

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

Unit: NT\$ thousands

		<u>2022</u>		<u>2021</u>	
		Amount	%	Amount	%
4000	<b>Operating revenue (Notes VI(XXII) and VII)</b>	\$ 13,895,870	100	15,204,727	100
5000	<b>Operating costs (Notes VI(VII), (XI), (XII), (XIII), (XVI), (XVII) and (XVIII), VII and XII)</b>	11,587,346	83	12,779,675	84
5920	Add: Realized (Unrealized) Profit on Sales	259	-	(847)	-
5900	<b>Gross profit</b>	<u>2,308,783</u>	<u>17</u>	<u>2,424,205</u>	<u>16</u>
6000	<b>Operating expenses (Notes VI(V), (VI), (XI), (XII), (XIII), (XVI), (XVIII) and (XXIII), VII and XII):</b>				
6100	Selling and marketing expenses	622,750	5	620,915	4
6200	General and administrative expenses	668,340	5	676,460	4
6300	Research and development expenses	481,663	3	455,887	3
6450	Gain on expected credit loss	(6,290)	-	(966)	-
	<b>Total operating expenses</b>	<u>1,766,463</u>	<u>13</u>	<u>1,752,296</u>	<u>11</u>
6900	<b>Net operating income</b>	<u>542,320</u>	<u>4</u>	<u>671,909</u>	<u>5</u>
7000	<b>Non-operating income and expenses (Notes VI(II), (III), (VIII), (IX), (X), (XV), (XVI), (XXIV), VII and IX(IV)):</b>				
7100	<b>Interest income</b>	27,155	-	23,348	-
7010	Other income	205,748	2	198,340	1
7020	Other gains and losses	189,960	1	75,065	-
7050	Finance costs	(17,028)	-	(11,346)	-
7060	Share of profits (losses) of associates and joint ventures under equity method	3,612	-	3,284	-
	<b>Total non-operating income and expenses</b>	<u>409,447</u>	<u>3</u>	<u>288,691</u>	<u>1</u>
7900	<b>Income before income tax from continuing operations</b>	951,767	7	960,600	6
7950	<b>Less: Income tax expense (Note VI(XIX))</b>	<u>162,146</u>	<u>1</u>	<u>159,321</u>	<u>1</u>
8200	<b>Net Income</b>	<u>789,621</u>	<u>6</u>	<u>801,279</u>	<u>5</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss (Note VI(XVIII), (XIX) and (XX))</b>				
8311	Gains (losses) on re-measurements of defined benefit plans	27,519	-	7,076	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	(50,513)	-	1,854,340	12
8349	Less: Income tax related to components that will not be reclassified to profit or loss	5,504	-	1,415	-
	<b>Total items that will not be reclassified to profit or loss</b>	<u>(28,498)</u>	<u>-</u>	<u>1,860,001</u>	<u>12</u>
8360	<b>Items that may be reclassified subsequently to profit or loss (Note VI(IX) and (XX))</b>				
8361	Exchange differences on translation of financial statements of foreign operations	41,946	-	(29,332)	-
8370	Share of other comprehensive income (losses) of associates and joint ventures under equity method	3,382	-	(809)	-
8399	Less: Income tax related to items that may be reclassified subsequently	-	-	-	-
	<b>Total items that may be reclassified subsequently to profit or loss</b>	<u>45,328</u>	<u>-</u>	<u>(30,141)</u>	<u>-</u>
8300	<b>Other Comprehensive Income</b>	<u>16,830</u>	<u>-</u>	<u>1,829,860</u>	<u>12</u>
8500	<b>Total Comprehensive Income</b>	<u>\$ 806,451</u>	<u>6</u>	<u>2,631,139</u>	<u>17</u>
	<b>Net income (losses) attributable to:</b>				
8610	Shareholders of the parent	\$ 721,031	6	754,082	5
8620	Non-controlling Interests	68,590	-	47,197	-
		<u>\$ 789,621</u>	<u>6</u>	<u>801,279</u>	<u>5</u>
	<b>Total comprehensive income (losses) attributable to:</b>				
8710	Shareholders of the parent	\$ 732,137	5	2,585,931	17
8720	Non-controlling Interests	74,314	1	45,208	-
		<u>\$ 806,451</u>	<u>6</u>	<u>2,631,139</u>	<u>17</u>
	<b>Earnings per share (unit: NT\$) (Note VI(XXI))</b>				
9750	Basic earnings per share	<u>\$ 3.85</u>		<u>4.03</u>	
9850	Diluted earnings per share	<u>\$ 3.81</u>		<u>3.99</u>	

