

SUNF PU TECHNOLOGY CO., LTD
And Subsidiaries

Consolidated Financial Statements and
Independent Auditors' Report
December 31, 2025 and 2024

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENT OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" the year ended December 31, 2025 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

SUNF PU TECHNOLOGY CO., LTD

By

Kao-Cheng Lo

Chairman

March 12, 2026

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders of Sunf Pu Technology Co., Ltd

Opinion

We have audited the accompanying consolidated financial statements of Sunf Pu Technology Co., Ltd and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, its consolidated financial performance and its consolidated cash flows for the years then ended 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), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. 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 the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our 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.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2025 are stated as follows:

Valuation of inventory

For the accounting policy of inventory valuation please refer to Note 4(h), for the significant assumptions and judgments, and major sources of estimation uncertainty of inventory valuation, please refer to Note 5(b), and refer to Note 10 for the details of inventory valuation.

Description of key audit matter

Inventories are measured at the lower of cost or the net realizable value. The Group's inventory is the manufacturing of wires for 3C products such as computer wires and telephone wires. Since the rapid changes in technology in the 3C industry, new specifications and wires must be continuously developed to match the launch of products to comply with industry trends. Otherwise, the products may have no sales value due to normal loss, becoming obsolete, or no longer accord with the demands of the market. Therefore, the cost of inventory will be written down to the net realizable value if the original costs exceed its net realizable value and the inventories with slow-moving circumstance. The Group's inventory evaluation is mainly based on the estimated product demand within a specific period in the future, which may result in a significant change and involve in significant judgments by the management. As mentioned above, we consider inventory evaluation as a key audit matter.

Corresponding audit procedure:

1. We obtained an understanding of the design of the key controls over the valuation of inventory.
2. We obtained the inventory aging report, and we verified the accuracy and completeness of the report by agreeing the age interval, quantity, and amount to the supporting documents of inbound inventory. We assessed the reasonableness of allowance for inventory loss by recalculating the amount in accordance with the stated valuation policy for the inventory.
3. We conducted an analysis of inventory aging and evaluated the reasonableness of the Group's accounting policies, such as allowance for inventory valuation and obsolescence. We performed a retrospective test of the Group's historical accuracy of judgments regarding inventory valuation

and compared it with the current period to assess the appropriateness of the estimation and assumptions used. We also examined whether the valuation of inventories complies with the Group's accounting policies.

Other Matter

We have also audited the financial statements of Sunf Pu Technology Co., Ltd as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

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 accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using 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.

Those charged with governance, including members of the Audit committee, are responsible for overseeing the Group's 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China(ROC), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
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 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 those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. 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.

Hsin-Yuan Wang Yi-Zhi Qiu
for and on behalf of Benison Associated CPA's Firm
March 12, 2026

Notice to Readers

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

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

SUNF PU TECHNOLOGY CO.,LTD AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	Note 6	\$ 319,035	22	\$ 330,145	22
Financial assets at amortized cost	Note 7	427,295	30	423,430	30
Notes receivable, net	Note 8	1,025	-	506	-
Trade receivables, net	Note 8	243,436	17	234,394	16
Finance lease receivables - current	Note 9	51,606	4	62,328	4
Other receivables	Note 8	8,321	1	15,236	1
Current tax assets		1,023	-	-	-
Inventories, net	Note 10	198,298	14	181,323	12
Prepayments		15,660	1	4,490	-
Other current assets		325	-	57	-
Total current assets		1,266,024	89	1,251,909	85
NON-CURRENT ASSETS					
Property, plant and equipment, net	Note 11	153,606	11	164,885	11
Right-of-use assets, net	Note 12	-	-	-	-
Refundable deposits		930	-	926	-
Finance lease receivables - non-current	Note 9	-	-	54,633	4
Other non-current assets	Note 8	-	-	-	-
Total non-current assets		154,536	11	220,444	15
TOTAL		\$ 1,420,560	100	\$ 1,472,353	100

(Continued)

SUNF PU TECHNOLOGY CO.,LTD AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Note	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
CURRENT LIABILITIES					
Short-term borrowings	Note 13	\$ 300,000	21	\$ 302,953	21
Notes payable		4,251	-	4,261	-
Trade payables to unrelated parties		17,855	1	22,479	2
Other payables	Note 14	58,117	4	59,890	4
Current tax liabilities		815	-	198	-
Lease liabilities	Note 12	6,233	1	5,966	-
Advances received and Other current liabilities	Note 15	24,184	2	77,240	5
Total current liabilities		<u>411,455</u>	<u>29</u>	<u>472,987</u>	<u>32</u>
NON-CURRENT LIABILITIES					
Deferred tax liabilities	Note 24	27,210	2	27,210	2
Lease liabilities	Note 12	1,063	-	7,265	-
Net defined benefit liability	Note 16	16,447	1	15,465	1
Total non-current liabilities		<u>44,720</u>	<u>3</u>	<u>49,940</u>	<u>3</u>
Total liabilities		<u>456,175</u>	<u>32</u>	<u>522,927</u>	<u>35</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Share capital	Note 17				
Ordinary shares		915,861	65	915,861	63
Total share capital		<u>915,861</u>	<u>65</u>	<u>915,861</u>	<u>63</u>
Capital surplus	Note 17	-	-	-	-
Retained earnings	Note 17				
Legal reserve		18,218	1	18,218	1
Special reserve		32,305	2	32,305	2
Unappropriated earnings(accumulated deficit)		6,639	1	(2,991)	-
Total retained earnings		<u>57,162</u>	<u>4</u>	<u>47,532</u>	<u>3</u>
Other equity					
Exchange differences on translating foreign operations		(8,638)	(1)	(13,967)	(1)
Total equity attributable to owners of the Company		<u>964,385</u>	<u>68</u>	<u>949,426</u>	<u>65</u>
TOTAL		<u>\$ 1,420,560</u>	<u>100</u>	<u>\$ 1,472,353</u>	<u>100</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

(Concluded)

SUNF PU TECHNOLOGY CO.,LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Item	Note	2025		2024	
		Amount	%	Amount	%
OPERATING REVENUE	Note 19	\$ 770,320	100	\$ 838,313	100
OPERATING COSTS		(662,578)	(86)	(742,383)	(89)
GROSS PROFIT		107,742	14	95,930	11
OPERATING EXPENSES	Note 23				
Selling and marketing expenses		(13,175)	(2)	(14,162)	(2)
General and administrative expenses		(77,690)	(10)	(77,283)	(9)
Research and development expenses		(8,611)	(1)	(7,572)	(1)
Expected credit loss		(2,639)	-	(21,380)	(3)
Total operating expenses		(102,115)	(13)	(120,397)	(15)
INCOME(LOSSES) FROM OPERATIONS		5,627	1	(24,467)	(4)
NON-OPERATING INCOME AND EXPENSES					
Interest income		20,157	3	20,125	2
Other income	Note 20	3,789	-	1,535	-
Other gains and losses	Note 21	(6,348)	(1)	6,263	1
Finance costs	Note 22	(7,274)	(1)	(9,603)	(1)
Total non-operating income and expenses		10,324	1	18,320	2
INCOME(LOSSES) BEFORE INCOME TAX		15,951	2	(6,147)	(2)
INCOME TAX (EXPENSE)/BENEFIT	Note 24	(5,560)	(1)	6,754	1
NET INCOME		10,391	1	607	(1)
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit plans		(761)	-	492	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating the financial statements of foreign operations		5,329	1	41,197	5
Other comprehensive income/(loss) for the period, net of income tax		4,568	1	41,689	5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		\$ 14,959	2	\$ 42,296	4
EARNINGS PER SHARE	Note 18				
Basic		\$ 0.11		\$ 0.01	
Diluted		\$ 0.11		\$ 0.01	

(The accompanying notes are an integral part of the consolidated financial statements.)

