reversal of gains)	(10,408)	-	3,140	-
	Total operating expenses	<u>520,821</u>	<u>17</u>	<u>511,548</u>	<u>17</u>
6900	Net operating income	<u>26,614</u>	<u>1</u>	<u>21,523</u>	<u>1</u>
7000	Non-operating income and expenses (Notes VI(II), (VIII), (IX), (X), (XIII), (XIV), (XXII), and VII):				
7100	Interest income	9,617	-	12,614	-
7010	Other income	10,834	-	9,838	-
7020	Other gains and losses	55,787	2	19,555	1
7050	Finance costs	(5,144)	-	(3,852)	-
7060	Share of profits (losses) of associates and joint ventures under equity method	1,740	-	907	-
	Total non-operating income and expenses	<u>72,834</u>	<u>2</u>	<u>39,062</u>	<u>1</u>
7900	Income before income tax from continuing operations	99,448	3	60,585	2
7950	Less: income tax expense (Note VI(XVII))	20,288	1	13,448	-
8200	Net income	<u>79,160</u>	<u>2</u>	<u>47,137</u>	<u>2</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified to profit or loss (Note (XVIII))				
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	(436,055)	(14)	(1,267,391)	(42)
8349	Less: Income tax related to items that will not be reclassified subsequently	-	-	-	-
	Total items that will not be reclassified to profit or loss	<u>(436,055)</u>	<u>(14)</u>	<u>(1,267,391)</u>	<u>(42)</u>
8360	Items that may be reclassified subsequently to profit or loss (Note VI(VIII) and (XVIII))				
8361	Exchange differences on translation of financial statements of foreign operations	56,829	2	34,201	1
8370	Share of other comprehensive income (losses) of associates and joint ventures under equity method	807	-	939	-
8399	Less: income tax related to items that may be reclassified subsequently	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	<u>57,636</u>	<u>2</u>	<u>35,140</u>	<u>1</u>
8300	Other Comprehensive Income	<u>(378,419)</u>	<u>(12)</u>	<u>(1,232,251)</u>	<u>(41)</u>
8500	Total comprehensive income	<u>\$ (299,259)</u>	<u>(10)</u>	<u>(1,185,114)</u>	<u>(39)</u>
	Current net income attributable to:				
8610	Shareholders of the parent	\$ 69,746	2	37,554	2
8620	Non-controlling interests	9,414	-	9,583	-
		<u>\$ 79,160</u>	<u>2</u>	<u>47,137</u>	<u>2</u>
	Total comprehensive income (losses) attributable to:				
8710	Shareholders of the parent	\$ (309,562)	(10)	(1,195,284)	(39)
8720	Non-controlling interests	10,303	-	10,170	-
		<u>\$ (299,259)</u>	<u>(10)</u>	<u>(1,185,114)</u>	<u>(39)</u>
	Earnings per share (unit: NT\$) (Note VI(XIX))				
9750	Basic earnings per share	<u>\$ 0.37</u>		<u>0.20</u>	
9850	Diluted earnings per share	<u>\$ 0.37</u>		<u>0.20</u>	

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

FSP Technology Inc. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to March 31, 2026 and 2025

Unit: NT\$ thousands

	Equity attributable to owners of the parent										
	Retained earnings					Other equity items					
						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
Capital stock - common shares	Capital surplus	Legal reserve	Unappropriated earnings	Total							
Balance as of January 1, 2025	\$ 1,872,620	861,396	1,411,213	4,382,326	5,793,539	(47,247)	6,965,505	6,918,258	15,445,813	414,662	15,860,475
Appropriation and distribution of earnings:											
Cash dividends of common stock	-	-	-	(561,786)	(561,786)	-	-	-	(561,786)	-	(561,786)
Net income	-	-	-	37,554	37,554	-	-	-	37,554	9,583	47,137
Other comprehensive income	-	-	-	-	-	34,553	(1,267,391)	(1,232,838)	(1,232,838)	587	(1,232,251)
Total comprehensive income	-	-	-	37,554	37,554	34,553	(1,267,391)	(1,232,838)	(1,195,284)	10,170	(1,185,114)
Proceeds received from the disposal of employee stock ownership trust shares	-	128	-	-	-	-	-	-	128	-	128
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	91,566	91,566	-	(91,566)	(91,566)	-	-	-
Balance as of March 31, 2025	\$ 1,872,620	861,524	1,411,213	3,949,660	5,360,873	(12,694)	5,606,548	5,593,854	13,688,871	424,832	14,113,703
Balance as of January 1, 2026	\$ 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
Appropriation and distribution of earnings:											
Cash dividends of common stock	-	-	-	(411,976)	(411,976)	-	-	-	(411,976)	-	(411,976)
Net income	-	-	-	69,746	69,746	-	-	-	69,746	9,414	79,160
Other comprehensive income	-	-	-	-	-	56,662	(435,970)	(379,308)	(379,308)	889	(378,419)
Total comprehensive income	-	-	-	69,746	69,746	56,662	(435,970)	(379,308)	(309,562)	10,303	(299,259)
Proceeds received from the disposal of employee stock ownership trust shares	-	34	-	-	-	-	-	-	34	-	34
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	85,372	85,372	-	(85,372)	(85,372)	-	-	-
Balance as of March 31, 2026	\$ 1,872,620	862,101	1,507,697	4,125,991	5,633,688	(22,802)	3,458,955	3,436,153	11,804,562	436,059	12,240,621

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

FSP Technology Inc. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to March 31, 2026 and 2025

Unit: NTS thousands

	January to March, 2026	January to March, 2025
Cash flows from operating activities:		
Income before income tax	\$ 99,448	60,585
Adjustments for:		
Adjustments to reconcile profit or loss		
Depreciation expense	104,479	103,897
Amortization expense	8,356	3,688
Expected credit impairment losses (reversal of gains)	(10,408)	3,140
Interest expense	5,144	3,852
Interest income	(9,617)	(12,614)
Dividend income	(1,093)	(808)
Share of profits (losses) of associates and joint ventures under equity	(1,740)	(907)
Loss on disposal of property, plant, and equipment	2	384
Unrealized (realized) sales gains	(995)	37
Total adjustments for profit or loss	94,128	100,669
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(76,851)	17,914
Notes receivable	6,972	60,584
Accounts receivable	168,398	(77,853)
Accounts receivable - related parties	(35,078)	(95,923)
Other receivables	94,415	115,860
Inventories	125,679	1,654
Prepayments	(14,138)	(27,604)
Other current assets	7,026	(2,406)
Other Non-Current Assets	1,128	634
Total changes in operating assets	277,551	(7,140)
Changes in operating liabilities:		
Notes payable	(340)	(1,476)
Accounts payable	(452,559)	56,906
Accounts payable - related parties	911	19,967
Other payables	(249,589)	(203,735)
Provisions for liabilities	11,392	(1,475)
Other current liabilities	18,331	(164)
Total changes in operating liabilities	(671,854)	(129,977)
Total changes in operating assets and liabilities	(394,303)	(137,117)
Total adjustments	(300,175)	(36,448)
Cash provided by operations	(200,727)	24,137
Interest received	9,222	13,235
Interest paid	(5,144)	(3,855)
Income tax paid	(12,181)	(496)
Net cash inflows (outflows) provided by operating activities	(208,830)	33,021
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(32,718)	(66,479)
Disposal of financial assets at fair value through other comprehensive income	189,776	126,919
Disposal of financial assets at amortized cost	50,000	-
Acquisition of property, plant, and equipment	(36,486)	(55,738)
Acquisition of intangible assets	(151)	(1,306)
Decrease (increase) in refundable deposits	4,174	(1,682)
Increase in prepayments for equipment	(118,654)	(6,738)
Dividends received	1,066	1,140
Net cash flows generated from (used in) investing activities	57,007	(3,884)
Cash flows from financing activities:		
Proceeds from short-term borrowings	670,200	-
Decrease in short-term loans	(670,200)	-
Repayments of long-term loans	(1,382)	(19,159)
Decrease in guarantee deposits received	(141)	-
Repayment of the principal of lease liabilities	(47,769)	(49,920)
Disposal of shares held under employee stock ownership trust	34	128
Net cash flows used in financing activities	(49,258)	(68,951)
Effects of exchange rate changes on the balance of cash held in foreign currencies	43,577	23,983
Net decrease in cash and cash equivalents	(157,504)	(15,831)
Cash and cash equivalents at the beginning of the year	3,452,598	3,879,851
Cash and cash equivalents at the end of the year	<u>\$ 3,295,094</u>	<u>3,864,020</u>

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

FSP Technology Inc. and Subsidiaries
Notes to Consolidated Financial Statements
For the Three Months Ended March 31, 2026 and 2025
(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 April 30, 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, 2026, and there was no significant impact on its 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"
- Annual Improvements to IFRS Accounting Standards

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

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

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

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

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

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

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

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Ventures"
- IFRS 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

Except for the following descriptions, the consolidated financial statements adopt the same significant accounting policies as the ones used in the consolidated financial statements for the year ended December 31, 2025. Please refer to Note IV of the consolidated financial statements for the year ended December 31, 2025 for details.

(I) Compliance declaration

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

(II) Basis of consolidation

The consolidated financial statements adopt the preparation principles as the ones used in the consolidated financial statements for the year ended December 31, 2025. Please refer to Note IV(III) of the consolidated financial statements for the year ended December 31, 2025 for details.

