

Stock Code: 5488

This annual report is available at newmops.tse.com.tw

The Company's website: www.sunfpu.com.tw



SUNF PU TECHNOLOGY CO., LTD.

2023 Annual Report

Published on April 30, 2024

Annual Contents

I.	Letter to Shareholders.....	1
II.	Company Profile.....	4
	1. Date of establishment.....	4
	2. Company history.....	4
III.	Corporate Governance Report.....	8
	1. Organization.....	8
	2. Profiles of Directors, Supervisors, General Manager, Vice General Manager, Deputy Vice General Manager, Division Heads, and Branch Heads.....	10
	3. Corporate governance practices.....	22
	4. Certified public accountant (CPA) fee information.....	51
	5. Information of CPAs change.....	51
	6. Where the company's president, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed.....	51
	7. Directors, supervisors, managerial officers and the shareholders holding more than 10% of the shares in the transfer of shares and pledge of shares under lien, and any change thereof, in the most recent year and up to the date of publication of the annual report.....	52
	8. Information on shareholders among the top 10 by proportion of shareholding and their relationship.....	53
	9. Quantity of shareholdings of the same investee by the Company and Directors, Supervisors, Managerial Officer, and direct or indirect subsidiaries in proportion to the combined holdings of all, and combined to calculate the overall shareholding ratio.....	54
IV.	Capital Overview.....	55
	1. Capital and Shares.....	55
	2. Status of Corporate bond (including overseas corporate bond).....	61

3.	Status of preferred share.....	61
4.	Status of issuing the global depository receipts.....	61
5.	Status of employee stock options.....	61
6.	Status regarding issuance of new shares in connection with mergers or acquisitions of other companies' shares.....	61
7.	Implementation status of capital allocation.....	61
V.	Operational Overview.....	62
1.	Business Content.....	62
2.	Analysis of the market as well as the production and marketing situation.....	67
3.	Employees.....	71
4.	Information on environmental protection expenditure.....	72
5.	Labor-management relations.....	72
6.	Information and communication security management.....	75
7.	Important Contract.....	75
VI.	Financial Status.....	76
1.	Condensed balance sheets and income statements for the most recent five years; names of CPAs and their audit opinions.....	76
2.	Financial analysis for the most recent five years.....	81
3.	Audit Committee' Review Report on the Financial Statement of the most recent year.....	83
4.	CPAs' audit reports; related statements and notes.....	84
5.	The consolidated financial statements of the parent-subsidary companies, for the most recent year, which are audited and attested by CPAs.....	84
6.	In the case of any insolvency of the Company and its affiliates in the most recent year and up to the date of publication of the annual report, in the case of any insolvency, the effects on the financial position of the company shall be listed.....	84
VII.	Review and Analysis of Financial Position and Financial Performance and Risk Matters.....	85
1.	Financial Position.....	85
2.	Financial Performance.....	86
3.	Cash flows.....	87
4.	Impact of significant capital expenditures in the recent fiscal year on financial operations.....	88

5.	Recent changes in re-investment policy, the main reasons for profitability or loss, improvement plans, and investment plans for the coming year.....	88
6.	Risk Management Assessment.....	88
7.	Other Important Matters.....	90
VIII.	Special Disclosure.....	91
1.	Information regarding the Company’s affiliates.....	91
2.	Private placement of securities in the most recent year and up to the date of publication of the annual report.....	93
3.	Subsidiaries’ holding or disposal of the Company’s shares in the most recent year and up to the date of publication of the annual report.....	93
4.	Other necessary supplementary notes.....	93
5.	The matters of primary exchange (or OTC) listed company shall include an explanation of any material differences from the rules of the ROC in relation to the protection of shareholder equity.....	93
6.	Any matter in the most recent year and up to the date of publication of the annual report which has a significant impact on shareholders' equity or securities prices as stipulated in subparagraph 2 of paragraph 3 of Article 36 of the Securities and Exchange Act.....	93

SUNF PU TECHNOLOGY CO., LTD.

I. Letter to Shareholders

Dear Shareholders:

The COVID-19 pandemic had been spreading around the world for four years in 2023. Coupled with the influenza virus raging, communication among people had also been affected. International prices as well as prices of livelihood goods and materials had risen due to the limited supply of natural gas, wheat, and sunflower oil caused by the Russia-Ukraine war. The U.S. economy had slowed down. Under the action of destocking, the international economic recovery did not seem to be as smooth as expected.

Mainland China's market was still affected by COVID-19 and the real estate bubble. Both domestic and foreign sales markets were not optimistic. Either industries or consumers adopted a wait-and-see attitude. Both supply and demand were greatly affected.

In 2023, Sunf Pu was affected by the sluggish domestic sales market in Mainland China as well as the destocking of American clients, where clients' notifying of shipments tended to be conservative thereby affecting the sales. Sunf Pu is still continuously developing alternative raw materials and new suppliers internally to reduce manufacturing costs. Through the shortening of new manufacturing processes and mold improvement, it has improved product yield, reduced losses and increases output, thereby increasing product profitability.

1. Future company development strategy: The development strategy for 2024 is still to adhere to the OEM position, develop towards diversified and refined product specifications, develop new clients and new markets, and hope to increase exposure through international exhibition opportunities.

2. Impact of the external competitive environment: The factory in Mainland China had been affected by the pandemic and the real estate downturn, and the manufacturing industry has been operating miserably. The factory in Mainland China had responded by streamlining their recruitment and saving expenses. Although the orders from the United States and Canada for the factory in Taiwan directly reduced the Company's profitability ratio due to inflation and increased transportation costs, Sunf Pu could only develop new clients, research new formulas, and reduce costs by shortening the manufacturing process so as to enhance product competitiveness.

3. Impact of the regulatory environment: Countries have a common understanding of the friendly environment, green and environmental protection as well as safety requirements. Mainland China has also become increasingly strict with environmental assessment, sewage treatment and industrial safety regulations, resulting in increased additional costs for companies. Only by abiding by the law and not being aggressive can stable operations be achieved. Low-carbon life is also a corporate goal in the future.

4. Impact on the overall environment: In 2023, as countries began to self-examine and adjust, the speed of communication between countries was still affected. The main focus of Sunf Pu's factory in Taiwan was to meet the needs of orders from domestic clients in Taiwan as well as orders from the United States and Canada, while the factory in Mainland China focused on the supply of the domestic market in the mainland area and the need to meet the order demand of European and Asian clients. Since China's overall economy was sluggish, the European market had become conservative due to the Russia-Ukraine war. Each of Sunf Pu's factories has its own goals, both of which are aimed at simplifying the manufacturing process. It is expected to improve work efficiency through machine updates and refined manufacturing processes, strengthen personnel education and

training, improve manufacturing yields, reduce production costs, and seek maximized client profits and fast supply of goods as the ultimate goals.

1. Implementation of the business plan

Unit: NT\$ thousand; %

Item	2023	2022	Increased (decreased) amount	Increased (decreased) %
Operating revenue	900,871	1,206,365	(305,494)	(25.32)
Operating cost	809,946	1,061,425	(251,479)	(23.69)
Gross operating (loss) profit	90,925	144,940	(54,015)	(32.27)
Operating expense	117,647	135,778	(18,131)	(13.35)
Net operating (loss) profit	(26,722)	9,162	(35,884)	(391.66)
Net(loss) profit before tax	72,864	22,242	50,622	227.60

2. Budget implementation: The Company had not announced its financial forecast; therefore, this is not applicable. °

3. Status of operating income, expenditure and analysis of profitability

Unit: NT\$ thousand; %

Item		Year	2023	2022	Increased (decreased) %
Financial income and expenditure	Net operating revenue		900,871	1,206,365	(25.32)
	Gross operating (loss) profit		90,925	144,940	(37.27)
	Interest expense		12,048	7,645	57.59
	Net (loss) profit after tax		37,994	18,084	110.10
Profitability	Return on Assets(%)		3.07	1.64	87.20
	ROE(%)		4.23	2.07	104.35
	Ratio to paid-in capital (%)	Operating profit (loss)	(2.92)	1.00	(392.00)
		Net (loss) profit before tax	7.96	2.43	227.57
	Net profit rate		4.22	1.50	181.33
	Earnings per share		0.41	0.20	105.0

4. Research and development status

The ratio of research and development expenses to turnover in the most recent two year

Unit: NT\$ thousand, %

Item \ Year	2023	2022
Research and development expense	7,201	10,394
Ratio to operating revenue	0.80	0.86

Continuously developing new patents and technologies for the specifications of products, hoping to explore new markets and expand the scope of application.

5. Business goals and operating policies

Business goals	Operating policies
1. Improve production efficiency and enhance customer satisfaction	1. Strengthen employee education and training to improve yield 2. Meet the needs of customers for new products and new markets
2. Process improvement	Improve the yield of raw materials, develop new materials and formulations
3. Green energy and environmental protection	Comply with international requirements, use environmentally friendly materials, and reduce energy consumption

Wishing you all good health and the best of luck.

SUNF PU TECHNOLOGY CO., LTD

President LO, KAO-CHENG

Managerial Officer LO, SHIU-YUNG

Accounting Director LEE, CHEN-YANG

II. Company Profile

1. Date of establishment: May 21, 1983

2. Company history:

- 1983: Established with capital of NT\$2 million, "SUNF PU ELECTRIC WIRE & CABLE CO., LTD." was the predecessor of the Company. Its factory was located in Linkou Township, Taipei County (now New Taipei City), and was engaged in the manufacturing of wires and cable for computer and communication related products.
- 1985: (1) In June, the organization was changed to a company limited by shares and increased its capital by NT\$6 million. After the increase in capital, the share capital became NT\$8 million, divided into 80,000 shares, with each share being NT\$100.
(2) A research and development (R&D) department was established to carry out advanced R&D work.
(3) Products were certified by UL (Underwriters Laboratories), a product safety testing laboratory in the United States.
- 1987: (1) In October, the capital was increased by NT\$22 million, and after the increase in capital, the share capital became NT\$30 million.
(2) The products have been certified by CSA (Canadian Standards Association), a product safety testing agency in Canada.
(3) A factory building was purchased, covering an area of about 3,000 ping (c. 9,900 square meters), located in Guishan Township, Taoyuan County.
- 1988: The construction of the new factory was completed, and the Linkou factory was relocated to combine with the Taoyuan factory for integrated production.
- 1989: In November, the capital was increased by NT\$20 million, and after the increase in capital, the share capital became NT\$50 million.
- 1990: Invested in establishing an export-oriented factory in Shenzhen, China.
- 1991: In June, the capital was increased by NT\$30 million, and after the increase in capital, the share capital became NT\$80 million. An application was also made to change the number of shares to 8,000,000, with each share being NT\$10. This change was approved by the competent authority in November.
- 1994: (1) To expand production capacity, investment was made to construct additional factory buildings.
(2) A High-Speed Multi-Pair Twisting Machine was imported and dedicated to the production and development of CATEGORY 5 (CAT5) high-speed network cables.
(3) The Company has received the ISO-9001 (International

Organization for Standardization) certification for quality management.

- 1996: In November, the capital was increased by NT\$30 million, and after the increase in capital, the share capital became NT\$110 million.
- 1997: (1) In September, the capital was increased by NT\$85 million, and after the increase in capital, the share capital became NT\$195 million.
(2) The products have been approved for safety compliance by the Japanese F-MARK.
- 1998: In December, the capital was increased by NT\$55 million, and after the increase in capital, the share capital became NT\$250 million.
- 1999: In September, the capital was increased by NT\$50 million, and after the increase in capital, the share capital became NT\$300 million.
- 2000: In September, the capital was increased by NT\$93.23 million, and after the increase in capital, the share capital became NT\$393.23 million.
- 2001: (1) In March, the Company's shares was officially listed for trading on the TPEX.
(2) In September, the capital was increased by NT\$142.316 million, and after the increase in capital, the share capital became NT\$535.546 million.
(3) Invested in establishing a domestic sale-oriented factory in Shenzhen, China.
(4) CAT6 passed ETL certification.
- 2002: (1) In July, the capital was increased by NT\$174.454 million, and after the increase in capital, the share capital became NT\$710 million.
(2) CAT6 has passed 3P certification.
- 2003: (1) In August, the capital was increased by NT\$81.7 million, and after the increase in capital, the share capital became NT\$791.7 million.
(2) Invested in establishing a factory in Suzhou, China for both domestic and international sales.
- 2004: (1) Stretching and pressing machines were introduced for the production of CMP (Plenum) grade products.
(2) Awarded SONY Green Partner Certificate for the Company's efforts in environmental protection.
- 2005: Received HDMI product safety standard certification.
- 2006: (1) In September, the capital was increased by NT\$44.585 million, and after the increase in capital, the share capital became NT\$836.285 million.
(2) Establishment of vertical integration for connector cables/connectors.

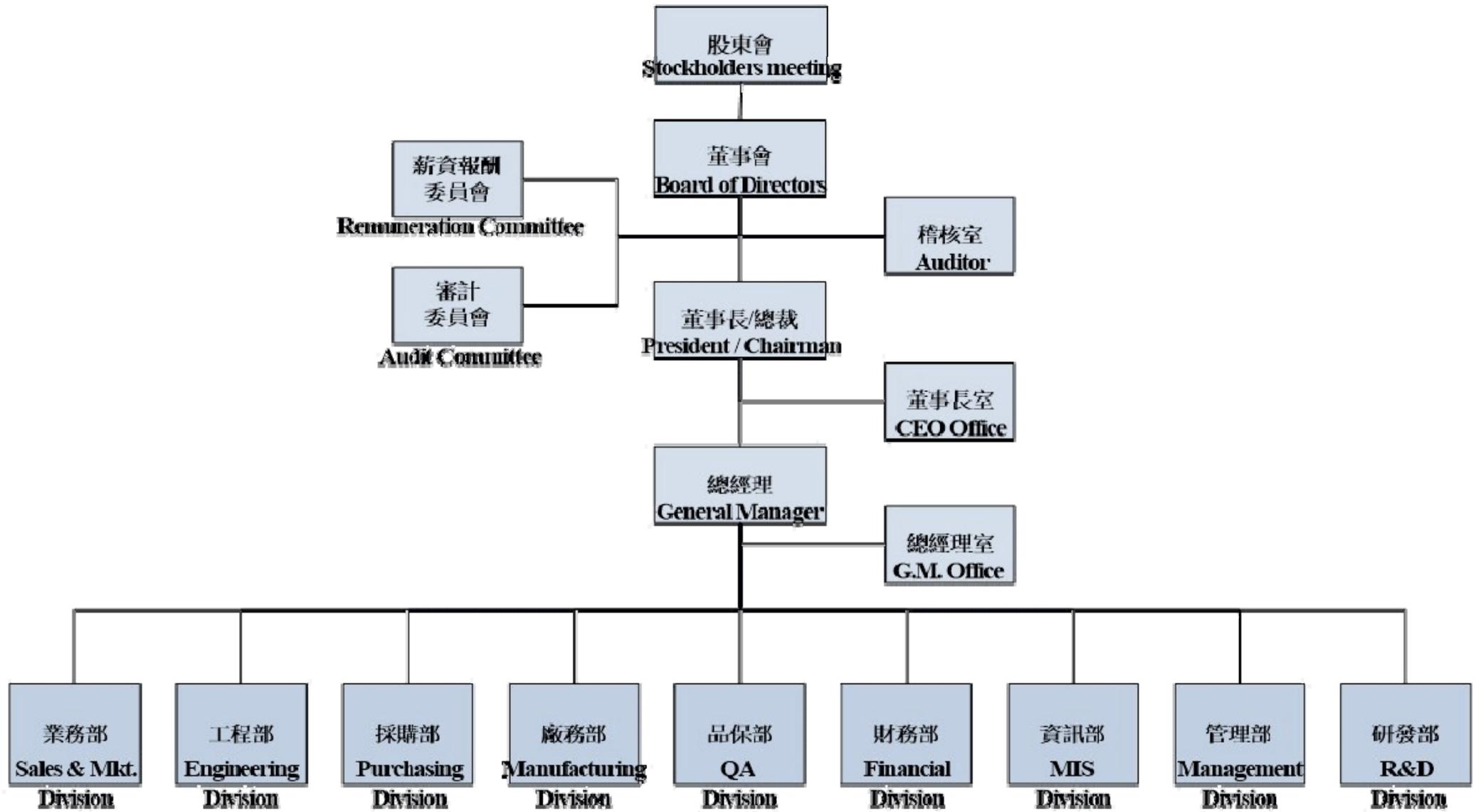
- (3) Additional equipment has been added to the domestic sale-oriented factory in Shenzhen to expand production capacity for the domestic market in China.
- 2007: In October, the capital was increased by NT\$51.81425 million, and after the increase in capital, the share capital became NT\$888.09925 million.
- 2008: (1) In October, the capital was increased by NT\$27.76199 million, and after the increase in capital, the share capital became NT\$915.86124 million.
(2) The new Suzhou factory expanded its production capacity, with operational team joining in.
- 2009: (1) Passed UL's highest fire-resistant CMP network cable certification.
(2) Passed UL's highest fire-resistant CMP HDMI cable certification.
(3) Passed UL's highest fire-resistant CMP audio cable certification.
(4) Passed UL's high fire-resistant and high-bandwidth 10G network cable certification.
(5) Passed UL's high fire-resistant CMR outdoor network cable certification.
(6) Passed UL's high fire-resistant FPLR alarm cable certification.
(7) Passed UL758 fire-resistant, environmentally friendly and halogen-free cable certification.
- 2010: (1) Passed UL's environmental protection and safety cable certification for communication products.
- 2011: (1) On June 29, 2011, XINYA SUNF PU ELECTRIC WIRE & CABLE CO., LTD. transformed into a sole proprietorship and changed its name to NEW SUNF PU ELECTRIC WIRE & CABLE (SHENZHEN) CO., LTD.
- 2012: (1) Passed ETL CAT.7 network cable certification.
(2) Passed USB 3.0 A TO A & A TO B Cable Assembly certification.
(3) Passed UL instrument panel wire certification.
- 2013: (1) Obtained patent for USB luminescent cables.
- 2014: (1) Invested in the R&D of USB 3.1 cables.
- 2015: (1) Invested in the R&D of CAT.7A cables.
- 2016: (1) Invested in the R&D of CAT.8 cables.
- 2017: (1) Invested in the trial production of small quantities of CAT.8 25G samples (Channel).
(2) Started mass production of USB 3.1 Gen.1 & Gen.2 orders.
- 2018: (1) Passed Force Technology CAT.8 Screened Channel certification.