SUNF PU TECHNOLOGY CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						
	Retained Earnings					Other Equity	
	Share Capital	Legal Reserve	Special Reserve	Unappropriated Earnings (accumulated deficit)	Total	Exchange differences on translating foreign operations	Total Equity
BALANCE AT JANUARY 1, 2024	\$ 915,861	\$ 18,218	\$ 32,305	\$ (4,090)	\$ 46,433	\$ (55,164)	\$ 907,130
Net income in 2024	-	-	-	607	607	-	607
Other comprehensive income in 2024, net of income tax	-	-	-	492	492	41,197	41,689
BALANCE AT DECEMBER 31, 2024	<u>\$ 915,861</u>	<u>\$ 18,218</u>	<u>\$ 32,305</u>	<u>\$ (2,991)</u>	<u>\$ 47,532</u>	<u>\$ (13,967)</u>	<u>\$ 949,426</u>
BALANCE AT JANUARY 1, 2025	\$ 915,861	\$ 18,218	\$ 32,305	\$ (2,991)	\$ 47,532	\$ (13,967)	\$ 949,426
Net income in 2025	-	-	-	10,391	10,391	-	10,391
Other comprehensive income in 2025, net of income tax	-	-	-	(761)	(761)	5,329	4,568
BALANCE AT DECEMBER 31, 2025	<u>\$ 915,861</u>	<u>\$ 18,218</u>	<u>\$ 32,305</u>	<u>\$ 6,639</u>	<u>\$ 57,162</u>	<u>\$ (8,638)</u>	<u>\$ 964,385</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

SUNF PU TECHNOLOGY CO., LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income(Losses) before income tax	\$ 15,951	\$ (6,147)
Adjustments for:		
Depreciation expenses(Contains Right-of-use assets)	15,595	18,352
Expected credit loss(Rotation benefits)	2,639	21,380
Finance costs	7,274	9,603
Interest income	(20,157)	(20,125)
Net loss on disposal of property, plant and equipment	15	544
Reclassification of property, plant and equipment to expense(Transfer of expenses)	694	-
Impairment loss on non financial assets	(15,193)	(8,553)
Changes in operating assets and liabilities		
Notes receivable	(519)	(192)
Trade receivables	(9,042)	(102,619)
Other receivables	103	(645)
Inventories	(450)	10,665
Prepayments	(11,170)	93
Other current assets	(268)	(5)
Notes payable	(10)	1,589
Trade payables	(4,624)	3,019
Other payables	(1,858)	4,803
Advances received and other current liabilities	(335)	(7,459)
Net defined benefit assets	221	162
Cash generated used in operations	(21,134)	(75,535)
Interest received	22,930	8,314
Interest paid	(7,189)	(9,617)
Income tax paid	(5,966)	(43,408)
Net cash generated used in operating activities	(11,359)	(120,246)

(Continued)

	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition for property, plant and equipment	(3,923)	(1,631)
Proceeds from disposal of property, plant and equipment	-	63
Financial assets at amortized cost	(2,372)	(35,971)
Refundable deposits	-	(30)
Finance lease receivables	15,023	7,766
Decrease in other noncurrent assets	1,090	-
Net cash generated from(used in) investing activities	9,818	(29,803)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	(2,953)	(3,351)
Repayments of the principal portion of lease liabilities	(5,991)	(5,734)
Net cash generated used in financing activities	(8,944)	(9,085)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(625)	22,822
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,110)	(136,312)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	330,145	466,457
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 319,035	\$ 330,145

(The accompanying notes are an integral part of the consolidated financial statements.)

(Concluded)

SUNF PU TECHNOLOGY CO., LTD AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Sunf Pu Technology Co., Ltd (the “Corporation”) was incorporated under the provisions of the Corporation Law of the Republic of China (ROC) in April 1983. The Corporation is mainly engaged in Manufacture and trade of wires for 3C products such as computer wires and telephone wires.

The Corporation’s shares have been listed on the Taiwan Stock Exchange (TWSE) since October 2000. And it was officially listed for trading on March 12, 2001.

The consolidated financial statements of the Corporation and its subsidiaries, hereinafter collectively referred to as the Group, are presented in the Corporation 's functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on March 12, 2026.

3. APPLICATION OF NEW, AMENDED REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026.

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

As of the date the consolidated financial statements were authorized for issue, the Group continuously assessing the possible impact of the application of amendments on the Group’s financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note 1: Unless stated otherwise, the above New IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise :

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into Group based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a

whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, The Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies, except specified in Note 3, applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

Functional and presentation currency

The functional currency of the Group is determined based on the primary economic environment in which the entity operates. The Group's consolidated financial statements are presented in New Taiwan dollar, which is the Corporation's functional currency. All financial information presented in New Taiwan dollar has been rounded to the nearest thousand.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate.

The subsidiaries in the consolidate financial statements

The detail information on subsidiaries at the end of reporting period was follows:

Name of Investor	Name of Investee	Main Businesses and products	Percentage of Ownership		Notes
			December 31,2025	December 31,2024	
SUNF PU TECHNOLOGY CO., LTD.	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	Manufacture and trade of wires for 3C products such as computer wires and telephone wires.	100.00	100.00	(1)
SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	XINYA SUNF PU WIRE & CABLE FACTORY.	Manufacture and trade of wires for 3C products such as computer wires and telephone wires.	100.00	100.00	(1)
SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	Manufacture and trade of wires for 3C products such as computer wires and telephone wires.	100.00	100.00	(1)
SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	NEW SUNF PU ELECTRIC WIRE & CABLE(SHENZH EN) CO., LTD.	Manufacture and trade of wires for 3C products such as computer wires and telephone wires.	100.00	100.00	(1)

(1)The above-mentioned subsidiaries included in the consolidated financial report were prepared based on the financial statements audited by accountants during the same period.

(2)Subsidiaries excluded from the consolidated financial statements: None.

d.Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Non-monetary items denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising from the retranslation of non-monetary items in

respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

For the purposes of presenting consolidated financial statements, the financial statements of the Corporation's foreign operations that are prepared using functional currencies which are different from the currency of the Corporation are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the year. The resulting currency translation differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

e. Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

f. Cash and cash equivalents

Cash includes cash on hand, demand deposits and check deposits. Cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

g. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

a) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Measurement categories

Financial assets that meet the following conditions are subsequently measured at amortized cost:

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, debt instrument investments, notes and accounts receivables at amortized cost, other receivables, other financial assets and refundable deposits are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables)

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables, for all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks

and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

d) Financial liabilities and Equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

Financial liabilities are subsequently measured either at amortized cost using effective interest method or at FVTPL.

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or is designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Financial liabilities other than those held for trading purposes and designated as at FVTPL are subsequently measured at amortized cost at the end of each reporting period.

4) Derecognition of financial liabilities.

The Corporation derecognizes financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized.

5) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

h. Inventories

Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Properties, plant and equipment in the course of construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms. Lease modification that resulted from a negotiation with a lessee is accounted for as a new lease from the effective date of modification.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated to the

land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably to the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications.

Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

k. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

l. Impairment of property, plant and equipment, right-of-use asset, intangible assets and assets related to contract costs.

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset, and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of goods. Sales of goods are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables and contract assets are recognized concurrently.

2) Dividend income and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment is established, provided that it is probable that the economic benefits associated with the transaction will flow to the combined Corporation and the amount of income can be reliably measured.

Interest income from financial assets is recognized when the economic benefits are likely to flow into the consolidated Corporation and the amount of income can be reliably measured. Interest income is recognized on an accrual basis based on the time-lapse principal outstanding and the applicable effective interest rate.

n. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and rereasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Rereasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Rereasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans except that rereasurement is recognized in profit or loss.

p. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

q. Earnings per share

The Group discloses the Corporation's basic and diluted earnings per share attributable to ordinary shareholders of the Corporation. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Corporation divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Corporation divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation. The Group's potentially dilutive ordinary shares include convertible corporate bonds and stock options granted to employees.

r. Government Grants

Government grants are not recognized until there is reasonable assurance that the Corporation will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income are recognized in profit or loss on a systematic basis over the years in which the Group recognizes as expenses the related costs that the grants intend to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Critical Accounting Judgements

Business model assessment for financial assets

The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment about all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets and how these are managed, and how the managers of the assets are compensated.

The Group monitors financial assets measured at amortized cost or at fair value through other comprehensive income, and when assets are derecognized prior to their maturity, the Group understands the reasons for their disposal and whether the reasons are consistent with the objective of the business for which the assets were held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and, if it is not appropriate, whether there has been a change in

the business model such that a prospective change to the classification of those assets is proper.

Key Sources of Estimation Uncertainty

a. Estimated impairment of financial assets and contract assets.

The provision for impairment of notes receivables and accounts receivables is based on assumptions on risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions and industrial economic situation as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 8.

b. Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value, and the Group uses estimate to determine the net realizable value of inventory at the end of each reporting period.

Due to rapid technological changes, the Group estimates the net realizable value of inventory for normal waste, obsolescence, and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is determined mainly based on assumptions of future demand within a specific time horizon.

c. Impairment of property, plant and equipment

Impairment of equipment in relation to the production assets is evaluated based on the recoverable amount of the assets, which is the higher of its fair value less costs of disposal and its value in use. Any changes in the market prices, future cash flows or discount rates will affect the recoverable amount of the assets and may lead to the recognition of additional impairment losses or the reversal of impairment losses.

d. Recognition and measurement of defined benefit plans

The net defined benefit liabilities (assets) and the resulting defined benefit costs under the defined benefit pension plans are calculated using the projected unit credit method. Actuarial assumptions comprise the discount rates, rates of employee turnover, expected rates of salary increase, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of related expenses and liabilities.

e. Determination of Lessees' Incremental Borrowing Rates

In determining a lessee's incremental borrowing rate used in discounting lease payments, the Group mainly considers the market risk-free rates, the estimated lessee's credit spreads and secured status in a similar economic environment.

6. CASH AND CASH EQUIVALENTS

	December 31, 2025	December 31, 2024
Cash on hand	\$ 2,137	\$ 2,280
Demand deposits and checking accounts	147,929	224,610
Time deposits	168,969	103,255
	<u>\$ 319,035</u>	<u>\$ 330,145</u>

Refer to Note 30 for the sensitivity analysis of the financial assets.

