

Stock Code: 3015



全漢企業股份有限公司  
FSP Technology Inc.

# 2026 Annual Shareholders' Meeting

## Meeting Handbook

**Method of Convening: Physical Shareholders' Meeting**

**Date: June 11, 2026**

**Address: No. 398, Taoying Rd., Taoyuan District, Taoyuan City (Chuto Plaza Hotel, Taoyuan)**

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# **FSP Technology Inc.**

## **Procedure for the 2026 Annual Shareholders' Meeting**

**Chapter 1.** Meeting Called to Order

**Chapter 2.** Chairman's Remarks

**Chapter 3.** Announcements

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**Chapter 5.** Electoral Matters

**Chapter 6.** Discussions

**Chapter 7.** Extempore Motions

**Chapter 8.** Adjournment

# **FSP Technology Inc.**

## **Agenda for the 2026 Annual Shareholders' Meeting**

Method of Convening: Physical Shareholders' Meeting

Time: 9:00 am, June 11, 2026 (Thursday)

Address: No. 398, Taoying Rd., Taoyuan District, Taoyuan City (Chuto Plaza Hotel, Taoyuan)

Meeting Called to Order

Chairman's Remarks

Chapter 1. Announcements:

- I. The Company's 2025 Business Report.
- II. Audit Committee's Review Report on the 2025 Final Statements.
- III. Proposal for the compensation for employees and Directors for 2025.
- IV. Report on the Company's distribution of cash dividends from earnings for 2025.

Chapter 2. Ratifications:

- I. The Company's 2025 Business Report and Financial Statements.
- II. The Company's 2025 Earnings Distribution Statement.

Chapter 3. Electoral Matters:

- I. Election of directors.

Chapter 4. Discussions:

- I. Amendment of the Company's "Procedures for Acquisition or Disposal of Assets."
- II. Lifting restrictions on directors' competitive activities.

Chapter 5. Extempore Motions

Adjournment

## **Chapter 1. Announcements**

### **Proposal 1**

Proposal: The Company's 2025 Business Report is provided for your review.

Explanation: Refer to Attachment I for the Business Report. (Pages 6-8)

### **Proposal 2**

Proposal: The Audit Committee's Review Report on the 2025 Financial Statements is provided for your review.

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

### **Proposal 3**

Proposal: The proposal of compensation for employees and Directors for 2025 is provided for your review.

Explanation:

- I. Pursuant to Article 20 of the Company's Articles of Incorporation, if the Company records a profit for the year, no less than 6% of such profit shall be appropriated as employee compensation (of which not less than 10% shall be allocated as compensation for grassroots employees), and no more than 3% shall be appropriated as Directors' compensation.
- II. The distribution proposal is as follows:
  - (1) Employee compensation is set at NT\$48,000,000, all of which will be distributed in cash (including NT\$4,800,000 allocated as compensation for grassroots employees).
  - (2) Distribute compensation for Directors totaling NT\$5,600,000 entirely in cash.

### **Proposal 4**

Proposal: The report on the Company's distribution of cash dividends from earnings for 2025 is provided for your review.

Explanation:

- I. According to Article 21 of the Company's Articles of Incorporation, the Board of Directors is authorized to resolve to distribute earnings, statutory surplus reserve, and capital surplus in cash.
- II. The Company proposes to set aside shareholders' dividends totaling NT\$411,976,290 from distributable earnings for 2025 and distribute cash dividends of NT\$2.2 per share.
- III. If the Company's shares in external circulation are subsequently changed due to the issuance of new shares for conversion of stock options, repurchase of the Company's shares, or the transfer and cancellation of treasury stock, which affect on the shareholder dividend ratio, the Chairman is authorized to process such adjustments.
- IV. The Chairman of the Board is authorized to determine the ex-dividend date, distribution date, and other related matters.
- V. The current cash dividends are calculated pursuant to distribution ratio and rounded down to the whole dollar amounts with decimals rounded off. The fractional amounts less than NT\$1 shall be aggregated and rounded up based on the value of decimals from high to low after distribution to shareholders till the amount reaches zero.

## **Chapter 2. Ratifications**

### **Proposal 1 Proposed by the Board of Directors**

Proposal: The Company's 2025 Business Report and Financial Statements are submitted for ratification.

Explanation:

- I. The Company's 2025 Business Report and the Parent Company Only Financial Statements and Consolidated Financial Statements audited by Chang, Chun-I, CPA, and Chiang, Chia-Chi, CPA of KPMG Taiwan have been reviewed by the Audit Committee and submitted to the Board of Directors for resolution and passage in accordance with laws. Please refer to Attachment I and Attachment III. (Pages 6-8 and Pages 10-23)
- II. They are submitted for ratification.

Resolution:

### **Proposal 2 Proposed by the Board of Directors**

Proposal: The Company's 2025 Earnings Distribution Statement is submitted for ratification.

Explanation:

- I. The Company's 2025 Earnings Distribution Statement has been reviewed by the Audit Committee and submitted to the Board of Directors for resolution and passage in accordance with laws. Please refer to Attachment IV. (Page 24)
- II. They are submitted for ratification.

Resolution:

## **Chapter 3. Electoral Matters**

### **Proposal 1 Proposed by the Board of Directors**

Proposal: Election of directors.

Explanation:

- I. As the term of office of the current directors and independent directors expires on June 11, 2026, it is proposed to convene the general meeting of shareholders on June 11 this year for election, and the current directors and independent directors will be discharged immediately after the new directors and independent directors are elected and take office.
- II. The Articles of Incorporation of the Company stipulate that there should be 5 to 13 directors. Considering the company's business scale and the practical operations of the board of directors, it is proposed to elect eleven directors (including four independent directors). The newly elected directors and independent directors shall take office for three years from June 11, 2026 to June 10, 2029.
- III. The list of candidate directors and independent directors has been approved by the Board of Directors, and shareholders shall elect from the list of candidates, refer to Attachment V. (Pages 31-33)

- IV. Candidate Mr. Liu, Shou-Hsiang has been an independent director of the Company for three consecutive terms. Because of his rich experience in economics, finance, accounting, risk management and insurance, he can provide important advices to the company. Although he has been an independent director of the Company for three terms, the Company still needs his professionalism, so that he can still give full play to his expertise in addition to exercising the duties of an independent director, and supervise and provide professional advice to the Board of Directors. Therefore, he continues to be nominated as an independent director of the Company in this election.
- V. The candidate, Mr. Hsu, Cheng-Hung, has been an independent director of the Company for three consecutive terms. Because of his extremely rich management experience, he can provide significant advices to the Company. Although he has been an independent director of the Company for three consecutive terms, the Company still needs to rely on his expertise and enable him to exert his expertise in the exercise of independent director's duties, and supervise and provide professional advice to the Board of Directors. Therefore, he continues to be nominated as an independent director of the Company in this election.
- VI. Please elect the directors.

Election results:

## **Chapter 4. Discussions**

### **Proposal 1 Proposed by the Board of Directors**

Proposal: The amendment of the Company's "Procedures for Acquisition or Disposal of Assets" is submitted for discussion.

Explanation:

- I. Pursuant to the amendments to Articles 31 and 35 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, as announced under Order No. Jin-Guan-Zheng-Fa-Zi No. 1140383333 dated July 24, 2025 by the Financial Supervisory Commission.
- II. It is proposed to amend certain provisions of the Company's "Procedures for Acquisition or Disposal of Assets." For a comparison of the provisions before and after amendment, please refer to Attachment VI. (Pages 34-41)
- III. Please discuss.

Resolution:

## **Proposal 2 Proposed by the Board of Directors**

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

Explanation:

- I. To facilitate the Company's business expansion, and pursuant to the non-competition provisions under Article 209 of the Company Act, it is proposed that the Annual Shareholders' Meeting approve the lifting of the non-competition restrictions for the Company's newly appointed directors and independent directors. Please refer to Attachment VII for details. (Pages 42-43)
- II. Please discuss.

Resolution:

## **Chapter 5. Extempore Motions**

## **Adjournment**

**FSP Technology Inc.**

**Business Report**

In 2025, the Company’s overall operating activities recorded double-digit growth in both major operating revenue and gross profit, while net operating income increased by 1.8 times. This was mainly attributable to the substantial investments over the past two years in the construction of computing centers primarily powered by GPUs from NVIDIA. The investments and demand for networking and other related equipment experienced a deferred effect and materialized in 2025. In addition, products and equipment related to edge computing for collaborative computing centers began to penetrate the market in 2025, mainly through IPC or other dedicated equipment applications. As a result, the overall power capacity of the Company’s products increased. However, due to tariff barriers imposed by the U.S. administration under Donald Trump and the impact of foreign exchange losses, market momentum fell short of expectations, and non-operating losses affected the Company’s overall financial performance.

In 2025, FSP sold approximately 16.66 million units, with consolidated operating revenue of NT\$13,060,096 thousand, representing an increase of 12.58% compared to NT\$11,601,092 thousand in 2024. Gross profit reached NT\$2,270,193 thousand, an increase of 12.17%, while net operating income amounted to NT\$141,965 thousand, representing a significant growth of 188.53%. The results of operations in 2025 and the business outlook for 2026 are explained below:

I. Results of Operations in 2025

(1) Business Plan Implementation Results

FSP's consolidated operating revenue for 2025 was NT\$13,060,096 thousand, an increase of 13% compared to consolidated operating revenue of NT\$11,601,092 thousand for 2024; the net income before tax for 2025 was NT\$458,394 thousand, a decrease of 12% compared to net income before tax of NT\$522,698 thousand for 2024; net income after tax for 2025 was NT\$380,800 thousand, a decrease of 13% compared to net income after tax of NT\$438,019 thousand for 2024; basic earnings per share before and after tax for 2025 were NT\$2.14 and NT\$1.86, respectively.

Unit: NT\$ thousands; %

Item	2025	2024	Change, by Amount	Change Ratio
Operating Revenue	13,060,096	11,601,092	1,459,004	12.58%
Gross Profit	2,270,193	2,023,837	246,356	12.17%
Operating Income	141,965	49,203	92,762	188.53%
Non-Operating Income and Expenditures	316,429	473,495	(157,066)	(33.17%)
Net Income Before Tax	458,394	522,698	(64,304)	(12.30%)
Net Income	380,800	438,019	(57,219)	(13.06%)

(2) Budget Implementation Status

The Company did not formulate a financial forecast for 2025.

(3) Analysis of Financial Gains and Losses and Profitability

Unit: NT\$ thousands; %

Item		Year		Percentage of Increase (Decrease)
		2025	2024	
Financial Revenue and Expenditures	Operating Revenue	13,060,096	11,601,092	12.58%
	Gross Profit	2,270,193	2,023,837	12.17%
	Net Profit After Tax	380,800	438,019	(13.06%)
Profitability Analysis	Return on total assets (%)	1.91	2.10	(9.05%)
	Return on equity (%)	2.64	2.87	(8.01%)
	Ratio of net income before tax to paid-in capital (%)	24.48	27.91	(12.29%)
	Net profit margin (%)	2.92	3.78	(22.75%)
	Earnings Per Share (NT\$)	1.86	2.16	(13.89%)

(4) Research and Development

The R&D results in 2025 were as follows:

- Platinum Large Wattage 2500W.
- Titanium Gold 1.3/1.6KW products.
- Gold ATX Full Series 650/750/850/1KW Products.
- Develop ATX 3.1 and maintain 8 cm fan with 850W Titanium power supply.
- Comply with ATX 3.1 and maintain 8 cm fan with 550/650/750W Gold power supply.
- Flex 650W power supply compliant with ATX 3.1.
- 1U 650W power supply compliant with ATX 3.1.
- Continue the development of new USB R3.1 products that can be directly upgraded to R3.2 240W PD.
- Continue the development of a 65W PD product with HDMI function.
- 65W/90W/120W 19V cost-optimized adapters, available for Mini-PC use.
- 12V 75W/84W adapters for next-generation networking and POS applications, compliant with LPS specifications.
- In response to the Edge AI transformation of networking products, we are developing 280W, 54V adapters.
- M-CRPS 2400W, 2700W and 3250W high power density, Titanium-grade efficiency devices.
- 1U Slim 400W DC Input Redundant Power Supply.
- CRPS PoE 800W.
- CRPS PoE 650W.
- CRPS 2U 3200W PDB.
- CRPS 3200W/54V high power density, Titanium-grade efficiency devices.
- CRPS 3600W/54V high power density, Titanium-grade efficiency devices.
- 150W P35D series.
- 150W P24C series.
- 240W P37P series.
- 300W P37P series.