- (2) Applied for Delta CAT.6A Solid/Stranded U/UTP&F/UTP&S/FTP.
- 2019:
- (1) Passed Force Delta CPR System 3 B2ca/Dca/Eca testing.
 - (2) Passed Force Delta CAT.6A Solid U/FTP PVC and LSZH electrical certification.
- 2020:
- (1) Engaged in the CMP cable market and purchased FEP cable extrusion machines.
 - (2) Applied for UL 444 CMP network cable safety regulations.
- 2021:
- (1) Passed UL3003/UL83 certification.
 - (2) Passed UL CMP network cable certification.
 - (3) Passed UL 758 PU category safety certification.
- 2022
- (1) The Company entered the DG wire market and purchased PVC + Nylon core wire extrusion machine
- 2023
- (1) Entered the outdoor power wire market and purchased 10-14AWG copper wire stranding machines.

III. Corporate Governance Report

1. Organization

(1) Organizational Structure



(2) Businesses and responsibilities of the Company's main units:

1. Auditor: Responsible for planning, executing and tracking internal audit related matters.
2. Sales & Mkt. Division: Responsible for developing new customers and markets, and providing services that fulfill customer satisfaction.
3. Engineering Division: Responsible for designing specifications based on customer requirements, developing and providing related consultation and compilation of material numbers required for orders and production.
4. Purchasing Division: Formulating plans in accordance with the Company's annual goals, requesting suppliers to provide quotation, comparing and negotiating prices, deciding on suppliers, and carrying out procurement tasks such as negotiating annual supplies, filing the supplies, placing orders, etc.
5. Manufacturing Division: Responsible for the manufacturing, production management, and shipment of different connecting cables for electronic products.
6. QA Division: Responsible for planning quality control systems, processes and the establishment of demand forms, developing inspection specifications for materials, and quality inspection to ensure the quality and reliability of tested products.
7. Financial Division: Responsible for accounting, finance, taxation, cost, and fund management.
8. Management Division: Responsible for administration, secretary, planning, management, human resources, and general affairs related matters.
9. MIS Division: Responsible for the development, management, and maintenance of information systems, and executing related network information security controls and protection measures to reduce information security risks.
10. R&D Division: Implementing projects to develop new products in accordance with the market trend analysis provided by the Sales & Mkt. Division, which allows the Sales & Mkt. Division to carry out business promotion based on the new products developed.

2. Profiles of Directors, Supervisors, General Manager, Vice General Manager, Deputy Vice General Manager, Division Heads, and Branch Heads

Profiles of Directors and Supervisors (1)

April 28, 2024 Unit: shares

Title	Nationality or place of registration	Name	Gender Age	Election (Appointment) Date	Term of Office	Initial Election Date	Shares at Election		Current shareholding		Current shareholding held by spouse & minor children		Shareholding held through nominees		Principal work experience and academic qualifications	Position(s) held concurrently in the company and/or in any other company	Other officer, directors or supervisors with a spousal or other second degree of kinship			Remark (note 3)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
President	R.O.C.	LO, KAO-CHENG	Male/ 71~80	2022.06.17	3 years	1999.06.29	3,868,301	4.22%	3,868,301	4.22%	0	0.00%	0	0%	(note 1)	(note 1)	Director and General Manager	LO SHIUYUNG	second degree of kinship	None
																	Business General Manager	LO CHAOMING	second degree of kinship	None
Director	R.O.C.	LO, SHIU-YUNG	Male/ 61~70	2022.06.17	3 years	1999.06.29	6,184,672	6.75%	6,184,672	6.75%	1,652,857	1.80%	0	0%	(note 1)	(note 1)	President and Chairman	LO KAOCHENG	second degree of kinship	None
																	Business General Manager	LO CHAOMING	second degree of kinship	None
Director	R.O.C.	HONG, SHUI-TONG	Male/ 61~70	2022.06.17	3 years	2008.06.13	1,100,145	1.20%	1,306,145	1.43%	7,000	0.00%	0	0%	(note 1)	(note 1)	None	None	None	None
Director	R.O.C.	CHANG, TAL-YANG	Male/ 71~80	2022.06.17	3 years	2007.05.22	84,970	0.09%	85,000	0.09%	0	0.00%	0	0%	(note 1)	(note 1)	None	None	None	None
Director	R.O.C.	HUNG, WEN-HUA	Male/ 61~70	2022.06.17	3 years	2005.06.10	70,000	0.08%	70,000	0.08%	5,000	0.00%	0	0%	(note 1)	(note 1)	None	None	None	None
Director	R.O.C.	CHUNG, PI-PIN	Female/ 51~60	2022.06.17	3 years	2013.06.28	488,000	0.53%	488,000	0.53%	1,537,000	1.68%	0	0%	(note 1)	(note 1)	President and Chairman	LO KAOCHENG	Relatives by marriage	None None
																	Director and General Manager	LO SHIUYUNG	Relatives by marriage	
																	Business General Manager	LO CHAOMING	Spouse	
Independent Director	R.O.C.	CHEN, CHUN-CHIH	Male/ 61~70	2022.06.17	3 years	2016.06.23	30	0.00%	30	0.00%	0	0.00%	0	0%	(note 1)	(note 1)	None	None	None	None
Independent Director	R.O.C.	KAO, KUO-CHING	Male/ 51~60	2022.06.17	3 years	2020.06.18	0	0.00%	0	0.00%	0	0.00%	0	0%	(note 1)	(note 1)	None	None	None	None
Independent Director	R.O.C.	HSU, MING-CHE	Male/ 51~60	2022.06.17	3 years	2022.06.17	0	0.00%	0	0.00%	0	0.00%	0	0%	(note 1)	(note 1)	None	None	None	None

Note 1: Principal work experience, academic qualifications and position(s) held concurrently in the company and/or in any other company of the directors and supervisors

Title	Name	Principal work experience and academic qualifications	Position(s) held concurrently in the company and/or in any other company
President	LO, KAO-CHENG	Graduated from ChiMing Elementary School. Section Chief of Lu Her Wires and Cables Co., Ltd. Ta Hsing Electric Wire & Cable Co., Ltd. Walsin Lihwa Corp.	Chairman, Director: SUNF PU TECHNOLOGY CO., LTD Sunf Pu Electric Wire & Cable Co., Ltd. New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd. Sunf Pu Technology (Dongguan) Co., Ltd.
Director	LO, SHIU-YUNG	Graduated from ChiMing Elementary School. Section Chief of Lu Her Wires and Cables Co., Ltd.	General Manager, Director: SUNF PU TECHNOLOGY CO., LTD.; Sunf Pu Electric Wire & Cable Co., Ltd.; New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd.; Sunf Pu Technology (Dongguan) Co., Ltd.
Director	HONG, SHUI- TONG	Graduated from Chiao Tai High School	Management and Consulting: Wei Jeng Industrial Co., Ltd.
Director	HUNG, WEN- HUA	Graduated from Tung Hsiao Junior High School Henz Yuh Industry Co., Ltd. Hungsin Steel Co., Ltd.	Director, General Manager: Henz Yuh Industry Co., Ltd., Hungsin Steel Co., Ltd.
Director	CHANG,TAI-YANG	Graduated from Tung Hsiao Elementary School Councilor of Miaoli County	None
Director	CHUNG,PI-PIN	Graduated from Taipei Senior High School SUNF PU TECHNOLOGY CO., LTD.	None
Independent Director	CHEN,CHUN-CHIH	Graduated from Nanshan High School Staff of Formidable Co., Ltd.	Chairman: Wing-Span Enterprise Co., Ltd.
Independent Director	KAO,KUO-CHING	Graduated from Takming University of Science and Technology General Manager of Shanghai Huaye Wire Drawing Dies Co., Ltd.	General Manager: Shanghai Huaye Wire Drawing Dies Co., Ltd.
Independent Director	HSU,MING-CHE	Graduated from Adelphi University, New York Senior Project Manager of Wafer Works Corporation Senior Manager of Qisda Corporation	Senior Manager of Qisda Corporation

Note 2: If the president, general manager or person with equivalent position (top manager) of the company are the same person, each other's spouses or first-degree relatives, the reason, rationality, necessity and corresponding information shall be provided (for example, increasing the number of independent directors, and ensuring that more than half of the directors are not concurrently serving as employees or managers, etc.):

Profiles of Directors and Supervisors (2)

1. Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors:

Name	Professional qualifications and experience (note 1)	Independent status (note2)	Number of other public companies in which the individual is concurrently serving as independent director
<p>President LO, KAO-CHENG</p>	<p>Having the work experience, professional knowledge and skills required for the business and company business Experience: Lu Her Wires and Cables Co., Ltd./ Section Chief SUNF PU TECHNOLOGY CO., LTD. (Group)/General Manager, President He is not under any circumstances specified in the provisions of Article 30 of the Company Act.</p>		<p>None</p>
<p>Director LO, SHIU-YUNG</p>	<p>Having the work experience, professional knowledge and skills required for the business and company business Experience: Lu Her Wires and Cables Co., Ltd./ Section Chief SUNF PU TECHNOLOGY CO., LTD. (Group)/R&D Vice General Manager, General Manager He is not under any circumstances specified in the provisions of Article 30 of the Company Act.</p>		<p>None</p>
<p>Director HONG, SHUI- TONG</p>	<p>Having the work experience, professional knowledge and skills required for the business and company business Experience: Wei Jeng Industrial Co., Ltd./Management and Consulting He is not under any circumstances specified in the provisions of Article 30 of the Company Act.</p>		<p>None</p>
<p>Director HUNG, WEN-HUA</p>	<p>Having the work experience, professional knowledge and skills required for the business and company business Experience: Henz Yuh Industry Co., Ltd./Director, General Manager Hungsin Steel Co., Ltd./Director, General Manager He is not under any circumstances specified in the provisions of Article 30 of the Company Act.</p>		<p>None</p>
<p>Director CHANG, TAI- YANG</p>	<p>Having the work experience related to the business. Experience: Councilor of Miaoli County Miaoli County, Councilor CHANG, KO-HSIN's Office's Assistant He is not under any circumstances specified in the provisions of Article 30 of the Company Act.</p>		<p>None</p>

<p>Director CHUNG, PI-PIN</p>	<p>Having the work experience and professional knowledge required for the company business</p> <p>Experience: SUNF PU TECHNOLOGY CO., LTD./Manager of Financial Department</p> <p>She is not under any circumstances specified in the provisions of Article 30 of the Company Act.</p>		<p>None</p>
<p>Independent Director CHEN,CHUN- CHIH</p>	<p>Having the work experience, professional knowledge and skills required for the business and company business</p> <p>Experience: Wing-Span Enterprise Co., Ltd./General Manager, President</p> <p>He is not under any circumstances specified in the provisions of Article 30 of the Company Act.</p>	<p>(1)No (2) Holds 30 shares (3)No (4)None</p>	<p>None</p>
<p>Independent Director KAO,KUO-CHING</p>	<p>Having the work experience, professional knowledge and skills required for the business and company business</p> <p>Experience: Shanghai Huaye Wire Drawing Dies Co., Ltd./General Manager</p> <p>He is not under any circumstances specified in the provisions of Article 30 of the Company Act.</p>	<p>(1)No (2) Holds no shares (3)No (4)None</p>	<p>None</p>
<p>Independent Director HSU,MING-CHE</p>	<p>Having the work experience, professional knowledge and skills required for the business and company business</p> <p>Experience: Senior Project Manager of Wafer Works Corporation Senior Manager of Qisda Corporation</p> <p>He is not under any circumstances specified in the provisions of Article 30 of the Company Act.</p>	<p>(1)No (2) Holds no shares (3)No (4)None</p>	<p>None</p>

2. Board of Directors diversity and independence:

(1) Board of Directors diversity: The composition of the Board of Directors shall take into account diversity, and appropriate diversification policies shall be formulated based on the Company's operations, business model, and development needs. The Board members shall possess the necessary knowledge, skills, and qualities to perform their duties. To achieve the ideal goal of corporate governance, the overall capabilities that the Board of Directors shall possess are as follows:

1. Operational judgment capability, 2. Accounting and financial analysis capability, 3. Business management capability, 4. Risk management capability, 5. Industry knowledge, 6. International market outlook, 7. Leadership capability, and 8. Decision-making capability.

(2) Independence of the Board of Directors: The Board of Directors of the Company consists of 9 directors, including 3 independent directors. The ratio of directors who are employees of the Company is 22%, and that of independent directors is 33%. The seniority from the term of office for independent directors is 8 years, 4 years and 2 years respectively. All independent directors have not served continuously for more than three terms. Not more than half of the directors mentioned above have a spouse or a second-degree relative relationship with each other. This complies with the provisions of Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act.

The diversity policy and implementation status of the current members of the Board of Directors of the Company are as follows:

Name	Title	Nationality	Gender	Having employee status	Age					Tenure of independent director			Industry experience					Specialized ability				
					41-50	51-60	61-70	71-80	81-90	Less than 3 years	3-6 years	7-9 years	Production and manufacturing	Electronic technology	Finance	Business	IT Technology	Management	international market	Law	Accounting	Risk Management
LO, KAO-CHENG	President	R.O.C.	Male	✓				✓					✓	✓	✓	✓	✓	✓	✓	✓	✓	
LO, SHIU-YUNG	Director	R.O.C.	Male	✓			✓						✓	✓	✓	✓	✓	✓	✓	✓	✓	
HONG, SHUI-TONG	Director	R.O.C.	Male				✓						✓	✓	✓	✓	✓	✓	✓	✓	✓	
CHANG, TAI-YANG	Director	R.O.C.	Male					✓							✓		✓					
HUNG, WEN-HUA	Director	R.O.C.	Male				✓						✓	✓	✓	✓	✓	✓	✓	✓	✓	
CHUNG, PI-PIN	Director	R.O.C.	Female			✓							✓	✓	✓	✓		✓	✓	✓	✓	
CHEN, CHUN-CHIH	Independent Director	R.O.C.	Male				✓					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
KAO, KUO-CHING	Independent Director	R.O.C.	Male			✓					✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	
HSU, MING-CHE	Independent Director	R.O.C.	Male			✓			✓						✓				✓		✓	

Note 1: Professional qualifications and experience: Describe the professional qualifications and experience of individual directors and supervisors. If they are members of the Audit Committee and have accounting or financial expertise, their accounting or financial background and work experience shall be described, and whether they have any circumstances as specified in Article 30 of the Company Act shall also be explained.

Note 2: Independent directors shall disclose their independence status, including but not limited to:

- (1) Whether the director, their spouse, or relatives within the second degree of kinship are serving as directors, supervisors, or employees of the Company or its affiliated companies.
- (2) The number and percentage of the Company's shares held by the director, their spouse, or relatives within the second degree of kinship (or held through nominees).
- (3) Whether the director serves as a director, supervisor, or employee of companies that have specific relationships with the Company (refer to Article 3, Paragraph 1, subparagraph 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).
- (4) The amount of remuneration received for providing business, legal, financial, accounting, or other services to the Company or its affiliated companies in the past two years.

Note 3: Please refer to the Best Practice Examples on the website of the Corporate Governance Center, Taiwan Stock Exchange for the methods of disclosure.

(2) Profiles of General Manager, Vice General Manager, Deputy Vice General Manager, Division Heads, and Branch Heads

April 28, 2024 Unit: Share

Title	Nationality	Name	Gender	Election (Appointment) Date	Shareholding		Shareholding held by spouse & minor children		Shareholding held through nominees		Principal work experience and academic qualifications	Position(s) held concurrently in the company and/or in any other company	Manager with a spousal or other second degree of kinship			Remarks (note 2)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
Chairman	R.O.C.	LO, KAO-CHENG	Male	2019.06	3,868,301	4.22%	0	0%	0	0%	Graduated from ChiMing Elementary School. Section Chief of Lu Her Wires and Cables Co., Ltd.	(note 1)	General Manager	LO, SHIU-YUNG	second degree of kinship	None
													Business General Manager	LO, CHAO-MING	second degree of kinship	None
General Manager	R.O.C.	LO, SHIU-YUNG	Male	2019.06	6,184,672	6.75%	1,652,857	1.80%	0	0%	Graduated from ChiMing Elementary School. Section Chief of Lu Her Wires and Cables Co., Ltd.	(note 1)	Chairman	LO, KAO-CHENG	second degree of kinship	None
													Business General Manager	LO, CHAO-MING	second degree of kinship	None
General Manager	R.O.C.	LO, CHAO-MING	Male	2007.01	1,537,000	1.68%	488,000	0.53%	0	0%	Graduated from Tung Hsiao Junior High School	(note 1)	Chairman	LO, KAO-CHENG	second degree of kinship	None
													General Manager	LO, SHIU-YUNG	second degree of kinship	None
Manager of Financial Division	R.O.C.	LEE, CHEN-YANG	Male	2011.02	0	0%	0	0%	0	0%	Graduated from Dept. of Accounting and Statistics, National Taipei College of Business	(note 1)	None	None	None	None

Note 1 : The manager currently holds positions in other companies.

Title	Name	Position(s) held concurrently in the company and/or in any other company
Chairman	LO, KAO-CHENG	Chairman, Director: Sunf Pu Electric Wire & Cable Co., Ltd., New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd., Sunf Pu Technology (Dongguan) Co., Ltd.
General Manager	LO, SHIU-YUNG	General Manager, Director: Sunf Pu Electric Wire & Cable Co., Ltd., New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd., Sunf Pu Technology (Dongguan) Co., Ltd.
General Manager	LO, CHAO-MING	General Manager: Sunf Pu Electric Wire & Cable Co., Ltd., New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd., Sunf Pu Technology (Dongguan) Co., Ltd.
Manager	LEE, CHEN-YANG	Manager: Sunf Pu Electric Wire & Cable Co., Ltd., New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd., Sunf Pu Technology (Dongguan) Co., Ltd.