7. FINANCIAL ASSETS AT AMORTIZED COSTS

	December 31, 2025	December 31, 2024
Time deposits held for more than 3 months	\$ 382,420	\$ 408,574
Pledged time deposits	5,670	5,766
Pledged demand deposits	39,205	9,090
	<u>\$ 427,295</u>	<u>\$ 423,430</u>

a. Refer to Note 30 for information related to credit risk management and impairment evaluation of financial assets at amortized cost.

b. Refer to Note 26 for information related to investments in financial assets at amortized cost pledged as security.

8. NOTES RECEIVABLE, TRADE RECEIVABLES, OTHER RECEIVABLES AND OVERDUE RECEIVABLES, NET

	December 31, 2025	December 31, 2024
At amortized cost		
Notes receivable	\$ 1,033	\$ 514
Allowance for impairment loss	(8)	(8)
	<u>\$ 1,025</u>	<u>\$ 506</u>
Trade receivables	243,504	234,462
Allowance for impairment loss	(68)	(68)
	<u>\$ 243,436</u>	<u>\$ 234,394</u>
Other receivables	<u>\$ 8,321</u>	<u>\$ 15,236</u>
Overdue receivables (Accounting for Other non-current assets)	\$ --	\$ 21,022
Allowance for impairment loss	--	(21,022)
	<u>\$ --</u>	<u>\$ --</u>
	<u>\$ 252,782</u>	<u>\$ 250,136</u>

The average credit period of sales of goods was 30 to 150 days. No interest was charged on the receivables. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

For the receivables past due, the Group applies the simplified approach to providing for expected credit losses prescribed which permits the use of lifetime expected loss provision for all receivables. The provision for loss allowance is based on the Group's historical credit loss

experience and the number of days overdue accounts receivable of individual customer base. For the receivables past due beyond one year and have no other credit guarantee, The Group recognized 100% of the amount as allowance for impairment loss. For the receivables past due within one year.

The Group writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivable based on matrix.

December 31, 2025	Not Past Due	Past Due 1~90 Days	Past Due 91~180 Days	Past Due 181~270 Days	Past Due Over 271 Days	Total
Gross carrying amount	\$ 252,769	\$ --	\$ --	\$ --	\$ 89	\$ 252,858
Loss allowance	(76)	--	--	--	--	(76)
Amortized cost	<u>\$ 252,693</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 89</u>	<u>\$ 252,782</u>

December 31, 2024	Not Past Due	Past Due 1~90 Days	Past Due 91~180 Days	Past Due 181~270 Days	Past Due Over 271 Days	Total
Gross carrying amount	\$ 245,801	\$ 3,666	\$ 657	\$ --	\$ 21,110	\$ 271,234
Loss allowance	(76)	--	--	--	(21,022)	(21,098)
Amortized cost	<u>\$ 245,725</u>	<u>\$ 3,666</u>	<u>\$ 657</u>	<u>\$ --</u>	<u>\$ 88</u>	<u>\$ 250,136</u>

The movements of the loss allowance of trade receivables were as follows:

	For the year ended December 31	
	2025	2024
Balance at January 1	\$ 21,098	\$ 21,098
Less: Net remeasurement of loss allowance	(1,090)	--
Less: Write-off	(19,932)	--
Balance at December 31	<u>\$ 76</u>	<u>\$ 21,098</u>

9. FINANCE LEASE RECEIVABLES

	December 31, 2025	December 31, 2024
Undiscounted lease payments		
Year 1	\$ 67,317	\$ 66,470
Year 2	11,125	66,470
Year 3	--	11,078
Year 4	--	--
Year 5	--	--
	78,442	144,018
Less: Unearned finance income	(1,647)	(5,782)
Less: Loss allowance	(25,189)	(21,275)
Finance lease receivables	<u>\$ 51,606</u>	<u>\$ 116,961</u>
Current	<u>\$ 51,606</u>	<u>\$ 62,328</u>
Non-current	<u>\$ --</u>	<u>\$ 54,633</u>

As of December 31, 2025 and 2024, The Group has overdue financial lease receivables that have not been recovered. The Group considers the past transaction experience of business partners and the future prospects of leasing-related industries as well as the value of collateral held for such finance lease receivables, and recognizes loss provisions for such finance lease receivables after evaluation. The relevant changes in the allowance for losses of financial lease receivables are as follows:

	For the year ended	
	December 31	
	2025	2024
Balance at January 1	\$ 21,275	\$ --
Add: Expected credit loss	3,729	21,380
Less: Write-off	--	--
Foreign exchange translation	185	(105)
Balance at December 31	<u>\$ 25,189</u>	<u>\$ 21,275</u>

10. INVENTORIES, NET

	December 31, 2025	December 31, 2024
Raw materials	\$ 65,190	\$ 64,881
Merchandise	6,503	7,043
Work in progress	114,560	103,724
Finished goods	62,009	72,164
Allowance for inventory valuation	(49,964)	(66,489)
	<u>\$ 198,298</u>	<u>\$ 181,323</u>

In addition to the inventory cost listed as the cost of sales and expenses, due to the reduction of the

inventory to the net realizable value, the loss of the inventory price reduction or the reversal of the inventory price loss due to factors such as subsequent disposal and price recovery has been recognized

(or reduced) The breakdown of operating costs is as follows:

	For the year ended	
	December 31	
	2025	2024
Inventory write-downs(reversal)	\$ (15,193)	\$ (8,553)

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

11. PROPERTY, PLANT AND EQUIPMENT, NET

	Land	Buildings	Machinery Equipment	Other Equipment	Property under Construction	Total
Cost						
January 1,2025	\$ 63,264	\$ 240,810	\$ 421,311	\$ 94,199	\$ --	\$ 819,584
Additions	--	2,994	824	105	--	3,923
Disposals	--	--	(389)	(291)	--	(680)
Reclassification	--	--	(5,925)	(2,265)	--	(8,190)
Effect of foreign currency exchange differences	--	791	1,261	198	--	2,250
December 31,2025	<u>\$ 63,264</u>	<u>\$ 244,595</u>	<u>\$ 417,082</u>	<u>\$ 91,946</u>	<u>\$ --</u>	<u>\$ 816,887</u>
January 1,2024	\$ 63,264	\$ 231,651	\$ 420,965	\$ 93,331	\$ 2,610	\$ 811,821
Additions	--	1,418	213	--	--	1,631
Disposals	--	--	(8,830)	(601)	--	(9,431)
Reclassification	--	2,610	--	--	(2,610)	--
Effect of foreign currency exchange differences	--	5,131	8,963	1,469	--	15,563
December 31,2024	<u>\$ 63,264</u>	<u>\$ 240,810</u>	<u>\$ 421,311</u>	<u>\$ 94,199</u>	<u>\$ --</u>	<u>\$ 819,584</u>
Accumulated depreciation						
January 1,2025	\$ --	\$ 155,024	\$ 408,627	\$ 91,048	\$ --	\$ 654,699
Depreciation expenses	--	7,060	7,589	946	--	15,595
Disposals	--	--	(389)	(276)	--	(665)
Reclassification	--	--	(5,365)	(2,131)	--	(7,496)
Effect of foreign currency exchange differences	--	549	429	170	--	1,148
December 31,2025	<u>\$ --</u>	<u>\$ 162,633</u>	<u>\$ 410,891</u>	<u>\$ 89,757</u>	<u>\$ --</u>	<u>\$ 663,281</u>
Accumulated depreciation						
January 1,2024	\$ --	\$ 143,758	\$ 401,381	\$ 88,996	\$ --	\$ 634,135
Depreciation expenses	--	8,712	8,459	1,074	--	18,245
Disposals	--	--	(8,389)	(435)	--	(8,824)
Reclassification	--	--	--	--	--	--
Effect of foreign currency exchange differences	--	2,554	7,176	1,413	--	11,143
December 31,2024	<u>\$ --</u>	<u>\$ 155,024</u>	<u>\$ 408,627</u>	<u>\$ 91,048</u>	<u>\$ --</u>	<u>\$ 654,699</u>
Carrying amount at						
December 31,2025	<u>\$ 63,264</u>	<u>\$ 81,962</u>	<u>\$ 6,191</u>	<u>\$ 2,189</u>	<u>\$ --</u>	<u>\$ 153,606</u>
December 31,2024	<u>\$ 63,264</u>	<u>\$ 85,786</u>	<u>\$ 12,684</u>	<u>\$ 3,151</u>	<u>\$ --</u>	<u>\$ 164,885</u>

a. As of December 31, 2025 and 2024, please refer to Note 26 for the details of property, plant and equipment pledged as collateral for the Group's long-term loan and financing guarantee.