- 100W PNA Series Industrial Application Power Supply.
- 150W PNA Series Industrial Application Power Supply.
- 200W PNA Series Industrial Application Power Supply.
- 500W PBB Series Industrial Application Power Supply.
- 65W @ 2" x 4" Open Frame series products.
- Customized 660W IP67-rated electric scooter charger.
- Miniaturized 42V/4A power supply.
- Smart pole backup battery module – 12.8V/100Ah/1280Wh, equipped with Modbus communication interface for remote monitoring.
- BBU – adapter type for modem, router, POS systems, and mini PCs: EnerXBar042-12 (12V/42W).
- BBU: EnerXBar084-12 (12V/84W).
- BBU: EnerXBar090-19 (19V/90W).

## II. Summary of 2026 Business Plan

Looking ahead to 2026, the trend of AI remains evident and strong. The trend in hardware deployment is expected to expand from computing centers to edge computing. Products related to industrial computers, networking equipment, and servers will see increased power requirements due to the integration of graphics processing chips. In response to this trend, NVIDIA has introduced several platforms, including the MGX platform with a 12V output, the HGX platform with a 48V output, and the GB200 OCP platform equipped with a Power Shelf. Within the MGX platform, NVIDIA has standardized rack configurations to reduce hardware development costs for chip application vendors, with power supplies adopting the CRPS specification. Notably, FSP and its subsidiary 3Y Power have long been engaged in the server power supply market and possess extensive experience in CRPS design and manufacturing. The Group also maintains a comprehensive line of standard products with various power ratings, enabling it to quickly respond to the power demands of future MGX platforms. FSP Group will be able to provide Titanium-level high-efficiency N+N redundant CRPS power supplies ranging from 3,600W to 6,000W to meet the growing needs of the AI market. In addition, shortages and price increases in memory and storage semiconductors have already begun to emerge. Low-end and consumer electronic products are generally unable to absorb these rising costs. It is therefore expected that high-end, high-value enterprise computers will become the mainstream of the computer market in 2026, for which FSP Group will introduce ATX-standard 3,300W power supply solutions. With the ongoing trend of AI integration in industrial equipment, the Company will continue developing compact 24V adapters featuring wide temperature tolerance and the “three highs” — high power density, high wattage, and high conversion efficiency. It is anticipated that FSP will continue the growth momentum observed since the second half of last year. The overall target is to achieve total sales of approximately 17.56 million power supply units.

## III. Future Development Strategy

FSP is committed to its corporate mission of "maximizing value for customers, employees, and shareholders with innovative services and high-quality products." Continuously research and develop advanced technology, develop power sources for innovative industries, to provide high value added power products. Since last year, AI chips have been increasingly utilized in related products, leading to a significant increase in power demands and the output of power supplies. Within the framework of

environmental and sustainable development, the role of high-power and high-efficiency power supply products becomes even more important. FSP will allocate more and better research and development resources, dedicating to create high-power and high-efficiency power supply products with technological strength, meeting market demands for durability and efficiency, as well as the explosive growth in the AI industry.

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

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

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

I wish you

good health and prosperity

**Chairman: Cheng, Ya-Jen**

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

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

## **Attachment II**

### **FSP Technology Inc.**

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

The Company's 2025 Parent Company Only Financial Statements and Consolidated Financial Statements have been audited by Chang, Chun-I, CPA, and Chiang, Chia-Chi, CPA of KPMG Taiwan, and have been submitted, along with the 2025 Business Report and Earnings Distribution Proposal to the Audit Committee for review. The Audit Committee found them to be compliant with the Company Act and related regulations. It therefore prepares this Review Report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act and filed for approval for your review.

Sincerely,

FSP Technology Inc.

2026 Annual Shareholders' Meeting

Convener of the Audit Committee: Liu, Shou-Hsiang

March 6, 2026

## **Attachment III**

### **Independent Auditors' Report**

To the Board of Directors of FSP Technology Inc.:

#### **Opinions**

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

In our opinion, based on our audit results and the audit reports prepared by other independent auditors (please refer to Other Matters section), the accompanying Parent Company Only Financial Statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and cash flows for the periods from January 1 to December 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinions**

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

#### **Key Audit Matters**

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

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

Description of key audit matter:

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

Audit procedure to address the matter:

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

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

### **Other Matters**

Under the equity method of investment adopted by FSP Technology Inc., our accountants have not audited the financial reports of certain invested companies. Instead, these reports have been audited by other accountants. Hence, the accountant's assessment of the financial statements of the mentioned entity suggests that certain figures mentioned in the financial statements of the invested companies rely on audit reports from other accountants. As of December 31, 2024, the carrying amount of such long-term equity investments accounted for 4.15% of total assets. For the period from January 1 to December 31, 2024, the share of profit or loss of subsidiaries, associates, and joint ventures accounted for under the equity method represented 12.70% of net income before tax.

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

Management is responsible for the preparation and fair presentation of the Parent Company Only Financial Statements in conformity with the Regulations Governing the Preparation of Financial Reports

by Securities Issuers, and maintain internal controls which are necessary for the preparation of the Parent Company Only Financial Statements so as to avoid material misstatements due to fraud or errors therein.

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

The Company's governance body, including the Audit Committee, is responsible for overseeing the financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Parent Company Only Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a significant level of assurance. However, the audit work conducted in compliance with auditing standards cannot ensure the identification of significant errors in the individual financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if misstated individual or aggregate amounts could reasonably be expected to influence the economic decisions of users taken on the basis of these Parent Company Only Financial Statements.

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

1. Identify and assess the risks of material misstatement of the Parent Company Only Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Parent Company Only Financial Statements, including the disclosures, and whether the Parent Company Only Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investee companies under the equity method to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG Taiwan

Taipei, Taiwan (Republic of China)

March 6, 2026

Notice to Readers

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

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

**FSP Technology Inc.**  
**Parent Company Only Balance Sheets**  
**December 31, 2025 and 2024**

**Unit: NT\$ thousands**

Assets		2025.12.31		2024.12.31		Liabilities and equity		2025.12.31		2024.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
11xx	<b>Current assets:</b>					21xx	<b>Current liabilities:</b>				
1100	Cash and cash equivalents (Note VI(I))	\$ 1,825,073	11	2,333,218	12	2150	Notes payable	\$ 11,604	-	14,297	-
1110	Financial assets at fair value through profit or loss - current (Note VI(II))	503,812	3	529,517	3	2170	Accounts payable	2,766,726	17	2,545,649	13
1136	Financial assets at amortized cost - current (Note VI(IV))	50,000	-	-	-	2180	Accounts payable - related parties (Note VII)	325,212	2	327,639	2
1150	Notes receivable, net (Notes VI(V) and (XX))	13,159	-	2,272	-	2200	Other payables (Notes VI(XVI) and (XXI))	794,676	5	771,915	4
1170	Accounts receivable, net (Notes VI(V) and (XX))	1,930,416	12	1,701,503	9	2220	Other payables - related parties (Note VII)	50,770	-	57,112	-
1180	Accounts receivable - related parties, net (Notes VI(V), (XX) and VII)	964,101	6	872,157	4	2230	Current income tax liabilities	24,097	-	13,717	-
1200	Other receivables (Notes VI (III) and (VI))	137,260	1	117,602	1	2250	Provisions - current (Note VI(XV))	93,316	-	138,268	1
1210	Other receivables - related parties (Notes VI(VI) and VII)	29,387	-	53,958	-	2280	Lease liabilities - current (Note VI(XIV))	4,658	-	5,239	-
130x	Inventories (Note VI(VII))	1,644,621	10	1,414,579	7	2300	Other current liabilities (Notes VI(XIII), (XX), and VII)	118,367	1	145,583	1
1410	Prepayments	38,393	-	35,991	-	2320	Current portion of long-term liabilities (Notes VI(IX), (XIII), and VIII)	1,223	-	47,565	-
1470	Other current assets (Note VIII)	10,950	-	49,251	-		<b>Total current liabilities</b>	<b>4,190,649</b>	<b>25</b>	<b>4,066,984</b>	<b>21</b>
	<b>Total current assets</b>	<b>7,147,172</b>	<b>43</b>	<b>7,110,048</b>	<b>36</b>	25xx	<b>Non-current liabilities:</b>				
15xx	<b>Non-current assets:</b>					2540	Long-term borrowings (Notes VI(IX), (XIII), and VIII)	-	-	1,223	-
1510	Financial assets at fair value through profit or loss - non-current (Note VI(II))	109,739	1	31,860	-	2570	Deferred income tax liabilities (Note VI (XVII))	11,033	-	13,450	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note VI(III))	4,866,893	29	7,851,407	41	2580	Lease liabilities - non-current (Note VI(XIV))	38,636	-	41,561	-
1550	Investment under equity method (Note VI(VIII))	3,395,344	20	3,341,326	17	2670	Other non-current liabilities - others (Notes VI(XIII) and VII)	335	-	2,769	-
1600	Property, plant, and equipment (Notes VI(IX), (XI), (XII), (XIII), VIII and IX)	986,475	6	990,251	5		<b>Total non-current liabilities</b>	<b>50,004</b>	<b>-</b>	<b>59,003</b>	<b>-</b>
1755	Right-of-use assets (Notes VI(X) and (XIV))	40,066	-	43,700	-	2xxx	<b>Total liabilities</b>	<b>4,240,653</b>	<b>25</b>	<b>4,125,987</b>	<b>21</b>
1780	Intangible assets (Notes VI(IX) and (XI))	135,823	1	124,035	1	31xx	<b>Equity (Notes VI(III), (VIII), (XVI), (XVII), and (XVIII)):</b>				
1840	Deferred income tax assets (Note VI(XVII))	53,764	-	54,872	-	3100	Capital stock	1,872,620	11	1,872,620	10
1900	Other non-current assets (Notes VIII and IX)	4,989	-	4,862	-	3200	Capital surplus	862,067	5	861,396	4
1975	Net defined benefit assets - non-current (Note VI(XVI))	26,454	-	19,439	-	3300	Retained earnings:				
	<b>Total non-current assets</b>	<b>9,619,547</b>	<b>57</b>	<b>12,461,752</b>	<b>64</b>	3310	Legal reserve	1,507,697	9	1,411,213	7
						3350	Unappropriated earnings	4,382,849	26	4,382,326	23
							Total retained earnings	5,890,546	35	5,793,539	30
						34xx	Other equity:				
						3410	Exchange differences on translation of financial statements of foreign operations	(79,464)	-	(47,247)	-
						3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	3,980,297	24	6,965,505	35
							Total other equity	3,900,833	24	6,918,258	35
						3xxx	<b>Total equity</b>	<b>12,526,066</b>	<b>75</b>	<b>15,445,813</b>	<b>79</b>
1xxx	<b>Total assets</b>	<b>\$ 16,766,719</b>	<b>100</b>	<b>19,571,800</b>	<b>100</b>	2-3xxx	<b>Total liabilities and equity</b>	<b>\$ 16,766,719</b>	<b>100</b>	<b>19,571,800</b>	<b>100</b>

(Please see accompanying notes to the Parent Company Only Financial Statements)  
Managerial Officer: Cheng, Ya-Jen

Chairman: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

**FSP Technology Inc.**  
**Parent Company Only Statements of Comprehensive Income**  
**January 1 to December 31, 2025 and 2024**