(Please see accompanying notes to the Consolidated Financial Statements)

Chairman: Cheng, Ya-Jen

Managerial Officer: Cheng, Ya-Jen

Chief Accounting Officer: Sang, Hsi-Yun

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

Changes in loss allowance for other receivables:

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 460	5,348
Reversal of impairment loss	-	(4,794)
Effect of exchange rate changes	50	(94)
Ending balance	<u>\$ 510</u>	<u>460</u>

(VII) Inventories

	<u>2022.12.31</u>	<u>2021.12.31</u>
Finished goods	\$ 1,750,634	1,844,900
Work in process	634,291	712,743
Raw materials	673,714	1,032,903
	<u>\$ 3,058,639</u>	<u>3,590,546</u>

Breakdown of cost of goods sold:

	<u>2022</u>	<u>2021</u>
Inventories sold	\$ 11,351,252	12,624,487
Loss on inventory write-down	64,976	9,910
Loss on inventory	4	171
Unallocated manufacturing expense	120,242	87,495
Loss on inventory obsolescence	51,335	57,613
Income from sales of scraps	(463)	(1)
	<u>\$ 11,587,346</u>	<u>12,779,675</u>

As of December 31, 2022 and 2021, the Group did not pledge any inventories as collateral.

(VIII) Non-current assets held for sale

To cooperate with the Jian National High-tech Industrial Development Zone Management Committee of Jian County in Jiangxi Province for its Land Acquisition and Reserve plan, the Group's Board of Directors resolved on August 7, 2021 to sell the right-of-use assets - land, buildings and construction of its subsidiary, Hao Han. In August 2021, the Group signed a sales contract with Asap Electronics (Jiangxi) Co., Ltd., and the disposal amount of above-mentioned right-of-use, buildings and construction was NT\$87,067 thousand. In accordance with the contract, the first installment of NT\$34,827 thousand was received in August 2021. The transfer registration was completed in December 2021 and disposal gain of NT\$72,399 thousand was recognized. The final payment of NT\$52,240 thousand was also received in December 2021.

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

5. Non-controlling interests (net after tax)

	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 338,515	307,844
Net income for the year attributable to non-controlling interests	68,590	47,197
Gains (losses) on re-measurements of defined benefit plans	672	127
Exchange differences on translation of financial statements of foreign operations	5,052	(2,116)
Distribution of cash dividends to non-controlling interests	(18,591)	(16,901)
Increase in non-controlling interests	-	2,364
	<u>\$ 394,238</u>	<u>338,515</u>

(XXI) Earnings per Share

	<u>2022</u>	<u>2021</u>
<b>Basic earnings per share:</b>		
Net income attributable to the ordinary shareholders of the Company	<u>\$ 721,031</u>	<u>754,082</u>
Weight-average number of ordinary shares outstanding (Unit: Thousands of shares)	<u>187,262</u>	<u>187,262</u>
Basic earnings per share (Unit: In New Taiwan Dollars)	<u>\$ 3.85</u>	<u>4.03</u>
<b>Diluted earnings per share:</b>		
Net income attributable to the ordinary shareholders of the Company	<u>\$ 721,031</u>	<u>754,082</u>
Weight-average number of ordinary shares outstanding (Unit: Thousands of shares)	187,262	187,262
Employee compensation (Unit: Thousands of shares)	2,044	1,627
Weight-average number of ordinary shares outstanding (Unit: Thousands of shares)	<u>189,306</u>	<u>188,889</u>
Diluted earnings per share (Unit: In New Taiwan Dollars)	<u>\$ 3.81</u>	<u>3.99</u>