Note 2: If the president, general manager or person with equivalent position (top manager) of the company are the same person, each other's spouses or first-degree relatives, the reason, rationality, necessity and corresponding information shall be provided (for example, increasing the number of independent directors, and ensuring that more than half of the directors are not concurrently serving as employees or managers, etc.):

(3) Remuneration paid during the most recent year to general directors, independent directors, supervisors, general manager and vice general managers

(1) Remuneration to general directors and independent directors

December 31, 2023; Unit: NTS1,000

Title	Name	Remuneration to Directors								The sum of A, B, C and D and proportion to net profit after tax		Remuneration to the capacity as employees						The sum of A, B, C, D, E, F and G and proportion to net profit after tax		Remuneration received from an invested company other than the company's subsidiary or parent company		
		Remuneration (A)		Pension(B)		Remuneration to directors (C)		Business execution expenses (D)				Salaries, bonus and special disbursement(E)		Pension (F)		Remuneration to employees (G)						
		The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company		All companies mentioned in the financial statements			The Company	All companies mentioned in the financial statements
Director	LO, KAO-CHENG	-	-	-	-	-	-	170	310	170 0.45%	310 0.82%	1,951	4,952							2,121 5.58%	5,262 13.85%	None
	LO, SHIU-YUNG	-	-	-	-	-	-	170	310	170 0.45%	310 0.82%	1,688	4,755							1,858 4.89%	5,065 13.33%	None
	HUNG, WEN-HUA	-	-	-	-	-	-	160	160	160 0.42%	160 0.42%									160 0.42%	160 0.42%	None
	HONG, SHUI-TONG	-	-	-	-	-	-	170	170	170 0.45%	170 0.45%									170 0.45%	170 0.45%	None
	CHANG, TAI-YANG	-	-	-	-	-	-	170	170	170 0.45%	170 0.45%									170 0.45%	170 0.45%	None
	CHUNG, PI-PIN	-	-	-	-	-	-	170	170	170 0.45%	170 0.45%									170 0.45%	170 0.45%	None
Independent Director	CHEN, CHUN-CHIH	-	-	-	-	-	-	170	170	170 0.45%	170 0.45%									170 0.45%	170 0.45%	None
	KAO, KUO-CHING	-	-	-	-	-	-	170	170	170 0.45%	170 0.45%									170 0.45%	170 0.45%	None
	HSU, MING-CHE	-	-	-	-	-	-	170	170	170 0.45%	170 0.45%									170 0.45%	170 0.45%	None

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: The remuneration of the directors of the Company is determined in accordance with the provisions of the Company's Articles of Incorporation.
2. The remuneration received by the company's directors for providing services (such as acting as a consultant for the parent company/all companies included in the financial statements/non-employee advisory services for reinvestment businesses) in the latest fiscal year, in addition to the disclosure in the above table: None.

(2) Remuneration to General Manager and Vice Managers

December 31, 2023; Unit: NT\$1,000

Title	Name	Salaries (A)		Retirement pension (B)		Bonus and special disbursement (C)		Remuneration to the employees (D)				The sum of A, B, C and D and Ratio to the net income after tax(%)		Remuneration received from an invested company other than the company's subsidiary or parent company
		The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company		All companies mentioned in the financial statements		The Company	All companies mentioned in the financial statements	
								Cash	Stock	Cash	Stock			
Chairman	LO, KAO-CHENG	1,734	1,734			216	3,218					1,951 5.13%	4,952 13.03%	None
General Manager	LO, SHIU-YUNG	1,500	1,500			188	3,255					1,688 4.44%	4,755 12.52%	None
General Manager	LO, CHAO-MING	1,427	1,427			170	1,786					1,597 4.20%	3,213 8.46%	None

(4) The top five executives with the highest remuneration (individually disclose their names and remuneration) in the listed company are as follows:

Dec. 31, 2023 Unit: NT\$1,000														
Title	Name	Salaries (A)		Pension (B)		Bonus and special disbursement (C)		Remuneration to the employees (D)				The sum of A, B, C and D and Ratio to the net income after tax(%)		Remuneration received from an invested company other than the company's subsidiary or parent company
		The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements	The Company		All companies mentioned in the financial statements		The Company	All companies mentioned in the financial statements	
								Cash	Stock	Cash	Stock			
Chairman	LO, KAO-CHENG	1,734	1,734			216	3,218					1,951	4,952	None
												5.13	28.95%	
General Manager	LO, SHIU-YUNG	1,500	1,500			188	3,255					1,688	4,755	None
												4.44%	12.52%	
General Manager	LO, CHAO-MING	1,427	1,427			170	1,786					1,597	3,213	None
												4.20%	8.46%	
Financial Manager	LEE, CHEN-YANG	864	864			80	80					944	944	None
												2.48%	2.48%	

(5) Names of managerial officers with remuneration as employees and the status of payment

Dec. 31, 2023 Unit: NT\$1,000

Item	Title	Name	Stock	Cash	Total	Ratio to the net income after tax(%)
Managerial Officer	Group Chairman	LO, KAO-CHENG	--	--	--	--
	General Manager	LO, SHIU-YUNG				
	General Manager	LO, CHAO-MING				
	Manager	LEE, CHEN-YANG				

Note: The Board meeting in 2023 approved to allocate NT\$0 in cash to employees.

(6) Analyze the total remuneration paid to the company's directors, supervisors, general managers and vice general managers by the company and all companies in the consolidated financial statements in the past two years as a ratio to the net income after tax, and explain the policies, standards, and portfolios for payment of remuneration, procedures for setting remuneration, and correlations with business performance and future risks:

Title	Item	Total remuneration and ratio to the net income after tax				Increase (Decrease) Ratio	
		2023		2022		The Company	All companies mentioned in the financial statements
		The Company	All companies mentioned in the financial statements	The Company	All companies mentioned in the financial statements		
Director		4.02%	4.76%	8.46%	10.01%	-4.44%	-5.25%
General Manager and Vice General Manager		13.77%	30.30%	34.07%	76.57%	-20.30%	-46.27%

- (1) The information regarding the distribution of remuneration for directors and supervisors, as well as the related regulations is determined by special resolution of the Board of Directors in accordance with the Company's Remuneration Distribution Policy, as well as the Company's Articles of Incorporation. The Company's Articles of Incorporation stipulate that the total remuneration for directors and supervisors shall not exceed 5% of the net income after tax, and the distribution percentage is based on the future risk, rather than the Company's operating performance.
- (2) The payment of the remuneration for the Company's General Manager and Vice General Manager is determined based on the Company's Remuneration Management Regulations. The payment of annual bonuses is based on the annual performance evaluation, which is not significantly related to future risks.

3. Corporate governance practices:

(1) Operation of the Board of Directors

A total of 5 (A) board meetings were held in the past year. Director attendance is as follows:

Title	Name	Actual number of attendance (B)	Attend through proxy	Attendance rate 【B/A】 (%)	Remarks
President	LO, KAO-CHENG	5	0	100%	
Director	LO, SHIU-YUNG	5	0	100%	
Director	HUNG, WEN-HUA	4	1	80%	
Director	CHANG, TAI-YANG	5	0	100%	
Director	HONG, SHUI-TONG	5	0	100%	
Director	CHUNG, PI- PIN	5	0	100%	
Independent Director	CHEN, CHUN-CHIH	5	0	100%	
Independent Director	KAO, KUO-CHING	5	0	100%	
Independent Director	HSU, MING-CHE	5	0	100%	

Other matters to be recorded:

1. If any of the following circumstances occur, the date of the meeting, term, content of motion, all independent directors' opinions and the company's response shall be specified: None.
 - (1) Matters referred to in Article 14-3 of the Securities and Exchange Act.
 - (2) Other matters involving dissenting or qualified opinions from by independent directors that were recorded or stated in writing that require a resolution by the Board of Directors.
2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting shall be specified:
 - (1) On December 21, 2023, the Board of Directors passed a resolution on the amount of year-end bonuses for managers in 2023. Both the director LO,KAO-CHENG and the director LO,SHIU-YUNG had conflicts of interest in this motion and had voluntarily recused themselves from the resolution. This motion was passed as proposed.
 - (2) On December 21, 2023, the Board of Directors passed a resolution on the manager remuneration structure chart. Both the director LO,KAO-CHENG and the director LO,SHIU-YUNG had conflicts of interest in this motion and had voluntarily recused themselves from the resolution. This motion was passed as proposed.
3. Listed companies shall disclose the evaluation cycles, periods, scope, method and content of self-evaluation (or peer-evaluation) of the Board of Directors, and fill out Table 2 (2): Board of Directors Evaluation Implementation Status:

The Company's Board of Directors Evaluation Implementation Status:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Perform once every year	From January 1 to December 31 each year	Performance evaluation of the Board of Directors and individual directors	Performance evaluation conducted through internal self-assessment of the Board of Directors, self-assessment of individual Board members, engagement of external professional organizations, experts, scholars, or other appropriate methods	<p>The performance evaluation of the Board of Directors should include, at a minimum, the following five major aspects:</p> <ol style="list-style-type: none"> 1. Participation in the Company's operations. 2. Improvement of the quality of the Board's decision making. 3. Composition and structure of the Board. 4. Election and continuing education of the directors. 5. Internal controls. <p>The performance evaluation of individual directors (self or peer assessment) should include, at a minimum, the following six major aspects:</p> <ol style="list-style-type: none"> 1. Understanding of the Company's goals and objectives. 2. Awareness of the responsibilities of directors. 3. Participation in the Company's operations. 4. Internal relationship management and communication. 5. Professionalism and continuing education of directors. 6. Internal controls.

Measures taken to strengthen the functionality of the Board (such as establishing an Audit Committee, enhancing information transparency, etc.) in the current and most recent year:

We plan to improve the investor section of the Company's website to strengthen investor relations and enhance information transparency.

Information on the Operation of the Audit Committee

A total of 5 Audit Committee meetings (A) were held in the most recent year. The attendances of independent directors are shown in the following table:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) (B/A)	Remarks
Independent director (Convener)	CHEN,CHUN-CHIH	5	0	100%	
Independent director	KAO, KUO-CHING	5	0	100%	
Independent director	HSU,MING-HE	5	0	100%	

Other matters to be recorded:

If any of the following circumstances occur, the date of meeting, term, content of motion, resolution of the Audit Committee and the company's response to the Independent directors' opinion shall be specified: None.

(1) Matters referred to in Article 14-5 of the Securities and Exchange Act.

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.

If there are independent directors' avoidance of motions in conflict of interest, the independent directors' names, contents of motion, causes for avoidance and voting shall be specified.

Communication status between independent directors and chief internal auditor as well as certified public accountant (shall include significant matters, methods, results, etc. of the communication carried out on the company's financial and business status).

Communication status of independent directors and internal audit supervisors as well as public certified accountants at separate meetings in 2023.

Meeting date	Communication status	
March 29, 2023 Audit Committee	Attendees	Independent director CHEN, CHUN-CHIH , independent director KAO, KUO-CHING, independent director HSU, MING- CHE, audit supervisor CHEN, YI-CHI, finance supervisor LI, CHEN-YANG, public certified accountants LI,HAN and QIU, YI-ZHI
	Communication focus	1. November 2022 to January 2023 audit plan implementation report 2. The 2022 “Internal Control System Effectiveness Assessment” and the “Internal Control System Statement Letter”
	Communicate result	No comments at this meeting
May 11, 2023 Audit Committee	Attendees	Independent director CHEN, CHUN-CHIH , independent director KAO, KUO-CHING, independent director HSU, MING-CHE, audit supervisor CHEN, YI-CHI, and finance supervisor LEE, CHEN-YANG
	Communication focus	February 2023 to March 2023 audit plan implementation report
	Communicate result	No comments at this meeting
August 14, 2023	Attendees	Independent director CHEN, CHUN-

Audit Committee		CHIH , independent director KAO, KUO-CHING, independent director HSU, MING-CHE, audit supervisor CHEN, YI-CHI, and finance supervisor LEE, CHEN-YANG
	Communication focus	April 2023 to June 2023 audit plan implementation report
	Communicate result	No comments at this meeting
November 4, 2023 Audit Committee	Attendees	Independent director CHEN, CHUN-CHIH , independent director KAO, KUO-CHING, independent director HSU, MING-CHE, audit supervisor CHEN, YI-CHI, and finance supervisor LEE, CHEN-YANG
	Communication focus	July 2023 to September 2023 audit plan implementation report
	Communicate result	No comments at this meeting
December 21, 2023 Audit Committee	Attendees	Independent director CHEN, CHUN-CHIH , independent director KAO, KUO-CHING, independent director HSU, MING-CHE, audit supervisor CHEN, YI-CHI, and finance supervisor LEE, CHEN- YANG
	Communication focus	1. October 2023 audit plan implementation report 2. Audit plan for 2024 3. Revision of the “Internal Control System” and the “Implementation Rules for Internal Audit Operations”
	Communicate result	No comments at this meeting

Note 1: In case of independent directors resigning before the end of the fiscal year, the resignation date shall be noted in the remarks column. The attendance rate (%) shall be calculated based on the number of Audit Committee meetings held during the committee members’ tenure and their attendance in person.

Note 2: In case of independent director election before the end of the fiscal year, both the newly elected and dismissed independent directors shall be listed. In addition, it shall be noted in the remarks column whether the independent director is a dismissed, newly elected, or re-elected member, as well as the election date. The attendance rate (%) shall be calculated based on the number of Audit Committee meetings held during the committee members’ tenure and their attendance in person.

(3) Implementation Status of Corporate Governance as required for company, and any nonconformity to the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Items for evaluation	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
1. Has the Company established and disclosed its corporate governance practices based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?		✓	The Company has not yet established the Corporate Governance Best Practice Principles. Nevertheless, the exercise of directorial powers and the implementation of internal control systems are carried out in accordance with the spirit and regulatory framework of corporate governance.	They will be established in a timely manner in the future.
2. Equity structure and shareholders' equity				
(1) Has the Company instituted an internal procedure for handling suggestions, questions, disputes of the shareholders and legal actions, and comply with the procedure properly?	✓		(1) The Company has a spokesperson and an acting spokesperson who are responsible for managing external communication channels and handling shareholder suggestions or disputes.	Complied with the regulations of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(2) Has the Company kept track on the major shareholders roster of the Company and the parties controlling these shareholders?	✓		(2) The Company regularly works with the Stock Affairs Department of Grand Fortune Securities to keep track of the names of the Company's major shareholders and their controllers.	
(3) Has the Company established and implemented the risk control mechanism and firewall between the corporate headquarters and the affiliates?	✓		(3) The Company conducts transactions with affiliated companies in compliance with regulations, internal control systems, and laws.	
(4) Has the company adopted internal rules prohibiting company insiders from trading securities using information not disclosed to the market?	✓		(4) The Company has established Procedures for Handling Material Inside Information to regulate the confidentiality of such information and to educate employees not to engage in trading the Company's securities based on undisclosed information in the market.	
3. Composition and Responsibilities of the Board of Directors				
(1) Has the Board established a diversity policy, specific management goals and implemented it accordingly?	✓		(1) The composition of the Company's Board of Directors takes into account not only their professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), expertise and industrial experience, but also emphasizes the organizational, operational, and executive capabilities of the Board. Board members generally possess the knowledge, experience, skills, qualities, and wisdom necessary to perform their duties, and they will continue to pursue further education. (2) The Company currently has a Remuneration Committee and Audit Committee	There are no significant differences.

Items for evaluation	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>(2) Further to the establishment of the Remuneration Committee and the Auditing Committee, has the Company voluntarily established other functional committees?</p> <p>(3) Has the Company established a methodology for evaluating the performance of its Board of Directors, performed evaluations on an annual basis, submitted the results of the performance evaluation to the Board, and used such as a reference for individual director remuneration and renomination?</p>		✓	<p>established in compliance with the law, but has not set up any other functional committees.</p> <p>(3) On November 11, 2020, the Board of Directors of the Company passed the Regulations for the Performance Evaluation of Board of Directors. The Board of Directors' performance evaluation shall be conducted annually and shall include the overall performance of the Board of Directors as well as individual directors. The methods of evaluation includes self-assessment by the Board of Directors, self-assessment by the Board members, assessment by external professional organizations, experts/scholars, or other appropriate methods. The results of internal and external performance evaluations of the Board of Directors shall be completed by the end of the first quarter of the following year and submitted to the Board of Directors for review and improvement.</p> <p>Aspects of evaluation: The Board of Directors' performance evaluation shall include at least the following five aspects:</p> <ol style="list-style-type: none"> 1. Degree of involvement in the Company's operations 2. Improving the decision-making quality of the Board of Directors 3. Composition and structure of the Board of Directors 4. Selection and continuing education of directors 5. Internal control <p>The performance evaluation of the Board members (self or peer) shall include at least the following six aspects:</p> <ol style="list-style-type: none"> 1. Understanding of the Company's goals and mission 2. Awareness of director's responsibilities 3. Degree of involvement in the Company's operations 4. Internal relationship management and communication 5. Director's expertise and continuing education 6. Internal control <p>The results of the Board of Directors' performance evaluation shall serve as a reference for selecting or nominating directors. The individual director's performance evaluation results shall also serve as a reference for setting their individual remuneration.</p>	

Items for evaluation	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(4) Has the Company evaluated the independence of the commissioned certified public accountants regularly?	✓		(4) When appointing the Company's certified public accountant, the accountant to be appointed shall issue an independent statement. The Financial Division will then evaluate the professionalism and independence of the accounting firm associated with the accountant, and submit it to the Board of Directors for approval. The independence of the certified public accountant shall also be evaluated periodically to ensure avoidance of direct or indirect conflicts of interest and to fully adhere to the spirit of independence.	
4. Does the TWSE/TPEX Listed Company have an appropriate and appropriate number of corporate governance personnel, and has the Company designated a Corporate Governance Senior Officer to deal with corporate governance related affairs (including, but not limited to, providing directors and supervisors with information required for the execution of their duties; assisting directors and supervisors in complying with the laws and regulations; conducting board meeting and shareholders' meeting related matters; and preparing the minutes for board meetings and shareholders' meeting in accordance with the law, etc.)?	✓		The Financial Department of the Company is responsible for corporate governance-related affairs, including providing information required for the performance of duties by directors, assisting directors in complying with laws and regulations, handling matters related to the Board meetings and shareholders' meetings in accordance with the law, as well as preparing minutes for the Board of meetings and shareholders' meetings.	There are no significant differences.
5. Has the Company established a communications channel and established a designated zone on its website for stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers), and has the Company properly responded to all CSR issues such stakeholders are concerned with?	✓		The Company has a spokesperson and an acting spokesperson responsible for external communication. Contact information is provided on the Company's website for direct dialogue with stakeholders, enabling them to understand the Company's operating status.	Complied with the regulations of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
6. Has the Company appointed a specialized shareholder services agent to deal with shareholder affairs?	✓		The Company has appointed the Stock Affairs Department of Grand Fortune Securities to handle the affairs of the shareholders' meeting.	Complied with the regulations of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed