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

1. 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
			2026.3.31	2025.12.31	2025.3.31	
The Company	FSP International Inc. (BVI)	Investment holdings	100.00%	100.00%	100.00%	Note 4
"	FSP Group Inc.	Engaged in safety certification	100.00%	100.00%	100.00%	Note 3
"	Amacrox Technology Co., Ltd. (BVI)	Investment holdings	100.00%	100.00%	100.00%	Note 3
"	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%	65.87%	Note 3
"	Harmony Trading (HK) Ltd.	Trading of power supplies and related electronic products	100.00%	100.00%	100.00%	Note 3
"	FSP Technology USA Inc.	Business development and product technical service	100.00%	100.00%	100.00%	Note 3
"	FSP Turkey Dis Tic.Ltd.Sti.	Business development and product technical service	91.41%	91.41%	91.41%	Note 3
"	FSP Technology Vietnam Co., Ltd. (hereinafter referred to as FSP VN)	Manufacturing of power supplies and related electronic products	100.00%	100.00%	100.00%	Note 1 and Note 3
FSP International Inc. (BVI)	Shenzhen Huili Electronic Co., Ltd. (hereinafter referred to as Huili)	Manufacturing of power supplies and related electronic products	100.00%	100.00%	100.00%	Note 4
"	FSP Technology Inc. (BVI)	Investment holdings	100.00%	100.00%	100.00%	Note 3
"	Protek Electronics (Samoa) Corp.	Investment holdings	100.00%	100.00%	100.00%	Note 3
"	Power Electronics Co., Ltd. (BVI)	Investment holdings	100.00%	100.00%	100.00%	
"	Famous Holding Ltd.	Investment holdings	100.00%	100.00%	100.00%	
"	FSP International (HK) Ltd.	Investment holdings	100.00%	100.00%	100.00%	Note 3
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%	100.00%	Note 3
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%	100.00%	Note 3
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%	100.00%	
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%	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%	100.00%	Note 5

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

Name of investor	Name of subsidiary	Nature of business	Percentage of all ownership			Description
			2026.3.31	2025.12.31	2025.3.31	
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%	100.00%	Note 3
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%	100.00%	
Amacrox Technology Co., Ltd. (BVI)	Amacrox GmbH	Trading of power supplies and related electronic products	100.00%	100.00%	100.00%	Note 3
3Y Power	3Y Power Technology Inc. (3Y Power USA)	Trading of power supplies and related electronic products	100.00%	100.00%	100.00%	Note 3
“	Luckyield Co., Ltd.	Investment holdings	100.00%	100.00%	100.00%	Note 3
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%	100.00%	Note 2 and Note 3

Note 1: On November 5, 2025, the Board of Directors approved a capital increase of US\$10,000 thousand. As of March 31, 2026, the Company had actually contributed US\$7,000 thousand to FSP Technology Vietnam Co., Ltd.

Note 2: The Company invested in WUXI 3Y through Luckyield Co., Ltd., and the comprehensive shareholding percentage as of March 31, 2026, December 31, 2025 and March 31, 2025 were all 65.87%.

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

Note 4: On February 1, 2024, the Company 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 March 31, 2026, 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 5: 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%. The related registration amendment is still in process.

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

(III) Employee benefits

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

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

(IV) Income Tax

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

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

Income tax expenses recognized directly in equity or other comprehensive income were measured using the applicable tax rates at the time of expected realization or settlement of the temporary differences between the carrying amount of related assets and liabilities for financial reporting purposes and their tax bases.

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

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

When preparing the consolidated financial statements, significant accounting judgments, estimates and key sources of uncertainty made by the management for the adoption of the Group's accounting policies are consistent with Note V of the consolidated financial statements for the year ended December 31, 2025.

VI. Details of Significant Accounts

Except for the following descriptions, the details of significant accounts in the consolidated financial statements are not materially different from the consolidated financial statements for the year ended December 31, 2025. Please refer to Note VI of the consolidated financial statements for the year ended December 31, 2025 for relevant information.

(I) Cash and cash equivalents

	<u>2026.3.31</u>	<u>2025.12.31</u>	<u>2025.3.31</u>
Cash on hand	\$ 6,959	6,986	7,777
Cash equivalents			
Repurchase agreements	164,078	13,829	26,987
Deposits in saving accounts and checking accounts	1,582,132	1,585,619	2,019,314
Time deposits	1,541,925	1,846,164	1,809,942
	<u>\$ 3,295,094</u>	<u>3,452,598</u>	<u>3,864,020</u>

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

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

	<u>2026.3.31</u>	<u>2025.12.31</u>	<u>2025.3.31</u>
Financial assets mandatorily measured at fair value through profit or loss - current:			
Non-derivative financial assets			
Beneficiary certificates	\$ 444,274	347,286	339,667
Private equity funds	197,851	185,431	121,250
Foreign unlisted stocks	-	-	74,654
Foreign listed stocks (including preferred shares)	33,293	12,881	-
Structured deposits	347,175	382,160	411,570
Subtotal	<u>1,022,593</u>	<u>927,758</u>	<u>947,141</u>
	<u>2026.3.31</u>	<u>2025.12.31</u>	<u>2025.3.31</u>
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	18,675
Foreign unlisted stocks	60,287	60,287	-
Structured products	45,946	45,075	46,214
Subtotal	<u>106,233</u>	<u>124,217</u>	<u>64,889</u>
Total	<u><u>\$ 1,128,826</u></u>	<u><u>1,051,975</u></u>	<u><u>1,012,030</u></u>

As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group held structured deposits with expected yield rates ranging from 0.70% to 1.90%, 0.70% to 1.90%, and 0.85% to 2.15%, respectively. These structured deposits will mature in June 2026, January 2026, and June 2025, respectively.

The Group recognized dividend income of NT\$1,093 thousand and NT\$808 thousand for the aforementioned financial assets at fair value through profit or loss from January 1 to March 31, 2026 and 2025, respectively.

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

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

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

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

	<u>2026.3.31</u>	<u>2025.12.31</u>	<u>2025.3.31</u>
Equity instruments at fair value through other comprehensive income			
Domestic listed (OTC) stocks	\$ 3,973,734	4,583,694	6,244,526
Foreign listed stocks	7,205	17,712	18,591
Foreign unlisted stocks	100,000	100,000	55,301
Domestic unlisted stocks	308,182	266,458	261,399
Total	<u>\$ 4,389,121</u>	<u>4,967,864</u>	<u>6,579,817</u>

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

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

From January 1 to March 31, 2026, to align with the capital utilization plan of the Group, the Group disposed of financial assets designated at fair value through other comprehensive income, with a total fair value at the time of disposal amounting to NT\$175,406 thousand, resulting in a disposal gain of NT\$85,372 thousand. As of March 31, 2026, all proceeds from the disposal had been fully collected. From January 1 to March 31, 2025, to align with the capital utilization plan of the Group, the Group disposed of financial assets designated at fair value through other comprehensive income, with a total fair value at the time of disposal amounting to NT\$125,980 thousand, resulting in a disposal gain of NT\$91,566. As of March 31, 2025, all proceeds from the disposal had been fully collected.

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

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

(IV) Financial assets at amortized cost

	<u>2026.3.31</u>	<u>2025.12.31</u>	<u>2025.3.31</u>
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, accounts receivable, and overdue receivables

	<u>2026.3.31</u>	<u>2025.12.31</u>	<u>2025.3.31</u>
Notes receivable	\$ 152,716	159,688	174,641
Accounts receivable	2,598,409	2,780,188	2,631,055
Accounts receivable - related parties	664,303	629,225	718,001
Overdue receivables (classified as other non-current assets)	13,063	-	-
Less: allowance for impairment losses - accounts receivable	(23,811)	(47,600)	(23,657)
Allowance for impairment losses - overdue receivables (classified as other non-current assets)	(13,063)	-	-
	<u>\$ 3,391,617</u>	<u>3,521,501</u>	<u>3,500,040</u>

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

The Group applies a simplified approach to estimate expected credit losses for all notes receivable, accounts receivable, and overdue receivables, i.e., measuring expected credit losses over the lifetime of the instruments. For this purpose, notes receivable, accounts receivable, and overdue receivables are grouped based on shared credit risk characteristics that represent customers' ability to pay all amounts due in accordance with contractual terms. Forward-looking information, including macroeconomic conditions and relevant industry information, has also been incorporated into the assessment.

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

The expected credit loss analysis of the Group's notes receivable, accounts receivable, and overdue receivables of its Taiwan operating entities is as follows:

	2026.3.31		
	Carrying amount	Weighted-average expected credit loss rate (%)	Allowance for expected credit loss
Not past due	\$ 2,667,049	0.08	2,117
Past due within 30 days	104,531	2.60	2,718
Past due 31~60 days	13,838	11.85	1,640
Past due 61~90 days	6,755	27.09	1,830
Past due 91~120 days	2,549	43.27	1,103
Past due over 121 days	13,154	100.00	13,154
	<u>\$ 2,807,876</u>		<u>22,562</u>

The carrying amount of the above notes and accounts receivable did not include the account receivable due from a specific customer, amounting to NT\$4,234 thousand. The aging analysis is as follows:

	2026.3.31
Not past due	\$ 3,585
Past due within 30 days	649
	<u>\$ 4,234</u>

Due to the uncertainty in the recoverability of the related receivables, an allowance for loss amounting to NT\$847 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.

	2025.12.31		
	Carrying amount	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 121~180 days	18,149	100.00	18,149
	<u>\$ 2,818,764</u>		<u>33,152</u>

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

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	\$ <u>6,127</u>

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.

	March 31, 2025		
	Carrying amount	Weighted- average expected credit loss rate (%)	Allowance for expected credit loss
Not past due	\$ 2,674,747	0.09	2,315
Past due within 30 days	47,385	5.09	2,411
Past due 31~60 days	7,807	17.47	1,364
Past due 61~90 days	3,681	33.44	1,231
Past due 91~120 days	4	50.00	2
Past due 121~180 days	<u>4,712</u>	100.00	<u>4,712</u>
	<u>\$ 2,738,336</u>		<u>12,035</u>

The carrying amount of the above notes and accounts receivable did not include the account receivable due from a specific customer, amounting to NT\$5,604 thousand. The aging analysis is as follows:

	2025.3.31
Not past due	\$ 3,866
Past due within 30 days	<u>1,738</u>
	<u>\$ 5,604</u>

Due to the uncertainty in the recoverability of the related receivables, an allowance for loss amounting to NT\$1,121 thousand has been recognized for the above-mentioned receivables. Accordingly, the Group does not intend to include these amounts in the calculation of the allowance for expected credit losses over the remaining period.