b. The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings : 3-45 years

Machinery equipment : 5-10 years

Transportation equipment : 5-10 years

Other equipment : 2-8 years

12. LEASE ARRANGEMENTS

a. Right-of -use -assets

	<u>Right of use assets-Land</u>
Cost	
January 1,2025	\$ 1,750
Disposals	--
Effect of foreign currency exchange differences	7
December 31,2025	<u>\$ 1,757</u>
January 1,2024	\$ 1,691
Disposals	--
Effect of foreign currency exchange differences	59
December 31,2024	<u>\$ 1,750</u>
Accumulated depreciation	
January 1,2025	\$ 1,750
Depreciation expenses	--
Disposals	--
Effect of foreign currency exchange differences	7
December 31,2025	<u>\$ 1,757</u>
Accumulated depreciation	
January 1,2024	\$ 1,585
Depreciation expenses	107
Disposals	--
Effect of foreign currency exchange differences	58
December 31,2024	<u>\$ 1,750</u>
Carrying amount at	
December 31,2025	<u>\$ --</u>
December 31,2024	<u>\$ --</u>

b. Lease liabilities

	December 31, 2025	December 31, 2024
Future Minimum Lease Payments		
Within 1 year	\$ 6,410	\$ 6,383
1-5 years	1,068	7,447
Later than 5 years	--	--
Unrealized interest	(182)	(599)
	<u>\$ 7,296</u>	<u>\$ 13,231</u>
Present Value of Minimum Lease Payments		
Within 1 year	\$ 6,233	\$ 5,966
1-5 years	1,063	7,265
Later than 5 years	--	--
	<u>\$ 7,296</u>	<u>\$ 13,231</u>
Current	\$ 6,233	\$ 5,966
Non-current	1,063	7,265
	<u>\$ 7,296</u>	<u>\$ 13,231</u>

Range of discount rate for lease liabilities was as follows:

	December 31, 2025	December 31, 2024
Right to use land	<u>3.97%</u>	<u>3.97%</u>

c. Material leasing activities and terms

Sunf Pu Technology (Dongguan) Co., Ltd. obtained the land use right of 19,999.8 square meters in Dapping Village, Tangxia Town, Dongguan City in 2004 for product manufacturing with a one-time payment while signing the contract, and it is amortized according to the lease term of 50 years. The land use rights are listed under the right-of-use asset.

In 1997, New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd. obtained the land use right of 23,751.9 square meters in the development zone of East Ring Road, Longhua for product manufacturing. The lease payment was adjusted every 10 years as agreed to RMB 1~1.5 yuan per square meter per month. the lease period is 30 years, and the land use right is under the right-of-use assets and lease liabilities.

The Group won't get the right to acquire the above-mentioned leased land use rights on the expiry date of the lease period. However, based on factors such as overall business planning and overall management of the Group, on December 24, 2019, the Board of Directors of the Group transferred the investment to the new subsidiary New Sunf Pu Electric Wire & Cable (Shenzhen) Co., has resolved the transfer of land use rights and building ownership. For relevant information, please refer to Note 32.

d. Other lease information

	For the year ended December 31	
	2025	2024
Expenses relating to short-term leases	\$ --	\$ --
Expenses relating to low-value asset leases	\$ 73	\$ 88
Total cash outflow for leases	\$ (6,480)	\$ (6,466)

Part of the office equipment leased by the Group is classified as short-term leases, whose lease terms are within 1 year, or low-value asset leases. Therefore, the Group has recognized those items for exemption, and thus did not recognize right-of-use assets and lease liabilities for these leases.

13. BORROWINGS

The details on the amount, terms and provisions of the loans were as follows :

December 31, 2025			
	Interest Rate Interval	Year of Maturity	Amount
Collateralized loans	2.225%~2.8%	2026	\$ 300,000
			\$ 300,000
Recognized as :			
Current			
Short-term loans			\$ 300,000
Long-term loans-current portion			--
Non-current			
Long-term loans			--
			\$ 300,000

December 31, 2024			
	Interest Rate Interval	Year of Maturity	Amount
Collateralized loans	2.225%~5.738%	2025	\$ 302,953
			\$ 302,953
Recognized as :			
Current			
Short-term loans			\$ 302,953
Long-term loans-current portion			--
Non-current			
Long-term loans			--
			\$ 302,953

- a. For the information on the Group's exposures to interest rate and liquidity risk, please refer to Note 30.

- b. For the collateral for short-term borrowings, please refer to Note 26.
- c. As of December 31, 2025 and 2024, the borrowing amount yet to be used by the Group are 267,138 thousand and 266,232 thousand dollars, respectively.

14. OTHER PAYABLES

	December 31, 2025	December 31, 2024
Accrued salaries expense	\$ 10,962	\$ 11,177
Remuneration of directors and supervisors	90	90
Accounts payable for professional fees	2,202	2,185
Insurance payable	660	676
Interest expense	240	155
Accrued utilities expense	653	2,165
Sales tax payable	169	34
Taxes payable	27,638	28,081
Output VAT	2,875	3,345
Others	12,628	11,982
	<u>\$ 58,117</u>	<u>\$ 59,890</u>

15. ADVANCES RECEIVED AND OTHER CURRENT LIABILITIES

	December 31, 2025	December 31, 2024
Unearned sales revenue	\$ 450	\$ 745
Unearned rent revenue	23,027	75,748
Others	707	747
	<u>\$ 24,184</u>	<u>\$ 77,240</u>

16. RETIREMENT BENEFIT PLANS

a. Defined contribution plans.

Domestic firms of the Group adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The employees of the Group's subsidiaries in other countries are members of state-managed retirement benefit plans operated by local governments. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The pension expenses of defined contribution plans were as follows :

	For the year ended December 31	
	2025	2024
Operating costs	\$ 1,738	\$ 1,968
Administrative expenses	\$ 6,561	\$ 5,749

b. Defined benefit plans.

The defined benefit plan adopted by Sunf Pu Technology Co., Ltd. in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated based on the length of service and average monthly salaries of the 6 months before retirement. Sunf Pu Technology Co., Ltd. contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy.

c. The amounts included in the balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	\$ 19,669	\$ 18,432
Fair value of plan assets	(3,222)	(2,967)
Net defined benefit assets	<u>\$ 16,447</u>	<u>\$ 15,465</u>

d. Movements in net defined benefit liabilities/assets were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2025	<u>\$ 18,432</u>	<u>\$ (2,967)</u>	<u>\$ 15,465</u>
Service cost			
Current service cost	--	--	--
Net interest expense (income)	246	(24)	222
Profit or loss on liquidation of plan assets	--	--	--
Recognized in profit or loss	<u>246</u>	<u>(24)</u>	<u>222</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	--	(230)	(230)
Actuarial (gain) loss-changes in demographic assumptions	(16)	--	(16)
Actuarial (gain) loss-changes in financial assumptions	417	--	417
Actuarial (gain) loss-experience adjustments	590	--	590
Recognized in other comprehensive income	<u>991</u>	<u>(230)</u>	<u>(761)</u>
Contributions from the employer	--	(1)	(1)
Benefits paid	--	--	--
Balance at December 31, 2025	<u>\$ 19,669</u>	<u>\$ (3,222)</u>	<u>\$ 16,447</u>

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2024	\$ 18,489	\$ (2,693)	\$ 15,796
Service cost			
Current service cost	--	--	--
Net interest expense (income)	177	(15)	162
Profit or loss on liquidation of plan assets	--	--	--
Recognized in profit or loss	177	(15)	162
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	--	(258)	(258)
Actuarial (gain) loss-changes in demographic assumptions	(26)	--	(26)
Actuarial (gain) loss-changes in financial assumptions	(528)	--	(528)
Actuarial (gain) loss-experience adjustments	320	--	320
Recognized in other comprehensive income	(234)	(258)	(492)
Contributions from the employer	--	(1)	(1)
Benefits paid	--	--	--
Balance at December 31, 2024	\$ 18,432	\$ (2,967)	\$ 15,465

e. Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1. Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
2. Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
3. Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

f. The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2025	December 31, 2024
Discount rate	1.35 %	1.60 %
Expected rate of salary increase	3.00 %	3.00 %

g. Sensitivity analysis

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31, 2025	December 31, 2024
Discount rate		
0.25% increase	\$ (416)	\$ (341)
0.10% increase	\$ (169)	\$ (139)
0.25% decrease	\$ 437	\$ 360
0.10% decrease	\$ 172	\$ 142
Expected rate of salary increase		
0.25% increase	\$ 428	\$ 354
0.25% decrease	\$ (410)	\$ (337)
Planned turnover rate		
10% increase	\$ (9)	\$ (8)
10% decrease	\$ 9	\$ 8

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of the pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2025 and 2024.

h. The expected contributions to the plan for the next year and the average duration of the defined benefit obligation as follows:

	December 31, 2025	December 31, 2024
The expected contributions to the plan for the next year	\$ 1	\$ 3,174
The average duration of the defined benefit obligation	8 years	7 years

i. The pension expenses of defined benefit plans were as follows :

	For the year ended December 31	
	2025	2024
Operating costs	\$ --	\$ --
Administrative expenses	\$ 222	\$ 162

j. The employee benefit liabilities are as follows :

	For the year ended	
	December 31	
	2025	2024
Unused leave bonus	\$ 837	\$ 861

In October 2020, the group reached an agreement between the labor and management to settle the seniority of the employees other than the appointed manager, and it was approved by the ministry of labor on December 8, 2020, and 13,708 thousand was paid off in December 2020. As of December 31, 2025 and 2024, the vested payment obligations of the managers appointed by the group were 16,447 thousand and 15,465 thousand respectively.