Items for evaluation	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
				Companies.
7. Disclosures				
(1) Has the Company established a website for the disclosure of Company's financial and business, and corporate governance?	✓		(1) The Company has established a website (http://www.sunfpu.com.tw) and disclosed information on finance, business, and corporate governance on both the Company's website and the Market Observation Post System.	Complied with the regulations of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(2) Has the Company adopted other means of disclosures (e.g., the installation of a website in English language, appointment of designated persons for the gathering and disclosure of information, the proper implementation of the spokesman system, and the minutes of the investor conference on record posted on the website)?	✓		(2) The Company's website is primarily in Chinese; relevant units are responsible for information collection and disclosure. The Company also has a spokesperson and an acting spokesperson to implement the spokesperson system.	
(3) Does the Company announce and report the annual financial report within two months after the end of the fiscal year? Does the Company announce and report the first, second, and third quarter financial reports and the monthly operating conditions well in advance of the required deadlines?		✓	(3) Currently, the Company submits financial statements and monthly operating status following the deadline required by the Matters to be Conducted by TPEX Listed Companies. The Company has not yet announced and filed the annual financial statements within two months after the end of the fiscal year, nor announced early within the prescribed deadline.	
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including, but not limited to, employee rights and benefits, employee care, investor relations, supplier relations, stakeholder rights, status of directors' and supervisors' continuing education, implementation of risk management policies and risk assessment criteria, implementation of customer related policies, and purchase of liability insurance for directors and supervisors by the Company)?	✓		(1) Employee benefits: The Company upholds the philosophy of ethical corporate management, emphasizes reasonable and humane management, maintains a good relationship between employees and employer, and also protects the legitimate rights and interests of employees in accordance with the Labor Standards Act. (2) Employee care: The Company provides welfare systems, including employee education and training, retirement savings, employee health checkups, cultural and recreational activities, and other events, to care for the employees. (3) Investor relations: The Company has a spokesperson and an acting spokesperson responsible for communication with the public on behalf of the Company. The Company's information is disclosed in accordance with laws and regulations on the Market Observation Post System.	Complied with the regulations of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Items for evaluation	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>(4) Supplier relations: The Company has established the Supplier Management Regulations and follows operational regulations. We maintain smooth communication channels with our suppliers to maintain good relationships.</p> <p>(5) Rights of Stakeholders: The Company has established a spokesperson and an acting spokesperson system to handle issues and suggestions from stakeholders, respecting and protecting their legitimate rights and interests.</p> <p>(6) Continuing education for directors: The directors appointed by the Company receive ongoing education in accordance with the Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEX Listed Companies. The Company also provides courses on corporate governance to the directors from time to time.</p> <p>(7) Implementation of risk management policies and risk measurement standards: In accordance with the law, internal regulations and internal control systems are established to conduct risk management and assessments. The internal audit unit checks the implementation of the internal control system on a regular and irregular basis.</p> <p>(8) Implementation of customer policies: The Company maintains good relationships with customers and provides customer service in accordance with internal management policies.</p> <p>(9) Purchasing of liability insurance for directors and supervisors by the Company: The Company has purchased liability insurance for directors.</p>	
<p>9. State of corrective action taken for responding to the results of the corporate governance assessment announced by Taiwan Stock Exchange Corporation in the Corporate Governance Center the most recent fiscal year, and the priority for improvement on issues pending further corrective action and related measures.</p> <p>The Company's unscored items, as per the results of the 10th corporate governance evaluation, have been prioritized for the enhancement and improvement as follows:</p> <p>(1) Had the Company been invited to hold (or held by itself) at least two institutional investor conferences, and the interval between the two institutional investor conferences at the beginning and at end of the year being evaluated was three months or more? Measures: It is expected that the Company will be invited to hold (or hold by itself) at least two institutional investor conferences in 2024.</p> <p>(2) Was the Company's shareholders' meeting live streamed online or was the entire uninterrupted audio and video thereof uploaded online after the shareholders' meeting? Measures: It is expected that the meeting notice of the Company's 2024 shareholders' meeting will specify the URL for the live stream online or the instructions on how to watch it</p>				

Items for evaluation	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for the TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
online.				

(4) Composition, responsibilities, and operations of the Remuneration Committee:

(1) Remuneration Committee member information

Identity (Note 1)	Name	Conditions	Professional qualifications and experience (Note 2)	Independent status (Note 3)	Number of other public companies in which the individual is concurrently serving as the Remuneration Committee member
Independent director (Convener)	CHEN, CHUN-CHIH	Date of appointment: August 11, 2022 Serving as an independent director, please refer to Table 1 on page 10 for (1) information on directors and supervisors	(1) No (2) Holding 30 shares (3) No (4) None	None	
Independent director	KAO, KUO-CHING	Date of appointment: August 11, 2022 Serving as an independent director, please refer to Table 1 on page 10 for (1) information on directors and supervisors	(1) No (2) Holds no shares (3) No (4) None	None	
Independent director	HSU, MING-CHE	Date of appointment: August 11, 2022 Experience: Serving as an independent director, please refer to Table 1 on page 10 for (1) information on directors and supervisors	(1) No (2) Holds no shares (3) No (4) None	None	

Note 1: Please specify in the table the work experience, professional qualifications, experience, and independence status of each member of the Remuneration Committee. If the member is an independent director, please make a note to refer to Table 1 on page OO for (1) information on directors and supervisors. For the identity, please indicate whether the member is an independent director or other (if the member is the convener, please add a note).

Note 2: Professional qualifications and experience: Describe the professional qualifications and experience of individual members of the Remuneration Committee.

Note 3: Independence status: Describe the independence status of members of the Remuneration Committee.

- (1) Including but not limited to whether the individual, spouse, or relatives within the second degree of kinship are serving as directors, supervisors, or employees of the Company or its affiliated companies.
- (2) The number and percentage of the Company's shares held by the individual, spouse, or relatives within the second degree of kinship (or under the name of another person).
- (3) Whether the individual is serving as a director, supervisor, or employee of a company having specified relationship company with the company (referring to the provisions of Article 6, Paragraph 1, Subparagraphs 5-8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or Taipei Exchange).
- (4) The amount of remuneration received in the past two years for providing business, legal, financial, accounting, or other services to the Company or its affiliated companies.

Note 4: Please refer to the Best Practice Examples on the website of the Corporate Governance Center, Taiwan Stock Exchange for the methods of disclosure

(2) Responsibilities of the Company's Remuneration Committee:

1. Periodically review the Remuneration Committee Charter and propose suggestions for revision.
2. Formulate and periodically review the policies, systems, standards, and structures of annual and long-term performance objectives and remuneration for the directors, supervisors, and managers of the Company.
3. Periodically evaluate the achievement of performance objectives for the directors, supervisors, and managers of the Company, and determine the content and amount of their individual remuneration.

(3) Operations of the Remuneration Committee

1. The Remuneration Committee of the Company is consisted of 3 members
2. The term of office for the current Committee members: The term of office is from August 11, 2022 to June 16, 2025. The Remuneration Committee convened a total of 2 meetings (A) for the most recent year. The qualifications and attendance of the Committee members are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance rate (%) (B/A) (Note)	Remarks
Convener	CHEN, CHUN-CHIH	2	0	100%	
Committee member	KAO, KUO-CHING	2	0	100%	
Committee member	HSU, MING-CHE	2	0	100%	

Other matters to be recorded:

1. If the Board of Directors declines to adopt or modifies a recommendation of the Remuneration Committee, it shall specify the date of the meeting, term, content of the motion, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinion (If the remuneration approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the difference and the reasons for the difference shall be disclosed.): None
2. If there were any members who had dissenting or qualified opinions about the resolution of the Remuneration Committee, and such opinions were recorded or provided in writing, the date of the meeting, term, content of the motion, all members' opinions and the response to members' opinion shall be specified:

Remuneration Committee	Content of motion and resolution
The 3rd meeting of the 5th term on September 22, 2023	Motions: Proposal 1: The review of the policy, system, criteria and structure of the performance evaluation and remuneration for directors and managers is submitted for discussion. Committee members' opinions: No objections or reserved options. Resolution: Passed as proposed after the chair consulted with all the committee members. The Company's handling of the opinions of the Remuneration Committee: None.
The 4th meeting of the 5th term on December 12, 2023	Proposal 1: The amount of the 2023 year-end bonus for managers is submitted for discussion. Committee members' opinions: No objections or reserved options. Resolution: Passed as proposed after the chair consulted with all the committee members. The Company's handling of the opinions of the Remuneration Committee: None. Proposal 2: The manager remuneration structure chart is submitted for discussion.

	Committee members' opinions: No objections or reserved options. Resolution: Passed as proposed after the chair consulted with all the committee members. The Company's handling of the opinions of the Remuneration Committee: None.
--	--

Note:

- (1) In case of Remuneration Committee member resigning before the end of the fiscal year, the resignation date shall be noted in the remarks column. The attendance rate (%) shall be calculated based on the number of Remuneration Committee meetings held during the committee members' tenure and their attendance in person.
- (2) In case of Remuneration Committee member election before the end of the fiscal year, both the newly elected and dismissed Remuneration Committee member shall be listed. In addition, it shall be noted in the remarks column whether the Remuneration Committee member is a dismissed, newly elected, or re-elected member, as well as the election date. The attendance rate (%) shall be calculated based on the number of Remuneration Committee meetings held during the committee members' tenure and their attendance in person.

(5) Fulfillment of Sustainable Development and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies:

Evaluation item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief explanation	
1. Does the company establish a governance structure to promote sustainable development, established a dedicated (part-time) unit to promote sustainable development; and did the Board of Directors authorize senior management to handle it and report the supervisory status to the Board of Directors? (TWSE/TPEX Listed companies shall report their implementation status, which does not fall under compliance or explanation)		✓	The Company has not yet established a dedicated (part-time) unit for promoting sustainable development.	It will be established based on the Company's operational status and scale.
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies? (TWSE/TPEX Listed companies shall report their implementation status, which does not fall under compliance or explanation)	✓		The Company has established the Management-level Risk Management Procedures and the Risk and Opportunity Response Control Procedures to assess ESG (environmental, social, and governance) risks associated with the Company's operations.	There is no significant deviation.
3. Environmental issues (1) Does the company establish an appropriate environmental management system in accordance with its industrial characteristics?	✓		The Company has commissioned qualified waste collection and disposal operators to handle the waste generated by our operation sites in compliance with environmental laws and regulations.	There is no significant deviation.
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		The Company is committed to developing environmentally friendly products and packaging materials that meet the concepts of "low toxicity", "waste reduction", and "recyclability". These products and materials not only comply with regulations, but also reduce the environmental burden due to the use of resources.	There is no significant deviation.
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		Amid global climate change, the Company's business strategy will focus on R&D, committed to developing environmentally friendly products, and contributing to a greener earth.	There is no significant deviation.
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on greenhouse gas reduction, water reduction, or waste management?	✓		The product manufacturing process of the Company does not emit exhaust gas or wastewater. Therefore, the Company has not taken inventory of its greenhouse gas emissions or water consumption. As for industrial waste (waste cable and waste plastic), we count and review it monthly to reduce waste generation and achieve the	There is no significant deviation.

			goal of minimizing loss, saving energy, and reducing carbon.	
4. Social issues				
(1) Does the company formulate appropriate management policies and procedures in accordance with regulations and the International Bill of Human Rights?	✓		The Company's employment policy adheres to the principles of compliance with labor laws and respect for the basic labor rights recognized internationally. All employees are entitled to equal and fair opportunities in recruitment, employment, training, promotion, salary, benefits, relocation, and other social or recreational activities, without discrimination based on non-work factors. We aim to protect the legitimate rights and interests of every employee and have established an Employee Welfare Committee to provide welfare measures.	There is no significant deviation.
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and are business performance and results reflected in employee salaries?	✓		The Company has established and implemented reasonable employee welfare measures based on the Remuneration Management Regulations. We also appropriately reflect the business performance or results on employee compensation in accordance with the Assessment and Promotion Management Procedures.	There is no significant deviation.
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		To enhance the safety and health of our employees' work environment, we implement the following measures: 1. We provide a smoke-free work environment to allow employees to work in a comfortable and healthy environment. 2. We provide employees with clean and safe drinking water by regularly commissioning agencies recognized by the Environmental Protection Administration to conduct water quality testing for total colony counts and E. coli in compliance with regulations. We also perform regular maintenance and disinfection of water supply equipment. 3. We conduct drills for emergencies caused by natural disasters or human errors, such as fires and earthquakes, to ensure that employees can respond in accordance with emergency response plans to minimize the impact. 4. We organize outdoor activities for employees, such as hiking, from time to time and prepare budgets for company trip organized by the Employee Welfare Committee. These activities allow employees to take care of their health and build habits for exercise during their leisure time.	There is no significant deviation.

(4) Does the company provide its employees with career development and training plans?	✓		The Company plans and promotes annual employee education and training based on the differences in employees' competency to establish effective career development for the employees.	There is no significant deviation.
(5) Does the company's products and services comply with laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are consumer protection and grievance procedure policies implemented?	✓		The products sold by the Company have obtained safety or energy-saving labels, allowing consumers using the products to be safe and worry-free. The Company also has a dedicated product inquiry hotline, where consumers can enjoy after-sales consultation services or file complaints.	There is no significant deviation.
(6) Does the company implement supplier management policies, requiring suppliers to follow regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	✓		The Company regularly evaluates suppliers in accordance with the Company's Supplier Management Regulations to determine whether or not to continue doing business with them.	There is no significant deviation.
5. Does the company refer to internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as sustainability reports? Do the reports mentioned above obtain assurance from a third party verification unit?		✓	No	It will be established based on the Company's operational status and scale.
6. Describe the difference, if any, between actual practice and the sustainability principles, if the company has implemented such principles based on the Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies: None				
7. Other useful information for explaining the status of sustainable development practices: None				

(6) Implementation status of climate-related information

Climate-related information for TWSE/TPEX listed companies

Item	Implementation status
<ol style="list-style-type: none"> 1. Describe clearly the board and management’s oversight and governance of climate-related risks and opportunities. 2. Describe clearly how the identified climate risks and opportunities affect the Company's business, strategies and finance (short-term, medium-term, and long-term). 3. Describe clearly the financial impact of extreme climate events and transition actions. 4. Describe clearly how climate risk identification, assessment and management processes are integrated into the overall risk management system. 5. If the scenario analysis is used to assess resilience to climate change risks, please explain the scenarios, parameters, assumptions and analysis factors used as well as the main financial impacts. 6. If there is a transition plan to manage climate-related risks, please explain the content of the plan, the indicators used to identify and manage physical and transition risks as well as the targets. 7. If internal carbon pricing is used as a planning tool, please explain the basis for the pricing. 8. If climate-related targets are set, please explain the information such as the activities covered, scope of greenhouse gas emissions, schedule planned, and annual progress achieved; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant targets, please explain the source and quantity of the carbon reduction credits redeemed or the number of renewable energy certificates (RECs). 9. Greenhouse gas inventory and assurance status, reduction targets, strategies and specific action plans (to be filled in 1-1 and 1-2 separately). 	<p>According to the “Sustainable Development Roadmap for TWSE/TPEX Listed Companies” released by the Financial Supervisory Commission in March 2022, as the Company is a company with a paid-in capital of no more than NT\$5 billion, the parent company shall apply greenhouse gas emission inventory at Stage 3. (that is, the inventory shall be completed in 2026 and the verification shall be completed in 2028). For the follow-up action, the completion status of the greenhouse gas emission inventory as well as the verification and disclosure schedule will be continuously controlled in accordance with the reference guidelines and relevant regulations issued by the competent authority.</p> <p>The Company's Management Division is the designated unit to be concurrently in charge of greenhouse gas inventory operation related to climate change and to submit the report on the promotion of greenhouse gas emission inventory to the Board of Directors every quarter, and the Board of Directors supervises and controls the implementation progress of relevant targets and plans.</p>

(7) Differences Between Implementation of Ethical Corporate Management and Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, Including Reasons For Such

Items for evaluation	Implementation Status (Note 1)			Deviations from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Has the Company established an ethical corporate management policy that has been approved by the Board of Directors, and clearly stated the ethical corporate management policy and practices, as well as the commitment of the Board of Directors and the top management to actively implementing the management in the Articles of Incorporation and external documents?</p> <p>(2) Has the Company established a mechanism to assess unethical conduct risks? Does that Company regularly analyze and evaluate the business activities within its scope of business that have a higher risk of unethical conduct? Has the Company accordingly formulated a plan to prevent unethical conduct, covering at a minimum the preventive measures for the acts mentioned in Article 7-2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Whether the Company has stipulated the operating procedures, conduct guidelines, disciplinary actions against violations as well as grievance system in the plan to prevent unethical conducts, implemented the execution thereof, and regularly reviewed and revised the aforementioned plan?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company clearly states on its external website that it adheres to the business principles of "Integrity, Pragmatism, and Innovation", which the Board of Directors and the management shall actively implement through both internal management and external business activities.</p> <p>(2) For business activities with a high risk of dishonest behavior within the scope of operations, the Company includes provisions in business contracts to prevent bribery, corruption, and illegal political contributions.</p> <p>(3) The Company has established the Procedures for Ethical Corporate Management and Guidelines for Conduct, which is available on the Company's website.</p>	<p>(1)There is no significant deviation.</p> <p>(2)There is no significant deviation.</p> <p>(3)There is no significant deviation.</p>
<p>2. The Materialization of Ethical Management</p> <p>(1) Has the Company evaluated the record on ethical practices of its counterparties, and has specified the clause of business ethic in the agreements binding the Company and its counterparties?</p> <p>(2) Has the Company established a dedicated unit under the Board of Directors to promote ethical corporate management, and to report to the Board of Directors on a regular basis (at least once a year) regarding ethical corporate management policies and plans, in order to prevent unethical conduct and to monitor their implementation?</p>	<p>✓</p> <p>✓</p>		<p>(1) The Company has included clauses on integrity in all business contracts to prevent any dishonest behavior.</p> <p>(2) The G.M. Office is designated as the responsible unit under the Board of Directors to handle the revision, implementation, interpretation, consultation services, filing of reports, and supervision of the Procedures for Ethical Corporate Management and Guidelines for Conduct. Regular reports are submitted to the Board of Directors.</p>	<p>(1)There is no significant deviation.</p> <p>(2)There is no significant deviation.</p>