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

### (XXII) Revenue from contracts with customers

#### 1. Breakdown of revenue

	2022					
	<b>The Company and its processing subsidiaries</b>	<b>3Y Power</b>	<b>Zhong Han</b>	<b>WUXI Zhonghan</b>	<b>Others</b>	<b>Total</b>
Primary geographical markets:						
Taiwan	\$ 2,053,175	608,140	-	-	-	2,661,315
China	2,126,376	123,010	1,890,524	558,453	17,077	4,715,440
U.S.A.	1,255,854	27,118	-	-	752,184	2,035,156
Germany	1,833,858	115,160	-	-	-	1,949,018
Other countries	2,427,329	16,946	-	-	90,666	2,534,941
	<b><u>\$ 9,696,592</u></b>	<b><u>890,374</u></b>	<b><u>1,890,524</u></b>	<b><u>558,453</u></b>	<b><u>859,927</u></b>	<b><u>13,895,870</u></b>
Major product/service line:						
Sales of power supply	<b><u>\$ 9,696,592</u></b>	<b><u>890,374</u></b>	<b><u>1,890,524</u></b>	<b><u>558,453</u></b>	<b><u>859,927</u></b>	<b><u>13,895,870</u></b>

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

		2021				
The Company and its processing subsidiaries		3Y Power	Zhong Han	WUXI Zhonghan	Others	Total
Primary geographical markets:						
Taiwan	\$ 3,059,269	484,470	-	-	-	3,543,739
China	1,855,465	79,758	2,352,506	747,527	20,861	5,056,117
U.S.A.	1,322,295	19,767	-	-	587,839	1,929,901
Germany	2,161,664	73,655	-	-	-	2,235,319
Other countries	2,332,235	57,716	-	-	49,700	2,439,651
	<b>\$ 10,730,928</b>	<b>715,366</b>	<b>2,352,506</b>	<b>747,527</b>	<b>658,400</b>	<b>15,204,727</b>
Major product/service line:						
Sales of power supply	<b>\$ 10,730,928</b>	<b>715,366</b>	<b>2,352,506</b>	<b>747,527</b>	<b>658,400</b>	<b>15,204,727</b>

2. Contract balance

	2022.12.31	2021.12.31	2021.1.1
Notes and accounts receivable (including related parties)	\$ 3,968,657	4,768,361	4,351,209
Less: Allowance for impairment loss	(24,641)	(39,771)	(42,029)
Total	<b>\$ 3,944,016</b>	<b>4,728,590</b>	<b>4,309,180</b>
Contract liabilities (recognized in other current liabilities)	<b>\$ 93,296</b>	<b>52,856</b>	<b>40,188</b>

The amount of revenue recognized in 2022 and 2021 that was included in the contract liability balance at January 1, 2022 and 2021, was NT\$30,257 thousand and NT\$13,526 thousand, respectively.

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

(XXIII) Remuneration of Employees and Directors

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

For the years ended December 31, 2022 and 2021, the Company accrued its remuneration to employees amounting to NT\$66,000 thousand and NT\$65,000 thousand, respectively, and the remuneration for Directors of NT\$7,000 thousand. The said amounts, which were recognized as operating expenses in 2022 and 2021, were calculated based on pre-tax net profit for each year before deducting the amount of the remuneration to employees and

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

Directors, multiplied by the distribution percentage specified in the Company's Articles of Incorporation. The difference between accrual and actual payment is treated as the change in accounting estimate and recognized in profit or loss in the following year. There was no difference between the amount of the remuneration to employees and Directors resolved by the Board of Directors and the accrual amount recognized in the Consolidated Financial Statements for the years ended December 31, 2022 and 2021. Information related to remuneration to employees and Directors resolved by the Board of Directors is available on the Market Observation Post System website of Taiwan Stock Exchange.