17. CAPITAL AND OTHER EQUITIES (New Taiwan Dollars as units)

a. Capital stock.

As of December 31, 2025 and 2024, the authorized share capital of the Corporation was 1,500,000,000 yuan (Including employee stock options rated at 100,000,000 yuan) , The paid-in capital is 915,861,240 yuan , common stock , with par value of \$10.

b. Capital surplus.

According to the ROC Company Act, capital surplus can only be used to make up a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring additional paid-in capital should not exceed 10% of the total common stock outstanding. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to issue new stocks should not exceed 10% of the paid-in capital each year.

c. Retained Earnings.

According to the Corporation's Articles of Incorporation, when allocating earnings, the Corporation shall first estimate and reserve the taxes to be paid, offset its accumulated losses, and set aside a legal capital reserve at 10% of the remaining earnings. The remaining amount, combined with the accumulated unappropriated earnings, will be distributed as dividends and bonuses to shareholders, for which the board of directors shall propose a profit-distribution plan and submit to the shareholders' meeting for resolution. The industry to which the Corporation belongs is a well-developed and stable industry, so the dividend policy shall take into consideration the demand for investment funds, the Corporation's financial structure and environment, and taking into account the interests of shareholders and other factors, and the principle that cash dividends shall not be lower than 10% of total dividends. When distributing dividends, cash dividends are the principle, which may be matched with partial stock dividends. The aforementioned cash dividend distribution ratio is in principle not less than 50% of the total dividends distributed. The distribution ratio of the aforementioned surplus provision may be adjusted according to the resolution of the shareholders' meeting, depending on the actual profit

and capital status. For the policies regarding the distribution of employees' compensation and remuneration of directors and supervisors, please refer Note 23.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. Legal reserve may be used to offset deficit. If the Corporation has no deficit and the legal reserve has exceeded 25% of The Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Corporation is required to set aside an additional special capital reserve equivalent to the net debit balance of the other equity items. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

The appropriation of loss proposal of 2024 have been approved in the Corporation's shareholders' meeting held on June 26, 2025

The appropriation of loss proposal of 2023 have been approved in the Corporation's shareholders' meeting held on June 26, 2024.

The above 2025 appropriation for cash dividends is to be presented for approval in the Corporations' shareholders' meeting to be held on June 26, 2026 (expected).

For the information on the profit-distribution plan proposed by the board of directors and the corresponding resolution of the shareholders' meeting, please visit the Market Observation Post System (MOPS), the information-disclosing website launched by Taiwan Stock Exchange (TWSE).

d. Other equity items

Under Other equity items are cumulative amount of exchange differences (net after tax) converted from the financial statements of foreign operating institutions of the Group.

18. EARNINGS PER SHARE

a. Basic EPS

Basic earnings per share of the Group are calculated by dividing the profit and loss attributable to the parent Corporation's common equity holders by the weighted average number of outstanding common shares in the current period.

b. Diluted EPS

Diluted earnings per share are calculated by adjusting the profit and loss attributable to the common equity holders of the parent Corporation and the weighted average number of outstanding common shares to the effects of all potentially dilutive securities.

	For the year ended	
	December 31	
	2025	2024
Consolidated basic EPS		
Net income available to common shareholders of the parent Corporation	\$ 10,391	\$ 607
Number of Outstanding Shares (in thousands)	91,586	91,586
Basic EPS	\$ 0.11	\$ 0.01

	For the year ended December 31	
	2025	2024
Consolidated Diluted EPS		
Net income available to common shareholders of the parent, adjusted for the effect of potentially dilutive ordinary shares	\$ 10,391	\$ 607
Number of Outstanding Shares (in thousands)	91,586	91,586
Effect of potentially dilutive ordinary shares Bonuses issued to employees	24	--
Number of Outstanding Shares (in thousands)	91,610	91,586
Diluted EPS	\$ 0.11	\$ 0.01

If the Corporation settles the bonuses or remuneration paid to employees in cash or shares, the Corporation presumed that the entire amount of the bonus or remuneration would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as effect is dilutive. Such, dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

19. OPERATING REVENUE

	For the year ended December 31	
	2025	2024
Asia	\$ 705,389	\$ 761,667
Americas	62,961	75,552
Europe	1,970	1,094
	\$ 770,320	\$ 838,313

	For the year ended December 31	
	2025	2024
Network wire	\$ 414,122	\$ 478,189
Wires for computer peripherals	349,456	344,902
Others	6,742	15,222
	\$ 770,320	\$ 838,313

20. OTHER INCOME

	For the year ended December 31	
	2025	2024
Government subsidy income	\$ 2,959	\$ 392
Others	830	1,143
	<u>\$ 3,789</u>	<u>\$ 1,535</u>

21. OTHER GAINS AND LOSSES

	For the year ended December 31	
	2025	2024
(Loss) Gain on foreign exchange, net	\$ (6,119)	\$ 6,825
Loss disposal of property, plant and equipment, net	(15)	(544)
Others	(214)	(18)
	<u>\$ (6,348)</u>	<u>\$ 6,263</u>

22. FINANCE COSTS

	For the year ended December 31	
	2025	2024
Interest on borrowings	\$ 6,868	\$ 8,959
Interest on lease liabilities	406	644
	<u>\$ 7,274</u>	<u>\$ 9,603</u>

23. ADDITIONAL INFORMATION ON EXPENSES**a. Depreciation and amortization**

	For the year ended December 31	
	2025	2024
Property, plant and equipment	\$ 15,595	\$ 18,245
Right-of-use assets	--	107
	<u>\$ 15,595</u>	<u>\$ 18,352</u>

	For the year ended December 31	
	2025	2024
An analysis of depreciation by function		
Recognized in operating costs	\$ 15,253	\$ 17,867
Recognized in operating expenses	342	485
	<u>\$ 15,595</u>	<u>\$ 18,352</u>

b. Employee benefit expenses

	For the year ended December 31	
	2025	2024
Short-term employee benefits	\$ 137,621	\$ 137,140
Post-employment benefits		
Defined contribution plans (Note 16)	8,299	7,717
Defined benefit plans (Note 16)	222	162
	8,521	7,879
	<u>\$ 146,142</u>	<u>\$ 145,019</u>

	For the year ended December 31	
	2025	2024
Employee benefits expense summarized by function		
Recognized in operating costs	\$ 82,323	\$ 82,154
Recognized in operating expenses	63,819	62,865
	<u>\$ 146,142</u>	<u>\$ 145,019</u>

- (1)According to the Corporation's articles, if there is a profit in the current year, the Corporation accrued employees' compensation at rate of 3% to 10% and remuneration of directors within 5%. However, if the Corporation still has accumulated losses, it should be reserved in advance to make up for it Amount, the rest will be appropriated according to the aforementioned ratio, and will be distributed by the board of directors in the form of stock or cash distribution, and the distribution objects include employees of subordinate companies who meet certain conditions.
- (2)In accordance with the amendments to the Securities and Exchange Act on August 7, 2024, Corporation resolved the amendments to its Articles of Incorporation at the June 26, 2025 shareholders meeting. The amendments explicitly stipulate that Corporation accrued employees' compensation at rate of 3% to 10% (among which not less than 60% as profit sharing bonuses to entry-level employees) and remuneration of directors within 5%.
- (3)According to the Corporation's articles, the estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Corporation's articles. These remunerations were expensed under operating expenses for the periods. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the years ended December 31, 2025 and 2024, the employees' compensation and the remuneration of directors are as follows:

Accrual rate

	For the year ended December 31	
	2025	2024
Employees' compensation(Note)	3%	\$ --%
Remuneration of directors (Note)	1%	--%

Amount

	For the year ended December 31	
	2025	2024
Employees' compensation(Note)	\$ 231	\$ --
Remuneration of directors (Note)	77	--
	<u>\$ 308</u>	<u>\$ --</u>

(Note) As the Corporation had accumulated losses for the 2024; the employees' compensation and remuneration of director are not estimated.

(4)If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

(5)Both of the year 2024 and 2023, the Corporation are accumulated losses, therefore, the employees' compensation and remuneration of director are not estimated.