Items for evaluation	Implementation Status (Note 1)			Deviations from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
<p>(3) Has the Company mapped out the policy for the avoidance of the conflict of interest and has provided suitable channels for such purpose, and properly pursued the policy?</p> <p>(4) Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management? Has the internal auditing unit prepared an audit plan based on the assessment results for unethical conduct risks, and checked compliance with the unethical conduct prevention plan accordingly, or appointed a CPA to conduct the audit?</p> <p>(5) Has the Company organized internal and external training on ethical management?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(3) The Company actively implements measures to prevent conflicts of interest in daily management and has established a reporting channel for reporting conflicts of interest.</p> <p>(4) The Company has established effective accounting and internal control systems, and internal auditors conduct regular audits.</p> <p>(5) The Company periodically sends employees to attend education and training courses related to ethical corporate management.</p>	<p>(3)There is no significant deviation.</p> <p>(4)There is no significant deviation.</p> <p>(5)There is no significant deviation.</p>
<p>3. The reporting system of the Company in action</p> <p>(1) Has the Company established a reporting and reward system and the channels for facilitating the report on unethical practices, and has appointed designated personnel to handle the subject of reporting?</p> <p>(2) Has the Company created a standard operating procedure (SOP) for the investigation of reported matters, follow-up measures to be taken after the completion of the investigation, and relevant confidentiality mechanisms?</p> <p>(3) Has the Company taken protection measures to protect the informant from improper treatment after reporting on unethical practices?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company has established the Fraud Reporting and Handling Procedures, which is responsible for handling reported cases of fraud by a special project team designated by the President.</p> <p>(2) The Company has established the Fraud Reporting and Handling Procedures to handle the standard operating procedures for investigating reported matters and related confidentiality mechanisms.</p> <p>(3) The Company always protects whistleblowers from improper treatment as a result of their reports.</p>	<p>(1)There is no significant deviation.</p> <p>(2)There is no significant deviation.</p> <p>(3)There is no significant deviation.</p>
<p>4. Enhancing Information Disclosure</p> <p>Has the Company disclosed the content of Ethical Corporate Management Best Practice Principles and the result at its official website and MOPS?</p>			<p>The Procedures for Ethical Corporate Management and Guidelines for Conduct of the Company are disclosed on the Company's website, which specifies the matters that our employees shall pay attention to when carrying out businesses, in order to implement the ethical corporate management policy and actively prevent any non-integrity behavior.</p>	<p>There is no significant deviation.</p>
<p>5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please</p>				

Items for evaluation	Implementation Status (Note 1)			Deviations from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
describe any discrepancy between the policies and their implementation: The Company has established the Procedures for Ethical Corporate Management and Guidelines for Conduct which all operations of the Company adhere to and there are no significant deviation.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies): The Company will continuously pay attention to the development of regulations for ethical corporate management within the group, and encourage directors, managers, and employees to provide suggestions for reviewing and improving the Company's policies and measures on ethical corporate management, in order to enhance the implementation effectiveness. In addition, the Company has established a Corporate Governance section on the Company's website. Relevant information and actual operational conditions will be disclosed on the Company's website and on the Market Observation Post System.				

(8) If the company has established corporate governance best practice principles and related regulations, it shall disclose the method for accessing them:

(1) For information on related regulations, please visit

<http://www.sunfpu.com.tw/Investment-Information/Corporate-Governance/Rules-and-Regulations>, or visit the Market Observation Post System at <http://mops.twse.com.tw/mops/web/index>

(2) The Company established the Procedures for Handling Material Inside Information on December 24, 2009. For information on related regulations, please visit

<http://www.sunfpu.com.tw/Investment-Information/Corporate-Governance/Rules-and-Regulations>

(9) Other important information to facilitate a better understanding of the company's corporate governance operations:

- 1、In order to strengthen corporate governance, the Company has established the Code of Ethical Conduct which was approved by the Board of Directors on December 15, 2015. The full text of the Code of Ethical Conduct is as follows:

Code of Ethical Conduct

1. Purpose:

To guide the behaviors of the directors, supervisors, and managers of the Company to meet ethical standards and to enable stakeholders to better understand the Company's ethical standards, these codes have been established for compliance. °

2. Scope of application:

- 1、This Code applies to the directors, supervisors, and managers of the Company.
- 2、The managers referred to in the preceding paragraph include the General Manager and personnel of equivalent level, Vice General Manager and personnel of equivalent level, head of Financial Division, and other personnel who manage the Company's affairs and have signing authority.

3. Honest and ethical behavior:

The directors, supervisors, and managers of the Company shall perform their duties with honesty and integrity, and comply with professional standards, including handling personal and apparent conflicts of interest in a fair manner.

4. Preventing conflicts of interest:

- 1、The directors, supervisors, and managers of the Company shall handle public affairs in an objective and efficient manner, and shall not seek to obtain improper benefits for themselves, their spouses, or relatives within the second degree of kinship by virtue of their positions, in case of personal or apparent conflicts of interest.
- 2、To prevent conflicts of interest, if there are any capital loans, endorsement

guarantees, or major asset transactions between the Company and the aforementioned personnel or their affiliated companies, they shall be subject to review by the Board of Directors in advance and handled in accordance with laws and regulations of the Company. Sales and purchases shall be made with the Company's maximum benefit in mind and in accordance with regulations in the Company's procurement and sales cycle.

3、Managers shall not employ staff who are spouses or relatives within the second degree of kinship in the same department or in positions that should be managed separately within the internal control system. If there is a special need, the appointment of staff with such relationships shall be submitted to the Board of Directors for approval.

5. Prohibition on insider trading:

Directors, supervisors, and managers of the Company shall comply with laws and regulations on preventing insider trading and other securities laws and regulations related to stock trading and handling of confidential information. When in possession of important undisclosed information, they shall not engage in related securities trading

6. Prohibition on gifts, bribery, and improper benefits:

Directors, supervisors, and managers of the Company shall not request, agree to, receive, or provide any form of gifts, entertainment, kickbacks, bribery, or other improper benefits for the benefit of themselves, their companies, or third parties while performing their duties. However, gifts or entertainment that are allowed by social etiquette or the Company's regulations are not subject to this prohibition.

7. Avoidance of opportunities for personal gain:

1、When the Company faces opportunities for profit, directors, supervisors, and managers shall uphold or increase the legitimate and lawful interests that the Company can obtain.

2、Directors, supervisors, and managers shall not use the Company's property and information, or their positions to obtain personal gain. Furthermore, they shall not engage in activities that compete with the Company, except as otherwise provided in the Company Act or the Company's Articles of Incorporation.

8. Confidentiality obligation:

1、Directors, supervisors, and managers of the Company shall maintain confidentiality regarding information concerning the Company itself or its customers (including information on procurement and sales), except where authorized or required by law to disclose such information. They shall also refrain from using such information for personal gain or for the benefit of third parties.

2、The information that should be kept confidential includes all undisclosed information that may be used by competitors or may cause harm to the Company

or its customers in the future.

9. Fair trading:

The Company is committed to market competition through excellent management and service, and does not use illegal or unethical means to achieve results. Directors, supervisors, and managers of the Company shall treat customers, competitors, and employees fairly, and shall not obtain undue benefits through manipulation, concealment, or abuse of information obtained in their duties, misrepresentations of important matters, or other unfair trading practices.

10. Protection and proper use of company assets:

The Company's assets shall be protected and used only for legitimate business purposes. Directors, supervisors, and managers are responsible to protect the Company's assets and ensure their effective and lawful use for official purposes, in order to avoid situations of theft, negligence, or waste that may directly affect the Company's profitability.

11. Compliance with laws and regulations:

Directors, supervisors, and managers of the Company shall comply with the provisions of the Company Act, Securities and Exchange Act, and other laws and regulations.

12. Encouragement to report any illegal or unethical behavior:

- 1、 Directors, supervisors, and managers of the Company shall promote ethical standards and encourage employees to report any suspected or discovered violations of laws, regulations, or this Code of Ethical Conduct. When reporting, employees shall provide sufficient information to the managers, chief internal auditor, or other appropriate personnel. The Company shall reward the reporting employees in accordance with the Work Rules and the Remuneration Management Regulations after the reported cases have been verified and confirmed.
- 2、 The Company shall establish a specific reporting system to handle such reports appropriately and confidentially. The Company shall make every effort to protect the safety of the reporting employees and prevent them from being threatened in any form. Malicious and false reporters shall be counseled, and if necessary, punished to uphold the integrity of the Company. If any person believes that they have suffered retaliation, threats, or harassment as a result of the aforementioned behavior, they shall report it to their superior or manager immediately, and the Company shall take appropriate action.

13. Disciplinary measures:

- 1、 When directors and supervisors of the Company violate this Code of Ethical Conduct, it shall be reported to the Board of Directors and the shareholders' meeting for review, and disciplinary measures shall be determined based on the severity of the situation. When managers of the Company violate this Code of Ethical Conduct, except for those involving serious circumstances that required to be reported to the Board of Directors, they shall be disciplined in accordance with the Company's Work Rules and the Remuneration Management Regulations. However, those who violate laws and regulations involving serious circumstances shall also be held civilly and criminally liable to protect the interests of the Company and its shareholders.
- 2、 After the disciplinary measures for the aforementioned violation of this Code of Ethical Conduct have been confirmed, the date of violation, the reasons for the violation, the violated standards, and the handling of the violation for the violating personnel shall be disclosed immediately on the Market Observation Post System in accordance with laws and regulations.

14. Reporting system:

When directors, supervisors, and managers of the Company violate this Code of Ethical Conduct, those who can provide evidence may file a report immediately and submit supporting documents to appropriate personnel, the Board of Directors, or the shareholders' meeting (those involved in the violation shall be recused from the discussion) for final decision-making.

Violating unit	Report handling unit	Disciplinary decision-making unit
Managers (not including general manager)	General manager	General manager, Board of Directors
General manager	Board of Directors	Board of Directors
Directors and supervisors	Other directors and supervisors	Shareholders' meeting

15. Exemption procedure:

If directors, supervisors, and managers of the Company require exemption from following this Code of Ethical Conduct, it must be approved by the Board of Directors and immediately disclosed on the Market Observation Post System. The disclosure shall include the date of the Board's approval of the exemption, the dissenting or qualified opinions of independent directors, the period of the exemption, the reasons for the exemption, and the standards for the exemption. This is to enable shareholders to evaluate whether the Board's decision is appropriate and to prevent arbitrary or suspicious exemptions from occurring. This also ensures that any exemption from following this Code of Ethical Conduct is subject to appropriate control mechanisms to protect the interests of the Company.

16. Disclosure method:
This Code of Ethical Conduct shall be disclosed on the Company's website, annual report, prospectus, and the Market Observation Post System. Any revisions shall also be disclosed by the same methods.
17. Other:
This Code of Ethical Conduct shall come into effect after being approved by the Board of Directors, and any revisions shall also be subject to the same approval process.
18. Establishment and revision:
This Code of Ethical Conduct was established on December 21, 2015.
This Code of Ethical Conduct was revised on May 11, 2016.
This Code of Ethical Conduct was revised on December 24, 2020.

2. 2023 Director Continuing Education Status Report

Title	Name	Name of course	Hours	Training institution
President	LO, KAO-CHENG	Reformation of Shareholders' Meetings and Case Studies	3	Corporate Operating and Sustainable Development Association
		Corporate Governance and Securities Regulations - Explanation and Case Studies of Director and Supervisor Responsibilities under Corporate Governance	3	Corporate Operating and Sustainable Development Association
Director	LO, SHIU-YUNG	Reformation of Shareholders' Meetings and Case Studies	3	Corporate Operating and Sustainable Development Association
		Corporate Governance and Securities Regulations - Explanation and Case Studies of Director and Supervisor Responsibilities under Corporate Governance	3	Corporate Operating and Sustainable Development Association
Director	HUNG, WEN- HUA	Reformation of Shareholders' Meetings and Case Studies	3	Corporate Operating and Sustainable Development Association
		Corporate Governance and Securities Regulations - Explanation and Case Studies of Director and Supervisor Responsibilities under Corporate Governance	3	Corporate Operating and Sustainable Development Association
Director	HONG, SHUI-TONG	Reformation of Shareholders' Meetings and Case Studies	3	Corporate Operating and Sustainable Development Association
		Corporate Governance and Securities Regulations - Explanation and Case Studies of Director and Supervisor Responsibilities under Corporate Governance	3	Corporate Operating and Sustainable Development Association
Director	CHANG, TAI-YANG	Reformation of Shareholders' Meetings and Case Studies	3	Corporate Operating and Sustainable Development Association
		Corporate Governance and Securities Regulations - Explanation and Case Studies of Director and Supervisor Responsibilities under Corporate Governance	3	Corporate Operating and Sustainable Development Association
Director	CHUNG, PI-PIN	Reformation of Shareholders' Meetings and Case Studies	3	Corporate Operating and Sustainable Development Association
		Corporate Governance and Securities Regulations - Explanation and Case Studies of Director and Supervisor Responsibilities under Corporate Governance	3	Corporate Operating and Sustainable Development Association

Independent Director	CHEN, CHUN-CHIH	Reformation of Shareholders' Meetings and Case Studies	3	Corporate Operating and Sustainable Development Association
		Corporate Governance and Securities Regulations - Explanation and Case Studies of Director and Supervisor Responsibilities under Corporate Governance	3	Corporate Operating and Sustainable Development Association
Independent Director	KAO, KUO-CHING	Reformation of Shareholders' Meetings and Case Studies	3	Corporate Operating and Sustainable Development Association
		Corporate Governance and Securities Regulations - Explanation and Case Studies of Director and Supervisor Responsibilities under Corporate Governance	3	Corporate Operating and Sustainable Development Association
Independent Director	HSU, MING-CHE	Reformation of Shareholders' Meetings and Case Studies	3	Corporate Operating and Sustainable Development Association
		Corporate Governance and Securities Regulations - Explanation and Case Studies of Director and Supervisor Responsibilities under Corporate Governance	3	Corporate Operating and Sustainable Development Association

3. Continuing education of managers on corporate governance:

Title	Name	Name of course	Hours	Training institution
Manager	LEE, CHEN-YANG	Continuing education program for accounting executives in issuers, securities firms, and stock exchanges	12.0	Accounting Research and Development Foundation

(10) The following items regarding the implementation of the internal control system shall be disclosed:

1. Internal Control Statement

SUNF PU TECHNOLOGY CO., LTD.
Internal Control System Statement

Date: March 13, 2024

With regard to the 2023 internal control system, the Company declares the following based on the self-evaluation findings:

1. The Company is fully aware that establishing, implementing, and maintaining an internal control system are the responsibility of its Board of Directors and managerial officers. The Company has established such a system to provide reasonable assurance for attaining the aims of the effectiveness and efficiency of business operations (including profits, performance, safeguarding of asset security, etc.); reliability, timeliness, transparency of reporting; and compliance with the governing laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system provides assurance to the aforementioned aims only to a reasonable extent. Moreover, due to changes of environments and circumstances, the effectiveness of an internal control system may change accordingly. Nevertheless, the internal control system of the Company is equipped with a self-monitoring mechanism, and the Company takes corrective actions as soon as any fault is identified.
3. The Company determines the design and operating effectiveness of its internal control system in accordance with the determining factors provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The internal control system determining factors specified in the Regulations divide an internal control system into five elements based on its management: 1. Control Environment, 2. Risk Assessment, 3. Control Operations, 4. Information and Communications, and 5. Monitoring. Each element further contains several items. Refer to the Regulations for the aforementioned items.
4. The Company has adopted the aforementioned internal control system determining factors to examine the design and operating effectiveness of its internal control system.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company deems that the internal control system as of December 31, 2023 (including supervision and management of subsidiaries), which encompass internal controls for knowledge of the accomplishment degree of operating effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with the governing laws and regulations, are effectively designed and implemented, and reasonably assure accomplishment of the abovementioned aims.
6. This Statement constitutes the main content of the Company's annual report and prospectus, and will be made public. Any wrongful act pertaining to falsification or concealment involving the above public declaration will be subjected to legal liabilities under Articles 20, 32, 171, and 174 of, and other regulations relating to, the Securities and Exchange Act.
7. This Statement was approved by the Board Meeting of the Company held on March 13, 2024, where none of the nine attending directors expressed dissenting opinions, and all consented to the content of this Statement.

SUNF PU TECHNOLOGY CO., LTD.

President: LO, KAO-CHENG

General Manager: LO, SHIU-YUNG

2. Where a public certified accountant has been appointed to conduct the project review of the internal control system, the public certified accountant's review report shall be disclosed: No such circumstances.
- (11) In 2023 and as of the date of publication of the annual report, the Company and its internal personnel were subject to punishment in accordance with the law, the Company's disciplinary action against its internal personnel for violating the internal control system rules, the main deficiencies and improvements: None
- (12) Important resolutions of the shareholders' meeting and the Board of Directors in 2023 and as of the date of publication of the annual report:
1. Implementation status and review of important resolutions of the 2023 shareholders' meeting
- Resolutions
- A. Acknowledgement of the Company's final accounts statements and books for 2022.
- B. Acknowledgement of the Company's appropriation of profit and loss for 2022.
2. Important resolutions of the Board of Directors in 2023 and as of the date of publication of the annual report
- Meeting date: March 29, 2023
- Resolutions:
1. Passed the 2022 final accounts statements and books.
 2. Passed the 2022 profit and loss appropriation.
 3. Approved the 2022 remuneration distribution plan for directors and supervisors and employee remuneration.
 4. Passed the 2022 "Internal Control System Effectiveness Assessment" and the "Internal Control System Statement Letter".
 5. Passed the revision of the "Rules of Procedure for the Board of Directors".
 6. Passed the matters relating to the convening of the 2023 regular shareholders' meeting.
 7. Passed the endorsement and guarantee for the subsidiary.
 8. Passed the position "Corporate Governance Manager" of the Company.
 9. Passed the Group's greenhouse gas emission inventory and verification schedule planning.
 10. Passed the full suspension of operations and production of the sub-subsidiary New Sunfpu Electric Wire & Cable (Shenzhen) Co., Ltd.
- Meeting date: May 11, 2023
- Resolutions:
1. Passed the Company's financial statements for the first quarter of 2023.
 2. Passed the revision of the Company's "Finance and Business Rules for Affiliated Enterprises".
- Meeting date: August 14, 2023
- Resolutions:
1. Passed the Company's financial statements for the second quarter of 2023.
 2. Passed the renewal of liability insurance for directors (including independent directors).
 3. Passed the application to Taiwan Business Bank Linkou Branch for a credit line.