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

Securities Holding Company	Type and Name of Securities	Securities Relationship with Issuer of Securities	Ledger Account	Ending Balance				Maximum shareholding percentage during the period	Remark
				Shares/ Units	Carrying amount	Percentage of shareholding	Fair value		
3Y Power  The Company	Beneficiary certificates: Yuanta 2-10 Year Investment Grade Corporate Bond Fund	—	"	300,000	2,959	-	2,959	-	
					<u>296,249</u>		<u>296,249</u>	-	
	Stock: Voltronic Power Technology Corp.	Other related party	Financial assets at fair value through other comprehensive income	3,666,822	5,665,240	4.18	5,665,240	4.60	
	JESS-LINK Products Co., Ltd.	—	"	10,000,000	400,000	8.19	400,000	8.19	
	WT Microelectronics Co., Ltd.	—	"	1,000,000	47,750	0.74	47,750	0.74	
	Taiwan Cement Corp.	—	"	54,996	1,851	-	1,851	-	
	Taiwan Semiconductor Manufacturing Co., Ltd.	—	"	10,000	4,485	-	4,485	-	
	Coretronic Corporation	—	"	1,000,000	56,900	0.26	56,900	0.26	
	TOT BIOPHARM International Co., Ltd.	—	"	1,195,200	11,302	0.16	11,302	0.16	
	Eastern Union Interactive Corp.	—	"	880,000	58,667	4.43	58,667	4.43	
	Guoyu Global Co., Ltd.	—	"	500,000	5,000	16.67	5,000	16.67	
	Taiwan Truewin Technology Co., Ltd.	—	"	1,225,000	89,125	4.58	89,125	4.89	
	Liwatt X Inc.	—	"	1,000,000	10,000	14.29	10,000	14.29	
	Beyond Innovation Technology Co., Ltd.	—	"	1,000,000	-	2.96	-	2.96	
				<u>6,350,320</u>		<u>6,350,320</u>			
WUXI Zhongha n	Wuxi Lead Solar Energy Co., Ltd.	—	"	-	-	12.04	-	12.04	
FSP Jiangsu	Powerland Technology Inc.	—	"	-	26,494	3.54	26,494	3.54	
					<u>6,376,814</u>		<u>6,376,814</u>	-	

4. Marketable securities for which the accumulated purchase or sale amounts for the period exceed NT\$300,000 thousand or 20% of the paid-in capital:

Company Name	Type and Name of Securities	Ledger Account	Counterparty	Relationship	Beginning of Period		Purchase		Sale			Ending Balance		
					Shares	Amount	Shares	Amount	Shares	Selling Price	Carrying Cost	Gains (Losses) on Disposal	Shares	Amount
The Company	Stock: Voltronic Power Technology Corp.	Financial assets at fair value through other comprehensive income			4,021,822	6,213,715	-	-	355,000	523,135	1,666	521,469	3,666,822	5,665,240
														(Note)

Note: Ending balance includes unrealized valuation gain (loss) of financial assets.

5. Acquisition of real estate at costs which exceed NT\$300,000 thousand or 20% of the paid-in capital: None.
6. Disposal of real estate at prices which exceed NT\$300,000 thousand or 20% of the paid-in capital: None.

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

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

Company	Related Party	Relationship	Transaction Situation				Unusual Transaction Terms and Reasons		Notes and Accounts Receivable (Payable)		Remark
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales) (%)	Credit Period	Unit Price	Credit Period	Balance	Percentage of total notes and accounts receivable (payable)	
The Company	Sparkle Power Inc.	The Chairman of the Company is the second-degree relatives of the entity's Chairman	(Sales)	(553,197)	(5.11)	Note 1			187,765	6.82	
The Company	FSP North America	Substantive related party of the Company	(Sales)	(438,635)	(4.05)	Note 1			122,923	4.47	
The Company	FSP Power Solution GmbH	Substantive related party of the Company	(Sales)	(775,299)	(7.16)	Note 1			261,016	9.49	
The Company	Fortron/ Source (Europa) GmbH	Substantive related party of the Company	(Sales)	(268,315)	(2.48)	Note 1			23,545	0.86	
The Company	WUXI Zhonghan	100% owned investment via indirect shareholding	(Sales)	(236,373)	(2.18)	Note 1			74,920	2.72	Note 6
The Company	FSP Technology USA Inc.	100% owned investment via direct shareholding	(Sales)	(167,056)	(1.54)	Note 1			54,211	1.97	Note 6
The Company	Huili	100% owned investment via indirect shareholding	Purchases (Note 2)	647,329	9.34	Note 4		Note 4	(60,371) (Note 3)	(1.97)	Note 6
The Company	Zhonghan	100% owned investment via indirect shareholding	Purchases (Note 2)	378,834	5.47	Note 4		Note 4	(34,498) (Note 3)	(1.13)	Note 6
The Company	WUXI SPI	100% owned investment via indirect shareholding	Purchases (Note 2)	215,952	3.12	Note 4		Note 4	(19,359) (Note 3)	(0.63)	Note 6
The Company	Voltronic	The Company is the Director of this company	Purchases	375,168	5.41	Note 5			(151,773)	(4.96)	
The Company	3Y Power	65.87% owned investment via direct shareholding	Purchases	446,585	6.45	Note 1			(172,039)	(5.62)	Note 6
The Company	Zhong Han	100% owned investment via indirect shareholding	(Sales)	(597,354)	(5.51)	Note 1			-	-	
3Y Power	Zhong Han	Affiliate	(Sales)	(448,227)	(20.30)	Note 1			-	-	
3Y Power	3Y Power Technologh Inc.	100% owned investment via direct shareholding	(Sales)	(327,926)	(14.85)	Note 1			43,382	6.28	Note 6
3Y Power	Huili	Affiliate	Purchases (Note 2)	323,310	18.58	Note 4		Note 4	(36,745) (Note 3)	(5.62)	Note 6