Unit: NT\$ thousands

	2025		2024	
	Amount	%	Amount	%
4000 <b>Operating revenue (Notes VI(XX) and VII)</b>	\$ 10,839,314	100	9,083,672	100
5000 <b>Operating costs (Notes VI(VII), (IX), (X), (XI), (XV), (XVI), VII, and XII)</b>	9,093,877	84	7,546,377	83
5910 Add: unrealized gain (loss) on sales	(4,724)	-	9,272	-
5900 <b>Gross profit</b>	<u>1,740,713</u>	<u>16</u>	<u>1,546,567</u>	<u>17</u>
6000 <b>Operating expenses (Notes VI(V), (IX), (X), (XI), (XIV), (XVI), (XXI), VII, and XII):</b>				
6100 Selling and marketing expenses	545,798	5	446,275	5
6200 General and administrative expenses	463,408	4	432,348	5
6300 Research and development expenses	509,218	5	497,742	5
6450 Expected credit loss	19,427	-	4,479	-
<b>Total operating expenses</b>	<u>1,537,851</u>	<u>14</u>	<u>1,380,844</u>	<u>15</u>
6900 <b>Net operating income</b>	<u>202,862</u>	<u>2</u>	<u>165,723</u>	<u>2</u>
7000 <b>Non-operating income and expenses (Notes VI(II), (III), (VIII), (IX), (XIII), (XIV), (XXII), and VII)</b>				
7100 Interest income	28,568	-	38,673	-
7010 Other income	233,503	2	220,384	3
7020 Other gains and losses	16,820	-	115,009	1
7050 Finance costs	(3,607)	-	(2,380)	-
7070 Share of profits (losses) of subsidiaries, associates and joint ventures under equity method	(76,699)	(1)	(69,237)	(1)
<b>Total non-operating income and expenses</b>	<u>198,585</u>	<u>1</u>	<u>302,449</u>	<u>3</u>
7900 <b>Income before income tax from continuing operations</b>	401,447	3	468,172	5
7950 <b>Less: income tax expense (Note VI(XVII))</b>	53,378	-	63,613	1
8200 <b>Net income</b>	<u>348,069</u>	<u>3</u>	<u>404,559</u>	<u>4</u>
8300 <b>Other comprehensive income:</b>				
8310 <b>Items that will not be reclassified to profit or loss (Notes VI(XVI), (XVII), and (XVIII))</b>				
8311 Gains (losses) on re-measurements of defined benefit plans	7,188	-	11,302	-
8316 Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	(2,724,932)	(25)	1,255,930	14
8330 Share of other comprehensive income (losses) of subsidiaries, associates and joint ventures under equity method	44,698	-	28,808	-
8349 Less: income tax related to items that will not be reclassified subsequently	1,438	-	2,261	-
<b>Total items that will not be reclassified to profit or loss</b>	<u>(2,674,484)</u>	<u>(25)</u>	<u>1,293,779</u>	<u>14</u>
8360 <b>Items that may be reclassified subsequently to profit or loss (Notes VI(VIII) and (XVIII))</b>				
8361 Exchange differences on translation of financial statements of foreign operations	(21,314)	-	10,105	-
8380 Share of other comprehensive income (losses) of subsidiaries, associates and joint ventures under equity method	(10,903)	-	68,983	1
8399 Less: income tax related to items that may be reclassified subsequently	-	-	-	-
<b>Total items that may be reclassified subsequently to profit or loss</b>	<u>(32,217)</u>	<u>-</u>	<u>79,088</u>	<u>1</u>
8300 <b>Other comprehensive income</b>	<u>(2,706,701)</u>	<u>(25)</u>	<u>1,372,867</u>	<u>15</u>
8500 <b>Total comprehensive income</b>	<u><b>\$(2,358,632)</b></u>	<u><b>(22)</b></u>	<u><b>1,777,426</b></u>	<u><b>19</b></u>
<b>Earnings per share (unit: NT\$) (Note VI(XIX))</b>				
9750 Basic earnings per share	<u>\$</u>	<u>1.86</u>	<u>\$</u>	<u>2.16</u>
9850 Diluted earnings per share	<u>\$</u>	<u>1.85</u>	<u>\$</u>	<u>2.15</u>

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

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

**FSP Technology Inc.**  
**Parent Company Only Statements of Changes in Equity**  
**January 1 to December 31, 2025 and 2024**

Unit: NT\$ thousands

	Capital stock - common shares	Capital surplus	Retained earnings			Other equity items		Total	Total equity
			Legal reserve	Unappropriated earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income		
<b>Balance as of January 1, 2024</b>	\$ 1,872,620	861,207	1,301,707	4,126,229	5,427,936	(126,335)	6,232,008	6,105,673	14,267,436
Appropriation and distribution of earnings:									
Legal reserve	-	-	109,506	(109,506)	-	-	-	-	-
Cash dividends of common stock	-	-	-	(599,238)	(599,238)	-	-	-	(599,238)
Net income	-	-	-	404,559	404,559	-	-	-	404,559
Other comprehensive income	-	-	-	9,041	9,041	79,088	1,284,738	1,363,826	1,372,867
<b>Total comprehensive income</b>	-	-	-	413,600	413,600	79,088	1,284,738	1,363,826	1,777,426
Proceeds received from the disposal of employee stock ownership trust shares	-	189	-	-	-	-	-	-	189
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	551,241	551,241	-	(551,241)	(551,241)	-
<b>Balance as of December 31, 2024</b>	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
Appropriation and distribution of earnings:									
Legal reserve	-	-	96,484	(96,484)	-	-	-	-	-
Cash dividends of common stock	-	-	-	(561,786)	(561,786)	-	-	-	(561,786)
Net income	-	-	-	348,069	348,069	-	-	-	348,069
Other comprehensive income	-	-	-	5,750	5,750	(32,217)	(2,680,234)	(2,712,451)	(2,706,701)
<b>Total comprehensive income</b>	-	-	-	353,819	353,819	(32,217)	(2,680,234)	(2,712,451)	(2,358,632)
Proceeds received from the disposal of employee stock ownership trust shares	-	671	-	-	-	-	-	-	671
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	304,974	304,974	-	(304,974)	(304,974)	-
<b>Balance as of December 31, 2025</b>	\$ 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

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

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

**FSP Technology Inc.**  
**Parent Company Only Statements of Cash Flows**  
**January 1 to December 31, 2025 and 2024**

Unit: NTS thousands

	2025	2024
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 401,447	468,172
<b>Adjustments for:</b>		
Adjustments to reconcile profit or loss		
Depreciation expense	87,136	81,134
Amortization expense	15,032	5,322
Expected credit loss	19,427	4,479
Interest expense	3,607	2,380
Interest income	(28,568)	(38,673)
Dividend income	(217,358)	(175,553)
Share of profits (losses) of subsidiaries, associates and joint ventures under equity method	76,699	69,237
Loss on disposal of property, plant, and equipment	65	112
Expenses transfer from property, plant, and equipment	-	176
Unrealized sales gains (losses)	4,724	(9,272)
Unrealized foreign exchange losses (gains)	25,597	(15,524)
Total adjustments for profit or loss	(13,639)	(76,182)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(54,101)	(142,443)
Notes receivable	(10,887)	(915)
Accounts receivable	(195,436)	(170,972)
Accounts receivable - related parties	(91,944)	(170,901)
Other receivables	(5,755)	31,214
Other receivables - related parties	24,571	188
Inventories	(230,042)	138,336
Prepayments	(2,402)	3,040
Other current assets	5,516	(5,670)
Net defined benefit assets	173	(7,356)
Total changes in operating assets	(560,307)	(325,479)
Changes in operating liabilities:		
Notes payable	(2,693)	2,847
Accounts payable	150,219	168,537
Accounts payable - related parties	(4,211)	13,430
Other payables	19,515	(62,725)
Other payables - related parties	(5,759)	16,122
Provisions for liabilities	(44,952)	7,957
Other current liabilities	(32,773)	(38,396)
Other non-current liabilities	(176)	(564)
Total changes in operating liabilities	79,170	107,208
Total changes in operating assets and liabilities	(481,137)	(218,271)
Total adjustments	(494,776)	(294,453)
Cash inflows (outflows) generated from operations	(93,329)	173,719
Interest received	27,766	40,904
Interest paid	(3,607)	(2,380)
Income tax paid	(45,745)	(102,390)
<b>Net cash inflows (outflows) from operating activities</b>	(114,915)	109,853
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(153,592)	(228,730)
Disposal of financial assets at fair value through other comprehensive income	399,743	631,169
Acquisition of financial assets at amortized cost	(50,000)	-
Acquisition of investments accounted for using the equity method	(158,840)	(355,739)
Acquisition of property, plant, and equipment	(77,683)	(85,029)
Disposal of property, plant, and equipment	10	893
Increase in refundable deposits	(127)	(128)
Acquisition of intangible assets	(24,170)	(11,465)
Dividends received	253,510	224,120
Decrease (increase) in restricted time deposits	32,000	(32,785)
<b>Net cash flows from investing activities</b>	220,851	142,306
<b>Cash flows from financing activities:</b>		
Repayments of long-term loans	(47,565)	(75,616)
Increase in deposited margin	-	5
Repayment of the principal of lease liabilities	(5,401)	(5,122)
Cash dividends paid	(561,786)	(599,238)
Proceeds received from the disposal of employee stock ownership trust shares	671	189
<b>Net cash flows used in financing activities</b>	(614,081)	(679,782)
<b>Decrease in cash and cash equivalents for the period</b>	(508,145)	(427,623)
<b>Cash and cash equivalents at the beginning of the year</b>	2,333,218	2,760,841
<b>Cash and cash equivalents at the end of the year</b>	<b>\$ 1,825,073</b>	<b>2,333,218</b>

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

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

## Statement

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

Hereby Declare

Company Name: FSP Technology Inc.

Chairman: Cheng, Ya-Jen

Date: March 6, 2026

## **Independent Auditors' Report**

To the Board of Directors of FSP Technology Inc.:

### **Opinions**

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

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

### **Basis for Opinions**

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

## **Key Audit Matters**

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

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

Description of key audit matter:

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

Audit procedure to address the matter:

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

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

## **Other Matters**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KPMG Taiwan

Taipei, Taiwan (Republic of China)

March 6, 2026

Notice to Readers

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

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

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

**Unit: NT\$ thousands**

Assets		2025.12.31		2024.12.31		Liabilities and equity		2025.12.31		2024.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
11xx	<b>Current assets:</b>					21xx	<b>Current liabilities:</b>				
1100	Cash and cash equivalents (Note VI(I))	\$ 3,452,598	18	3,879,851	18	2100	Short-term borrowings (Notes VI(IX), (XII) and VIII)	\$ -	-	3,253	-
1110	Financial assets at fair value through profit or loss - current (Note VI(II))	927,758	5	983,657	4	2150	Notes payable	14,383	-	14,297	-
1136	Financial assets at amortized cost - current (Note VI(IV))	50,000	-	-	-	2170	Accounts payable	3,555,955	18	3,255,750	15
1150	Notes receivable, net (Notes VI(V) and (XX))	159,688	1	235,225	1	2180	Accounts payable - related parties (Note VII)	49,217	-	63,626	-
1170	Accounts receivable, net (Notes VI(V) and (XX))	2,732,588	14	2,532,685	12	2200	Other payables (Notes VI(XVI), (XXI) and VII)	1,489,638	8	1,530,177	7
1180	Accounts receivable - related parties, net (Notes VI(V), (XX) and VII)	629,225	3	622,078	3	2230	Current income tax liabilities	53,410	-	53,871	-
1200	Other receivables (Notes VI(III), (VI) and VII)	360,368	2	451,059	2	2250	Provisions - current (Note VI(XV))	106,886	1	138,268	1
1220	Current income tax assets	5,606	-	6,859	-	2280	Lease liabilities - current (Notes VI(XIV) and VII)	174,869	1	173,749	1
130x	Inventories (Note VI(VII))	2,503,505	13	2,172,006	10	2300	Other current liabilities (Notes VI(XIII) and (XX))	171,166	1	189,459	1
1410	Prepayments	125,739	1	81,292	-	2320	Long-term liabilities - current portion (Notes VI(IX), (XIII) and VIII)	1,382	-	48,200	-
1470	Other current assets (Note VIII)	37,078	-	60,843	-		<b>Total current liabilities</b>	<b>5,616,906</b>	<b>29</b>	<b>5,470,650</b>	<b>25</b>
	<b>Total current assets</b>	<b>10,984,153</b>	<b>57</b>	<b>11,025,555</b>	<b>50</b>	25xx	<b>Non-current liabilities:</b>				
15xx	<b>Non-current assets:</b>					2540	Long-term borrowings (Notes VI(IX), (XIII), and VIII)	-	-	1,381	-
1510	Financial assets at fair value through profit or loss - non-current (Note VI(II))	124,217	1	46,287	-	2570	Deferred income tax liabilities (Note VI (XVII))	144,783	1	162,950	1
1517	Financial assets at fair value through other comprehensive income - non-current (Note VI(III))	4,967,864	26	7,906,709	36	2580	Lease liabilities - non-current (Notes VI(XIV) and VII)	440,160	2	518,374	2
1550	Investment under equity method (Note VI(VIII))	38,573	-	38,978	-	2645	Guarantee deposits received	638	-	522	-
1600	Property, plant, and equipment (Notes VI(IX), (XI), (XII), (XIII), VIII and IX)	1,753,606	9	1,670,658	8	2670	Other non-current liabilities (Note VI(XIII))	-	-	2,433	-
1755	Right-of-use assets (Notes VI(X), (XIV) and VII)	610,669	3	692,097	3		<b>Total non-current liabilities</b>	<b>585,581</b>	<b>3</b>	<b>685,660</b>	<b>3</b>
1780	Intangible assets (Notes VI(IX) and (XI))	249,954	2	232,124	1		<b>Total liabilities</b>	<b>6,202,487</b>	<b>32</b>	<b>6,156,310</b>	<b>28</b>
1840	Deferred income tax assets (Note VI(XVII))	215,930	1	238,341	1	2xxx	<b>Total liabilities</b>				
1900	Other non-current assets (Notes VI (IX), XVI, VIII and IX)	209,343	1	166,036	1	31xx	<b>Equity attributable to owners of the parent (Note VI(III), (VIII) &amp; (XVIII))</b>				
	<b>Total non-current assets</b>	<b>8,170,156</b>	<b>43</b>	<b>10,991,230</b>	<b>50</b>	3100	Capital stock	1,872,620	10	1,872,620	9
						3100	Capital surplus	862,067	5	861,396	4
						3200	Retained earnings:				
						3310	Legal reserve	1,507,697	8	1,411,213	6
						3350	Unappropriated earnings	4,382,849	23	4,382,326	20
							Total retained earnings	5,890,546	31	5,793,539	26
						34xx	Other equity:				
						3410	Exchange differences on translation of financial statements of foreign operations	(79,464)	(1)	(47,247)	-
						3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	3,980,297	21	6,965,505	31
							Total other equity	3,900,833	20	6,918,258	31
							Total equity attributable to shareholders of the parent	12,526,066	66	15,445,813	70
						36xx	<b>Non-controlling Interests (Note VI (XVIII))</b>	425,756	2	414,662	2
						3xxx	<b>Total equity</b>	<b>12,951,822</b>	<b>68</b>	<b>15,860,475</b>	<b>72</b>
1xxx	<b>Total assets</b>	<b>\$ 19,154,309</b>	<b>100</b>	<b>22,016,785</b>	<b>100</b>	2-3xxx	<b>Total liabilities and equity</b>	<b>\$ 19,154,309</b>	<b>100</b>	<b>22,016,785</b>	<b>100</b>