(6)Information on the employees' compensation and remuneration of directors resolved by Sunf Pu Technology Co., Ltd.'s Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

24. INCOME TAX

a. Income tax recognized in profit or loss

Major components of tax expense recognized in profit or loss are as follows: :

	For the year ended December 31	
	2025	2024
Current income tax expense		
In respect of the current year	\$ 5,544	\$ 2,245
Adjustments for prior year	16	(8,999)
Deferred income tax expense		
The recognition and reversal of temporary differences	--	--
Income tax expense recognized in profit or loss	<u>\$ 5,560</u>	<u>\$ (6,754)</u>

b. Income tax profit or (expense) at the statutory rate

	For the year ended December 31	
	2025	2024
Income(Loss) before Income tax	\$ 15,951	\$ (6,147)
Income tax based on the Corporation's domestic tax rate	2,078	777
Tax rate difference effect for overseas jurisdictions	5,544	454
Income that should be ratified by tax regulation	52	74
Previous income tax (overstatement) understatement	16	(8,999)
Change in unrecognized deductible temporary differences	(4,149)	940
Unrecognized loss carry forward	2,019	--
	<u>\$ (5,560)</u>	<u>\$ (6,754)</u>

For the years ended December 31, 2025 and 2024, the Group applied a tax rate of 20% for entities subject to the R.O.C. Income Tax Law; for other jurisdictions, taxes are calculated using the applicable tax rate for each individual jurisdiction.

c. The Group has not recognized income tax expense under other comprehensive Income (Loss).

d. Deferred tax

The movements of deferred tax liabilities were as follows:

	For the year ended December 31	
	2025	2024
Temporary differences		
Land value increment tax	\$ 27,210	\$ 27,210

e. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

For the year ended December 31, 2025

	January 1,2025	Recognized in profit or loss	December 31,2025
Deferred tax assets			
Allowance for impairment of debts	\$ 4,119	\$ --	\$ 4,119
Unrealized loss on inventories	4,016	(504)	3,512
Deferred tax liabilities			
Unrealized foreign exchange gain/loss	(330)	(100)	(430)
Investment accounted for using the equity method	(175,932)	3,545	(179,477)
	(168,127)	(4,149)	(172,276)
Amount not recognized as deferred tax liabilities	168,127	4,149	172,276
Total Deferred tax assets(liabilities)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

For the year ended December 31, 2024

	January 1,2024	Recognized in profit or loss	December 31,2024
Deferred tax assets			
Allowance for impairment of debts	\$ 4,119	\$ --	\$ 4,119
Unrealized loss on inventories	5,515	(1,499)	4,016
Deferred tax liabilities			
Unrealized foreign exchange gain/loss	376	(706)	(330)
Investment accounted for using the equity method	(179,077)	3,145	(175,932)
	(169,067)	940	(168,127)
Amount not recognized as deferred tax liabilities	169,067	(940)	168,127
Total Deferred tax assets(liabilities)	\$ --	\$ --	\$ --

f. Assessment of income tax

The Corporation's income tax returns of the year through 2023 were assessed by the Taipei National tax Administration.

25. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which were related parties of the Corporation, had been eliminated on consolidation and are not disclosed in this note. Besides as disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties and relationships

Related Parties	Relationships with the Group
All directors, general managers and vice general managers	Major members of whom the Management of the Group consists

b. Compensation of key management personnel :

	For the year ended December 31	
	2025	2024
Short-term employee benefits	\$ 14,950	\$ 14,732
Post-employment benefits	--	--
Other long-term employee benefits	--	--
Post-employment Benefits	--	--
Share-based payment	--	--
	\$ 14,950	\$ 14,732

For detailed information on the major members of the management, please refer to the Group's annual report.

26. PLEDGED ASSETS

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Property, plant and equipment		
Land	\$ 63,264	\$ 63,264
Building	<u>13,128</u>	<u>13,451</u>
	<u>76,392</u>	<u>76,715</u>
financial assets at amortized costs		
Pledged time deposits	5,670	5,766
Pledged reimbursement account	<u>39,205</u>	<u>9,090</u>
	<u>44,875</u>	<u>14,856</u>
	<u>\$ 121,267</u>	<u>\$ 91,571</u>

The above assets pledged as collateral for the Group's long-term loan and financing guarantee.

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. Significant unrecognized commitments: None

b. Contingencies:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Deposits and Payables of Guaranteed Notes	<u>NTD 78,000</u>	<u>NTD 78,000</u>
Deposits and Payables of Guaranteed Notes	<u>USD 1,500</u>	<u>USD 1,500</u>

28. SIGNIFICANT LOSSES FROM DISASTERS : None**29. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD : None****30. FINANCIAL RISK MANAGEMENT :**

The Group's Finance Department provides services to overall planning and coordination of domestic and international financial market operations to the business, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis.

The significant financial activities of the Corporation and its subsidiaries are reviewed by the board of directors in accordance with relevant regulations and internal controls. The finance department follows the accountability and related financial risk control procedures required by the Corporation and its subsidiaries for executing financial projects.

a. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of following:

- (1) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- (2) The amount of contingent liabilities arising from the provision of financial guarantees by the group.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. The Group also uses certain credit enhancement instruments such as advances received at appropriate times to reduce the credit risk of specific customers.

In order to minimize credit risk, the management of the Group has delegated a person responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

As of December 31, 2025 and 2024, receivables from top ten customers represented 75.14% and 64.48% of the total trade receivables of the Group, respectively. The credit concentration risk of other contract assets and accounts receivables was insignificant.

The Group's exposure to financial credit risk which pertained to bank deposits and foreign exchange derivatives trading Contract were evaluated and monitored by Corporate Treasury function. The Group only deals with creditworthy counterparties and banks so that no significant credit risk was identified.

For notes receivable, trade receivables and other receivables for credit risk exposure information, refer to Note 8. Other Financial assets at amortized cost include time deposits and restricted bank deposits and other financial assets, refer to Note 7.

b. Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. the Group had available unutilized short-term bank loan facilities set out in Note 13.

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	With 3 months	3-12months	1-5years	Over 5 years
December 31,2025					
Non-derivative financial liabilities					
Short-term borrowings	\$ 300,000	\$ 301,132	\$ --	\$ --	\$ --
Other payables	58,117	30,304	23,865	3,948	--
Lease liabilities	7,296	1,603	4,808	885	--
Notes payable and Trade payables	22,106	22,106	--	--	--
	<u>\$ 387,519</u>	<u>\$ 355,145</u>	<u>\$ 28,673</u>	<u>\$ 4,833</u>	<u>\$ --</u>
December 31,2024					
Non-derivative financial liabilities					
Short-term borrowings	\$ 302,953	\$ 280,928	\$ 23,224	\$ --	\$ --
Other payables	59,890	28,430	14,999	16,461	--
Lease liabilities	13,231	1,596	4,787	7,447	--
Notes payable and Trade payables	26,740	26,740	--	--	--
	<u>\$ 402,814</u>	<u>\$ 337,694</u>	<u>\$ 43,010</u>	<u>\$ 23,908</u>	<u>\$ --</u>

The Consolidated Corporation does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

c. Market risk

Market risk is the risk that changes in the market, such as foreign exchange rates and interest rates of that will affect the Consolidated Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group buys and sells derivatives instruments, and incurs financial liabilities, in order to manage market risks. All such transactions are executed in accordance with the Group's procedures for conducting derivative transactions which were approved by the Board of Directors.

(1)Exposure to currency risk

The carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies of the Group on the balance sheet date are as follows:

	December 31, 2025			December 31, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items						
USD	\$ 8,868	31.425	\$ 278,677	\$ 6,552	32.790	\$ 214,840
HKD	1,181	4.036	4,767	2,333	4.224	9,855
CNY	3,537	4.498	15,909	3,663	4.479	16,407

	December 31, 2025			December 31, 2024		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial liabilities						
Monetary items						
USD	\$	46	31.425	\$	704	32.790
HKD		134	4.036		134	4.224
CNY		21	4.498		23	4.479

(2)Sensitivity analysis

The Group's exposure to foreign currency risk arises from the foreign currency exchange gains and loss resulted from the translation of cash and cash equivalents, trade receivables, other receivables, trade payables and other payables which are denominated in foreign currencies. A strengthening (weakening) of 1% of the NTD against the USD and the HKD and the CNY on December 31, 2025 and 2024, would have increased or decreased the profit before tax by 2,972 thousand and 2,174 thousand, respectively. The analysis assumed that all other variables remain constant and is performed on the same basis for both periods. Since the Group has different functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed in aggregate amount. For the years 2025 and 2024, foreign exchange gain (loss) (including realized and unrealized portions) amounted to (6,119) thousand and 6,825 thousand, respectively.

(3)Interest rate analysis

The Group's main borrowings are interest-bearing at fixed rates, and there is no risk of major interest rate changes.

d. Fair value of financial instruments

(1)Types and fair values of financial instruments

The carrying amount and fair value of the Consolidated Corporation's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value and Investments in equity instruments that have no quotation in an active market and whose fair value cannot be reliably measured, the disclosure of fair value information is not required :

	December 31, 2025				
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost (Note 1)	\$ 1,051,648	\$ --	\$ --	\$ --	\$ --
Financial liabilities at amortized cost (Note 2)	\$ 387,519	\$ --	\$ --	\$ --	\$ --

	December 31, 2024				
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost (Note 1)	\$ 1,121,598	\$ --	\$ --	\$ --	\$ --
Financial liabilities at amortized cost (Note 2)	\$ 402,814	\$ --	\$ --	\$ --	\$ --

Note 1 : The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes and accounts receivable, Finance lease receivables, other receivables, Overdue receivables (Accounting for Other non-current assets) and refundable deposits.

Note 2 : The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes payable, accounts payable, other payables, lease liabilities and guarantee deposits received.

(2) Fair value measurement recognized in the consolidated balance sheet.

The following table provides an analysis of financial instruments measured by fair value after original recognition. The measurement method is divided into levels 1 to 3 based on the extent to which the fair value can be observed.