Note 1: The Company's trading terms for this related party are not significantly different from those of other customers.

Note 2: Including purchases of products, purchases of raw materials and processing.

Note 3: Including accounts payable arising from purchases of products and raw materials and processing fee.

Note 4: The transaction price is not available for regular customers for comparison, and the credit term is 5 days after the monthly settlement.

Note 5: The Group does not purchase similar products from other manufacturers, so there is no transaction price from regular manufacturers for comparison. The payment terms were not significantly different from those of regular manufacturers.

Note 6: Eliminated under consolidation.



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

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

Company with accounts receivable	Related Party	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Recovery from overdue receivables from related parties (Note 1)	Loss allowance
					Amount	Action taken		
The Company	Sparkle Power Inc.	The Chairman of the Company is the second-degree relatives of the entity's Chairman	187,765	3.04	-		77,193	-
The Company	FSP Power Solution GmbH	Substantive related party of the Company	261,016	2.74	-		97,182	-
The Company	FSP North America	Substantive related party of the Company	122,923	3.24	-		46,166	-
3Y Power	The Company	65.87% owned reinvestment via indirect shareholding	172,039 (Note 2)	3.52	-		77,665	-

Note 1: As of March 1, 2023.

Note 2: Eliminated under consolidation.

9. Derivative instruments transactions: None.

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

### 10. Business relationship and significant intercompany transactions:

Number (Note 1)	Company	Counterparty	Nature of Relationship (Note 2)	Description of Transactions			Percentage of total consolidated operating revenue or total assets (Note 3)
				Ledger Account	Amount	Transaction Term	
0	The Company	3Y Power	1	Cost of goods sold	446,585	No significant difference from other suppliers	3.21%
0	The Company	Huili	1	Cost of goods sold	647,329	No comparison is available	4.66%
0	The Company	Zhonghan	1	Cost of goods sold	378,834	No comparison is available	2.73%
0	The Company	WUXI SPI	1	Cost of goods sold	215,952	No comparison is available	1.55%
0	The Company	WUXI Zhonghan	1	Operating revenue	236,373	No significant difference from other customers	1.70%
0	The Company	FSP Technology USA Inc.	1	Operating revenue	167,056	No significant difference from other customers	1.20%
0	The Company	Zhong Han	1	Operating revenue	597,354	No significant difference from other customers	4.30%
1	3Y Power	Zhong Han	3	Operating revenue	448,227	No significant difference from other customers	3.23%
1	3Y Power	3Y Power Technology Inc.	3	Operating revenue	327,926	No significant difference from other customers	2.36%
1	3Y Power	Huili	3	Cost of goods sold	323,310	No comparison is available	2.33%

Note 1: Fill in the number as per below:

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

Note 2: The relationships with counterparty are as follows:

- The parent company to subsidiaries.
- Subsidiaries to the parent company.
- Subsidiaries to subsidiaries.

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

### (II) Information on Invested Companies:

Reinvestment information in 2022 is as follows:

Name of Investor	Name of Investee	Location	Main Business Activities	Initial Investment Amount		Ending Balance			Maximum shareholding during the period	Profit (Loss) of Investee for the Period (Note 1 & 2)	Investment gain (loss)/recognized for the period (Note 1 & 2)	Remark
				Ending Balance for the Current Period	At the end of last year	Shares	Shareholding (%)	Carrying amount				
The Company	FSP International Inc. (BVI)	British Virgin Islands	Investment holdings	1,241,751	1,241,751	32,202,500	100.00	2,131,473	1,241,751	(102,734)	(102,734)	Subsidiary
	FSP Group Inc.	British Cayman Islands	Engaged in safety certification	1,752	1,752	50,000	100.00	300	1,752	(72)	(72)	Subsidiary
	Amacrox Technology Co., Ltd. (BVI)	British Virgin Islands	Investment holdings	40,925	40,925	1,109,355	100.00	70,217	40,925	4,682	4,682	Subsidiary
	3Y Power	Taiwan	Manufacturing and trading of power supply	304,406	304,406	16,309,484	65.87	770,937	304,406	202,004	133,108	Subsidiary
	Harmony Trading (HK) Ltd.	Hong Kong	Investment holdings	45	45	10,000	100.00	1,926	45	139	139	Subsidiary
	FSP Technology USA Inc.	U.S.A.	Business development and product technical service	3,143	3,143	100,000	100.00	1,938	3,143	(114)	(114)	Subsidiary
	FSP Turkey	Turkey	Business development and product technical service	22,640	22,640	6,673,000	91.41	10,441	22,640	7,139	6,525	Subsidiary

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

Name of Investor	Name of Investee	Location	Main Business Activities	Initial Investment Amount		Ending Balance			Maximum shareholding during the period	Profit (Loss) of Investee for the Period (Note 1 & 2)	Investment gain (loss) recognized for the period (Note 1 & 2)	Remark
				Ending Balance for the Current Period	At the end of last year	Shares	Shareholding (%)	Carrying amount				
FSP International Inc. (BVI)	FSP Technology Inc. (BVI)	British Virgin Islands	Investment holdings	62,883	62,883	2,100,000	100.00	113,716	62,883	(7,313)	-	Sub-subsidiary
	Power Electronics Co., Ltd. (BVI)	British Virgin Islands	Investment holdings	217,707	217,707	7,000,000	100.00	205,075	217,707	(9,952)	-	Sub-subsidiary
	Famous Holding Ltd.	Samoa	Investment holdings	807,483	807,483	27,000,000	100.00	1,374,470	807,483	(4,371)	-	Sub-subsidiary
	Proteck Electronics (Samoa) Corp.	Samoa	Investment holdings	32,984	32,984	1,100,000	100.00	31,878	32,984	15,624	-	Sub-subsidiary

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

### XIV. Segment Information

#### (I) General information

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

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

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

	2022						
	The Company and its processing subsidiaries	3Y Power	Zhong Han	WUXI Zhonghan	Others	Adjustment and elimination	Consolidation
Revenue:							
Revenue from external customers:	\$ 9,696,592	890,374	1,890,524	558,453	859,927	-	13,895,870
Intersegment revenue	2,793,786	1,317,550	6,908	11,373	64,418	(4,194,035)	-
Total revenues	<u>\$ 12,490,378</u>	<u>2,207,924</u>	<u>1,897,432</u>	<u>569,826</u>	<u>924,345</u>	<u>(4,194,035)</u>	<u>13,895,870</u>
Segment profit (loss)	<u>\$ 688,823</u>	<u>201,101</u>	<u>20,542</u>	<u>(43)</u>	<u>42,311</u>	<u>(967)</u>	<u>951,767</u>
	2021						
	The Company and its processing subsidiaries	3Y Power	Zhong Han	WUXI Zhonghan	Others	Adjustment and elimination	Consolidation
Revenue:							
Revenue from external customers:	\$ 10,730,928	715,366	2,352,506	747,527	658,400	-	15,204,727
Intersegment revenue	3,501,489	1,103,358	16,135	27,740	78,539	(4,727,261)	-
Total revenue	<u>\$ 14,232,417</u>	<u>1,818,724</u>	<u>2,368,641</u>	<u>775,267</u>	<u>736,939</u>	<u>(4,727,261)</u>	<u>15,204,727</u>
Segment profit (loss)	<u>\$ 611,229</u>	<u>117,881</u>	<u>96,410</u>	<u>23,641</u>	<u>110,461</u>	<u>978</u>	<u>960,600</u>

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

#### (III) Export sales information

##### 1. Product and service information

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

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

### 2. Geographic information

Revenue from external customers:

<b>Region</b>	<b>2022</b>	<b>2021</b>
Taiwan	\$ 2,661,315	3,543,739
China	4,715,440	5,056,117
U.S.A.	2,035,156	1,929,901
Germany	1,949,018	2,235,319
Others (below 5%)	2,534,941	2,439,651
Total	<b>\$ 13,895,870</b>	<b>15,204,727</b>