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

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

Unit: NT\$ thousands

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

(Please see accompanying notes to the Consolidated Financial Statements)

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

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

Unit: NT\$ thousands

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

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

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

Unit: NTS thousands

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

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

**Attachment IV****FSP Technology Inc.  
2025 Earnings Distribution Statement**

Unit: NT\$

Item	Amount	Subtotal
Beginning balance of undistributed retained earnings	3,724,056,044	
Add: Disposal of equity instruments in other comprehensive income measured at fair value through profit and loss	304,974,020	
Add: Changes in the current period of remeasurements of defined benefit plans	5,750,369	
Current net income	348,069,317	
Total distributable income for this period		4,382,849,750
Appropriation of 10% as statutory surplus reserve	65,879,371	
Shareholder bonus (distributed entirely in cash)	411,976,290	
Total distributable amount		477,855,661
Unappropriated retained earnings at the end of period		3,904,994,089
Note:		

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

## FSP Technology Inc.

### List of Candidate Directors (including Independent Directors)

Nominee category	Name	Experience (Education)	Current title	Number of shares held (including shares under trust)
Independent Director	Liu, Shou-Hsiang	PhD in Economics, National Taiwan University Associate Professor, Ming Chuan University Research Fellow, Chung-Hua Institution for Economic Research Chairman and President, Ta Hua Investment Trust Independent Director, Hwatai Bank Co., Ltd. Advisory Board Member, Chung-Hua Institution for Economic Research	Independent Director, FSP Technology Inc.	–
Independent Director	Hsu, Cheng-Hung	Department of Physics, Tamkang University President, Unitech Printed Circuit Board Corp.	Independent Director, FSP Technology Inc. Director, Shanghai Zhanhua Electronic Co., Ltd. Director, Unitech Electronics International (Nantong) Limited	–
Independent Director	Li, Shao-Tang	Department of International Trade, Tamkang University Associate Manager, IBM Taiwan Branch President, Oracle Taiwan LLC, Taiwan Branch (U.S.A.) Director and President of Oracle (China) Corporation Chief Executive Officer of China Doppler Communications Co., Ltd. President, UC&GN International Corp. CEO, Yodn Lighting Corp. CEO, 1111 Job Bank Director, EasyCard Investment Holding Co., Ltd. Director, Ye Siang Enterprise	Independent Director, FSP Technology Inc. Director, Avatack Co., Ltd. Director, Symbio, Inc. Director, Information Technology Total Services Co., Ltd. Director, Carp Capital Co., Ltd.	–

Nominee category	Name	Experience (Education)	Current title	Number of shares held (including shares under trust)
		Co., Ltd. Director, Kiwi technology Inc.		
Independent Director	Shou, Chin-Wei	National Chung Hsing University, Department of Law Investigator, Ministry of Justice Investigation Bureau Prosecutor, Hsinchu District Prosecutors Office Prosecutor, New Taipei District Prosecutors Office Chief Prosecutor, New Taipei District Prosecutors Office Prosecutor, Taiwan High Prosecutors Office	Attorney-at-Law Director, Institute of Financial Law and Crime Prevention	–
Director	Cheng, Ya-Jen	College of Engineering, Tatung University Vice Chairman and President, FSP Technology Inc.	Note 1	11,167,477
Director	Yang, Fu-An	Feng Chia University Vice President, FSP Technology Inc.	Note 2	11,792,834
Director	Chu, Hsiu-Yin	Department of Life-and-Death Studies, Nanhua University	Director of FSP Technology Inc. and Chairman of Unitel Pty Ltd. Representative of Director, Intowell Biomedical Technology, Inc.	2,660,070
Director	Huang, Yu-Ying	Executive MBA Program, National Chengchi University Oklahoma City University MBA President, Asia-Pacific Marketing Department, Motorola (U.S.) Associate Manager, Lancôme Brand, L'Oréal (France)	Chief Executive Officer, Hong Gao Investment Co., Ltd. Independent Director, Chi Hua Fitness Co., Ltd. Representative of Director, Lytone Enterprise, Inc. Representative of Director, Yunze Wellness Co., Ltd.	45,572
Director	FSP Capital Co., Ltd.	–	–	15,191,766

Nominee category	Name	Experience (Education)	Current title	Number of shares held (including shares under trust)
	Representative: Wang, Chung-Shun	Feng Chia University Chairman, FSP Technology Inc.	Note 3	11,605,794
Director	2K Industries Inc. (BVI)	—	—	5,193,162
	Representative: Wang, Po-Wen	Bachelor of Arts (Economics) U.C. Berkeley	Representative of Director, FSP Technology Inc. Operations Manager, Fortron/Source Group Ltd. Director, Fu Chuang Yuan Corporation	—
Director	Pachon Investments Limited	—	—	5,000,000
	Representative: Chen, Kuang-Chun	LeeMing Institute of Technology	Representative of Director, FSP Technology Inc.	1,566,913

Note 1: FSP Technology Inc.'s Chairman serves concurrently as the President of the Company, Chairman of FSP Capital Co., Ltd., Chairman of 3Y Power Technology (Taiwan) Inc., Director of FSP International Inc., Director of Power Electronics Co., Ltd., Director of Famous Holding Ltd., Director of FSP Group Inc., Director of Amacrox Technology Co., Ltd., Director of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhong Han Science & Tech. Co., Ltd., Director of FSP Technology Inc., Director of Jiangsu FSP Power Technology R&D Co., Ltd., Chairman of 3Y Power Technology Inc., Director of FSP International (HK) Limited, Chairman of Amacrox GmbH, Director of Harmony Trading (HK) Limited, Director of Protek Electronics (Samoa) Corp., Director of Luckyield Co., Ltd., Director of FSP Group USA Corp., Chairman of FSP Technology USA Inc., Director of Haohan Electronic Technology (Ji'an) Co., Ltd., Representative of Director of Voltronic Power Technology Corp., Director of Fu Chuang Yuan Corporation, Supervisor of Hsiang Tsan Investment Co., Ltd., Chairman of An Wen Investment Co., Ltd., and Chairman of He Feng Investment Co., Ltd.

Note 2: FSP Technology Inc.'s Vice Chairman serves concurrently as the Vice President of the Company, Director of Shenzhen Huili Electronic Co., Ltd., Director of Zhonghan Electronics (Shenzhen) Co., Ltd. Director of FSP International Inc., Director of FSP Capital Co., Ltd., Director of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhong Han Science & Tech. Co., Ltd., Director of 3Y Power Technology (Taiwan) Inc., Director of FSP-C R&D Center, Director of Fu Chuang Yuan Corporation, Chairman of Yang Chi Investment Co., Ltd., Supervisor of Chin Yu Investment Co., Ltd., Supervisor of An Wen Investment Co., Ltd., and Supervisor of Pachon Investments Limited.

Note 3: FSP Technology Inc.'s Representative of Director serves concurrently as the Vice President of the Company, Representative of Shenzhen Huili Electronics Co., Ltd., Representative of Zhonghan Electronics Shenzhen Co., Ltd., Director of FSP International Inc., Representative of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhong Han Science & Tech. Co., Ltd., Supervisor of 3Y Power Technology (Taiwan) Inc., and Supervisor of Fu Chuang Yuan Corporation.

**The qualifications of the above nominees for directors and independent directors have been reviewed and approved by the 19th Board Meeting of the 11th Board of Directors of the Company on April 30, 2026.**

## FSP Technology Inc.

### Comparison Table of the Procedures for Acquisition or Disposal of Assets before and after the amendment

Article	Current Article	Article after Amendment	Description
Article 4:	<p>Terminology (Paragraph 1 to 7 are not amended and are omitted here)</p> <p>VIII. The "10% of total assets" is calculated based on the total assets stated in the most recent parent company only financial report or individual financial report prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. If the shares issued by the Company have no par value or a par value other than NT\$10 per share, the threshold transaction amount of 20% of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent company. The threshold transaction amount for cases where the paid-in capital exceeds NT\$10 billion, it shall be calculated based on equity attributable to owners of the parent company totaling NT\$20 billion.</p>	<p>Terminology (Paragraph 1 to 7 are not amended and are omitted here)</p> <p>VIII. The "10% of total assets" is calculated based on the total assets stated in the most recent parent company only financial report or individual financial report prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. If the shares issued by the Company have no par value or a par value other than NT\$10 per share, the threshold transaction amount of 20% of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent company. <u>For the transaction amount threshold of 5% of paid-in capital, it shall be calculated as 2.5% of the equity attributable to owners of the parent.</u> The threshold transaction amount for cases where the paid-in capital exceeds NT\$10 billion, it shall be calculated based on equity attributable to owners of the parent company</p>	<p>I. Amended pursuant to the announcement under Order No. Jin-Guan-Zheng-Fa-Zi No. 1140383333 dated July 24, 2025 issued by the Financial Supervisory Commission.</p> <p>II. In response to the addition in Paragraph 1 of Article 15 <b>regarding the standards for public announcement and reporting applicable to public companies with paid-in capital reaching NT\$50 billion</b>, Paragraph 8 has been amended accordingly to <b>specify the calculation methods for the thresholds of</b></p>

Article	Current Article	Article after Amendment	Description
		<p><u>totaling NT\$20 billion. For the transaction amount threshold where the paid-in capital reaches NT\$50 billion, it shall be calculated based on equity attributable to owners of the parent of NT\$100 billion.</u></p>	<p><b>5% of paid-in capital and paid-in capital reaching NT\$50 billion for companies whose shares have no par value or a par value other than NT\$10 per share.</b></p>
<p>Article 15:</p>	<p>Public announcement and regulatory filing procedures (Paragraph 2 to 7 are not amended and are omitted here)</p> <p>I. Public announcement items and regulatory filing standards</p> <p>(I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more;</p>	<p>Public announcement and regulatory filing procedures (Paragraph 2 to 7 are not amended and are omitted here)</p> <p>I. Public announcement items and regulatory filing standards</p> <p>(I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government</p>	<p>I. Amended pursuant to the announcement under Order No. Jin-Guan-Zheng-Fa-Zi No. 1140383333 dated July 24, 2025 issued by the Financial Supervisory Commission.</p> <p>II. The acquisition or disposal of equipment for operational use constitutes activities necessary for the Company's normal business operations. <b>In consideration of the materiality of information</b></p>