The expected credit loss analysis of the Group's notes receivable, accounts receivable, and overdue receivables of its mainland China operating entities is as follows:

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

2026.3.31			
	Carrying amount	Weighted- average expected credit loss rate (%)	Allowance for expected credit loss
Not past due	\$ 402,883	0.09	355
Past due within 30 days	21,787	0.09	19
Past due 31~60 days	28,055	0.09	25
Past due 61~90 days	2,764	0.09	2
Past due over a year above	1,348	0.09	1
	<u>\$ 456,837</u>		<u>402</u>
2025.12.31			
	Carrying amount	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
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
	<u>\$ 580,538</u>		<u>390</u>
2025.3.31			
	Carrying amount	Weighted- average expected credit loss rate (%)	Allowance for expected credit loss
Not past due	\$ 538,446	0.07	371
Past due within 30 days	8,101	0.07	6
Past due 31~60 days	26,648	0.07	18
Past due 61~90 days	141	0.07	-
Past due 91~120 days	2,140	0.07	2
Past due over a year above	1,331	0.07	1
	<u>\$ 576,807</u>		<u>398</u>

The expected credit loss analysis of the Group's notes receivable, accounts receivable, and overdue receivables of other operating entities is as follows:

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

	2026.3.31		
	Carrying amount	Weighted-average expected credit loss rate (%)	Allowance for expected credit loss
Not past due	\$ 131,943	-	-
Past due within 30 days	8,834	-	-
Past due 31~60 days	5,704	-	-
Past due over a year above	13,063	100	13,063
	<u>\$ 159,544</u>		<u>13,063</u>

	2025.12.31		
	Carrying amount	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
	<u>\$ 163,672</u>		<u>12,833</u>

	2025.3.31		
	Carrying amount	Weighted-average expected credit loss rate (%)	Allowance for expected credit loss
Not past due	\$ 181,538	-	-
Past due within 30 days	5,270	-	-
Past due 31~60 days	2,584	-	-
Past due 181~365 days	13,558	74.52	10,103
	<u>\$ 202,950</u>		<u>10,103</u>

The reconciliation of the allowance for impairment losses for the Group's notes receivable, accounts receivable, and overdue receivables is as follows:

	January to March, 2026	January to March, 2025
Beginning balance	\$ 47,600	20,530
Reversal (recognition) of impairment losses	(10,408)	3,140
Write-off	(560)	(133)
Effect of foreign exchange rate changes	242	120
Ending balance	<u>\$ 36,874</u>	<u>23,657</u>

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

(VI) Other receivables

	2026.3.31	2025.12.31	2025.3.31
Other receivables	\$ 281,280	389,126	363,689
Less: allowance for impairment loss	<u>(29,275)</u>	<u>(28,758)</u>	<u>(30,382)</u>
	<u>\$ 252,005</u>	<u>360,368</u>	<u>333,307</u>

Changes in loss allowance for other receivables:

	January to March, 2026	January to March, 2025
Beginning balance	\$ 28,758	29,998
Effect of foreign exchange rate changes	<u>517</u>	<u>384</u>
Ending balance	<u>\$ 29,275</u>	<u>30,382</u>

(VII) Inventories

	2026.3.31	2025.12.31	2025.3.31
Finished goods	\$ 1,339,125	1,510,150	1,115,201
Work in process	399,800	454,739	478,495
Raw materials	<u>638,901</u>	<u>538,616</u>	<u>576,656</u>
	<u>\$ 2,377,826</u>	<u>2,503,505</u>	<u>2,170,352</u>

For the three months ended March 31, 2026 and 2025, in addition to inventories transferred to cost of goods sold arising from normal sales activities, the total expenses directly recognized in cost of goods sold are presented as follows:

	January to March, 2026	January to March, 2025
Gain on reversal of inventory write-downs	\$ (5,484)	(6,061)
Unallocated manufacturing expense	47,725	33,681
Loss on inventory obsolescence	<u>97</u>	<u>1,978</u>
Included in operating costs	<u>\$ 42,338</u>	<u>29,598</u>

As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group did not pledge any inventories as collateral.

For the three months ended March 31, 2026 and 2025, the reversal of previously recognized losses from inventory write-downs and obsolescence was primarily attributable to the sale of inventories for which such write-downs and obsolescence losses had previously been recognized.

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

(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:

	2026.3.31	2025.12.31	2025.3.31
Associate	<u><u>\$ 42,115</u></u>	<u><u>38,573</u></u>	<u><u>40,078</u></u>

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:

	2026.3.31	2025.12.31	2025.3.31
The carrying amount of investments in associates that were not individually material to the Group at the end of the period	<u><u>\$ 42,115</u></u>	<u><u>38,573</u></u>	<u><u>40,078</u></u>

	January to March, 2026	January to March, 2025
Attributable to the Group:		
Net profit for the period from continuing operations	\$ 1,740	907
Other comprehensive income	<u>807</u>	<u>939</u>
Total comprehensive income	<u><u>\$ 2,547</u></u>	<u><u>1,846</u></u>

2. Collateral

As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group did not pledge any investments accounted for under the equity method as collateral.

3. Unreviewed Investments Recognized Through the Equity Method

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

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

(IX) Property, Plant, and Equipment

The changes in costs, depreciation and impairment loss of property, plant and equipment from January 1 to March 31, 2026, and 2025 were as follows:

		Land	Housing and construction	Buildings and building improvements	Machinery	Transportation equipment	Other equipment	Leasehold improvements	Construction in progress and equipment under installation	Total
Cost or deemed cost:										
Balance as of January 1, 2026	\$	307,879	1,436,307	28,873	1,583,217	25,672	559,749	100,780	112,145	4,154,622
Addition		-	1,116	-	35,963	-	6,177	-	-	43,256
Disposal and obsolescence		-	-	-	(26,426)	-	(1,262)	-	-	(27,688)
Reclassification (Note)		-	-	-	2,442	600	(11,625)	-	(5,627)	(14,210)
Effect of exchange rate changes		-	13,229	727	28,790	528	4,001	2,304	-	49,579
Balance as of March 31, 2026	\$	307,879	1,450,652	29,600	1,623,986	26,800	557,040	103,084	106,518	4,205,559
Balance as of January 1, 2025	\$	307,879	1,255,665	28,794	1,439,745	25,469	534,449	96,975	207,531	3,896,507
Addition		-	5,515	-	28,671	131	6,734	194	19,237	60,482
Disposal and obsolescence		-	-	-	(4,108)	-	(3,082)	-	-	(7,190)
Reclassification (Note)		-	159,207	-	16,036	-	-	-	(159,207)	16,036
Effect of exchange rate changes		-	8,022	520	20,120	378	2,668	1,619	1,189	34,516
Balance as of March 31, 2025	\$	307,879	1,428,409	29,314	1,500,464	25,978	540,769	98,788	68,750	4,000,351
Depreciation and impairment loss:										
Balance as of January 1, 2026	\$	-	679,092	16,210	1,133,346	19,281	480,686	72,401	-	2,401,016
Recognition in current period		-	13,385	518	29,303	501	9,106	2,664	-	55,477
Disposal and obsolescence		-	-	-	(26,424)	-	(1,262)	-	-	(27,686)
Reclassification (Note)		-	-	-	-	-	(13,835)	-	-	(13,835)
Effect of exchange rate changes		-	8,116	383	22,928	402	3,025	1,889	-	36,743
Balance as of March 31, 2026	\$	-	700,593	17,111	1,159,153	20,184	477,720	76,954	-	2,451,715
Balance as of January 1, 2025	\$	-	618,592	14,105	1,063,284	17,232	451,605	61,031	-	2,225,849
Recognition in current period		-	13,689	644	26,268	477	8,472	2,969	-	52,519
Disposal and obsolescence		-	-	-	(3,724)	-	(3,082)	-	-	(6,806)
Effect of exchange rate changes		-	5,477	241	16,084	262	1,938	1,199	-	25,201
Balance as of March 31, 2025	\$	-	637,758	14,990	1,101,912	17,971	458,933	65,199	-	2,296,763
Carrying amounts:										
Balance as of January 1, 2026	\$	307,879	757,215	12,663	449,871	6,391	79,063	28,379	112,145	1,753,606
Balance as of March 31, 2026	\$	307,879	750,059	12,489	464,833	6,616	79,320	26,130	106,518	1,753,844
Balance as of March 31, 2025	\$	307,879	790,651	14,324	398,552	8,007	81,836	33,589	68,750	1,703,588

Note: In 2026, NT\$298 thousand was reclassified from advance payments for equipment, and NT\$673 thousand was transferred to intangible assets; in 2025, NT\$16,036 thousand was reclassified from advance payments for equipment.

Please refer to Note VIII for the details of property, plant and equipment that have been pledged as collaterals for long-term and short-term borrowings and credit facilities as of March 31, 2026, December 31, 2025, and March 31, 2025.