- a. Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- b. Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- c. Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(3) Evaluation techniques and assumptions used to measure fair value.

The fair value of financial assets and financial liabilities is the amount for which the instrument is bought or sold in a current transaction with a willing party (rather than by force or liquidation). The methods and assumptions used in estimating the fair value of the Group's financial assets and financial liabilities are as follows:

- a. The fair value of cash and cash equivalents, notes receivable, trade receivables, payables and short-term borrowings approximates the book value mainly due to the short maturity period of such instruments.
- b. The fair value of the foreign currency option contract is measured by the forward exchange rate quotation and the corresponding yield curve.

31. CAPITAL MANGEMENT

Key management personnel of the Group review the capital structure on a quarterly basis. As part of this review, the key management personnel of the Group consider the cost of capital and the risks associated with each class of capital. Based on the recommendations of the key management personnel, the Group expects to balance its capital structure through the payment of dividends and cash capital increase to reduce debt.

32. OTHER ITEMS

- a. Based on factors about overall business planning and overall management of the Corporation, on December 24, 2019, the board of directors of the Corporation approved the New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd. invested by the through a third-party jurisdiction transfer the land use right and building ownership located in the Longhua Donghuan 2nd Road Development Zone.

In addition, New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd. which is invested by the Corporation on behalf of a third place, issuing a valuation report on land use rights and building ownership through a real estate appraiser and The opinion letter issued by the accounting C.P.A.'s firm on the rationality of the real estate price is used to evaluate the feasibility of proposing a land lease relationship transfer agreement with Shenzhen Shunting Investment Co., Ltd., with a total transaction amount of RMB 50 million.

On March 20, 2020, the board of directors of the Corporation in lieu of New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd, which invested on behalf of the third place to pass the resolution of transferring the land lease right and building ownership (including 23,751.9 square meters area and the remaining 7-year land use right), to Shenzhen Shuntaixin Investment Co., Ltd. with a total transaction amount of RMB 50 million.

However, due to Shenzhen Shuntaixin Investment Co., Ltd. changed the investment structure, On May 6, 2020, the board of directors of the Corporation in lieu of New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd. which invested on behalf of the third place to pass the resolution of changing the buyer as Shenzhen Shuntai Xin Investment Co., Ltd., a subsidiary 100% hold by Shenzhen Shuntaiyuan Investment Co., Ltd. On June 19, 2020, the two parties completed the signing of the land lease relationship transfer agreement, on June 29, 2020, January 15, 2021, October 19, 2021, October 21, 2021, November 10, 2021, January 5, 2022, June 25, 2024, January 24, 2025, February 14, 2025, March 18, 2025, April 9, 2025, May 14, 2025, June 17, 2025, July 15, 2025, September 23, 2025, October 15, 2025, November, 18, 2025 and December 5, 2025, RMB 10 million, RMB 15 million, RMB 5.5 million, RMB 2.5 million, RMB 2 million, RMB 5 million, RMB 0.5 million, RMB 0.04 million, RMB 0.04 million, RMB 0.04 million, RMB 0.04 million, RMB 0.04 million, RMB 0.04 million, RMB 0.04 million, RMB 0.04 million and RMB 0.04 million were collected, respectively. which are listed as deposits received account. As of the date of the financial report, the remaining balance was RMB 9.06 million. According to the agreement between the two parties, if the amount is not recovered by the end of 2026, the real estate provided by Shenzhen Zhenchang Property Management Co., Ltd., an affiliated enterprise invested by Shenzhen Shuntaiyuan Investment Co., Ltd., will be used as repayment. However, the current market value of the real estate has not been measured and it has not been pledged to Xinsongpu Plastic Wire (Shenzhen) Co., Ltd., in which the Company invests. Therefore, an impairment loss of RMB 5.6 million was recorded.

In addition, New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd., relocated from its factory in the area at the end of May 2023 in accordance with the agreement, meanwhile, it subleased the land and buildings to Shenzhen Shuntaiyuan Investment Co., Ltd., The Corporation recognized sublease income of RMB 18,559 thousand yuan (recognized as other income) after deducting relative relocation expenses and offset the lease receivable in

installments based on the lease duration. For related information, see Note 9.

- b. Since the order of New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd. has slashed and the fixed costs raised yearly that caused a severe loss. Besides, in order to comply with the contract specifications of land rights and buildings transfer, on March 29, 2023, the board of directors of the Corporation was in lieu of passing a resolution for New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd. to suspend business operations from April 30, 2023. Afterwards, all the factories in the area have been relocated before May 31, 2023, and the existing orders have been transferred gradually to related party, Sunf Pu technology (Dongguan) Co., Ltd., for manufacturing. After assessment by the management, customer orders and production capacity will not be affected. In the future, the management will reassess whether the operating structure of New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd. need to be modified or not, depends on the market trends in China.

33. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions :

- (1) Financing provided to others : (Table 1)
- (2) Endorsements/guarantees provided : (Table 2).
- (3) Significant marketable securities held (excluding investments in subsidiaries associates and joint ventures) : None.
- (4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital : (Table 3).
- (5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: (Table 4).
- (6) Intercompany relationships and significant intercompany transactions. : (Table 5).

b. Information On Investees: (Table 6).

c. Information on investments in mainland China :

- (1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area: (Table7).
- (2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses :
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period : (Table3).
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period : (Table3).
 - c) The amount of property transactions and the amount of the resultant gains or losses : None.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes : (Table2).
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds : (Table 1).

- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services : (Table 5).

34. SEGMENT INFORMATION

a. General information

The Group is mainly engaged in the single industry of manufacturing 3C product lines. The board of directors is the decision-maker for the operation. The board of directors regards the Corporation as a single performance management entity and uses the financial data of the overall Corporation's financial statements as the basis for evaluating performance, making decisions, and allocating resources. Based on the identified Group as a single reportable department.

b. Measurement of segment information

The group's board of directors mainly evaluates the performance of the operating department based on the Corporation's monthly financial statements.

c. Information on departmental profit and loss, assets, and liabilities

The Group is a single reportable department, and the departmental profit and loss, assets and liabilities are the profit and loss, assets and liabilities listed in the financial statements.

d. Reconciliation information of department profit and loss, assets, and liabilities

The Group is a single reportable department, and the department's profit and loss, assets and liabilities are the profits and losses, assets and liabilities listed in the financial statements, so there is no adjustment information.

SUNF PU TECHNOLOGY CO., LTD AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2025**

(Amounts in Thousands of New Taiwan Dollars)

(Table 1)

No. (Note 1)	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing	Business Transaction Amount	Reasons for Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
2	SUNFPU TECHNOLOGY (DONGGUAN) CO., LTD.	SUNF PU ELECTRIC WIRE&CABLE CO., LTD.	Other receivables	YES	6,499	3,786	3,786	--	Short-term financing	--	Operating capital	--	--	--	130,559 (Note4)	261,118 (Note4)

Note 1 : The Company and its subsidiaries are coded as follows:

- a. The Company is coded “0”.
- b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2 : The ceiling on total loans granted by the Company to all parties is 40% of the net assets value of the Company; the ceiling on single loan granted by the Company to all parties is 20% of the net assets value of Sunf Pu Technology Co., Ltd.

Note 3 : The ceiling on total loans granted by a foreign subsidiary to all parties is 40% of the net assets value of lender; the ceiling on single loan granted by a domestic subsidiary to all parties is 20% of the net assets value of Sunf Pu Electric Wire& Cable Co., Ltd.

Note 4 : The ceiling on total loans granted by a foreign subsidiary to all parties is 40% of the net assets value of lender; the ceiling on single loan granted by a domestic subsidiary to all parties is 10% of the net assets value of Sunf Pu Technology (Dongguan) Co., Ltd.

SUNF PU TECHNOLOGY CO., LTD AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

(Table 2)

Endorsement/ Guarantee Provider		Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 3)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company Guarantee Provided by A	Guarantee Provided by Parent Company Guarantee Provided by A	Guarantee Provided by Parent Company Guarantee Provided by A
No. (Note 1)	Name	Name	Nature of Relationship								Subsidiary Guarantee Provided to Subsidiaries in Mainland China	Subsidiary Guarantee Provided to Subsidiaries in Mainland China No. (Note 1)	Subsidiary Guarantee Provided to Subsidiaries in Mainland China Name
0	SUNF PU TECHNOLOGY CO.,LTD.	SUNF PUELECTRIC WIRE&CABLECO, LTD.	Subsidiary	482,193	49,793	47,138	--	--	4.89%	482,193	YES	NO	NO

Note 1 : The Company and its subsidiaries are coded as follows:

- The Company is coded “0”.
- The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2 : The maximum limit of endorsements and guarantees provided by the Company shall not exceed 50% of its net worth based on the current financial statements.

Note 3 : The limit of endorsements and guarantees provided by the Company to a single overseas affiliated company shall not exceed 50% of its net worth based on the current financial statements.