Article	Current Article	Article after Amendment	Description
	<p>provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(II) Merger, demerger, acquisition, or transfer of shares.</p> <p>(III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>(IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p>	<p>bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>(II) Merger, demerger, acquisition, or transfer of shares.</p> <p>(III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.</p> <p>(IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: For a public company whose</p>	<p><b>disclosure,</b> Item 3 has been newly added to Subparagraph 4, Paragraph 1. For public companies with <b>paid-in capital of NT\$50 billion or more,</b> the announcement and reporting threshold for the acquisition or disposal of equipment for operational use, <b>where the counterparty is not a related party, has been raised to transactions reaching 5% or more of the Company's paid-in capital.</b> Item 2 of Subparagraph 4, Paragraph 1 has also been amended accordingly. For public companies with paid-in capital of NT\$10 billion or more</p>

Article	Current Article	Article after Amendment	Description
	<p>1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>(V) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million;</p>	<p>paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>1. For a public company whose paid-in capital is NT\$10 billion or more <u>but less than NT\$50 billion</u>, the transaction amount reaches NT\$1 billion or more.</p> <p>2. <u>For a public company with paid-in capital of NT\$50 billion or more, the transaction amount reaches 5% or more of the Company's paid-in capital.</u></p> <p>(V) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million;</p>	<p>but less than NT\$50 billion, the announcement threshold for the acquisition or disposal of equipment for operational use, where the counterparty is not a related party, is set at transactions reaching NT\$1 billion .</p> <p>III. In addition, <b>to make better use of operating funds, companies may invest in fixed-income instruments for treasury management to enhance cash yield.</b> However, under the current regulation, the announcement threshold of NT\$300 million may result in frequent disclosures for large enterprises. Considering the</p>

Article	Current Article	Article after Amendment	Description
	<p><del>(VI)</del> Where an asset transaction other than any of those referred to in the preceding <del>five</del> subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or</p>	<p><u>(VI)</u> For a public company <u>with paid-in capital of NT\$50 billion or more, where the transaction involves the purchase or sale of government bonds, ordinary corporate bonds, or general financial bonds not involving equity (excluding subordinated bonds) conducted on a securities exchange or at the place of business of a securities firm, and where the transaction does not fall under the proviso of Subparagraph 7 and its respective items and the counterparty is not a related party, the transaction amount reaches 5% or more of the Company's paid-in capital.</u></p> <p><u>(VII)</u> Where an asset transaction other than any of those referred to in the preceding <u>six</u> subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of</p>	<p>materiality of information disclosure and the risk characteristics of such financial instruments, Subparagraph 6 has been newly added to Paragraph 1, while the current Subparagraphs 6 and 7 have been renumbered as Subparagraphs 7 and 8, with corresponding wording revisions made where appropriate.</p>

Article	Current Article	Article after Amendment	Description
	<p>more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <ol style="list-style-type: none"> <li>1. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign credit rating of the Republic of China.</li> <li>2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</li> </ol> <p><del>(VII)</del> The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> <li>1. The amount of any individual transaction.</li> <li>2. The cumulative transaction amount of</li> </ol>	<p>paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign credit rating of the Republic of China. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p><u>(VIII)</u> The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> <li>1. The amount of any individual transaction.</li> <li>2. The cumulative transaction amount of acquisitions and</li> </ol>	

Article	Current Article	Article after Amendment	Description
	<p>acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within one year. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within one year. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within one year. The term "within one year" refers to the year preceding the date of</p>	<p>disposals of the same type of underlying asset with the same transaction counterparty within one year. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within one year. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within one year. The term "within one year" refers to the year preceding the date of occurrence of the current transaction. Items duly announced in</p>	

Article	Current Article	Article after Amendment	Description
	<p>occurrence of the current transaction. Items duly announced in accordance with regulations need not be counted toward the transaction amount.</p>	<p>accordance with regulations need not be counted toward the transaction amount.</p>	

## FSP Technology Inc.

### Lifting Restrictions on Directors' Competitive Activities

Title	Name	Other positions concurrently held at the Company or other companies
Independent Director	Liu, Shou-Hsiang	-
Independent Director	Hsu, Cheng-Hung	Director of Unitech Electronics International Limited, Director of Unitech Electronics International (Nantong) Limited
Independent Director	Li, Shao-Tang	Director of Avatack Co., Ltd., Director of Symbio, Inc., Director of Information Technology Total Services Co., Ltd., Director of Carp Capital Co., Ltd.
Independent Director	Shou, Chin-Wei	Attorney-at-Law, Director of Institute of Financial Law and Crime Prevention
Director	Cheng, Ya-Jen	The Company's Chairman serves concurrently as the President of the Company, Chairman of FSP Capital Co., Ltd., Chairman of 3Y Power Technology (Taiwan) Inc., Director of FSP International Inc., Director of Power Electronics Co., Ltd., Director of Famous Holding Ltd., Director of FSP Group Inc., Director of Amacrox Technology Co., Ltd., Director of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhong Han Science & Tech. Co., Ltd., Director of FSP Technology Inc., Director of Jiangsu FSP Power Technology R&D Co., Ltd., Chairman of 3Y Power Technology Inc., Director of FSP International (HK) Limited, Chairman of Amacrox GmbH, Director of Harmony Trading (HK) Limited, Director of Protek Electronics (Samoa) Corp., Director of Luckyield Co., Ltd., Director of FSP Group USA Corp., Chairman of FSP Technology USA Inc., Director of Haohan Electronic Technology (Ji'an) Co., Ltd., Representative of Director of Voltronic Power Technology Corp., Director of Fu Chuang Yuan Corporation, Supervisor of Hsiang Tsan Investment Co., Ltd., Chairman of An Wen Investment Co., Ltd., and Chairman of He Feng Investment Co., Ltd.
Director	Yang, Fu-An	The Company's Vice Chairman serves concurrently as the Vice President of the Company, Director of Shenzhen Huili Electronic Co., Ltd., Director of Zhonghan Electronics (Shenzhen) Co., Ltd. Director of FSP International Inc., Director of FSP Capital Co., Ltd., Director of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhong Han Science & Tech. Co., Ltd., Director of 3Y Power

Title	Name	Other positions concurrently held at the Company or other companies
		Technology (Taiwan) Inc., Director of FSP-C R&D Center, Director of Fu Chuang Yuan Corporation, Chairman of Yang Chi Investment Co., Ltd., Supervisor of Chin Yu Investment Co., Ltd., Supervisor of An Wen Investment Co., Ltd., and Supervisor of Pachon Investments Limited.
Director	Chu, Hsiu-Yin	Chairman, Unitel Pty Ltd.; Representative of Director, Intowell Biomedical Technology, Inc.
Director	Huang, Yu-Ying	Chief Executive Officer, Hong Gao Investment Co., Ltd.; Independent Director, Chi Hua Fitness Co., Ltd.; Representative of Director, Lytone Enterprise, Inc.; Representative of Director, Yunze Wellness Co., Ltd.
Director	FSP Capital Co., Ltd. Representative: Wang, Chung-Shun	The Company's Representative of Director serves concurrently as the Vice President of the Company, Representative of Shenzhen Huili Electronics Co., Ltd., Representative of Zhonghan Electronics Shenzhen Co., Ltd., Director of FSP International Inc., Representative of Wuxi SPI Technology Co., Ltd., Director of Wuxi Zhonghan Technology Co., Ltd., Director of Shenzhen Zhong Han Science & Tech. Co., Ltd., Supervisor of 3Y Power Technology (Taiwan) Inc., and Supervisor of Fu Chuang Yuan Corporation.
Director	2K Industries Inc. (BVI) Representative: Wang, Po-Wen	Operations Manager, Fortron/Source Group Ltd.; Director, Fu Chuang Yuan Corporation
Director	Pachon Investments Limited Representative: Chen, Kuang-Chun	-

## **Appendix 1.**

### **FSP Technology Inc.**

#### **Rules of Procedure for Shareholders' Meetings**

Passed in the annual shareholders' meeting on June 16, 2020

- Article 1: The shareholders' meetings of the Company shall be processed in accordance with these Rules.
- Article 2: When shareholders (or proxies) attend the meeting, they must wear their attendance pass, submit an attendance card for the purpose of signing in, and use it calculate the number of shares in attendance. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
- Article 3: When a shareholders' meeting is attended by shareholders (or proxies) representing more than half of all outstanding shares, the chair shall call the meeting to order. When the attending shareholders do not represent a majority of the total number of issued shares at the appointed meeting time, the chair may announce a postponement. If the number of shares in attendance is still insufficient but after two postponements but shareholders (or proxies) representing more than one third of the outstanding shares are in attendance, a tentative resolution may be passed by a majority of those present for general items. After the tentative resolution specified in the preceding paragraph is adopted, if the number of shares represented by the shareholders (or proxies) in attendance constitute a quorum, the chair may put the tentative resolution to vote in the meeting.
- Article 4: The agenda of the shareholders' meeting shall be determined by the Board of Directors. All proposals (including extempore motions and amendments to original proposals) shall be resolved through separate item-by-item voting. The meeting shall proceed in accordance with the scheduled agenda, and no changes may be made unless resolved by a resolution. Before the completion of the agenda items set forth above, the chair shall not unilaterally declare the meeting adjourned unless a resolution has been duly passed. If the chair announces the adjournment of the meeting and violates these rules of procedure during the shareholders' meeting, the meeting may be continued after those in attendance elect one of the attendees to be the chair based on the approval of the majority of the votes represented by the attending shareholders. Shareholders may not designate any other person as chair and continue the meeting in the same or another place after the meeting is adjourned.
- Article 5: Before speaking, an attending shareholder (or proxy) must specify on a speaker's slip his/her attendance pass number, account name, and the subject of the speech. The order in which shareholders speak will be set by the chair. A shareholder (or proxy) in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

- Article 6: Deleted.
- Article 7: The explanation for a proposal may not exceed 5 minutes. The response shall be limited to 3 minutes per person, which may be extended by 3 minutes with the permission of the chair. If the speech by the shareholder (or proxy) exceeds the duration, number of speeches, or the scope of the agenda item, the chair may stop him/her from speaking. When a shareholder (or proxy) is speaking, other shareholders (or proxies) must not interfere with the speech except with the consent of the chair. The chair shall stop violators and regulations in Article 15 shall apply mutatis mutandis to those who fail to comply with the chair's decision.
- Article 8: Each shareholder shall not speak more than two times on each agenda item. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- Article 9: After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. During the discussion of a motion, the chair may announce the termination of the discussion after an appropriate period of time, and may announce the suspension of discussions if necessary.
- Article 10: For any proposal on which discussion has been declared closed or suspended, the chair shall immediately submit it for voting and arrange sufficient time for voting. An item that is not an agenda item shall not be discussed or voted on. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.
- Article 11: Unless otherwise provided by law or regulation, resolutions shall be adopted by a majority of the voting rights represented by the shareholders (or proxies) present at the meeting. When there is an amendment or an alternative to a proposal, the chair shall decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.
- Article 11-1: The exercise of voting rights through electronic means is included as one of the means for exercising voting rights. The method of exercise shall be processed in accordance with relevant laws and regulations.
- Article 12: When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 13: If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
- Article 14: The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband.
- Article 15: Shareholders (or proxies) must follow the instructions of the chair and proctors (or security personnel) for maintaining order. The chair and proctors (or security personnel) may remove individuals who obstruct the proceedings of the shareholders' meeting.

- Article 16: Matters not prescribed in these Rules shall be processed in accordance with the provisions of the Company Act, Securities and Exchange Act, and other relevant laws and regulations.
- Article 17: These Rules shall take effect after they are passed by the shareholders' meeting. The same applies to all subsequent amendments.

## **Appendix 2.**

### **FSP Technology Inc.**

#### **Articles of Incorporation**

##### **Chapter 1. General Principles**

Article 1: The Company is organized pursuant to the Company Act and it is named "FSP Technology Inc."