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

(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:

	<u>Land</u>	<u>Housing and construction</u>	<u>Office equipment</u>	<u>Transport ation equipment</u>	<u>Total</u>
Costs of right-of-use assets:					
Balance as of January 1, 2026	\$ 26,621	1,701,666	689	6,821	1,735,797
Addition	-	55,111	-	937	56,048
Reduction (contract expired)	-	(168,096)	-	(2,427)	(170,523)
Effect of exchange rate changes	487	43,123	-	18	43,628
Balance as of March 31, 2026	<u>\$ 27,108</u>	<u>1,631,804</u>	<u>689</u>	<u>5,349</u>	<u>1,664,950</u>
Balance as of January 1, 2025	\$ 26,555	1,593,334	402	6,656	1,626,947
Addition	-	107,506	287	-	107,793
Effect of exchange rate changes	348	29,134	-	7	29,489
Balance as of March 31, 2025	<u>\$ 26,903</u>	<u>1,729,974</u>	<u>689</u>	<u>6,663</u>	<u>1,764,229</u>
Depreciation of right-of-use assets:					
Balance as of January 1, 2026	\$ 7,067	1,113,647	151	4,263	1,125,128
Depreciation in current period	242	48,278	35	447	49,002
Reduction (contract expired)	-	(168,096)	-	(2,427)	(170,523)
Effect of exchange rate changes	101	28,300	-	11	28,412
Balance as of March 31, 2026	<u>\$ 7,410</u>	<u>1,022,129</u>	<u>186</u>	<u>2,294</u>	<u>1,032,019</u>
Balance as of January 1, 2025	\$ 6,096	924,807	13	3,934	934,850
Depreciation in current period	241	50,534	34	569	51,378
Effect of exchange rate changes	63	16,222	-	6	16,291
Balance as of March 31, 2025	<u>\$ 6,400</u>	<u>991,563</u>	<u>47</u>	<u>4,509</u>	<u>1,002,519</u>
Carrying amounts:					
Balance as of January 1, 2026	<u>\$ 19,554</u>	<u>588,019</u>	<u>538</u>	<u>2,558</u>	<u>610,669</u>
Balance as of March 31, 2026	<u>\$ 19,698</u>	<u>609,675</u>	<u>503</u>	<u>3,055</u>	<u>632,931</u>
Balance as of March 31, 2025	<u>\$ 20,503</u>	<u>738,411</u>	<u>642</u>	<u>2,154</u>	<u>761,710</u>

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

(XI) Intangible assets

The changes in costs, amortization and impairment loss of intangible assets from January 1 to March 31, 2026 and 2025 were as follows:

	Goodwill	Software cost	Patent	Total
Costs:				
Balance as of January 1, 2026	\$ 218,672	51,409	20,820	290,901
Addition in current period	-	401	-	401
Disposal and obsolescence	-	(4,702)	-	(4,702)
Transferred to property, plant, and equipment	-	14,508	-	14,508
Effect of exchange rate changes	-	39	17	56
Balance as of March 31, 2026	\$ 218,672	61,655	20,837	301,164
Balance as of January 1, 2025	\$ 218,672	30,072	16,731	265,475
Addition in current period	-	1,295	11	1,306
Effect of exchange rate changes	-	2	19	21
Balance as of March 31, 2025	\$ 218,672	31,369	16,761	266,802
Amortization and impairment loss:				
Balance as of January 1, 2026	\$ -	23,935	17,012	40,947
Amortization for the period	-	6,877	1,479	8,356
Disposal and obsolescence	-	(4,702)	-	(4,702)
Transferred to property, plant, and equipment	-	13,835	-	13,835
Effect of exchange rate changes	-	11	6	17
Balance as of March 31, 2026	\$ -	39,956	18,497	58,453
Balance as of January 1, 2025	\$ -	17,228	16,123	33,351
Amortization for the period	-	3,667	21	3,688
Effect of exchange rate changes	-	-	7	7
Balance as of March 31, 2025	\$ -	20,895	16,151	37,046
Carrying amounts:				
Balance as of January 1, 2026	\$ 218,672	27,474	3,808	249,954
Balance as of March 31, 2026	\$ 218,672	21,699	2,340	242,711
Balance as of March 31, 2025	\$ 218,672	10,474	610	229,756

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

(XII) Short-term loans

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

	2026.3.31	2025.12.31	2025.3.31
Credit loans	\$ -	-	<u>3,267</u>
Unused facility	\$ 1,279,920	1,291,028	<u>927,387</u>
Interest rate range(%)	-	-	<u>6.05~6.25</u>

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:

	2026.3.31	2025.12.31	2025.3.31
Secured bank borrowings	\$ -	1,223	30,422
Other long-term borrowings	-	159	-
Subtotal	-	1,382	30,422
Less: current portion of long-term debt	-	1,382	30,422
Total	\$ -	-	-
Unused facility	\$ -	-	-
Interest rate range(%)	-	<u>1.58~3.50</u>	<u>1.58~3.50</u>

1. Collateral for bank borrowings

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

2. Government-subsidized loan with preferential interest rate

In August 2020, the Company obtained a NT\$371,000,000 low-interest loan from Mega International Commercial Bank under the "Guidelines of Project Loans for Returning Overseas Taiwanese Businesses". The drawdown period was until December 31, 2021, and multiple drawdowns were allowed. As of the expiry date, the amount of actual utilization of the Group was NT\$296,650 thousand as of December 31, 2021. Based on the market interest rate of 1.58% to recognize and measure the loan, the difference between the actual repayment preferential interest rate of 0.65% and the market interest rate was NT\$6,585 thousand which were treated as government subsidies and recognized as deferred income under other current liabilities and other non-current liabilities. Such deferred revenue was transferred to other income amounted to NT\$2,284 thousand and NT\$75 thousand, respectively, from January 1 to March 31, 2026, and 2025.

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

(XIV) Lease liabilities

The carrying amount of lease liabilities were as follows:

	2026.3.31	2025.12.31	2025.3.31
Current	\$ 186,526	174,869	197,745
Non-current	451,957	440,160	564,373
Total	<u>\$ 638,483</u>	<u>615,029</u>	<u>762,118</u>

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

The amounts recognized in profit or loss were as follows:

	January to March, 2026	January to March, 2025
Interest expense on lease liabilities	<u>\$ 3,182</u>	<u>3,630</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 389</u>	<u>340</u>
Expenses of short-term leases	<u>\$ 3,225</u>	<u>3,375</u>
Expenses relating to leases of low-value assets (excluding short-term leases of low-value assets)	<u>\$ 31</u>	<u>75</u>

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

	January to March, 2026	January to March, 2025
Total cash outflow in operating activities	\$ 6,827	7,420
Total cash outflow in financing activities	47,769	49,920
Total cash flows on lease	<u>\$ 54,596</u>	<u>57,340</u>

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.

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

(Continued)

For these lease contracts, the variable lease payments paid by the Group from January 1 to March 31, 2026, were as follows:

	Variable payment	Estimated Impact on Lease Payment for Each 1% Increase in the Actual Floor Area Used
Lease contracts with variable payment calculated based on the actual floor area used per month	<u><u>\$ 389</u></u>	<u><u>4</u></u>

2. Other leases

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

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

(XV) Provisions for liabilities

	January to March, 2026	January to March, 2025
Balance as of January 1	\$ 106,886	138,268
Addition of provision during the year	29,457	10,073
Amount utilized during the year	<u>(18,065)</u>	<u>(11,548)</u>
Balance as of March 31	<u><u>\$ 118,278</u></u>	<u><u>136,793</u></u>

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

(XVI) Employee benefits

1. Defined benefit plans

Since no major market fluctuations, major reductions, liquidations or other major one-off events occurred after the previous annual reporting date, the Group has measured and disclosed the pension costs for the interim period by the pension costs determined by actuary on December 31, 2025, and 2024.

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

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

	January to March, 2026	January to March, 2025
Operating costs	\$ 60	38
Selling and marketing expenses	178	102
General and administrative expenses	276	152
Research and development expenses	496	282
	<u>\$ 1,010</u>	<u>574</u>

2. Defined contribution plans

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

	January to March, 2026	January to March, 2025
Operating costs	\$ 548	566
Selling and marketing expenses	1,907	1,701
General and administrative expenses	2,657	2,593
Research and development expenses	4,916	4,530
	<u>\$ 10,028</u>	<u>9,390</u>

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

In accordance with local regulations, other consolidated subsidiaries recognized pension expenses of NT\$34,771 thousand and NT\$35,565 thousand, respectively, from January 1 to March 31, 2026 and 2025.

3. Other short-term employee benefits

From January 1 to March 31, 2026, and 2025, the Group contributed NT\$3,936 thousand and NT\$3,886, respectively, to a specific trust account for employee incentives, which were recognized as operating costs and operating expenses.

As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group had accrued unused leave bonuses of NT\$51,413 thousand, NT\$53,639 thousand and NT\$47,801 thousand, respectively, which were recorded under other payables.

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

(XVII) Income tax

The income tax expense of the Group from January 1 to March 31, 2026 and 2025 was as below:

	January to March, 2026	January to March, 2025
Income tax expense for the period	<u>\$ 20,288</u>	<u>13,448</u>

The Company's profit-seeking enterprise income tax has been approved by the tax authority to the year of 2023.

(XVIII) Capital and other equity

Except for the following descriptions, there was no significant change in the capital and other equity of the Group from January 1 to March 31, 2026, and 2025. Please refer to Note VI(XVIII) of the consolidated financial statements for the year ended December 31, 2025, for details.

1. Capital surplus

The Company's capital surplus was as follows:

	2026.3.31	2025.12.31	2025.3.31
Paid-in capital in excess of \$ par value	856,427	856,427	856,427
Proceeds received from the disposal of employee stock ownership trust shares	894	860	317
Adjustments arising from changes in percentage of ownership in subsidiaries	4,780	4,780	4,780
	<u>\$ 862,101</u>	<u>862,067</u>	<u>861,524</u>

Pursuant to the Company Act, any realized capital surplus is initially used to cover accumulated deficit, and the balance, if any, can be transferred to common stock 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.

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

2. Earning distribution

On March 6, 2026 and March 17, 2025, 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:

	2025	2024
Cash dividend distributed to the shareholders of common stock	<u>\$ 411,976</u>	<u>561,786</u>

The distribution of the 2025 and 2024 earnings as mentioned above had not yet been paid as of March 31, 2026 and 2025, and was recognized as dividends payable.