4. Passed the endorsement and guarantee for the subsidiary.

Meeting date: November 14, 2023

Resolutions: 1. Passed the Company's financial statements for the third quarter of 2023.
2. Passed the application to Bank SinoPac for a loan limit.

Meeting date: December 21, 2023

Resolutions: 1. Passed the distribution of the 2023 year-end bonus for managers.
2. Passed the manager remuneration structure chart.
3. Passed the 2024 budget.
4. Passed the 2024 audit plan.
5. Passed the revision of the Company's "internal control system".
6. Passed the revision of the Company's "Internal Audit Operation Implementation Rules".
7. Passed the application to Yuanta Commercial Bank for an extension of the loan limit.
8. Passed the authorization of the implementation, supervision, and review of the routine audit work to directors.

Meeting date: March 13, 2024

Resolutions: 1. Passed the 2023 final accounts statements and books.
2. Passed the 2023 profit and loss appropriation.
3. Passed the distribution of the 2023 director remuneration and employee remuneration.
4. Passed the revision of the "Operating Procedures for the Lending of Funds to Others".
5. Passed the revision of the Company's "Material Inside Information Processing Procedures".
6. Passed the revision of the Company's "Board of Directors Performance Evaluation Guidelines".
7. Passed the 2023 "Internal Control System Effectiveness Assessment" and the "Internal Control System Statement Letter".
8. Passed the matters relating to the convening of the 2024 regular shareholders' meeting.
9. Passed the change of the certified public accountant.

(13) 2023 and as of the date of the publication of the annual report, major issues of record or written statements made by any director or supervisor dissenting to important resolutions passed by the Board of Directors: None

(14) Summary of resignation or dismissal of the company's key individuals, including the company's president, general manager, and heads of accounting, finance, internal audit, corporate governance and R&D in 2023 and as of the date of the publication of the annual report: None

4、 Certified public accountant (CPA) fee information:

Amount unit: NT\$1,000

Name of CPA firm	Name of CPA	CPA audit period	Audit fee	Non-audit fee	Total	Remark
Benison Associated CPAs' Firm	LI, HAN	112Q1-112Q4	3,000	420	3,420	Filing for profit-seeking enterprise income tax. Taxes assessed and English financial report.
	QIU, YI-ZHI					

If the company has any of the following circumstances, the following matters shall be disclosed:

- (1) If the certified public accountant (CPA) firm changes, and the audit fee paid in the year of such change is reduced from the audit fee of the previous year, the amount of the audit fee before and after such change and the reason of such change shall be disclosed:
Not applicable ◦
- (2) If the audit fee is reduced by more than 10% from last year, the amount, percentage, and reason for the reduction of the audit fee shall be disclosed: Not applicable

5、 Information of CPAs change in the most recent two years and latest year :

Name of CPA firm	Name of CPA	CPA audit period	Remark
Benison Associated CPAs' Firm	LI, HAN	Q1, 2022-Q4, 2022	Adjustment needs for executing business
	LIN, YU-YA	Q1, 2022-Q2, 2022	
	QIU, YI-ZHI	Q3, 2022-Q4, 2022	

- 6、 Where the company's president, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed.: None

7. Directors, supervisors, managerial officers and the shareholders holding more than 10% of the shares in the transfer of shares and pledge of shares under lien, and any change thereof.

Unit: Share

Title	Name	2023		As of April 28, 2024	
		Number of shares held increased (decreased)	Number of pledged shares increased (decreased)	Number of shares held increased (decreased)	Number of pledged shares increased (decreased)
President (concurrently serving as group chairman)	LO, KAO-CHENG	0	0	0	0
Director (concurrently serving as General Manager)	LO, SHIU-YUNG	0	0	0	0
Director	HONG, SHUI-TONG	0	0	0	0
Director	HUNG, WEN-HUA	0	0	0	0
Director	CHANG, TAI-YANG	0	0	0	0
Director	CHUNG, PI-PIN	0	0	0	0
Independent Director	CHEN, CHUN-CHIH	0	0	0	0
Independent Director	KAO, KUO-CHING	0	0	0	0
Independent Director	HSU, MING-CHE	0	0	0	0
General Manager	LO, CHAO-MING	0	0	0	0
Manager	LEE, CHEN-YANG	0	0	0	0

Information of equity transfer

April 28, 2024

Name	Reason for equity transfer	Transaction date	Counterparty	Relationship between the counterparty and the company, directors, supervisors, managers, and shareholders who hold more than 10% of the shares	Number of shares	Transaction price
None	None	None	None	None	None	None

Information of shares pledge

April 28, 2024

Name	Reason for change in shares pledge	Date of change	Counterparty	Relationship between the counterparty and the company, directors, supervisors, managers, and shareholders who hold more than 10% of the shares	Number of shares	Shareholding ratio	Pledge ratio	Pledged (redemption) amount
None	None	None	None	None	None	None	None	None

8. Information on shareholders among the top 10 by proportion of shareholding and their relationship

April 28, 2024

Name	Own shareholdings		Shares held by spouse & minor children		Total shareholding held through nominees		Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another stated in Statements of Financial Accounting Standards No. 6; title, name and relationship		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
LO, SHIU-YUNG	6,184,672	6.75%	1,652,857	1.80%	0	0.00%	WEI, HSIU-YING	Spouse	
							LO, KAO-CHENG	Second degree of kinship	
							LO, CHAO-MING	Second degree of kinship	
							LO, KUOH-SIUNG	Second degree of kinship	
LO, KAO-CHENG	3,868,301	4.22%	0	0.00%	0	0.00%	LO, SHIU-YUNG	Second degree of kinship	
							LO, CHAO-MING	Second degree of kinship	
							LO, KUOH-SIUNG	Second degree of kinship	
							WEI, HSIU-YING	In-law	
LO, KUO-HSIUNG	2,543,411	2.78%	0	0.00%	0	0.00%	LO, KAO-CHENG	Second degree of kinship	
							LO, SHIU-YUNG	Second degree of kinship	
							LO, CHAO-MING	Second degree of kinship	
							WEI, HSIU-YING	In-law	
KAN, CHENG-WAN	2,441,000	2.67%	0	0.00%	0	0.00%	None	None	
LIU, LAI-TIAN	2,230,000	2.43%	0	0.00%	0	0.00%	None	None	
TSAI, HO-CHUN	2,168,000	2.37%	0	0.00%	0	0.00%	None	None	
LEE, WAN-HO	2,151,652	2.35%	0	0.00%	0	0.00%	None	None	
WEI, HSIU-YING	1,652,857	1.80%	6,184,672	6.75%	0	0.00%	LO, SHIU-YUNG	Spouse	
							LO, KAO-CHENG	In-law	
							LO, CHAO-MING	In-law	
							LO, KUO-HSIUNG	In-law	
LO, CHAO-MING	1,537,000	1.68%	488,000	0.53%	0	0.00%	LO, KAO-CHENG	Second degree of kinship	
							LO, SHIU-YUNG	Second degree of kinship	
							LO, KUO-HSIUNG	Second degree of kinship	
							WEI, HSIU-YING	In-law	
CHEN, LI-LANG	1,535,490	1.68%	92,569	0.10%	0	0.00%	None	None	

9、Quantity of shareholdings of the same investee by the Company and Directors, Supervisors, Managerial Officer, and direct or indirect subsidiaries in proportion to the combined holdings of all, and combined to calculate the overall shareholding ratio :

Dec. 31, 2023; thousand shares

Investee	Investment made by the Company		Investment made by directors, supervisors, managerial official and direct or indirect subsidiaries		Combined investment	
	Number of Shares	Shareholding ratio	Number of Shares		Number of Shares	Shareholding ratio
Sunf Pu Electric Wire & Cable Co., Ltd.	7,181	100%	0	Sunf Pu Electric Wire & Cable Co., Ltd.	7,181	100%

IV、Capital Overview

1. Capital and Shares

(1) Sources of shares capital

Dec. 31, 2023

Period	Price at issuance	Authorized shares capital		Authorized shares capital		Remark		
		Number of Shares (shares)	Amount (NT\$)	Number of Shares (shares)	Amount (NT\$)	Sources of Capital Stock	Property other than cash is paid by subscribers	Other
1985.06	--	80,000	8,000,000	80,000	8,000,000	Cash capital increase NT\$6,000,000	None	Note 1
1987.10	--	300,000	30,000,000	300,000	30,000,000	Cash capital increase NT\$22,000,000	None	Note 2
1989.11	--	500,000	50,000,000	500,000	50,000,000	Cash capital increase NT\$20,000,000	None	Note 3
1991.06	--	8,000,000	80,000,000	8,000,000	80,000,000	Cash capital increase NT\$30,000,000	None	Note 4
1996.11	--	11,000,000	110,000,000	11,000,000	110,000,000	Cash capital increase NT\$30,000,000	None	Note 5
1997.09	--	19,500,000	195,000,000	19,500,000	195,000,000	Cash capital increase NT\$70,000,000 Earnings transferred to capital increase NT\$15,000,000	None	Note 6
1998.12	15	25,000,000	250,000,000	25,000,000	250,000,000	Cash capital increase NT\$34,000,000 Earnings transferred to capital increase NT\$19,485,802 Capital reserve transferred to capital increase NT\$1,514,198	None	Note 7
1999.10	15	30,000,000	300,000,000	30,000,000	300,000,000	Cash capital increase NT\$25,000,000 Earnings transferred to capital increase NT\$25,000,000	None	Note 8
2000.09	10	39,323,000	393,230,000	39,323,000	393,230,000	Earnings transferred to capital increase NT\$90,000,000 Employees' bonus transferred to capital increase NT\$3,230,000	None	Note 9
2001.05	10	90,000,000	900,000,000	47,554,600	475,546,000	Earnings transferred to capital increase NT\$78,646,000 Employees' bonus transferred to capital increase NT\$3,670,000	None	Note 10
2001.06	35	90,000,000	900,000,000	53,554,600	535,546,000	Cash capital increase NT\$60,000,000	None	Note 11
2002.05	10	90,000,000	900,000,000	71,000,000	710,000,000	Earnings transferred	None	Note

						to capital increase NT\$160,663,800 Employees' bonus transferred to capital increase NT\$13,790,200		12
2003.08	10	120,000,000	1,200,000,000	79,170,000	791,700,000	Earnings transferred to capital increase NT\$78,100,000 Employees' bonus transferred to capital increase NT\$3,600,000	None	Note 13
2006.09	10	140,000,000	1,400,000,000	83,628,500	836,285,000	Earnings transferred to capital increase NT\$39,585,000 Employees' bonus transferred to capital increase NT\$5,000,000	None	Note 14
2007.10	10	150,000,000	1,500,000,000	88,809,925	888,099,250	Earnings transferred to capital increase NT\$41,814,250 Employees' bonus transferred to capital increase NT\$10,000,000	None	Note 15
2008.10	10	150,000,000	1,500,000,000	91,5861,24	915,861,240	Earnings transferred to capital increase NT\$17,761,990 Employees' bonus transferred to capital increase NT\$10,000,000	None	Note 16

Note 1: 1985.06 Cash capital increase: Ordinary shares of NT\$6,000,000

Note 2: 1987.10 Cash capital increase: Ordinary shares of NT\$22,000,000

Note 3: 1989.11 Cash capital increase: Ordinary shares of NT\$20,000,000

Note 4: 1991.06 Cash capital increase: Ordinary shares of NT\$30,000,000

Note 5: 1996.11 Cash capital increase: Ordinary shares of NT\$30,000,000

Note 6: 1997.09 Cash capital increase: Ordinary shares of NT\$70,000,000; Earnings transferred to capital increase: Ordinary shares of NT\$15,000,000.

Note 7: 1998.12 Cash capital increase: Ordinary shares of NT\$34,000,000, approved by the Securities and Futures Commission of the Ministry of Finance under Letter No. Taiwan-Finance-Securities-(I)-86897 of the Securities and Futures Commission of the Ministry of Finance (1998); Earnings transferred to capital increase: Ordinary shares of NT\$19,485,802, approved by the Securities and Futures Commission of the Ministry of Finance under Letter No. Taiwan-Finance-Securities-(I)-49358 of the Securities and Futures Commission of the Ministry of Finance (1998) dated 1998.06.06.

Note 8: 1999.10 Cash capital increase: Ordinary shares of NT\$25,000,000; Earnings transferred to capital increase: Ordinary shares of NT\$25,000,000, approved by the Securities and Futures Commission of the Ministry of Finance under Letter No. Taiwan-Finance-Securities-(I)-63831 of the Securities and Futures Commission of the Ministry of Finance (1999) dated 1999.7.17.

Note 9: 2000.09 Earnings transferred to capital increase: Ordinary shares of NT\$93,230,000, approved by the Securities and Futures Commission of the Ministry of Finance under Letter No. Taiwan-Finance-Securities-(I)-56615 of the Securities and Futures Commission of the Ministry of Finance (2000) dated 2000.6.30.

Note 10: 2001.05 Earnings transferred to capital increase: Ordinary shares of NT\$82,316,000, approved by the Securities and Futures Commission of the Ministry of Finance under Letter No. Taiwan-Finance-Securities-(I)-131769 of the

Securities and Futures Commission of the Ministry of Finance (2001) dated 2001.5.22.

- Note 11: 2001.06 Earnings transferred to capital increase: Ordinary shares of NT\$60,000,000, approved by the Securities and Futures Commission of the Ministry of Finance under Letter No. Taiwan-Finance-Securities-(I)-136453 of the Securities and Futures Commission of the Ministry of Finance (2001) dated 2001.6.18.
- Note 12: 2000.09 Earnings transferred to capital increase: Ordinary shares of NT\$93,230,000, approved by the Securities and Futures Commission of the Ministry of Finance under Letter No. Taiwan-Finance-Securities-(I)-126994 of the Securities and Futures Commission of the Ministry of Finance (2002) dated 2002.5.17.
- Note 13: 2003.08 Earnings transferred to capital increase: Ordinary shares of NT\$93,230,000, approved by the Securities and Futures Commission of the Ministry of Finance under Letter No. Taiwan-Finance-Securities-(I)-0920137444 of the Securities and Futures Commission of the Ministry of Finance (2003) dated 2003.8.19.
- Note 14: 2006.09 Earnings transferred to capital increase: Ordinary shares of NT\$44,585,000, approved by the Securities and Futures Commission of the Ministry of Finance under Financial Supervisory Commission (1) Document No. 0950130856 dated 2006.7.17.
- Note 15: 2007.10 Earnings transferred to capital increase: Ordinary shares of NT\$51,814,250, approved by the Financial Supervisory Commission of the Executive Yuan under Financial Supervisory Commission (1) Document No. 0960040302 dated 2007.7.31.
- Note 16: 2008.10 Earnings transferred to capital increase: Ordinary shares of NT\$27,761,990, approved by the Financial Supervisory Commission of the Executive Yuan (1) Document No. 0970041017 dated 2008.8.13; and approved by the Ministry of Economic Affairs under Letter No. 09701257990 dated 2008.10.9.

Dec. 31, 2023

Unit: Share

Type of Share	Authorized Share Capital					Remark
	Outstanding shares					Total number of convertible shares including subscription warrants
	TWSE/TPEX listed	TWSE/TPEX unlisted		TWSE/TPEX listed	TWSE/TPEX unlisted	
Ordinary share	91,586,124	--	Ordinary share	91,586,124	--	Ordinary share

Note: 10,000,000 shares are reserved in the Company's Articles of Incorporation for the exercise of subscription rights by subscription warrants

Information related to shelf registration system

Type of securities	Amount to be issued		Issued amount		Purpose and expected benefits of the issued amount	Scheduled issuance period for the unissued amount	Remarks Total number of shares
	Total number of shares	Amount approved	Number of shares	Price			
	-	-	-	-			

(2) Composition of shareholders

April 28, 2024 ; Unit: shares

Composition of Shareholders Quantity	Governmental Institution	Financial Institution	Other Juridical person	Individual	Foreign Institution and Foreigner	Total
Number of persons	0	0	175	33, 292	28	33, 495
Shareholding	0	0	129, 187	89, 514, 295	1, 942, 642	91, 586, 124
Shareholding ratio	0. 00 %	0. 00%	0. 14%	97. 74%	2. 12%	100. 00%

(3) Shareholding Distribution Status

		NT\$10 par value per share		April 28, 2024
Shareholding classification	No. of shareholders	Shareholding	Shareholding ratio	
1-999	27,234	342,867	0.37%	
1,000-5,000	4,358	9,579,111	10.46%	
5,001-10,000	984	7,804,773	8.52%	
10,001-15,000	263	3,348,073	3.66%	
15,001-20,000	187	3,513,027	3.84%	
20,001-30,000	141	3,678,997	4.02%	
30,001-40,000	86	3,091,691	3.38%	
40,001-50,000	51	2,398,148	2.62%	
50,001-100,000	100	7,400,437	8.08%	
100,001-200,000	42	5,880,754	6.42%	
200,001-400,000	23	6,189,146	6.76%	
400,001-600,000	10	5,081,196	5.54%	
600,001-800,000	1	697,000	0.76%	
800,001-1,000,000	0	0	0%	
1,000,001以上	15	32,598,904	35.57%	
合計	33,495	91,586,124	100.00%	

Preferred shares

NT\$0 par value per share

April 28, 2024

Shareholding classification	No. of shareholders	Shareholding	Shareholding ratio
1 and above	-	-	-
Total	-	-	-

(4) List of Major Shareholders

List all shareholders with a stake of 5 percent or greater, or the shareholders who rank in the top 10 in shareholding percentage, and

April 28, 2024

Names of Major shareholders	Shareholding	Shareholding ratio (%)
LO, SHIU-YUNG	6,184,672	6.75%
LO, KAO-CHENG	3,868,301	4.22%
LO, KUO-HSIUNG	2,543,411	2.78%
KAN, CHENG-WAN	2,441,000	2.67%
LIU, LAI-TIAN	2,230,000	2.43%
TSAI, HO-CHUN	2,168,000	2.37%
LEE, WAN-HO	2,151,652	2.35%
WEI, HSIU-YING	1,652,857	1.80%
LO, CHAO-MING	1,537,000	1.68%
CHEN, LI-LANG	1,535,490	1.68%

(5) Information on market price, net value, earnings and dividends per share in the most two year

Unit: NT\$; thousand shares

Item	Year		2022	2023	As of March 31, 2024
	Market price per share	The Highest		12.2	15
The Lowest		7.44	9.39	10.85	
Average		9.35	11.67	13	
Net Value Per Share	Before distribution		9.72	9.90	-
	After distribution		9.72	9.90	-
Earnings per share	Weighted average shares (thousand shares)		91,586	91,586	91,586
	Earnings per share		0.20	0.41	-
Dividend Per Share	Cash dividends		0	0	-
	Free-Gratis Dividends	Retained Shares Distribution	-	-	-
		Capital reserve Shares Distribution	-	-	-
	Retained Dividends		-	-	-
Return on Investment Analysis	Price-to-Earnings Ratio		46.75	28.46	-
	Price-to-Dividend Ratio		-	-	-
	Cash Dividend Yield Rate		-	-	-
Note	<p>1. The net value per share after the distribution for the 2023 is calculated based on the profit or loss appropriation resolved by the shareholders' meeting.</p> <p>2. The net value per share after the distribution for the 2024 is temporarily calculated based on the profit or loss appropriation proposed by the Board of Directors.</p> <p>3. If there are any retrospective adjustments required due to issues such as free-gratis dividends, the earnings per share should be presented before and after the adjustments.</p>				

(6) Company dividend policy and implementation status:

1、Dividend policy of the Company :

The Company shall set aside 10% of its annual net profit, after paying all taxes and making up for previous years' losses in accordance with the law, as the legal reserve and other special reserves that shall be appropriated or reversed in accordance with regulations. The remaining amount, after adding the previous year's accumulated undistributed profits, shall be the accumulated distributable profits, and the Board of Directors shall propose a distribution plan and submit it to the shareholders' meeting for approval ◦

The Company's dividend policy mainly takes into account the business environment, long-term financial planning, future funding needs, and shareholder interests. Every year, not less than 10% of the distributable profits will be set aside for distribution to shareholders as dividends ◦

When distributing dividends to shareholders, cash dividends shall be the primary method, and partial stock dividends may be offered. The cash dividend distribution ratio shall not be less than 50% of the total dividend distribution. The above-mentioned ratio for providing dividends may be adjusted based on actual profits and financial conditions, subject to approval by the shareholders' meeting.