Article 2: The business scope of the Company is as follows:

- I. CB01010 Manufacture of machinery and equipment.
- II. CC01010 Power generation, transmission and distribution machinery manufacturing.
- III. CC01080 Electronic parts and components manufacturing.
- IV. CE01010 Precision instruments manufacturing.
- V. E603050 Automated control equipment engineering.
- VI. EZ05010 Apparatus installation construction.
- VII. F113030 Precision equipment wholesale.
- VIII. F213040 Precision equipment retail.
- IX. F401010 International trade.
- X. CC01100 Restricted telecom radio frequency equipment and materials manufacturing.
- XI. F113110 Battery wholesale.
- XII. CC01990 Other electrical engineering and electronic machinery equipment manufacturing.
- XIII. IG03010 Energy Technical Services
- XIV. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The Company may provide external guarantees.

Article 2-2: The Company may invest in other business entities and the Company's investments in other businesses shall not be restricted by the 40% of the Company's paid-up capital as specified in Article 13 of the Company Act.

Article 3: The Company's headquarters is located in Taoyuan City. The Company may set up branch offices in locations in Taiwan or foreign countries as resolved by the Board of Directors, if necessary.

Article 4: (Deleted).

##### **Chapter 2. Shareholding**

Article 5: The Company's authorized capital is NT\$3.6 billion divided into 360 million shares with a par value of NT\$10 per share. The Board of Directors is authorized to issue the unissued shares in installments if deemed necessary.

Of the authorized capital specified in the preceding paragraph, NT\$100 million is reserved and divided into 10 million shares priced at NT\$10 per share for the exercise of stock options on warrants, preferred shares with warrants, or corporate bonds with warrants.

Where the Company reports the issuance of employee stock warrants at a strike price which is lower than the closing price of the Company's common stocks on the date of issuance, it shall obtain the approval of at least two thirds of the voting rights present at the shareholders meeting attended by shareholders representing a majority of total issued shares before issuance.

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

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

Article 6: (Deleted).

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

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

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

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

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

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

Article 11: Each share held by the shareholders of the Company is entitled to one voting right. No voting

power shall be granted, however, to company shares prescribed in Article 179 of the Company Act.

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

Article 13-1: When the Company convenes a shareholders' meeting, it may include electronic voting as one of the methods for exercising voting rights. A shareholder who exercises voting rights at a shareholders' meeting by electronic voting shall be deemed to have attended the shareholders' meeting in person. Other related matters shall be carried out in accordance with regulations.

Article 12-1: When the Company convenes a shareholders' meeting, it may use a video conference or other methods announced by the central competent authority. The method of implementation and related matters shall be processed in accordance with related regulations.

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

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

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

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

The Company may purchase liability insurance for Directors.

Article 13-2: The Company has established the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, and its members are responsible for carrying out the duties of Supervisors specified in the Company Act, Securities and Exchange Act, and other relevant regulations.

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

Article 14-1: Directors shall be notified of Board meetings seven days prior to the meeting with the reason indicated. A board meeting may be called at any time in the event of an emergency.

Board meetings may be called by means written notice, email, or fax.

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

Article 13-3: If the Chairman is on leave or cannot exercise powers due to other reasons, the Vice Chairman shall act on his/her behalf. If no Vice Chairman is appointed or if the Vice Chairman is also on leave or cannot exercise powers due to other reasons, the exercise of power shall be processed in accordance with Article 205 and Article 208 of the Company Act. If the Chairman is on leave or cannot exercise powers due to other reasons, the exercise of power shall be processed in accordance with Article 205 and Article 208 of the Company Act.

Article 15: The Company's remuneration for Directors shall be evaluated by the Remuneration Committee and the meeting of the Board of Directors is authorized to determine the remuneration.

## **Chapter 5. Managerial Officer**

Article 16: The Company shall appoint one President and several Vice Presidents to assist the President. The President is responsible for all business operations of the Company based on the instructions of the Board of Directors. The appointment and dismissal of the President shall be processed in accordance with laws.

## **Chapter 6. Accounting**

Article 17: At the end of each fiscal year, the Board of Directors of the Company shall submit (1) Business Report; (2) financial statements; (3) proposals on distribution of earnings or make-up of deficits, etc. to the annual shareholders' meeting to request ratification.

Article 18: (Deleted).

Article 19: In case the Company makes a profit in the current year (profits refer to the income before tax and before the distribution of remuneration to employees and Directors), no less than 6% shall be allocated as the employees' remuneration (At least 10% of the employee compensation shall be allocated to entry-level employees.) and no more than 3% as the Directors' remuneration. However, if the Company has accumulated losses (including adjustment on undistributed earnings), the Company shall set aside a part of the surplus first for making up the losses.

The remuneration in the preceding paragraph to the employees may be distributed in stock or cash. The recipients of employee stock dividends or cash dividends include the employees of the companies controlled by or subordinate to the Company that meet certain criteria. the

Board of Directors is authorized to determine the method of distribution. The director remuneration shall be distributed in cash.

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

Article 20-1: (Deleted).

Article 20: If the Company has net profit after tax in its final accounts of the year, it shall first make up for accumulated losses (including adjustments of the unappropriated retained earnings) and then set aside 10% as legal surplus reserve. However, no additional legal surplus reserve shall be appropriated once it reaches the Company's paid-in capital. The Company shall also appropriate or reverse special reserve based on the requirements for the Company's operations and legal requirements. The Board of Directors shall draft the proposal for appropriation of earnings based on the remaining earnings, if any, combined with accumulated unappropriated earnings at the beginning of the period and submit it to the shareholders' meeting for resolution on distribution of bonus to shareholders.

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

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

Article 21: The Company's Dividend Policy is based on the Company's capital budgeting, plans for future capital demand, financial structure, and earnings. The Board of Directors shall formulate the earnings distribution proposal which shall be passed in a resolution of the shareholders' meeting.

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

Where the Company has no distributable earnings in the current year or has distributable earnings that are far lower than the earnings distributed by the Company in the previous year

or where the Company makes a decision based on its finances, business, and operations, it may distribute all or parts of the surplus reserve in accordance with laws or regulations of the competent authority.

## **Chapter 7. Miscellaneous**

Article 22: Matters not prescribed in the Articles of Incorporation, if any, shall be processed in accordance with the provisions of the Company Act.

Article 23: The Articles of Incorporation were established on April 8, 1993.

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

The 2nd amendment was made on October 9, 1994.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The 24th amendment was made on June 11, 2021.

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

The 26th amendment was made on June 12, 2023.

The 27th amendment was made on June 11, 2025.

**FSP Technology Inc.**

**Chairman: Cheng, Ya-Jen**

### **Appendix 3.**

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

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

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

- Article 6: At the beginning of the election, the chairman shall designate the scrutineer and the counter for the scrutinizing and counting of votes.
- Article 7: The vote box shall be prepared by the board of directors and opened by the scrutineer in the presence of all attendees before voting.
- Article 8: If any electee is a shareholder, voters must fill in the electee's name and shareholder account number in the Electee field of the vote, and if the electee is not a shareholder, the voter's name and identity number shall be entered. However, if any government or corporate shareholder is an electee, the name of the government body or the corporate shall be filled in the Electee column of the vote in accordance with Paragraph 1, Article 27 of the Company Act, and the name of its representative shall also be entered in accordance with Paragraph 2 of Article 27; if there are several representatives, the names of all the representatives shall be entered separately.
- Article 9: A vote shall be voided if:
- (I) The vote is not as stipulated in the Procedures for Election of Directors.
  - (II) The vote is a blank vote.
  - (III) The handwriting is blurred and cannot be identified or has been altered.
  - (IV) The name and shareholder account number of the electee who is a shareholder of the Company filled in do not match the shareholder registry; the name and identity number of the electee who is not a shareholder are found unmatched after verification.
  - (V) More than two electees are filled in a same vote.
  - (VI) In addition to filling in the name of electee and the shareholder account number or identity number, any other information is written in the vote.
  - (VII) The name of electee filled in is the same as that of another shareholder but whose shareholder account number or identity number is not filled in.
- Article 10: (Deleted)
- Article 11: After the voting is completed, the vote box shall be opened on the spot under the supervision of the scrutineer, and the results of voting shall be announced by the chairman on the spot.
- Article 12: Matters not stipulated in the Procedures for Election of Directors shall be handled in accordance with the Company Act and other applicable laws and regulations.
- Article 13: The Procedures and its amendments shall come into force after the approval by the Shareholders's Meeting.

## **Appendix 4.**

### **FSP Technology Inc.**

#### **Procedures for Acquisition or Disposal of Assets**

**The amendment was passed in the annual shareholders' meeting on June 9, 2022**

##### Article 1: Purpose

The Procedures are established to enhance asset management, protect investments, and ensure information disclosure.

The Company shall handle the acquisition or disposal of assets in compliance with these Procedures; provided, where regulations provide otherwise, such provisions shall govern.

##### Article 2: Legal Basis

The Procedures are established in accordance with Article 36-1 of the Securities and Exchange Act (hereinafter referred to as the "Act") and the related regulations in the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" of the Financial Supervisory Commission (hereinafter referred to as the "FSC").

##### Article 3: Scope of Assets

The term "assets" as used in these Procedures includes the following:

- I. Negotiable securities: Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- II. Real property (including land, houses and buildings, and investment property) and equipment.
- III. Memberships.
- IV. Intangible assets: Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other major assets.

##### Article 4: Terminology

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates,

credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.

- II. Assets acquired or disposed of through statutory merger, division, acquisition, or share transfer: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
- III. Related parties and subsidiaries: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraisers: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
- V. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of board of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
- VI. Investment in mainland China: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
- VII. The term "latest financial statements" refers to the audited or reviewed financial statements duly disclosed by the Company prior to the acquisition or disposal of assets.
- VIII. The "10% of total assets" is calculated based on the total assets stated in the most recent parent company only financial report or individual financial report prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. If the shares issued by the Company have no par value or a par value other than NT\$10 per share, the threshold transaction amount of 20% of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent company. The threshold transaction amount for cases where the paid-in capital exceeds NT\$10 billion, it shall be calculated based on equity attributable to owners of the parent company totaling NT\$20 billion.

Article 5: The limits on investments in non-operating real estate and right-of-use assets, as well as securities are as follows. The Company and each subsidiary shall separately establish the

following limits for acquiring such assets:

- I. The total amount of real property and right-of-use assets thereof acquired by the Company not for business use shall be restricted to 20% of the net value in the latest financial statements.
- II. The maximum amount of investment in securities may not exceed 150% of the net value of the Company's latest financial statements.
- III. The maximum amount of investment in individual securities not traded on a securities exchange or over-the-counter venue shall not exceed the net value in the latest financial statements. The maximum amount of investment in individual securities traded on a securities exchange or over-the-counter venue shall not exceed 30% of the net value in the latest financial statements.

Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- II. May not be a related party or de facto related party of any party to the transaction.
- III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-governing regulations of the industry associations and the following:

- I. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
- II. When executing a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
- III. They shall undertake an item-by-item evaluation of the appropriateness and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
- IV. They shall issue a statement attesting to the professional competence and

independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is appropriate and reasonable and that they have complied with applicable laws and regulations.

Article 7: Decision-Making Level

- I. The Company's acquisition or disposal of assets shall be processed in accordance with the Procedures or other laws and regulations and approved by more than half of all members of the Audit Committee, and submitted to the Board of Directors meeting for resolution and passage. If the approval of more than half of all members of the Audit Committee is not obtained, the Procedures may be implemented if approved by more than two-thirds of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.  
The terms "all members of the Audit Committee" and "all Directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.
- II. When the Company reports a transaction for the acquisition or disposal of assets to the Board of Directors for discussion, it shall take into full consideration each Independent Director's opinions, and include their objections or opinions in the meeting minutes.

Article 8: Procedures for the acquisition or disposal of real property, equipment, and right-of-use assets

- I. Assessment and operating procedures  
The Company's acquisition or disposal of real property, equipment, or right-of-use assets thereof shall be processed in accordance with the related procedures in the fixed asset cycle procedures in the Company's internal control system.
- II. Procedures for determining transaction terms and the limit of the authorized amount
  - (I) The Company shall reference the published value, appraised value, actual sale prices of neighboring properties and the right-of-use assets thereof, final terms, and prices for the acquisition or disposal of real property and right-of-use assets thereof and produce an analysis report to be submitted to the Chairman. If the transaction amount is less than NT\$100 million (inclusive), the amount shall require the approval of the Chairman; if the amount exceeds NT\$100 million, the approval of the Audit Committee must be obtained in accordance with related regulations and the acquisition or disposal shall be submitted to the Board of Directors for resolution and passage before implementation.
  - (II) The acquisition or disposal of equipment or right-of-use assets thereof shall be conducted by way of price inquiry, price comparison, price negotiation, or bidding. If the transaction amount is less than NT\$100 million (inclusive), the amount must be approved according to the internal approval rules; if the amount exceeds NT\$100 million, the approval of the Audit Committee must be obtained in accordance with related regulations and the acquisition or disposal shall be

submitted to the Board of Directors for resolution and passage before implementation.