3. Other equity items (net after tax)

	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total
Balance as of January 1, 2026	\$ (79,464)	3,980,297	3,900,833
Exchange differences on translation of financial statements of foreign operations	55,855	-	55,855
Share of other comprehensive income of associates and joint-ventures under the equity method	807	-	807
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	-	(435,970)	(435,970)
Disposal of equity instruments at fair value through other comprehensive income	-	(85,372)	(85,372)
Balance as of March 31, 2026	<u>\$ (22,802)</u>	<u>3,458,955</u>	<u>3,436,153</u>
Balance after January 1, 2025	\$ (47,247)	6,965,505	6,918,258
Exchange differences on translation of financial statements of foreign operations	33,614	-	33,614
Share of other comprehensive income of associates and joint-ventures under the equity method	939	-	939
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	-	(1,267,391)	(1,267,391)
Disposal of equity instruments at fair value through other comprehensive income	-	(91,566)	(91,566)
Balance after March 31, 2025	<u>\$ (12,694)</u>	<u>5,606,548</u>	<u>5,593,854</u>

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

4. Non-controlling interests (net after tax)

	January to March, 2026	January to March, 2025
Beginning balance	\$ 425,756	414,662
Net income for the year attributable to non-controlling interests	9,414	9,583
Exchange differences on translation of financial statements of foreign operations	974	587
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	(85)	-
Ending balance	<u><u>\$ 436,059</u></u>	<u><u>424,832</u></u>

(XIX) Earnings per share

	January to March, 2026	January to March, 2025
Basic earnings per share:		
Net income attributable to the ordinary shareholders of the Company	<u><u>\$ 69,746</u></u>	<u><u>37,554</u></u>
Weight-average number of ordinary shares outstanding (unit: thousands of shares)	<u><u>187,262</u></u>	<u><u>187,262</u></u>
Basic earnings per share (unit: in New Taiwan Dollars)	<u><u>\$ 0.37</u></u>	<u><u>0.20</u></u>
Diluted earnings per share:		
Net income attributable to the ordinary shareholders of the Company	<u><u>\$ 69,746</u></u>	<u><u>37,554</u></u>
Weight-average number of ordinary shares outstanding (unit: thousands of shares)	187,262	187,262
Employee compensation (unit: thousands of shares)	755	639
Weight-average number of ordinary shares outstanding (unit: thousands of shares)	<u><u>188,017</u></u>	<u><u>187,901</u></u>
Diluted earnings per share (unit: in New Taiwan Dollars)	<u><u>\$ 0.37</u></u>	<u><u>0.20</u></u>

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

(XX) Revenue from contracts with customers

1. Breakdown of revenue

January to March, 2026						
	The Company and its processing subsidiaries	3Y Power	Zhonghan Tech.	WUXI Zhonghan	Others	Total
Primary geographical markets:						
Taiwan	\$ 545,502	200,565	-	-	-	746,067
China	413,371	1,822	165,285	125,507	1,879	707,864
U.S.A.	192,270	2,673	-	-	118,148	313,091
Germany	493,399	28,112	-	-	-	521,511
Other countries	711,311	21,275	-	-	24,000	756,586
	\$ 2,355,853	254,447	165,285	125,507	144,027	3,045,119
Major product/service line:						
Sales of power supply	\$ 2,355,853	254,447	165,285	125,507	144,027	3,045,119

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

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

2. Contract balance

	2026.3.31	2025.12.31	2025.3.31
Notes receivable, accounts receivable (including related parties), and overdue receivables	\$ 3,428,491	3,569,101	3,523,697
Less: allowance for impairment loss	(36,874)	(47,600)	(23,657)
Total	<u>\$ 3,391,617</u>	<u>3,521,501</u>	<u>3,500,040</u>
Contract liabilities (recognized in other current liabilities)	<u>\$ 75,281</u>	<u>98,619</u>	<u>104,510</u>

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 Company accrued NT\$5,279 thousand and NT\$2,787 thousand as employee compensation and NT\$681 thousand and NT\$305 thousand as remuneration for Directors from January 1 to March 31, 2026 and 2025, respectively. These amounts were calculated using the Company's pre-tax income before deducting for employee compensation and remuneration for Directors multiplied by the percentages which are

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

stated under the Company's Article of Incorporation. The amounts were recognized as operating expenses for the periods. The difference between accrual and actual payment is treated as the change in accounting estimate and recognized in profit or loss in the following year. If employee compensation is resolved to be distributed in stock, the number of shares is determined by dividing the amount of compensation by the closing price on the day preceding the Board of Directors' meeting.

For the years ended December 31, 2025 and 2024, the Company provided its remuneration to employees amounted to NT\$48,000 thousand and NT\$56,000 thousand, respectively, and the remuneration for Directors of both NT\$5,600 thousand, respectively, which was consistent with the actual status of the distribution. The information can be obtained from the MOPS.

(XXII) Non-operating income and expenses

1. Interest income

	January to March, 2026	January to March, 2025
Bank deposits	<u>\$ 9,617</u>	<u>12,614</u>

2. Other income

	January to March, 2026	January to March, 2025
Dividend income	\$ 1,093	808
Other income		
Government grant	1,621	3,678
Tax refund	1,754	-
Others	<u>6,366</u>	<u>5,352</u>
	<u>\$ 10,834</u>	<u>9,838</u>

3. Other gains and losses

	January to March, 2026	January to March, 2025
Foreign currency exchange gain, net	\$ 24,383	36,216
Gain (loss) on financial assets measured at fair value through profit or loss	31,558	(17,137)
Loss on disposal of property, plant, and equipment	(2)	(384)
Others	<u>(152)</u>	<u>860</u>
	<u>\$ 55,787</u>	<u>19,555</u>

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

4. Finance costs

	<u>January to March, 2026</u>	<u>January to March, 2025</u>
Interest expense:		
Lease liabilities	\$ 3,182	3,630
Loan interest	<u>1,962</u>	<u>222</u>
	<u>\$ 5,144</u>	<u>3,852</u>

(XXIII) Financial instruments

Except for the following descriptions, there have been no significant changes in the classification and fair value of the Group's financial instruments, and the exposure to credit risk, liquidity risk and market risk arising from the financial instruments. Please refer to Note VI(XXIII) of the consolidated financial statements for the year ended December 31, 2025, for relevant information.

1. Credit risk

(1) Exposure to credit risk

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

(2) Concentration of credit risk

As of March 31, 2026, December 31, 2025 and March 31, 2025, top three customers accounted for 21%, 20% and 22%, respectively, 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.

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

(Continued)

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
March 31, 2026							
Non-derivative financial liabilities							
Notes payable	\$ 14,043	14,043	14,043	-	-	-	-
Accounts payable	3,103,396	3,103,396	3,103,396	-	-	-	-
Accounts payable - related parties	50,128	50,128	50,128	-	-	-	-
Other payables	1,247,069	1,247,069	1,247,069	-	-	-	-
Dividends payable	411,976	411,976	411,976	-	-	-	-
Lease liabilities	638,483	664,929	98,357	98,701	188,095	232,347	47,429
Guarantee deposits received	514	514	-	-	-	-	514
	\$ 5,465,609	5,492,055	4,924,969	98,701	188,095	232,347	47,943
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
March 31, 2025							
Non-derivative financial liabilities							
Short-term loans	\$ 3,267	3,343	3,343	-	-	-	-
Long-term loans	30,422	30,677	27,165	3,512	-	-	-
Notes payable	12,821	12,821	12,821	-	-	-	-
Accounts payable	3,312,656	3,312,656	3,312,656	-	-	-	-
Accounts payable - related parties	83,593	83,593	83,593	-	-	-	-
Other payables	1,331,183	1,331,183	1,331,183	-	-	-	-
Dividends payable	561,786	561,786	561,786	-	-	-	-
Lease liabilities	762,118	796,932	108,466	102,255	194,709	361,077	30,425
Guarantee deposits received	533	533	533	-	-	-	-
	\$ 6,098,379	6,133,524	5,441,546	105,767	194,709	361,077	30,425

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

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

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:

	2026.3.31			2025.12.31			2025.3.31		
	Foreign currencies	Exchange rate	NTD	Foreign currencies	Exchange rate	NTD	Foreign currencies	Exchange rate	NTD
<u>Financial assets</u>									
<u>Monetary items</u>									
RMB	\$ 86,353	4.629	399,728	123,541	4.496	555,440	123,255	4.573	563,645
USD	111,289	31.995	3,560,692	119,354	31.430	3,751,296	118,266	33.205	3,927,023
HKD	12,481	4.081	50,935	7,224	4.038	29,171	9,413	4.268	40,175
EUR	54	36.710	1,982	76	36.900	2,804	24	35.970	863
<u>Non-monetary items</u>									
USD	3,320	31.998	106,233	3,353	31.423	105,362	3,973	30.422	120,868
RMB	33,193	4.478	100,000	33,193	3.013	100,000	6,322	8.747	55,301
HKD	-	-	-	2,988	4.040	12,072	2,319	4.270	9,901
AUD	1,226	21.951	26,912	1,166	21.008	24,495	1,315	20.811	27,366
<u>Financial liabilities</u>									
<u>Monetary items</u>									
RMB	79,290	4.629	367,033	91,565	4.496	411,676	79,753	4.573	364,710
USD	85,528	31.995	2,736,468	97,640	31.430	3,068,825	84,608	33.205	2,809,409
HKD	8,301	4.081	33,876	9,416	4.038	38,022	9,138	4.268	39,001

(2) Sensitivity analysis

The Group's exposure to foreign exchange risk arises from cash and cash equivalents, accounts receivable (including related parties), other receivables, financial assets measured at fair value through profit or loss, short-term borrowings, accounts payable (including related parties) and other payables that are denominated in foreign currencies and subject to foreign exchange loss in currency translation. As of March 31, 2026 and 2025, if the monetary items such as New Taiwan Dollar had depreciated or appreciated by 5% against the US Dollar, Renminbi, Hong Kong Dollar and Euro with all other factors remaining unchanged, income before income tax would have increased or decreased by NT\$43,798 thousand and NT\$65,929 thousand, respectively, from January 1 to March 31, 2026 and 2025. The analysis of the two periods was conducted on the same basis.

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

As the Group has a large variety of functional currencies, the exchange gains and losses of monetary items were disclosed on an aggregated basis. The foreign exchange gains (losses) (including realized and unrealized) from January 1 to March 31, 2026 and 2025 were NT\$24,383 thousand and NT\$36,216 thousand, respectively.