2、The proposed dividend distribution for the current shareholders' meeting is as follows:

The Company's earning distribution or loss off-setting proposals for 2023 has been approved by the Board of Directors.

(7) The impact of stock dividends proposed at the shareholders' meeting on the Company's operating performance and earnings per share:

The loss off-setting calculation for 2023, as approved by the Board of Directors, does not involve free-gratis dividends and therefore does not apply ◦

(8) Remuneration of employees, directors.

1、Remuneration of employees, directors in accordance with the Company's Articles of Incorporation:

If the Company earns a profit in a given year, it shall allocate 3% to 10% of the profit for employee remuneration and up to 5% of the profit for director remuneration. The distribution of such remuneration shall be resolved by the Board of Directors with attendance of over two-thirds of the directors and approval of a majority of the attending directors. However, when the Company has accumulated losses, a certain amount shall be reserved for making up such losses, and the remaining amount shall be allocated in accordance with the aforementioned proportions.

The aforementioned employee remuneration may be issued in the form of stock or cash, and the recipients of such remuneration may include employees of subsidiary companies who meet certain conditions.

2、If the estimated number of shares for the calculation of employee, director remuneration and employee stock dividends, as defined in the Company's Articles of Incorporation, differs from the actual allocation amount, the difference shall be listed as an adjustment to the next year's income statement.

3、Remuneration distribution approved by the Board of Directors:

A、If the amount of employee, director remuneration distributed in cash or stocks is different from the annual estimated amount of recognized expenses, the number of discrepancies, reasons and handling status shall be disclosed: No discrepancies

B、The amount of employee remuneration distributed by stocks and its percentage to the net profit after tax of the parent-company-only or individual financial statements and total employee remuneration for the current period: Not applicable

4、If the actual distribution of employee, director remuneration in the previous year is different from the recognized employee, director remuneration, the number of differences, reasons and handling situation shall be stated: None

- (9) Repurchase of Company shares: There is no such situation.
2. Status of Corporate bond (including overseas corporate bond) : None
 3. Status of preferred share: None
 4. Status of issuing the global depository receipts: None
 5. Status of employee stock options and new restricted employee shares: None
 6. Status regarding issuance of new shares in connection with mergers or acquisitions of other companies' shares: None
 7. Implementation status of capital allocation: The Company has not carried out the cash capital increase or a private placement of securities for the most recent year.

V. Operational Overview

1. Business Content

(1) Business scope

1、The Company's main business includes research, development, design, production, manufacturing, processing, packaging, assembly, testing, and sales of the following products:

- (1) Wire and cable manufacturing industry ◦
- (2) Electronic component manufacturing industry ◦
- (3) Data storage and processing equipment manufacturing industry ◦
- (4) Pollution prevention and control equipment manufacturing industry ◦
- (5) Power generation, transmission, and distribution machinery manufacturing industry ◦
- (6) Installation engineering of lighting equipment ◦
- (7) Industrial plant development, leasing, and sales industry ◦
- (8) Real estate leasing industry ◦
- (9) Real estate sales industry ◦
- (10) Other consulting services industry ◦

2、The business proportions of the main product categories in 2023 are as follows:

About 46.85% for network cables, about 52.70% for computer peripheral product cables, and 0.45% for other cables

3、Products (services) currently available:

The Company's main products include DVI cables, HDMI cables, USB cables, VGA cables, LAN cables, as well as many types of DC cables. The Company can provide customized OEM products that are environmentally friendly, with flame-retardant and halogen-free materials. The Company also offers CMP cables, and cables for computer, communication, and consumer electronics products

Product name	Main application
DVI Cable & Assembly	Cables for LCD/display monitors
Multi Wire Cable & Assembly	Signal cables
VGA Cable & Assembly	Screen cables
HDMI Cable & Assembly	Cables for digital TVs, DVD players, and other digital audio-visual products Version 1.4 cables with ultra-high resolution
USB 2.0/3.0 Cable & Assembly	Plug-and-play cables for connecting consumer electronics products with PCs and peripheral systems
COMMUNICATON CABLES	Many communication/computer peripheral cables
PU COIL CABLE	Cables for car chargers and in-car use
LAN Cable & Assembly	Various network transmission cables (Cat5e, Cat6, Cat6A, FTP/CAT6, SSTP/CAT6, Cat7)
Phone Cable & Assembly	Various telephone transmission cables

(2) Industry overview:

1. Current status and development of the industry

Since APPLE changed people's habits of using mobile phones, wearable devices have driven the diversification of products in the computer, communication, and consumer electronics industries. Moreover, the concept of integrating safety systems and medical monitoring into portable devices is becoming increasingly accepted by people all over the world.

2. Correlation between the upstream, midstream, and downstream industries

The Company's main products are cables for computer, communication, and consumer electronics products and surveillance system cables, which belong to the electronic components industry. Upstream suppliers provide bulk raw materials such as copper wire and PVC plastic powder, while downstream customers include manufacturers and distributors of computer products (computer information), communication products (phones, internet), and consumer electronics (CD players, digital cameras, digital TVs, and other products).

3. Product development trend

The change in human usage patterns has gradually turned electronic products into necessities, driving market demand. Big international companies have responded to this trend by constantly innovating and improving, while demanding faster, better, and cheaper products. This trend has also driven the professionalism of procurement and R&D teams, rapidly meeting customer expectations and bringing closer the relationships between suppliers.

4. Competition between products

The Company's products mainly include network cables, USB cables, HDMI cables, computer peripheral cables, and transmission cables used for connecting PCs and peripheral products. As a professional wire manufacturer, we face fierce competition in the industry and are limited by the diversification of products and short product life cycles. In addition, customers increasingly demand fast, small-lot and diversified production with high-quality services. Therefore, we must continuously improve product quality and innovate to meet customer needs in order to maintain a competitive position in the industry.

(3) Technology and R&D overview:

1. R&D expenses for the current year and up to the end of the first quarter of the year

Unit: NT\$1,000

Year	R&D expenses
First quarter of 2024	1,695
2023	7,201
2022	10,394

2. Technologies or products successfully developed in the past two years

R&D item	Description
LAN network 6A cable	New generation ultra-high-speed 10G cable, certified by UL and ETL
USB 3.0 high-speed transmission cable	Match with new generation high-speed Blu-ray players TYPE A TO A & TYPE A TO B CABLE ASSEMBLY certified by USB3.0 Association
Low-smoke, halogen-free cable	Applied to environmentally friendly cables for communication products, which will be widely used in the future Certified by UL
Composite cable	High-end multi-functional composite cable, with increasing market application
AV cable	High-end cable for video and audio equipment, simplifying construction complexity
Industrial network cable	Special applications for industrial automation, such as high and low-temperature environments
HDMI DVI DISPLAYPORT new version	High-end digital multimedia video and audio cables, and cables for digital TVs
Ultra-high-frequency coaxial cable	High-end communication cables for computer, communication and consumer electronics, and wireless device installation cables
HDMI 1.4 version audio and video transmission cable	High-speed, high-fidelity multimedia digital TV, certified by HDMI Association
Cat 7 LAN cable	New generation ultra-high-speed 10G cable, bandwidth

	upgraded to 600MHz, certified by ETL
Instrument panel cable (ITC CABLE)	Professional cable for instrument panel, certified by UL
CPR cable (European building regulations)	Compliant with European building regulations, and passed the test of Force Delta Dca&Eca & 3P Dca&Eca
Cat 8.1 LAN cable (25G)	Data center cables
USB 3.1 Gen1&Gen.2	External portable hard drives for use with computers
UL3003 DG CABLE UL83 Thermoplastic-Insulated Wires and cables	Used in distributed power generation equipment and devices Certified by UL

(4) Business development plans:

1. Short-term plan overview

- (1) Continuously train employees to improve their professionalism and reduce waste.
- (2) Focus on meeting customer demands with fast, professional and friendly service to differentiate from competitors.
- (3) Participate in domestic and international computer expos to increase product exposure and develop new customers.

2. Long-term plan overview

- (1) Differentiate products for a variety of industries.
- (2) Develop products with different price levels in collaboration with customers.
- (3) Design specifications tailored to customers to improve their market competitiveness.

(4) Collaborate with existing customers to jointly develop new customers

(4) Business development plans:

1. Short-term plan overview

- (1) Continuously train employees to improve their professionalism and reduce waste.
- (2) Focus on meeting customer demands with fast, professional and friendly service to differentiate from competitors.
- (3) Participate in domestic and international computer expos to increase product exposure and develop new customers.

2. Long-term plan overview

- (1) Invested in similar industry groups and increased the product types.
- (2) Develop products with different price levels in collaboration with customers
- (3) Design specifications tailored to customers to improve their market competitiveness.
- (4) Collaborate with existing customers to jointly develop new customers

2. Analysis of the market as well as the production and marketing situation

(1) Analysis of Market

1、Areas where the main products (services) of the company are provided (supplied)

Unit: NT\$1,000

Sales by region	Taiwan	Domestic subtotal	Asia	America	Others	Export subtotal	Total
Amount	131,502	131,502	722,299	45,448	1,622	769,369	900,871
%	14.60%	14.60%	80.18%	5.04%	0.18%	85.40%	100.00%

2、Market share

Market share of SUNF PU in 2023

Unit: NT\$1,000	
Total sales of electrical wire & cable in Taiwan	8,824,279
Sales revenue of SUNF PU	900,871
Market share of SUNF PU	10.21%

Source: Ministry of Economic Affairs Economic Statistics Information Network, and information provided by SUNF PU

3、Competitive advantages:

(1) Excellent product quality and complete range of products

The Company has nearly 30 years of experience in producing connection cables for computer, communication and consumer electronics products and has accumulated considerable experience and technology in manufacturing. Every year, the Company continues to improve product quality and develop new products to meet the diverse needs of customers. Currently, the Company has more than 3,000 types of products and has obtained international safety certifications.

(2) Well-developed production technology and complete production management system

The Company constantly introduces advanced automated equipment to maintain the competitive advantage of its products in the market. Moreover, in response to the customers' demand for short lead time, the Company has developed a computer system to manage processes from order-taking to delivery. With this system, the production management team can clearly grasp the production schedule and delivery time, which meets the needs of customers for product diversification and fast delivery.

(3) Excellent R&D capability, continuous development of products that meet market trends

In view of the rapid development of the computer, communication and consumer electronics industries, the Company is aware that the products need to keep up with downstream needs and constantly introduce new products. Therefore, since the establishment of the Company, we have attached great importance to the development of new products to meet industry trends.

4、Favorable factors for future development:

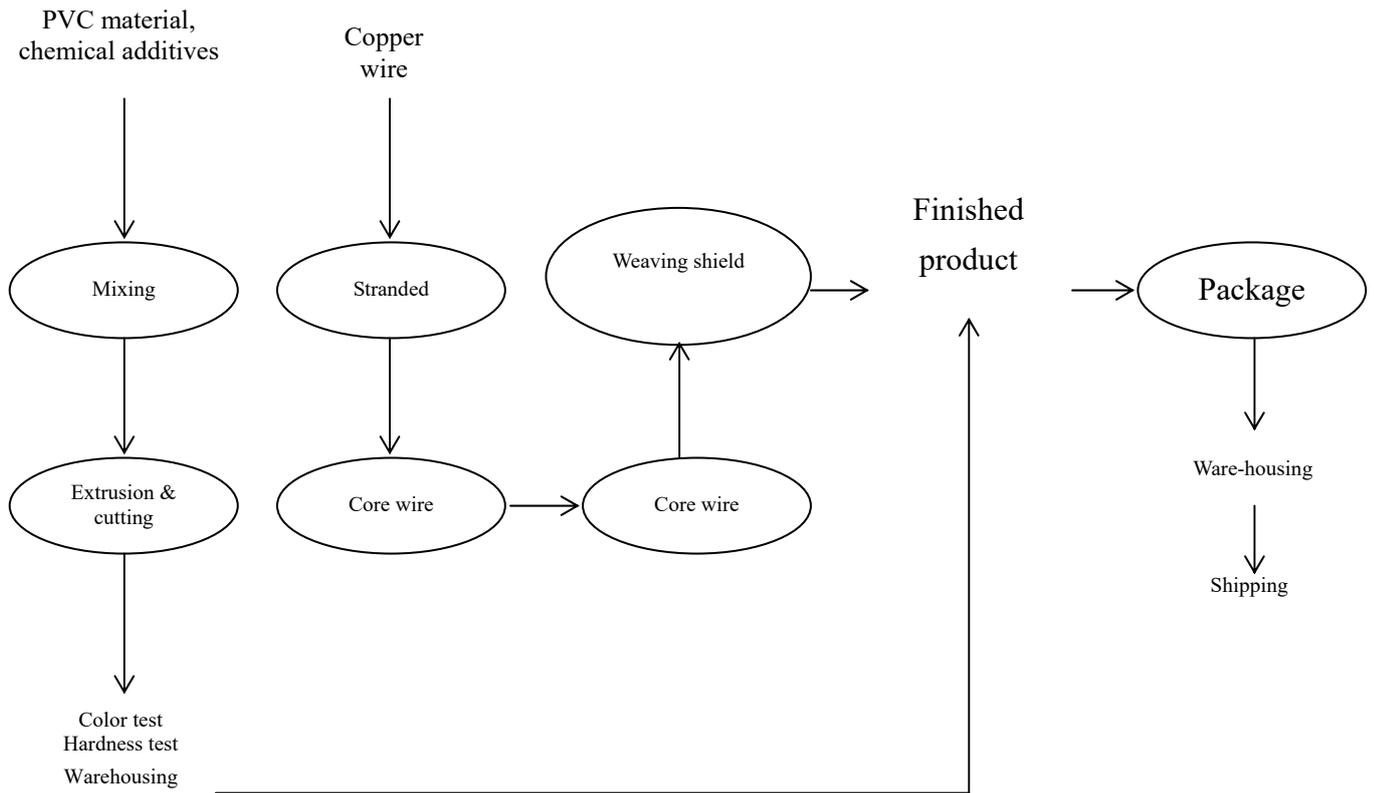
Favorable factors

- A. Product development that follows industry trends is developed to meet future market mainstream. The Company has developed high-level fireproof, environmentally friendly/halogen-free cables and high-frequency network cables to meet the trend of the times
- B. With the advancement of telecommunications liberalization, there are huge business opportunities in the global communication market. Thanks to the promotion of global broadband Internet access services, the Internet is still the mainstream of the international market. Currently, many types of broadband network equipment are being continuously deployed in emerging markets, and there is still room for growth.
- C. The integration of information products, communication products, and consumer electronics products brings unlimited business opportunities to the computer, communication and consumer electronics industries.

5 、Improve production and sales response measures

Items for improvement	Countermeasures
1 、 The main raw materials for cables of computer, communication and consumer electronics product are copper and PVC plastic. Since copper is an internationally traded commodity, supply and demand imbalances and human factors can lead to significant price fluctuations. The price of plastic raw materials is closely related to international oil prices and global production capacity. Therefore, the sources and prices of these two materials affect the Company's operating costs.	(1) Sign long-term contracts with suppliers to secure a stable supply of materials and reduce procurement costs. (2) As a veteran player in the market of computer communication and consumer electronics products, SUNFU TECHNOLOGY CO., LTD. has always upheld the spirit of continuously improving product quality to provide customers with competitive products that have a differentiated sales market.
2 、 Manufacturing industries generally face the problem of inadequate efficiency.	Upgrade production equipment to reduce labor demand through automation, while improving production efficiency.
3 、 Customers require shorter delivery times for products	(1) Adjust production capacity flexibly and reserve a small amount of capacity to meet customers' urgent needs for certain products, while reducing inventory pressure and meeting customers' urgent needs (2) Secure long-term orders from customers and efficiently arrange production schedules to meet their requirements for product quality, price, and service (3) Upgrade production equipment to improve production efficiency and automation, making production smoother and reducing production time

(2) Main product manufacturing process



(3) Supply status of main raw materials

The main raw materials required for the Company's production, copper materials for copper wire and PVC powder for outer coating, are both international bulk materials. With the cooperation of our raw material suppliers such as Li Chun Metals, Ho Shin Plastic, Formosa Plastics, etc., the Company is able to maintain a certain level of quality, quantity, price, and delivery time. There has been no shortage of supply causing production downtime.