III. Unit responsible for implementation

The Company's acquisition or disposal of real property, equipment, or right-of-use assets thereof shall be implemented by the usage department and the Administration Division based on the approval granted in accordance with the Company's internal approval rules in the preceding paragraph.

IV. Appraisal report for real property, equipment, or right-of-use assets thereof

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- (I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
- (II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
  1. The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
  2. The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
- (IV) No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.
- (V) Where the Company acquires or disposes of assets through court auction

procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

- (VI) The calculation of the transaction amounts shall be done in accordance with Article 15, Paragraph 1, Subparagraph 7, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 9: Procedures for acquisition or disposal of securities

I. Assessment and operating procedures

The Company's acquisition or disposal of securities shall be processed in accordance with the related procedures in the investment cycle procedures in the Company's internal control system.

II. Procedures for determining transaction terms and the limit of the authorized amount

When the Company acquires or disposes of securities investments, the unit responsible for implementation shall determine the acquisition or disposal based on market information. If no market information is available for reference, it shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price. Where the investment in individual securities not traded on a securities exchange or over-the-counter venue exceeds NT\$100 million, or where the investment in individual securities traded on a securities exchange or over-the-counter venue exceeds NT\$200 million, the approval of the Audit Committee must be obtained in accordance with related regulations and the transaction shall be submitted to the Board of Directors for resolution and passage before implementation. Where the investment in individual securities not traded on a securities exchange or over-the-counter venue is less than NT\$100 million (inclusive), or where the investment in individual securities traded on a securities exchange or over-the-counter venue is less than NT\$200 million (inclusive), the Board of Directors shall authorize the Chairman to resolve the matter.

III. Unit responsible for implementation

The Company's investment of securities shall be implemented by the Finance Department based on the approval granted in accordance with the Company's internal approval rules in the preceding paragraph.

IV. Obtain expert opinion

- (I) If the dollar amount of the transaction is 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active

market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

- (II) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.
- (III) The calculation of the transaction amounts shall be done in accordance with Article 15, Paragraph 1, Subparagraph 7, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 10: Procedures for processing related party transactions

- I. When the Company engages in any acquisition or disposal of assets from or to a related party, it shall ensure that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised in accordance with the procedures for the acquisition or disposal of real property, equipment, and right-of-use assets in Article 8, procedures for acquisition or disposal of securities in Article 9, and procedures for the acquisition or disposal of intangible assets, right-of-use assets thereof, and memberships in Article 11. If the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in accordance with the regulations for the acquisition or disposal of assets. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship must also be considered.
- II. Assessment and operating procedures  
When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Audit Committee and passed by the Board of Directors.
  - (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
  - (II) The reason for choosing the related party as a transaction counterparty.
  - (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the

preliminary transaction terms in accordance with Paragraph 3, Subparagraph (1) and Subparagraph (4) of this Article.

- (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
- (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the fund utilization.
- (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
- (VII) Restrictive covenants and other important stipulations associated with the transaction.

With respect to the types of transactions listed below, when to be conducted between the Company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital, the Board of Directors may delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

- (I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
  - (II) Acquisition or disposal of real property right-of-use assets held for business use.
- Where the position of Independent Director has been created, when a matter is submitted for discussion by the Board of Directors pursuant to Paragraph 2, the Board of Directors shall take into full consideration each Independent Director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the Board of Directors meeting.

If the Company or its subsidiary that is not a domestic public company engages in a transaction in Paragraph 2 and the transaction amount exceeds 10% of the Company's total assets, the Company may not proceed to enter into a transaction contract or make a payment until the information listed in Paragraph 1 has been submitted to the shareholders' meeting for approval. However, transactions between a public company and its parent company or subsidiaries, or between subsidiaries of the same company, shall not be subject to this restriction.

The calculation of the transaction amounts in Paragraph 2, Subparagraph 1 and the preceding subparagraph shall be done in accordance with Article 15, Paragraph 1, Subparagraph (7), and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been submitted to the shareholders' meeting and approved by the Board of Directors in accordance with the Procedures need not be counted toward the transaction amount.

### III. Appraisal of the reasonableness of the transaction price

- (I) When the Company acquires real property or right-of-use assets thereof from a related party, it shall evaluate the reasonableness of the transaction costs by the following means:
  - 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
  - 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
- (II) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- (III) When the Company acquires real property or right-of-use assets thereof from a related party, it shall appraise the cost of the real property or right-of-use assets thereof in accordance Paragraph 3, Subparagraph (1) and Subparagraph (2), and engage a CPA to verify and provide an opinion on the appraisal.
- (IV) When the Company acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property in accordance with Paragraph 3, Subparagraph (1) and Subparagraph (2) of this Article, and the results are uniformly lower than the transaction price, the matter shall be processed in accordance with the regulations in Paragraph 3, Subparagraph (5). However, where the following circumstances exist, objective evidence has been submitted, and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
  - 1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
    - (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "reasonable construction

profit" shall be deemed as the average gross operating profit margin of the related party's construction division over the most recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

- (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
2. Where the Company acquires real property or obtains real property right-of-use assets through leasing from a related party and provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land described above in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
- (V) Where the Company acquires real property or right-of-use assets thereof from a related party and appraises the cost in accordance with Paragraph 3, Subparagraph (1) and Subparagraph (4) of this Article, and the results are uniformly lower than the transaction price, the following steps shall be taken. In addition, where the Company has set aside a special reserve in accordance with the rules described above, the Company may not utilize such special reserve unless it has recognized a loss on decline in market value of the real property it purchased or leased at a premium, such real property has been disposed of, the leasing contract has been terminated, adequate compensation has been made, the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Financial Supervisory Commission has given its consent.
    1. The Company shall set aside a special reserve in accordance with Article 41, Paragraph 1 of the Act against the difference between transaction price and appraised cost of the real property or right-of-use assets thereof, and

the special reserve may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, the special reserve called for under Article 41, Paragraph 1 of the Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.

2. The Audit Committee shall comply with Article 218 of the Company Act.
  3. Actions taken pursuant to Paragraph 3, Subparagraph (5), Item 1 and Item 2 shall be reported to a shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.
- (VI) Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall only be required to meet the requirements in Paragraph 1 and 2 of this Article regarding appraisal and operating procedures and the regulations on the reasonableness of the transaction cost provided in Paragraph 3, Subparagraph (1), (2), and (3) of this Article do not apply:
1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
  2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
  3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the Company's own land or on rented land.
  4. The acquisition of real property right-of-use assets for business purposes is between the Company from its subsidiary, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or total capital.
- (VII) The rules specified in Paragraph 3, Subparagraph (5) of this Article shall also be followed if there is other evidence showing nonconformity with general business practices when the Company acquires real property or right-of-use assets thereof from a related party.

Article 11: Procedures for the acquisition or disposal of intangible assets, right-of-use assets thereof, and memberships

I. Assessment and operating procedures

When the Company acquires or disposes of intangible assets, right-of-use assets thereof, or memberships, it shall account for possible future benefits and fair market value of such assets. Where necessary, the Company may consult the opinions of experts and negotiate with transaction counterparties.

- II. Procedures for determining transaction terms and the limit of the authorized amount
- (I) The Company shall reference the fair market prices, final terms, and prices for the acquisition or disposal of memberships and produce an analysis report to be submitted to the Chairman. If the transaction amount is less than 1% of the paid-in capital or NT\$3 million (inclusive), the amount shall require the approval of the Chairman; if the amount exceeds 1% of the paid-in capital or NT\$3 million, the approval of the Audit Committee must be obtained in accordance with related regulations and the acquisition or disposal shall be submitted to the Board of Directors for resolution and passage before implementation.
  - (II) The Company shall reference expert opinions or fair market prices, final terms, and prices for the acquisition or disposal of intangible assets and right-of-use assets thereof and produce an analysis report to be submitted to the Chairman. If the transaction amount is less than 10% of the paid-in capital or NT\$20 million (inclusive), the amount shall require the approval of the Chairman; if the transaction amount exceeds NT\$20 million, the approval of the Audit Committee must be obtained in accordance with related regulations and the acquisition or disposal shall be submitted to the Board of Directors for resolution and passage before implementation.
- III. Unit responsible for implementation
- The Company's acquisition or disposal of memberships, intangible assets, or right-of-use assets thereof shall be implemented by the usage department and the Finance Department or related authorized units based on the approval granted in accordance with the Company's internal approval rules in the preceding paragraph.
- IV. Expert assessment report on intangible assets or right-to-use assets thereof or memberships
- (I) Where the Company acquires or disposes of memberships and the transaction amount reaches 1% or more of paid-in capital or NT\$3 million or more, the Company shall engage an expert to provide an appraisal report.
  - (II) Where the Company's acquisition or disposal of an intangible asset or right-of-use assets thereof reaches 10% or more of the Company's paid-in capital or NT\$20 million, the Company shall engage an expert to provide an appraisal report.
  - (III) If the dollar amount of the Company's acquisition or disposal of intangible assets, right-of-use assets, or memberships is 20% of the Company's paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.
  - (IV) The calculation of the transaction amounts shall be done in accordance with Article 15, Paragraph 1, Subparagraph 7, and "within the preceding year" as used

herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 12: Procedures for Acquisition or Disposal of Claims of Financial Institutions

As a principle, the Company does not engage in transactions involving the acquisition or disposal of claims of financial institutions. If transactions involving the acquisition or disposal of claims of financial institutions are proposed in the future, they shall be submitted to the Board of Directors for approval before the assessment and operating procedures may be established.

Article 13: Procedures for the Acquisition or Disposal of Derivatives

I. Trading principles and strategies

(I) Transaction categories

1. The Company's derivative transactions can be classified based on the nature of such transactions into two categories, namely, "non-transaction driven" (hedging transactions conducted not for transaction purposes) and "transaction driven" (non-hedging transactions conducted for transaction purposes).
2. The Company's transactions in derivatives refer to transaction contracts whose value is derived from assets, interest rates, foreign exchange rates, indexes or other interests (such as forward contracts, options contracts, futures contracts, and swap contracts, and hybrid contracts combining the above contracts).
3. Transactions in bond deposits shall also be governed by these Procedures. Trading of bonds under repurchase agreements may be exempted from requirements in these Procedures.

(II) Operating or hedging strategies

1. The Company shall engage in derivative transactions with the purpose of hedging risks. Trading commodities shall be chosen primarily to hedge risks arising from the Company's business operations.
2. The transaction counterparties of the Company's derivative transactions shall be selected based on the Company's business requirements. The Company shall select financial institutions that offer better terms to avoid credit risks.

(III) Roles and responsibilities

1. Finance Dept.

(1) Trading personnel

- A. The trading personnel shall be responsible for formulating strategies for the financial transactions of the entire Company.

- B. The trading personnel shall evaluate derivative transactions conducted for hedging purposes at least twice every month, and evaluate derivative transactions conducted for transaction purposes at least once every week. They shall obtain approval in accordance with the internal approval rules and the approval shall be used as the basis for transactions.
- C. The trading personnel shall process transactions in accordance with the scope of authorization and established strategies.
- D. Where trading personnel determine that established strategies are no longer suitable due to material changes in the financial market, they may file evaluation reports and reformulate the strategy at any time. After such strategies are approved by the Chairman, they shall be adopted as the basis for transactions.

(2) Accounting personnel

- A. Execute transaction confirmation.
- B. Review whether transactions are executed in accordance with the scope of authorization and established strategies.
- C. Processing accounting procedures.

(3) Settlement personnel: Execute settlement tasks.

2. Approval authority for derivatives

(1) Approval authority for transactions conducted for hedging purposes

Level	Amount of Individual Contract	Cumulative Net Position
Chairman	USD 10 million (inclusive) or below	USD 40 million (inclusive) or below
Board of Directors	More than USD 10 million	More than USD 40 million

(2) Approval authority for transactions conducted for transaction purposes

Level	Amount of Individual Contract	Cumulative Net Position
Chairman	USD 1 million (inclusive) or below	USD 5 million (inclusive) or below
Board of Directors	More than USD 1 million	More than USD 5 million

3. Audit Department

The Audit Department be responsible for understanding the adequacy of the internal controls and the trading department's compliance with operating procedures. It shall also analyze transaction cycles and prepare an audit report. If any material discrepancy is discovered, it shall report to the Board of Directors.