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

4. Market risk

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

Security price at the reporting date	January to March, 2026		January to March, 2025	
	Other comprehensive income (pre- tax)	Pre-tax income	Other comprehensive income (pre- tax)	Pre-tax income
Increase by 5%	<u>\$ 199,047</u>	<u>22,893</u>	<u>313,156</u>	<u>16,983</u>
Decrease by 5%	<u>\$ (199,047)</u>	<u>(22,893)</u>	<u>(313,156)</u>	<u>(16,983)</u>

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

5. Interest rate analysis

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

6. Fair value information

(1) Category of financial instruments and their fair value

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:

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

		2026.3.31			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Beneficiary certificates	\$ 444,274	444,274	-	-	444,274
Private equity funds	197,851	-	-	197,851	197,851
Foreign listed stocks	33,293	13,586	-	19,707	33,293
Non-publicly quoted equity instruments measured at fair value	60,287	-	-	60,287	60,287
Structured deposits	347,175	-	-	347,175	347,175
Structured products	45,946	-	45,946	-	45,946
Subtotal	1,128,826	457,860	45,946	625,020	1,128,826
		2026.3.31			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic listed (OTC) stocks	\$ 3,973,734	3,973,734	-	-	3,973,734
Foreign listed stocks	7,205	7,205	-	-	7,205
Foreign unlisted stocks	100,000	-	-	100,000	100,000
Domestic unlisted stocks	308,182	-	-	308,182	308,182
Subtotal	4,389,121	3,980,939	-	408,182	4,389,121
Financial assets at amortized cost					
Cash and cash equivalents	3,295,094	-	-	-	-
Notes receivable and accounts receivable (including related parties)	3,391,617	-	-	-	-
Other receivables	252,005	-	-	-	-
Restricted bank deposits (classified in other non-current assets)	100	-	-	-	-
Refundable deposits (classified in other non-current assets)	47,968	-	-	-	-
Subtotal	6,986,784	-	-	-	-
Total	\$ 12,504,731	4,438,799	45,946	1,033,202	5,517,947
Financial liabilities measured at amortized cost					
Accounts payable and trade payables (including related parties)	\$ 3,167,567	-	-	-	-
Other payables	1,247,069	-	-	-	-
Dividends payable	411,976	-	-	-	-
Lease liabilities	638,483	-	-	-	-
Guarantee deposits received	514	-	-	-	-
Total	\$ 5,465,609	-	-	-	-

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

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	<u>1,051,975</u>	<u>360,167</u>	<u>45,075</u>	<u>646,733</u>	<u>1,051,975</u>
Financial assets at fair value through other comprehensive income					
Domestic listed (OTC) stocks	\$ 4,583,694	4,583,694	-	-	4,583,694
Foreign listed stocks	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	<u>4,967,864</u>	<u>4,601,406</u>	-	<u>366,458</u>	<u>4,967,864</u>
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	<u>7,386,709</u>	-	-	-	-
Total	<u>\$ 13,406,548</u>	<u>4,961,573</u>	<u>45,075</u>	<u>1,013,191</u>	<u>6,019,839</u>
Financial liabilities measured at amortized cost					
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	<u>\$ 5,726,242</u>	-	-	-	-

2025.3.31					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Beneficiary certificates	\$ 339,667	339,667	-	-	339,667
Private equity funds	121,250	-	-	121,250	121,250
Preferred shares of foreign listed companies	18,675	-	-	18,675	18,675
Non-publicly quoted equity instruments measured at fair value	74,654	-	-	74,654	74,654
Structured deposits	411,570	-	-	411,570	411,570
Structured products	46,214	-	46,214	-	46,214
Subtotal	<u>1,012,030</u>	<u>339,667</u>	<u>46,214</u>	<u>626,149</u>	<u>1,012,030</u>

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

		2025.3.31			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic listed (OTC) stocks	\$ 6,244,526	6,244,526	-	-	6,244,526
Foreign listed stocks	18,591	18,591	-	-	18,591
Foreign unlisted stocks	55,301	-	-	55,301	55,301
Domestic unlisted stocks	261,399	-	-	261,399	261,399
Subtotal	6,579,817	6,263,117	-	316,700	6,579,817
Financial assets at amortized cost					
Cash and cash equivalents	3,864,020	-	-	-	-
Notes receivable and accounts receivable (including related parties)	3,500,040	-	-	-	-
Other receivables	333,307	-	-	-	-
Restricted bank deposits (classified in other current assets)	33,205	-	-	-	-
Restricted bank deposits (classified in other non-current assets)	100	-	-	-	-
Refundable deposits (classified in other non-current assets)	52,064	-	-	-	-
Subtotal	7,782,736	-	-	-	-
Total	\$ 15,374,583	6,602,784	46,214	942,849	7,591,847
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings	\$ 33,689	-	-	-	-
Accounts payable and trade payables (including related parties)	3,409,070	-	-	-	-
Other payables	1,331,183	-	-	-	-
Dividends payable	561,786	-	-	-	-
Lease liabilities	762,118	-	-	-	-
Guarantee deposits received	533	-	-	-	-
Total	\$ 6,098,379	-	-	-	-

(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

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

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.

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

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 (4.93, 4.93, and 16.22 as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively) • Net worth multiples (ranging from 2.84 to 5.11, 1.92 to 7.80, and 1.92 to 6.50 as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively) • Lack of market liquidity discount (29.39% as of March 31, 2026, December 31, 2025, and March 31, 2025, respectively)	• The higher the multiple, the higher the fair value • The higher the multiple, the higher the fair value • The higher the discount for lack of market liquidity, the lower the fair value

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

- (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
March 31, 2026						
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%	9,893	(9,893)	-	-
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%	-	-	15,409	(15,409)
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)
March 31, 2025						
Financial assets at fair value through profit or loss						
Investment in equity instrument without an active market	Net assets value method	5%	3,733	(3,733)	-	-
Private equity funds	Net assets value method	5%	6,062	(6,062)	-	-
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%	-	-	13,070	(13,070)

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

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

There were no significant changes in the objectives and policies of the Group's financial risk management comparing to those disclosed in Note VI(XXIV) of the consolidated financial statements for the year ended December 31, 2025.

(XXV) Capital management

The Group's capital management objectives, policies and procedures were consistent with those disclosed in the consolidated financial statements for the year ended December 31, 2025. In addition, there were no significant changes in the aggregate quantitative information of capital management items comparing to the information disclosed in the consolidated financial statements for the year ended December 31, 2025. Please refer to Note VI(XXV) of the consolidated financial statements of 2025 for relevant information.

(XXVI) Investing and financing activities not affecting cash flows

The reconciliation of liabilities arising from financing activities from January 1 to March 31, 2026 and 2025 was as follows:

	Non-cash changes					
	2026.1.1	Cash flow	Addition	Contract termination and reassessment	Changes in foreign exchange rate	2026.3.31
Long-term loans	\$ 1,382	(1,382)	-	-	-	-
Lease liabilities	615,029	(47,769)	56,048	-	15,175	638,483
Total liabilities from financing activities	<u>\$ 616,411</u>	<u>(49,151)</u>	<u>56,048</u>	<u>-</u>	<u>15,175</u>	<u>638,483</u>

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

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

VII. Related Party Transactions

(I) Related party name and relationship

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

<u>Related party</u>	<u>Relationship with the Group</u>
FSP Group USA Corp.	Group's associate
Sparkle Power Inc.	The entity's Chairman is the second-degree relatives of the Chairman of the Company
Amacrox Technology Inc. ("Amacrox")	The entity's Chairman is the second-degree relatives of the Chairman of the Company
Voltronic Power Technology Corp. ("Voltronic")	Substantive related party
JESS-LINK Products Co., Ltd.	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
Yang, Fu-An	Vice Chairman of the Company

(II) Significant related party transactions

1. Operating Revenue

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

	January to March, 2026	January to March, 2025
Associate	\$ 14,086	23,593
Other related party	417,202	451,054
	<u>\$ 431,288</u>	<u>474,647</u>

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

2. Purchases

The amounts of purchases from related parties were as follows:

	January to March, 2026	January to March, 2025
Other related party	<u>\$ 29,617</u>	<u>49,764</u>

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

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	2026.3.31	2025.12.31	2025.3.31
Accounts receivable - related parties, net	Associate	\$ 14,436	21,373	33,067
	Other related party			
	FSP Power Solution GmbH	343,028	295,677	341,398
	Others	306,839	312,175	343,536
Net accounts receivable	Other related party	-	18,775	17,803
		<u>664,303</u>	<u>648,000</u>	<u>735,804</u>
Other receivables	Associate	373	2,015	71
	Other related party	14,969	19,265	14,516
		<u>15,342</u>	<u>21,280</u>	<u>14,587</u>
		<u>\$ 679,645</u>	<u>669,280</u>	<u>750,391</u>

As of March 31, 2026, December 31, 2025, and March 31, 2025, there were no circumstances requiring the recognition of allowance for losses on accounts receivable – related parties and other receivables – related parties. Please refer to Notes VI(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	2026.3.31	2025.12.31	2025.3.31
Accounts payable - related parties	Other related party	\$ 50,128	49,217	83,593
Accounts payable	Other related party	-	4,251	3,154
Total		<u>\$ 50,128</u>	<u>53,468</u>	<u>86,747</u>

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

5. Purchase of services from related parties

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

	January to March, 2026	January to March, 2025
Associate		
FSP Group USA Corp.	\$ 3,012	2,760
Other related party		
Amacrox	-	2,614
FSP North America Inc.	6,496	5,684
FSP Power Solution GMBH	3,109	305
Others	2,365	2,788
	<u>\$ 14,982</u>	<u>14,151</u>

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

Accounting subject	Related party category/name	2026.3.31	2025.12.31	2025.3.31
Other payables	Associate	\$ 983	934	968
	Other related party	16,650	16,085	18,279
		<u>\$ 17,633</u>	<u>17,019</u>	<u>19,247</u>

6. Leases

The Group leases office premises from the Company's Chairman and Vice Chairman. As of March 31, 2026, December 31, 2025, and March 31, 2025, the outstanding lease liabilities amounted to NT\$9,699 thousand, NT\$3,992 thousand, and NT\$4,709 thousand, respectively. Interest expense recognized for the three months ended March 31, 2026 and 2025 was NT\$37 thousand and NT\$22 thousand, respectively.