SUNF PU TECHNOLOGY CO., LTD AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

(Table 3)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Trade (Payable) or Receivable		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
SUNF PU ELECTRIC WIRE&CABLE CO.,LTD.	SUNF PU TECHNOLOGY(DONGGUAN)CO., LTD.	Subsidiary	Purchase	187,697	Note	Note	Note	Note	Trade payables 59,911	19.54 %	--

Note : The parent company purchases and sells goods/materials from related parties and non-related parties. Since there is no similar product to compare, it is impossible to compare the prices of purchased and sold goods/materials. Therefore, the price is determined in accordance with the parent company's "Related Party Transaction Management Law". The terms of payment to related parties are monthly T/T.

SUNF PU TECHNOLOGY CO., LTD AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

December 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

(Table 4)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note)	Allowance for Impairment Loss
					Amount	Actions Taken		
NEW SUNF PU ELECTRIC WIRE & CABLE(SHENZHEN) CO., LTD.	SUNF PU ELECTRIC WIRE&CABLE CO., LTD.	The parent company	246,652	-	246,652	Cooperate with funding needs and agree to schedule according to their funding status	-	--

Note : Amount recovered as of February 28, 2026.

SUNF PU TECHNOLOGY CO., LTD AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025**

(Amounts in Thousands of New Taiwan Dollars)

(Table 5)

No. (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statements Item	Amount	Terms % of Consolidated Net Revenue or Total Assets	Terms % of Consolidated Net Revenue or Total Assets
0	SUNF PU TECHNOLOGY CO., LTD.	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	1	Purchase	57,377	Note 5	7.45 %
0	SUNF PU TECHNOLOGY CO., LTD.	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	1	Sales	8,185	Note 7	1.06 %
0	SUNF PU TECHNOLOGY CO., LTD.	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	1	Trade payables	19,236	Note 5	1.35 %
0	SUNF PU TECHNOLOGY CO., LTD.	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	1	Other receivables	2,175	Note 8	0.15
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Sales	257	Note 4	0.03 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Sales	5,221	Note 7	0.68 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Purchase	187,697	Note 5	24.37 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Trade receivables	25	Note 4	-- %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Trade payables	59,911	Note 5	4.22 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Other payables	3,786	Note 6	0.27 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Other payables	3,936	Note 8	0.28 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Advances received	4,632	Note 4	0.33 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Cost of goods sold	9,286	Note 8	1.21 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	NEW SUNF PU ELECTRIC WIRE &CABLE(SHENZHEN) CO., LTD.	3	Trade payables	246,652	Note 5	17.36 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	NEW SUNF PU ELECTRIC WIRE &CABLE(SHENZHEN) CO., LTD.	3	Other payables	5,655	Note 8	0.40 %

Note 1 : The Company and its subsidiaries are coded as follows:

- a. The Company is coded “0”.
- b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2 : The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above

- a. From the parent company to its subsidiary.
- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 3 : The percentage calculation is based on the consolidated total operating revenues or total assets. For balance sheet items, each item's period-end balance is shown as a percentage to consolidated total assets as of December 31, 2025. For profit or loss items, cumulative amounts are shown as a percentage to consolidated total operating revenues for the year ended December 31, 2025.

Note 4 : The parent company sells to related parties and non-related parties. Since there is no similar product to compare, it is impossible to compare prices. Therefore, the price is determined in accordance with the parent company's "Related Party Transaction Management Law". The payment condition for the related party is 120 days per month, but when the related party's collection period is necessary, in order to meet its capital turnover needs, it is agreed to collect it in installments depending on its fund status, and transfer the exceeded normal credit period to other receivables.

Note 5 : The parent company purchases goods/materials from related parties and non-related parties, because there is no similar product to compare, so the price cannot be compared. Therefore, the price is determined in accordance with the parent company's "Related Party Transaction Management Law". The terms of payment to related parties are monthly T/T.

Note 6 : Fund loans and payments and interest calculated at the loan rate.

Note 7 : The account of the sales service agreement.

Note 8 : Advance payment etc.

SUNF PU TECHNOLOGY CO., LTD AND SUBSIDIARIES

**NAMES, LOCATIONS, AND RELATED INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2025**

(Amounts in Thousands of New Taiwan Dollars)

(Table 6)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership (%)	Carrying Amount			
SUNF PU TECHNOLOGY CO., LTD.	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	Samoa Islands	Manufacture and trade of wires for 3C products such as computer wires and telephone wires.	226,272	226,272	7,181	100%	942,970	17,723	17,723	Note 1

Note 1 : The financial statements of each invested company that have been audited by accountants during the same period and calculated according to the shareholding ratio of the parent company.

SUNF PU TECHNOLOGY CO., LTD AND SUBSIDIARIES

**INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025**

(Amounts in Thousands of New Taiwan Dollars)

(Table 7)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025 (Note5)
					Outflow	Inflow						
XINYA SUNF PU WIRE & CABLE FACTORY.	Manufacture and trade of wires for 3C products such as computer wires and telephone wires.	67,197	(4)	67,197	--	--	67,197	--	100%	-- (Note 1)	--	--
SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	Manufacture and trade of wires for 3C products such as computer wires and telephone wires.	219,150	(4)	46,953	--	--	46,953	22,734	100%	22,734 (Note 1)	652,796	154,848
NEW SUNF PU ELECTRIC WIRE & CABLE(SHENZH EN) CO., LTD.	Manufacture and trade of wires for 3C products such as computer wires and telephone wires.	73,098	(4)	73,098	--	--	73,098	(14,257)	100%	(14,257) (Note 1)	597,266	--

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Investment Amounts Authorized by Investment Commission, MOEA
330,456 (Note 3) (Note 5) (Note 6) (Note 7)	751,619 (Note 2) (Note 8)	578,631

Note 1 : The financial statements of each invested company that have been audited by accountants during the same period and calculated according to the shareholding ratio of the investment company.

Note 2 : Converted at the spot exchange rate on the balance sheet date.

Note 3 : Investment Amounts Authorized by the Investment Commission approved an amount of USD 18,776 thousand dollars, including remittance and reinvestment of Sunf Pu Technology (Suzhou) Co., Ltd. and Sunf Pu Technology (Dongguan) Co., Ltd. by the subsidiary Sunf Pu Electric Wire & Cable Co., Ltd. with its own funds USD 11,123 thousand dollars. The investment fund has not been remitted from the parent company.

Note 4 : Reinvest in mainland companies through the third region.

Note 5 : Sunf Pu Technology (Dongguan) Co., Ltd. distributes dividends and remits them to the parent company in Taiwan through Sunf Pu Electric Wire & Cable Co., Ltd.. On April 17, 2019 and May 4 ,2020, respectively, it was reported to Investment Commission, MOEA for future reference. Based on the actual accumulative investment amount of 219,150 thousand dollars (USD 7,029 thousand dollars) remitted out of Taiwan to deduct the accumulated repatriation investment income of 110,401 thousand dollars and 61,796 thousand dollars. The total amount of 172,197 thousand dollars will be transferred to the mainland The accumulated investment amount, after deducting the local tax withholding, has a net remittance of 154,848 thousand dollars to Taiwan.

Note 6 : Due to the integration of resources, the Group passed the resolution of the board of directors on December 20, 2013 to liquidate Sunf Pu Electric (Kunshan) Co., Ltd., the liquidation was completed on September 16, 2015 and the remaining shares were repatriated. The funds were transferred to Sunf Pu Electric Wire & Cable Co., Ltd. in the third region, and the filing was approved by the Investment Review Committee of the Ministry of Economic Affairs on April 15, 2019. However, the proceeds from the liquidation were not repatriated to Taiwan, and the investment plan for the mainland region was not reduced. 68,080 thousand dollars.

Note 7 : The Group sold 100% equity of Sunf Pu Technology (Suzhou) Co., Ltd. through the resolution of the board of directors on December 21, 2017, and after the equity change registration was completed in August 2018, it was also audited by the State Administration of Foreign Exchange of Mainland China in October 2018 Agreed to release the equity price, so it lost control and ceased to be included in the consolidated financial report. The price collected for this

sale of equity was 186,221 thousand dollars. (RMB 41.6 million), which was approved by the subsidiary Sunf Pu Electric Wire & Cable Co., Ltd. Received the full share payment on April 5, and applied to the Investment Review Committee of the Ministry of Economic Affairs for approval on April 17, 2019, but the equity price of USD50,000 thousand dollars was applied to the Investment Review Committee of the Ministry of Economic Affairs for approval on May 8, 2020. And through the subsidiary Sunf Pu Electric Wire & Cable Co., Ltd., it was remitted back to Taiwan in the form of capital reduction in June 2019, and used to offset the amount of investment in the mainland. Therefore, the original approved investment amount was 232,687 thousand dollars after deducting capital reduction and repatriation of equity price of 157,559 thousand dollars., and the investment income from the disposal has not been remitted to Taiwan, so the investment in the mainland has not been reduced by 75,128 thousand dollars.

Note 8 : The approved investment amount also includes a total of USD 4,153 thousand dollars from Sunf Pu Electronics (Kunshan) Co., Ltd. and Sun Pu Technology (Suzhou) Co., Ltd., due to the proceeds from liquidation and the 100% equity transaction have not been repatriated to Taiwan yet.