(IV) Performance evaluation

1. Derivatives for hedging purposes

- (1) The exchange rate cost in the accounts of the Company and the profits and losses derived from derivative financial transactions shall be adopted as the basis for performance evaluation.
- (2) The Company has adopted a monthly settlement valuation method to fully monitor and express the valuation risks in transactions.
- (3) The Finance Department shall provide appraisals of foreign exchange positions and foreign exchange market trends and market analyses to the Chairman as reference for management and instructions.

2. Derivatives for transaction purposes

The basis for performance evaluation shall be the actual profits and losses incurred. Accounting personnel are required to regularly prepare statements and provide them to the management as reference.

(V) Establishment of the total contract price and upper limit on losses

1. Total contract value

The total contract value of the Company's derivative transactions for "hedging purposes" may not exceed the net foreign currency positions of the Company; the total contract value of the Company's derivative transactions for "transaction purposes" may not exceed 20% of the Company's net worth in the latest financial statements.

2. Establishment of the upper limit on losses

- (1) After the derivative transaction positions for hedging purposes are established, the Company shall set stop-loss points to prevent excess losses. The stop-loss point for individual contracts shall be limited to 15% of the transaction contract value and total losses from contracts shall not exceed 15% of the total transaction amount. If the loss exceeds the upper limit, it must be immediately reported to the President and the Chairman, and reported to the Board of Directors to facilitate discussions on necessary response measures.
- (2) After the derivative transaction positions for transaction purposes are established, the Company shall set stop-loss points to prevent excess losses. The stop-loss point for individual contracts shall be limited to 10% of the transaction contract value and total losses from contracts shall not exceed 10% of the total transaction amount. If the loss exceeds the upper limit, it must be immediately reported to the President and the Chairman, and reported to the Board of Directors to facilitate discussions on necessary response measures.

## II. Risk management measures

### (I) Credit risk management:

As changes in market factors may result in operational risks of derivatives, market risk management shall be implemented in accordance with the following principles:

1. Transaction counterparties shall consist mainly of reputable domestic and foreign financial institutions. The Company shall adjust the maximum transaction limits with financial institutions whenever necessary based on market changes.
2. Traded products shall be limited to products provided by reputable domestic and foreign financial institutions.

### (II) Market price risk management:

The Company shall select markets with fully disclosed quotation information.

### (III) Liquidity risk management:

To ensure market liquidity, the Company shall prioritize financial products with higher liquidity. The financial institution appointed to conduct the transaction must have sufficient information and the capability to conduct transactions in any market at any time.

### (IV) Cash flow risk management

To ensure the stability of the Company's operating capital, the Company's source of funds for derivative transactions shall be restricted to the Company's own funds and the funding used in operations shall be determined by fund requirements for the estimated cash income and expenditures for the next three months.

### (V) Operational risk management

1. Trading personnel shall strictly adhere to the authorized limit and operating procedures established by the Company to reduce operational risks.
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as transaction verification and settlement.
3. Risk measurement, monitoring, and control personnel shall be assigned to a different department other than that of the personnel described above and they shall report to the Board of Directors or senior management personnel with no responsibility for decision-making on trading or positions.

### (VI) Product risk management

Internal trading personnel are required to have comprehensive and correct expert knowledge on financial products and request banks to fully disclose risks to prevent the risks generated by financial products.

### (VII) Legal risk management:

Documents signed with financial institutions must be reviewed by dedicated personnel responsible for foreign exchange, legal affairs, or legal counsel before they can be signed to prevent legal risks.

- III. Internal audit system
- (I) The Company's internal audit personnel shall periodically evaluate the appropriateness of internal controls of derivatives, conduct a monthly audit on the compliance status of the trading department in derivative transactions, and prepare an audit report. If any material violation is discovered, the internal audit personnel shall notify the Audit Committee in writing.
  - (II) Internal audit personnel shall submit the audit report along with the annual audit of the internal audit operations to the designated website of the FSC for regulatory announcement and filing before the end of February of the following year. It shall also announce the improvements made for the reported irregularities to the website designated by the FSC before the end of May of the following year.
- IV. Periodic assessment methods and processing irregularities
- (I) The Board of Directors shall authorize senior management personnel to conduct periodic supervision and evaluate whether derivative transactions comply with the transaction procedures established by the Company and whether the risks borne by the Company are within the accepted range. If there are irregularities in the market price evaluation report, the senior management shall implement response measures and immediately report to the Board of Directors.
  - (II) The Company shall assess its derivative trading positions at least once a week. Hedging transactions conducted to meet business requirements shall be assessed at least twice a month. Assessment reports shall be presented to the senior management personnel authorized by the Board of Directors.
- V. Principles for the supervision and management of derivative transactions by the Board of Directors
- (I) The Board of Directors shall assign senior management personnel for the supervision and management of risks in derivative transactions at all times. The management principles are as follows:
    - 1. The senior management shall periodically evaluate whether the risk management measures currently employed are appropriate and are faithfully conducted in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" and these Procedures.
    - 2. The senior management shall monitor trading activities as well as gains and losses. If anomalies are found, they shall take necessary response measures and immediately report to the Board of Directors. Where the Company has appointed Independent Directors, they must attend meetings of the Board of Directors and express opinions.
  - (II) The Board of Directors shall periodically assess whether the performance of derivative transactions meet established management strategies and whether the risks borne by the Company are within the range accepted by the Company.

- (III) Derivatives transactions that are carried out by personnel who have been authorized under the Company's derivatives procedures must be reported at the next Board of Directors meeting.
- VI. The Company shall establish a log book for its derivative transactions for audit purposes, which shall contain details about the type and amount of the derivative transactions and the date resolved by the Board of Directors. The log book shall also include the "other items to be evaluated" prescribed in Paragraph 4, Subparagraph (2), Paragraph 5, Subparagraph (1) and Subparagraph (2) of this Article.

Article 14: Procedures for mergers, demergers, acquisitions, and transfer of shares

- I. Assessment and operating procedures
  - (I) The Company is advised to appoint an attorney, CPA, or securities underwriter to formulate the schedule for legal procedures in mergers, demergers, acquisitions, or transfer of shares and form a dedicated team to implement the procedures in accordance with regulatory requirements. Prior to convening the Board of Directors meeting to resolve the matter, the Company shall engage a CPA, attorney, or securities underwriter to render an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100% of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100% of the respective subsidiaries' issued shares or authorized capital.
  - (II) The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in Paragraph 1, Subparagraph (1) of this Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders' meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

II. Other matters to be noted

- (I) Board of directors date: A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic personnel information: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Important dates for significant matters: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of specified above.

- (II) Prior confidentiality undertaking: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior

to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

(III) Principles for determining and modifying share exchange ratios or acquisition prices: When participating in a merger, demerger, acquisition, or transfer of shares, the Company may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity-based securities.
2. An action, such as a disposal of major assets, that affects the Company's financial operations.
3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

(IV) Required contract provisions: The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

- (V) When the number of companies participating in a merger, demerger, acquisition, or share transfer changed: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- (VI) Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is not a publicly listed company, the Company shall sign an agreement with such company and the procedures shall be carried out in accordance with Paragraph 2, Subparagraph (1) of this Article regarding the date of the Board of Directors meeting, Subparagraph (2) regarding the advanced confidentiality commitment, and Subparagraph (5) regarding changes in the number of companies participating in the merger, demerger, acquisition, or share transfer.

Article 15: Public announcement and regulatory filing procedures

I. Public announcement items and regulatory filing standards

- (I) Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20% or more of paid-in capital, 10% or more of the company's total assets, or NT\$300 million or more;  
provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (II) Merger, demerger, acquisition, or transfer of shares.
- (III) Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
- (IV) Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
  - 1. For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
  - 2. For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.

- (V) Acquisition or disposal by a public company in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million;
- (VI) Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20% or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
  - 1. 1. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign credit rating of the Republic of China.
  - 2. 2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- (VII) The amount of transactions above shall be calculated as follows:
  - 1. The amount of any individual transaction.
  - 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within one year.
  - 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within one year.
  - 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within one year.

The term "within one year" refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with regulations need not be counted toward the transaction amount.

## II. Deadlines for public announcement and regulatory filing

Where the Company's acquisition or disposal of assets are those that require public announcements in accordance with Paragraph 1 of this Article and the transaction amount meets the requirements for public announcement and regulatory filing, the Company shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event.

## III. Th Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

- IV. When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.
- V. When acquiring or disposing of assets, the Company shall keep all relevant contracts, meeting minutes, log books, appraisal reports, and opinions of the certified public accountant, attorney, and securities underwriter at the Company, where they shall be retained for five years, except where another act provides otherwise.
- VI. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the Financial Supervisory Commission within two days commencing immediately from the date of occurrence of the event:
  - (I) Change, termination, or rescission of a contract signed in regard to the original transaction.
  - (II) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
  - (III) Change to the originally publicly announced and reported information.
- VII. Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company. With regard to the threshold for announcement or reporting by subsidiaries in the preceding paragraph, the ratios of the paid-in capital or total assets requirement refers to the Company's paid-in capital or total assets.

Article 16: Control procedures for the acquisition and disposal of assets by subsidiaries:

- I. The Company shall ensure that subsidiaries establish the "Procedures for Acquisition or Disposal of Assets" in accordance with related regulations in the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies".
- II. When a subsidiary acquires or disposes an asset, it shall report to the Company before the occurrence of the event in accordance with the "Procedures for Acquisition or Disposal of Assets" it established. The Company's Finance Department shall evaluate the feasibility, necessity, and reasonableness of the acquisition or disposal of the assets, follow up on the implementation status, and conduct the analysis and review.
- III. The internal audit personnel of the parent company shall periodically audit the subsidiaries' compliance with the "Procedures for Acquisition or Disposal of Assets" and prepare an audit report. After findings and recommendations in the audit report are filed, the Company shall notify the inspected subsidiary to follow up, make improvements, and formulate follow-up reports to ensure that they have adopted appropriate improvement measures in a timely manner.

Article 17: Penalties

Where the Company's personnel violate the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" of the FSC or these Procedures in the acquisition or disposal of assets, such violation shall be reported and included in their performance evaluation and they shall be penalized based on the severity of the violation in accordance with the Company's human resource management regulations.

Article 18: Miscellaneous

Matters not set forth in these Procedures shall be processed in accordance with applicable laws and regulations.

Article 19: Implementation and amendment

The Company's "Procedures for Acquisition or Disposal of Assets" must be approved by more than half of all members of the Audit Committee and passed by the Board of Directors before it is submitted to the shareholders' meeting for approval; the same applies to all subsequent amendments.

If the approval of more than half of all members of the Audit Committee is not obtained as stipulated in the preceding paragraph, the Procedures may be implemented if approved by more than two-thirds of all Directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

When the Company's "Procedures for Acquisition or Disposal of Assets" is reported to the Board of Directors for discussion, it shall take into full consideration each Independent Director's opinions, and include their objections or opinions in the meeting minutes.

**Appendix 5.**

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

Base date: April 13, 2026

Title	Name	Current Shareholding		
		Type	Shares (including shares under trust)	%
Chairman	Cheng, Ya-Jen	Common stock	11,167,477	5.96%
Vice Chairman	Yang, Fu-An	Common stock	11,792,834	6.30%
Director	FSP Capital Co., Ltd. Representative: Wang, Chung-Shun	Common stock	15,191,766	8.11%
Director	2K Industries Inc. (BVI) Representative: Wang, Po-Wen	Common stock	5,193,162	2.77%
Director	Huang, Jr-Wen	—	—	—
Director	Chu, Hsiu-Yin	Common stock	2,660,070	1.42%
Director	Pachon Investments Limited Representative: Chen, Kuang-Chun	Common stock	5,000,000	2.67%
Independent Director	Liu, Shou-Hsiang	—	—	—
Independent Director	Cheng, Chia-Jiun	—	—	—
Independent Director	Hsu, Cheng-Hung	—	—	—
Independent Director	Li, Shao-Tang	—	—	—
Total		—	51,005,309	27.23%

Total number of shares issued as of April 13, 2026: 187,261,950.

Statutory number of shares to be held by all directors of the Company: 11,235,717, shares held as of April 13, 2026: 51,005,309 (shares held by independent directors are not included in the aforementioned total)