(III) Compensation for key management personnel

	January to March, 2026	January to March, 2025
Short-term employee benefits	\$ 9,475	8,869
Post-employment benefits	122	118
	<u>\$ 9,597</u>	<u>8,987</u>

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

VIII. Pledged Assets

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

Assets	Pledged to secure	2026.3.31	2025.12.31	2025.3.31
Restricted time deposits (recognized in other non-current assets)	Custom duty performance guarantee	\$ 100	100	100
Restricted time deposits (recognized in other current assets)	Subsidiaries' short-term loan facilities	-	-	33,205
Land	Long-term and short-term loan facilities	161,077	161,077	161,077
Housing and construction	Long-term and short-term loan facilities	152,463	154,462	160,459
Total		\$ 313,640	315,639	354,841

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

(I) As of March 31, 2026, December 31, 2025, and March 31, 2025, the Company had customs duty and commodity tax credit guarantee facilities provided by banks in the amounts of NT\$33,000 thousand, NT\$63,000 thousand, and NT\$203,000 thousand, respectively, of which NT\$30,000 thousand, NT\$30,000 thousand, and NT\$60,000 thousand, respectively, 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

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

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 March 31, 2026, December 31, 2025 and March 31, 2025, the Group had entered into purchase agreements for property, plant and equipment amounting to NT\$1,555,283 thousand, NT\$1,006,684 thousand and NT\$553,464 thousand, respectively, and had paid NT\$330,263 thousand, NT\$224,509 thousand and NT\$134,243 thousand, respectively, which were recorded as construction in progress of property, plant and equipment as well as other non-current assets.

X. Significant Disaster Loss: None.

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

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

XII. Others

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

By function By nature	January to March, 2026			January to March, 2025		
	Operation costs	Operation expenses	Total	Operation costs	Operation expenses	Total
Employee benefits expense						
Salary expense	333,630	273,909	607,539	331,863	261,684	593,547
Labor and health insurance expenses	6,943	22,380	29,323	6,437	24,478	30,915
Pension expense	32,939	12,870	45,809	33,886	11,643	45,529
Other employee benefit expense	15,304	10,769	26,073	14,472	10,827	25,299
Depreciation expense	73,244	31,235	104,479	76,315	27,582	103,897
Amortization expense	2,050	6,306	8,356	573	3,115	3,688

- (II) Seasonality in Operation

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

XIII. Supplementary Disclosures

- (I) Information on Significant Transactions

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, information on significant transactions from January 1 to March 31, 2026 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				Remark
				Shares/Units	Carrying amount	Percentage of shareholding (%)	Fair value	
The Company	Stock: Mekong Resort Development Construction Co., Ltd.	—	Financial assets at fair value through profit or loss	1,998,300	60,287	9.17	60,287	
Shenzhen Zhong Han	601988 Bank of China	—	"	500,000	13,586	-	13,586	
The Company	Preferred stock: HARRIS TECHNOLOGY	—	"	44,870,678	19,707	-	19,707	
The Company	Beneficiary certificates: Fuh Hwa Guardian Fund	—	"	3,504,199	76,972	-	76,972	
"	Fuh Hwa Ruei Hua Fund	—	"	1,961,169	25,158	-	25,158	
"	The maturity of the Fu Hua three to eight-year floating rate notes and bonds (in New Taiwan Dollars)	—	"	2,500,000	28,293	-	28,293	
"	Yuanta FTSE4Good TIP Taiwan ESG ETF Securities Investment Trust Fund	—	"	400,000	24,040	-	24,040	
"	Taiwan Technology High Dividend Fund A	—	"	6,000,000	77,220	-	77,220	
"	Asia-Pacific Technology (in USD)	—	"	52,994	48,951	-	48,951	
"	0056 Yuanta High Dividend	—	"	300,000	11,139	-	11,139	
"	00991A Fuh Hwa Taiwan Future 50 Active ETF	—	"	1,000,000	11,750	-	11,750	
"	00919 Capital Taiwan High Dividend	—	"	300,000	6,606	-	6,606	
"	00939 Unified Taiwan High Interest	—	"	1,000,000	15,000	-	15,000	
"	00940 Yuanta Taiwan High-yield Value	—	"	1,000,000	9,390	-	9,390	
"	Fuh Hwa Active Financial Interest ETF (00986D)	—	"	4,000,000	60,000	-	60,000	
3Y Power	Fuh Hwa Taiwan Technology High Dividend Fund	—	"	2,000,000	24,380	-	24,380	
"	00991A Fuh Hwa Taiwan Future 50 Active ETF	—	"	500,000	5,875	-	5,875	
	Fuh Hwa Active Financial Interest ETF (00986D)	—	"	1,300,000	19,500	-	19,500	
					444,274		444,274	
The Company	Private equity fund: Heshunhsing Intelligent Mobile LP	—	"	77,954,545	120,075	-	120,075	
"	Hong Chi Sustainable Climate Limited Partnership	—	"	36,000,000	34,283	-	34,283	
"	Mesh Cooperative Ventures Fund	—	"	30,000,000	33,457	-	33,457	
"	FSP Yu-Hang Innovation & Sustainability Limited Partnership	—	"	10,000,000	10,036	-	10,036	
					197,851		197,851	
The Company	Structured products: X220401	—	"	10,000	31,486	-	31,486	
3Y Power	XP240807	—	"	5,000	14,460	-	14,460	
					45,946		45,946	
Shenzhen Zhong Han	Structured deposits: Ping An Bank Structured Deposits for Corporate Clients	—	"	-	208,305	-	208,305	
WUXI Zhonghan	SPD Bank Structured Deposits for Corporate Clients	—	"	-	138,870	-	138,870	
					347,175		347,175	
					1,128,826		1,128,826	

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

Securities holding company	Type and name of securities	Relationship with issuer of securities	Ledger account	Year-end				Remark
				Shares/Units	Carrying amount	Percentage of shareholding (%)	Fair value	
The Company	Stock: Voltronic Power Technology Corp.	Other related party	Financial assets at fair value through other comprehensive income	2,804,822	2,030,691	3.20	2,030,691	
"	JESS-LINK Products Co., Ltd.	Other related party	"	10,010,000	1,586,585	8.20	1,586,585	
"	WT Microelectronics Co., Ltd.	—	"	250,000	54,250	0.02	54,250	
"	Taiwan Semiconductor Manufacturing Co., Ltd.	—	"	10,000	17,600	-	17,600	
"	Coretronic Corporation	—	"	200,000	14,640	0.05	14,640	
"	Eastern Union Interactive Corp.	—	"	1,005,000	182,408	3.67	182,408	
"	HARRIS TECHNOLOGY	—	"	29,829,678	7,205	9.07	7,205	
"	Champ-ray Industrial Co., Ltd.	—	"	240,000	17,808	0.80	17,808	
"	Channel Well Technology Co., Ltd.	—	"	100,000	5,560	0.04	5,560	
"	Quanta Computer Inc.	—	"	100,000	27,850	-	27,850	
"	Hon Hai Precision Industry Co., Ltd.	—	"	25,000	4,688	-	4,688	
"	Formosa International Hotels Corporation	—	"	100,000	18,350	0.08	18,350	
"	Advantech Co., Ltd.	—	"	15,000	4,777	-	4,777	
"	Chenbro Micom Co., Ltd.	—	"	9,000	7,803	0.01	7,803	
"	Taiwan Truewin Technology Co., Ltd.	—	"	2,226,704	117,002	3.44	117,002	
"	Stockfeel Media Technology Co., Ltd.	—	"	2,265,805	102,258	7.13	102,258	
"	Liwatt X Inc.	—	"	1,000,000	29,687	14.29	29,687	
"	LINCO Technology Co., Ltd.	—	"	550,000	59,235	0.66	59,235	
FSP Jiangsu	Powerland Technology Inc.	—	"	-	4,288,397	-	4,288,397	
3Y Power	Voltronic Power Technology Corp.	Other related party	"	1,000	100,000	-	100,000	
					724	-	724	
					4,389,121		4,389,121	

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)	(106,466)	4.12	Note 1			127,965	4.36	
The Company	FSP Power Solution GmbH	Substantive related party of the Company	(Sales)	(175,727)	6.80	Note 1			305,040	10.39	
The Company	Huili	100% owned investment via indirect shareholding	Purchases (Note 2)	186,898	11.43	Note 4		Note 4	(83,641) (Note 3)	3.18	Note 6
The Company	FSP Technology Vietnam Co., Ltd.	100% owned investment via indirect shareholding	Purchases	108,266	6.62	Note 4		Note 4	(61,466)	2.34	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.

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

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	Accounts receivable: 127,965	3.43	-		19,116	-
The Company	FSP Power Solution GmbH	Substantive related party of the Company	Accounts receivable: 133,073	2.12	-		28,800	-
The Company	Fortron/ Source (Europa) GmbH	Substantive related party of the Company	Accounts receivable: 305,040	2.43	-		34,887	-
The Company	WUXI Zhonghan	100% owned investment via indirect shareholding	Accounts receivable (Note 2): 100,531	2.48	-		25,834	-
The Company	FSP Technology Vietnam Co., Ltd.	100% owned investment via indirect shareholding	Accounts receivable (Note 2): 131,430	1.70	-		-	-
3Y Power	The Company	65.87% owned reinvestment via indirect shareholding	Accounts receivable (Note 2): 122,678	3.50	-		23,125	-
Famous Holding Ltd.	WUXI Zhonghan	100% owned investment via indirect shareholding	Other receivables (Note 2): 400,409	-	-		-	-

Note 1: As of April 20, 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				Percentage of total consolidated operating revenue or total assets (Note 3)
				Ledger account	Amount	Transaction term		
0	The Company	3Y Power	1	Cost of goods sold	93,937	No significant difference from other suppliers		3.08%
0	The Company	Huili	1	Cost of goods sold	186,898	No comparison is available		6.14%
0	The Company	Zhonghan	1	Cost of goods sold	94,875	No comparison is available		3.12%
0	The Company	WUXI SPI	1	Cost of goods sold	64,965	No comparison is available		2.13%
0	The Company	WUXI Zhonghan	1	Operating revenue	64,165	No significant difference from other customers		2.11%
0	The Company	Zhonghan Tech.	1	Operating revenue	50,784	No significant difference from other customers		1.67%
0	The Company	FSP Technology USA Inc.	1	Operating revenue	58,338	No significant difference from other customers		1.92%
0	The Company	FSP Technology Vietnam Co., Ltd.	1	Cost of goods sold	108,266	No significant difference from other suppliers		3.56%
1	3Y Power	3Y Power Technology Inc.	3	Operating revenue	39,518	No significant difference from other customers		1.30%
1	3Y Power	Huili	3	Cost of goods sold	53,550	No comparison is available		1.76%
1	3Y Power	Zhonghan Tech.	3	Operating revenue	53,013	No significant difference from other customers		1.74%
1	Famous Holding Ltd.	WUXI Zhonghan	3	Other receivables	400,409	No comparable general customers are available		2.20%

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).

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

(II) Information on Invested Companies:

Reinvestment information from January 1 to March 31, 2026 is as follows:

Name of investor	Name of Investee	Location	Main business activities	Initial investment amount		Year-End Holdings			Profit (loss) of investee for the period	Investment gain (loss) recognized for the period	Remark
				End of the current period	At the end of last year	Shares	Shareholding (%)	Carrying amount			
The Company	FSP International Inc. (BVI)	British Virgin Islands	Investment holdings	1,501,391	1,501,391	33,202,500	100.00	2,163,690	(62,349) (Note 1)	(62,231) (Note 1)	Subsidiary
"	FSP Group Inc.	British Cayman Islands	Engaged in safety certification	1,752	1,752	50,000	100.00	318	6 (Note 2)	6 (Note 2)	Subsidiary
"	Amacrox Technology Co., Ltd. (BVI)	British Virgin Islands	Investment holdings	40,925	40,925	1,109,355	100.00	83,536	2,728 (Note 2)	2,728 (Note 2)	Subsidiary
"	3Y Power	Taiwan	Manufacturing and trading of power supply	304,406	304,406	16,309,484	65.87	855,487	34,075 (Note 2)	18,589 (Note 2)	Subsidiary
"	Harmony Trading (HK) Ltd.	Hong Kong	Investment holdings	45	45	10,000	100.00	1,953	34 (Note 2)	34 (Note 2)	Subsidiary
"	FSP Technology USA Inc.	U.S.A.	Business development and product technical service	3,143	3,143	100,000	100.00	26,341	4,563 (Note 2)	4,563 (Note 2)	Subsidiary
"	FSP Turkey Dis Tic.Ltd.Sti.	Turkey	Business development and product technical service	22,640	22,640	6,673,000	91.41	17,178	(2,617) (Note 2)	(2,392) (Note 2)	Subsidiary
"	FSP Technology Vietnam Co., Ltd.	Vietnam	Manufacturing and trading of power supply	442,740	347,540	-	100.00	362,095	4,245 (Note 2)	4,475	Subsidiary
FSP International Inc. (BVI)	FSP Technology Inc. (BVI)	British Virgin Islands	Investment holdings	62,883	62,883	2,100,000	100.00	131,155	(5,749) (Note 2)	-	Sub-subsidiary
"	Power Electronics Co., Ltd. (BVI)	British Virgin Islands	Investment holdings	217,707	217,707	7,000,000	100.00	142,139	(4,323) (Note 1)	-	Sub-subsidiary
"	Famous Holding Ltd.	Samoa	Investment holdings	807,483	807,483	27,000,000	100.00	1,292,612	(27,363) (Note 1)	-	Sub-subsidiary
"	Proteck Electronics (Samoa) Corp.	Samoa	Investment holdings	32,984	32,984	1,100,000	100.00	17,979	(21) (Note 2)	-	Sub-subsidiary
"	FSP International (HK) Ltd.	Hong Kong	Investment holdings	141,042	141,042	4,770,000	100.00	19,592	(3,584) (Note 2)	-	Sub-subsidiary
Amacrox Technology Co., Ltd. (BVI)	Amacrox GmbH	Germany	Trading of power supply	18,181	18,181	25,000	100.00	3,143	(18) (Note 2)	-	Sub-subsidiary
"	FSP Group USA Corp.	U.S.A.	Trading of power supply	14,903	14,903	247,500	45.00	42,115	3,866 (Note 2)	1,740 (Note 2)	Associate
3Y Power	3Y Power Technology Inc.	U.S.A.	Trading of power supply	233,850	233,850	600,000	100.00	238,235	(5,889) (Note 2)	-	Sub-subsidiary
"	Luckyield Co., Ltd.	Samoa	Investment holdings	4,500	4,500	45,000	100.00	6,256	(174) (Note 2)	-	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 investment profit or loss of the company was recognized based on the financial statements of the investee company for the same period without being reviewed by the independent auditors, accounted for and valued by the equity method.
- Note 3: The profit and loss of the sub-subsidiary has been consolidated into the profit and loss of the subsidiary. The transactions between the Company and each subsidiary of the Group including sales transaction amount, accounts receivable and payable, carrying amount of long-term equity investment and investment profit and loss recognized in the current period, have been eliminated in preparing the consolidated financial statements.

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

(III) Information on investment in Mainland China:

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

Investee company	Main business activities	Paid-in capital	Method of investments (Note 1)	Accumulated amount of investments remitted from Taiwan at beginning of period	Amount of investments remitted or repatriated for the period		Accumulated amount of investments remitted from Taiwan at end of period	Profit (loss) of investee for the period	Percentage of ownership of direct or indirect investment	Share of profits/ losses for the period	Carrying amount of investment at the end of the period	Accumulated investment income repatriated at end of period
					Remitted	Repatriated						
Huili	Processing of power supply	422,396	(II), 1	436,513	-	-	436,513	(24,838)	100.00	(24,838)	449,288	197,299
Zhonghan	Processing of power supply	238,810 (Note 2)	(II), 1	104,342	-	-	104,342	(4,329)	100.00	(4,329)	140,219	75,044
WUXI SPI	Processing of power supply	769,756 (Note 2)	(II), 1	508,326	-	-	508,326	965	100.00	965	112,324	-
WUXI Zhonghan	Manufacturing and trading of power supply	443,398	(II), 1	380,595	-	-	380,595	(28,295)	100.00	(28,295)	781,742	-
Zhonghan Tech.	Manufacturing and trading of power supply	138,870	(II), 1	20,196	-	-	20,196	(26,286)	100.00	(26,286)	679,584	-
FSP Jiangsu	Research & development and design of various energy saving technology	69,009 (Note 2)	(II), 1	13,380	-	-	13,380	(5,749)	100.00	(5,749)	132,842	-
Protek Dongguan	Processing of power supply	41,976	(II), 1	38,038	-	-	38,038	(25)	100.00	(25)	17,767	-
Hao Han	Transformer processing	174,411 (Note 2)	(II), 1	-	-	-	-	(3,584)	100.00	(3,584)	19,592	-
WUXI 3Y	Design, manufacturing and trading of power supplies	4,393	(II), 2	-	-	-	-	(174)	65.87	(115)	6,256	-

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

Note 5: Eliminated under consolidation.

2. The limit of investment in Mainland China:

Accumulated investment in Mainland China at the end of period	Investment amounts approved by Investment Commission, MOEA	Limit of investment in Mainland China approved by Investment Commission, MOEA
1,501,390 (Note 2)	2,038,222 (Note 2)	7,082,737
(HK\$ 12,500 thousand and US\$ 43,640 thousand)	(HK\$ 12,500 thousand and US\$ 62,110 thousand)	(Note 1)

Note 1: 60% of net worth.

Note 2: For the amounts of the above investment in mainland China, except that the accumulated investment amount remitted from Taiwan to mainland China at the end of the current period is based on the historical exchange rate, the investment profit and loss recognized in the current period is based on the weighted average exchange rate (USD/TWD: 1:31.6297, CNY/TWD: 1:4.5680, HKD/TWD: 1:4.0479). Paid-in capital, investment amount approved by the Investment Commission of MOEA, and the carrying amount at the end of the period are based on the exchange rates on March 31, 2026 (USD/TWD: 1:31.9950, CNY/TWD: 1:4.6290, HKD/TWD: 1:4.0810).

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

Please refer to the "Information on Significant Transactions" for direct or indirect material transactions between the Group and investees in China (which have been eliminated during the preparation of consolidated financial statements) from January 1 to March 31, 2026.

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

XIV. Segment Information

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

	The Company and its processing subsidiaries	3Y Power	Zhonghan Tech.	WUXI Zhonghan	Others	Adjustment and elimination	Total
January to March, 2026							
Revenue:							
Revenue from external customers	\$ 2,355,853	254,447	165,285	125,507	144,027	-	3,045,119
Intersegment revenue	627,677	193,928	11,179	1,615	129,946	(964,345)	-
Total revenues	\$ 2,983,530	448,375	176,464	127,122	273,973	(964,345)	3,045,119
Reportable segment profit or loss	\$ 94,232	34,071	(5,754)	(6,194)	(18,898)	1,991	99,448
January to March, 2025							
Revenue:							
Revenue from external customers	\$ 2,256,803	233,482	199,316	110,314	231,760	-	3,031,675
Intersegment revenue	699,359	183,170	9,254	3,281	69,820	(964,884)	-
Total revenues	\$ 2,956,162	416,652	208,570	113,595	301,580	(964,884)	3,031,675
Reportable segment profit or loss	\$ 41,326	38,451	(3,976)	(5,466)	(19,333)	9,583	60,585

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

The total revenue of the reportable segment and the inter-segment revenue to be eliminated were NT\$964,345 thousand and NT\$964,884 thousand from January 1 to March 31, 2026 and 2025, respectively.