(4) List of main customers for purchases and sales for the most recent two years

1. List of major customers for sales the most recent two years

Unit: NT\$1,000

Item	2022				2023				As of first quarter of 2024			
	Customers Code	Amount	Percentage to annual net sales (%)	Relationship with the issuer	customers Code	Amount	Percentage to annual net sales (%)	Relationship with the issuer	customers Code	Amount	Percentage to net sales in the first quarter of 2023	Relationship with the issuer
1	XB001 XB007 XB009	406,941	45.17%	None	XB001 XB007 XB009	351,093	38.97%	None	XB009	34,824	19.72%	None
2	SC001 SC005 SC007	115,454	12.82%	None	ZX004	75,507	8.38%	None	CM006	16,051	9.09%	None
3	ZX004	112,103	12.44%	None	CM001 CM006	66,190	7.35%	None	ZX004	15,761	8.93%	None
4	CM001 CM006	85,672	9.51%	None	SC001 SC005 SC007	52,467	5.82%	None	SC001 SC005 SC007	14,875	8.42%	None
5	SY007	44,839	4.98%	None	MZ002	28,897	3.21%	None	IC001 IC004	12,747	7.22%	None
6	IC001 IC004	34,577	3.84%	None	SY007	28,826	3.20%	None	MZ002	10,464	5.93%	None
7	MZ002	29,552	3.28%	None	DJ004 DJ005	28,589	3.17%	None	SY007	10,078	5.71%	None
8	TC003	29,418	3.27%	None	TC003	23,767	2.64%	None	XB001 XB007	5,799	3.28%	None
9	DJ004 DJ005	26,662	2.96%	None	LH001	21,570	2.39%	None	DJ004 DJ005	5,659	3.20%	None
10	LH001	23,705	2.63%	None	IC001 IC004	20,991	2.33%	None	VI001	4,508	2.55%	None
	其他	297,442	24.66%		Other	202,974	22.54%		Other	45,807	25.95%	
	Net sales	1,206,365	100%		Net sales	900,871	100%		Net sales	176,573	100.00%	

2. List of major clients for purchases the most recent two years

Unit: NT\$1,000

Item	2022				2023				As of first quarter of 2024			
	Company Code	Amount	Percentage to annual net purchases (%)	Relationship with the issuer	Company Code	Amount	Percentage to annual net purchases (%)	Relationship with the issuer	Company Code	Amount	Percentage to net purchases in the first quarter of 2022	Relationship with the issuer
1	CW001 CW002	261,308	32.01%	None	CW001 CW002	149,649	22.95%	None	ZY018	45,181	44.58%	None
2	HX009	143,198	17.54%	None	HX009	135,605	20.80%	None	HH005	18,968	18.72%	None
3	HH005	57,192	7.01%	None	HH005	89,960	13.80%	None	HX009	8,307	8.20%	None
4	NY003	49,407	6.05%	None	WC007	75,575	11.59%	None	RY009	2,717	2.68%	None
5	WC007	42,025	5.15%	None	NY003	36,866	5.65%	None	A1001	2,495	2.46%	None
6	ZL013	38,547	4.72%	None	DZ005	33,574	5.15%	None	PH001	2,219	2.19%	None
7	DZ005	33,851	4.15%	None	XL002	9,619	1.48%	None	HT016	2,078	2.05%	None
8	XL002	12,254	1.50%	None	PL002	7,189	1.10%	None	PL002	1,846	1.82%	None
9	ZW008	12,073	1.48%	None	YZ004	7,064	1.08%	None	EF001	1,583	1.56%	None
10	RY003	9,951	1.22%	None	KS004	7,000	1.07%	None	ZH004	1,336	1.32%	None
	Other	156,586	19.17%		Other	99,910	15.32%		Other	14,609	14.42%	
	Net purchases	816,392	100.00%		Net purchases	652,011	100.00%		Net purchases	101,339	100.00%	

(5) Production volume for the most recent two years

Unit: 1,000 m; NT\$1,000

Year	2023			2022		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Production volume/value Main products (or department)	1,559,263	62,828	508,406	1,559,263	84,099	640,636
Network cables	1,321,598	82,972	506,030	1,321,598	69,410	625,523
Computer peripheral cables	4,078	309	45	4,078	442	657
Others	2,884,939	146,109	1,014,481	2,884,939	153,951	1,266,816

(6) Volume of units sold for the most recent two years

Unit: 1,000 m; NT\$1,000

Year	2023				2022			
	Domestic		International		Domestic		International	
Sales volume/value Main products (or department)	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Network cables	1,279	19,708	54,915	402,369	1,486	19,656	68,325	550,683
Computer peripheral cables	5,178	111,442	70,702	363,339	6,084	150,593	65,452	475,611
Others	287	352	22	3,661	395	589	47	9,233
Total	6,744	131,502	125,639	769,369	7,965	170,838	133,824	1,035,527

3 · Employees

The number of employees, as well as their average years of service, average age, and education background for the past two years and as of the date of publication of the annual report are as follows:

Year		2022	2023	First quarter of 2024
Number of employees	Direct workers	238	171	169
	General staff	105	53	55
	Managers	14	11	11
	Total	357	235	235
	Average age	40.89	42.32	42.62
	Average years of service	10.04	10.68	10.85
Education background	Doctor	-	-	-
	Master	1%	2%	2%
	Bachelor	6%	8%	8%
	Junior college	5%	5%	5%
	Senior high school	26%	20%	20%
	Under senior high school	62%	65%	65%

4、Information on environmental protection expenditure

- (1) Total amount of losses and penalties due to environmental pollution in the past two years: None ◦
- (2) Improvements in environmental pollution in the past three years: None
- (3) Environmental pollution situation in the Company: None ◦
- (4) Significant environmental protection expenditures planned for the next two years: None ◦

5、Labor-management relations

- (1) Welfare measures, continuing education, training, retirement system, labor-management agreements, and employee Code of Ethical Conduct

1. Welfare measures

The Company adheres to the business philosophy of "coexistence, mutual prosperity, and continuous improvement," and places great emphasis on employee welfare policies. We believe that only when employee welfare is valued and their lives are without worries, can they fully devote themselves to work, bring forth their strengths, and create higher quality products to promote overall business advancement and prosperity. The main welfare measures are as follows:

- (1) The Company holds employee get-together dinners and company trips from time to time to strengthen mutual communication and friendship ◦
- (2) From the day of employment, employees are covered by labor insurance, national health insurance, and group insurance ◦
- (3) The Company holds year-end raffle events for employees every year ◦
- (4) The Company has employee cafeteria and provides meal allowances on a monthly basis ◦

2. Retirement system and implementation status:

- (1) In accordance with the Labor Standards Act, the Company has established an employee retirement and early retirement policy, and set up a Labor Retirement Reserve Fund Supervisory Committee in accordance with Article 56, Paragraph 3 of the Labor Standards Act. This was approved by the Taoyuan City Government on January 29, 1997, under Letter 86-fu-lao-tung No. 018978 ◦
- (2) In accordance with regulations, the Company reports to the Taoyuan City Government and deposits 3% of the total fixed salary of employees each month as their retirement reserve funds to the designated account in the Department of Trusts, Bank of Taiwan. Beginning July 1, 2005, the Company has been making monthly contributions to the Labor Pension Individual Account established by the Bureau of Labor Insurance in accordance with the Enforcement Rules of the Labor Pension Act
- (3) The Company has always regarded employees as its greatest asset and attaches

great importance to their career planning. We are committed to improving their skills and maintaining harmonious labor-management relations. In addition to setting salary standards, providing leave, retirement, health insurance, and education and training, we strive to ensure that employees are in the right position in accordance with their strengths °

3. Education and training

Since its establishment, the Company has taken the principle that "talent is the Company's greatest asset". The Management Division formulates internal and external education and training courses every year, and encourages employees to actively participate in them. The employees training for 2022 is as follows:

Item	Program	Number of employees of participation	Number of hour/HR
Internal training	151	1,195	181
External training	8	8	84

- (1) The Company fully pays the cost of external training for employees.
- (2) For internal training, the Company will carry out employee education and training within the Company in accordance with the annual education and training plan.

4. Labor-management agreement

The Company currently has no labor union; however, we emphasize labor-management harmony and prioritize employee interests. In addition to complying with laws and regulations to establish reasonable salary, leave, and retirement systems, we also implement welfare measures such as safety and health, recreational leisure, health insurance, and on-the-job education and training. These measures have been highly recognized by all employees, making our labor-management relations harmonious and united.

5. Employee Code of Ethical Conduct:

- (1) Employees shall be devoted to their duties, abide by all regulations of the Company, obey reasonable guidance and management from all levels of supervisors, and shall not shirk responsibilities or engage in behaviors such as making excuses or resistance. Supervisors at all levels shall provide friendly guidance to employees.
- (2) Employees shall work diligently, take good care of public property, reduce losses, improve quality, increase production, and maintain confidentiality in their business and job duties.
- (3) Employees shall report to their superiors in accordance with the hierarchy, and not bypass their immediate superiors unless in urgent or special circumstances.

- (4) Employees are not allowed to meet with relatives or friends or leave their workstations without approval during working hours. In the case of an important matter, they may have visitors for up to 15 minutes at a designated location. °
 - (5) Employees are not allowed to bring relatives or friends into the factory area or office without approval.
 - (6) Employees must not use their authority to benefit themselves or others.
 - (7) Without the written consent of the Company, employees are not allowed to operate businesses similar to or the same as the Company for themselves or third parties, nor can they be unlimited liability shareholders, executive shareholders, directors or managers of companies engaged in similar businesses, or partners of explicit or implicit partnerships of firms engaged in similar businesses
 - (8) Without the written consent of the Company, employees are not allowed to take on part-time jobs.
 - (9) Employees must not accept entertainment, gifts, kickbacks or other illegal benefits due to actions or behaviors in violation of their job duties.
 - (10) Employees are not allowed to bring ammunition, knives, guns, dangerous items, prohibited items, cameras, or other items unrelated to work into the workplace
 - (11) Without approval, employees are not allowed to bring company property out of the factory area or office, and private belongings shall be taken out of the factory area or office with a gate pass issued by the security office after being signed by the supervisor. Employees shall voluntarily accept inspections by security personnel.
6. The information related to personnel responsible for financial transparency is as follows regarding their acquisition of licenses designated by the competent authorities:
- (1) Certified internal auditor (CIA) certification: No personnel have obtained this certification.
 - (2) Basic competence test for corporate internal control organized by the Foundation of Securities and Futures Institute: One person in the audit department.
 - (3) Certified Internal Auditor (CIA) of the Republic of China (Taiwan): No personnel have obtained this certification.
 - (4) Certified Public Accountant (CPA) of the Republic of China (Taiwan): No personnel have obtained this certification.
- (2) In the most recent year and up to the date of publication of the annual report, the Company has not suffered any losses due to labor disputes.

6 、 Information and communication security management:

(1) Describe the framework for managing information and communication security risks, information and communication security policies, specific management plans, and resources invested in information and communication security management:

1. Information and communication security risk management framework:

Although the Company has not yet established a cross-departmental Information Security Committee, information security-related matters are currently handled by the head of the MIS Division who also serves as the person in charge of information security affairs.

2. Information and communication security policy:

(1) Ensure the confidentiality and integrity of information assets.

(2) Control data access rights of departments.

(3) Prevent unauthorized data modification or system access.

3. Specific management plans and resources invested in information and communication security management:

(1) Anti-virus software is installed on all personal computers, and regular virus scans and updates are performed

(2) System passwords are regularly updated, and access rights are controlled

(3) Educational and promotional activities on information security and Personal Data Protection Act are held from time to time ◦

(4) Regular internal audits are conducted every year to ensure the effectiveness of the information and communication security and personal data protection management system

(2) Specify the losses suffered, potential impact, and response measures due to significant information and communication security incidents in the most recent year up to the date of publication of the annual report

If it is not possible to reasonably estimate the losses, the reason for failing to provide such estimation shall be explained:

The Company did not suffer any losses due to significant information security incidents.

7 、 Important Contract: None

VI. Financial Status

1. Condensed balance sheets and income statements for the most recent five years

(1) Condensed Balance Sheet -IFRSs (Parent Company Only)

Unit: NT\$1,000

Year Item		Financial information for the most recent five years				
		2023	2022	2021	2020	2019
Current assets		225,522	425,298	122,325	135,426	154,691
Property, plant and equipment		114,684	118,279	109,145	87,171	89,986
Intangible assets		-	-	-	-	-
Other assets		30	30	30	30	30
Total assets		1,234,683	1,438,262	1,143,758	1,132,146	1,188,207
Current liabilities	Before distribution	284,547	504,930	244,877	247,114	269,588
	After distribution	Note 3	504,930	244,877	247,114	269,588
Non-current liabilities		43,006	42,720	43,666	44,514	52,862
Total liabilities	Before distribution	327,553	547,650	288,543	291,628	322,450
	After distribution	Note 3	547,650	288,543	291,628	322,450
Equity attributable to owners of the parent						
Share capital		915,861	915,861	915,861	915,861	915,861
Capital reserve		0	0	0	0	0
Retained earnings	Before distribution	46,433	8,540	(10,595)	(18,650)	10,376
	After distribution	Note 3	8,540	(10,595)	(18,650)	10,376
Other Equity		(55,164)	(33,789)	(50,051)	(56,693)	(60,480)
Treasury share		-	-	-	-	-
Non-controlling interest						
Total equity	Before distribution	907,130	890,612	855,215	840,518	865,757
	After distribution	Note 3	890,612	855,215	840,518	865,757

Note 1: The financial statements of the Company for the most recent five years have been audited and verified by certified public accountants.

Note 2: The Company has not been required by the competent authorities to restate its financial statements in the past five years

Note 3: The Company has not yet convened a shareholders' meeting to approve the earning distribution or loss off-setting proposals for 2023.

(2) Condensed balance sheets-IFRSs (consolidated)

Unit: NT\$1,000

Year Item		Financial information for the most recent five years					Financial information as of Mar. 31, 2024
		2023	2022	2021	2020	2019	
Current assets		1,227,414	1,349,638	1,179,278	1,068,687	1,068,961	1,224,477
Property, plant and equipment		177,686	190,009	186,285	176,999	197,656	175,245
Intangible assets		106	22,844	28,125	33,541	-	27
Other assets		134,502	442	453	453	39,443	121,876
Total assets		1,539,708	1,562,933	1,394,141	1,279,680	1,306,060	1,521,625
Current liabilities	Before distribution	576,784	434,484	319,401	322,732	332,407	540,168
	After distribution	Note 3	434,484	319,401	322,732	332,407	540,168
Non-current liabilities		55,794	237,837	219,525	116,430	107,896	54,584
Total liabilities	Before distribution	632,578	672,321	538,926	439,162	440,303	594,752
	After distribution	Note 3	672,321	538,926	439,162	440,303	594,752
Equity attributable to owners of the parent							
Share capital		915,861	915,861	915,861	915,861	915,861	915,861
Capital reserve		-	-	-	-	-	-
Retained earnings	Before distribution	46,433	8,540	(10,595)	(18,650)	10,376	44,326
	After distribution	Note 3	8,540	(10,595)	(18,650)	10,376	44,326
Other Equity		(55,164)	(33,789)	(50,051)	(56,693)	(60,480)	(33,314)
Treasury share							
Non-controlling interest							
Total equity	Before distribution	907,130	890,612	855,215	840,518	865,757	926,873
	After distribution	Note 3	890,612	855,215	840,518	865,757	926,873

Note 1: The financial statements of the Company for the most recent five years have been audited and verified by certified public accountants.

Note 2: The Company has not been required by the competent authorities to restate its financial statements in the past five years

Note 3: The Company has not yet convened a shareholders' meeting to approve the earning distribution or loss off-setting proposals for 2023.

(3) Condensed Income Statement-IFRSs (Parent Company Only)

Unit: NT\$1,000

Year Item	Financial information for the most recent five years				
	2023	2022	2021	2020	2019
Operating revenue	478,683	578,106	224,026	169,707	223,760
Gross operating profit	77,514	117,497	66,404	48,721	67,062
Operating profit or loss	27,105	62,325	11,908	(61)	9,145
Non-operating revenue and expense	14,922	(42,813)	(4,752)	(29,459)	(39,621)
Net profit before tax	42,027	19,512	7,156	(29,520)	(30,476)
Net profit of continued operations for	37,994	18,084	7,156	(29,520)	(39,307)
Loss of discontinued operations	0	0	0	0	0
Net profit (loss) for the current period	37,994	18,084	7,156	(29,520)	(39,307)
Other comprehensive income for current (Net after tax)	(21,476)	17,313	7,541	4,281	(46,458)
Total comprehensive income for current period	16,518	35,397	14,697	(25,239)	(85,765)
Net profit attributable to owners of the parent	37,994	18,084	7,156	(29,520)	(39,307)
Net profit attributable to non- controlling interest					
Total comprehensive income attributable to owners of the parent	16,518	35,397	14,697	(25,239)	(85,765)
Total comprehensive income attributable to non-controlling interest	0	0	0	0	0
Earnings per share	0.41	0.20	0.08	(0.32)	(0.43)

(4) Condensed Income Statement- IFRSs (consolidated)

Unit: NT\$1,000

Year Item	Financial information for the most recent five years					Financial information as of Mar. 31, 2024
	2023	2022	2021	2020	2019	
Operating revenue	900,871	1,206,365	1,174,662	1,054,598	1,233,734	176,573
Gross operating profit	90,925	144,940	153,338	105,003	120,720	15,504
Operating profit or loss	(26,722)	9,162	9,174	(37,786)	(43,911)	(7,249)
Non-operating revenue and expense	99,586	13,080	2,983	10,796	20,005	7,081
Net profit before tax	72,864	22,242	12,157	(26,990)	(23,906)	(168)
Net profit of continued operations for the	72,864	22,242	12,157	(26,990)	(23,906)	(168)
Loss of discontinued operations	0	0	0	0	0	0
Net profit (loss) for the current period	37,994	18,084	7,156	(29,520)	(39,307)	(2,107)
Other comprehensive income for current period (Net after tax)	(21,476)	17,313	7,541	4,281	(46,458)	(2,107)
Total comprehensive income for current period	37,994	18,084	7,156	(29,520)	(39,307)	(2,107)
Net profit attributable to owners of the parent	0	0	0	0	0	0
Net profit attributable to non-controlling interest	16,518	35,397	14,697	(25,239)	(85,765)	19,743
Total comprehensive income attributable to owners of the parent	0	0	0	0	0	0.00
Total comprehensive income attributable to non-controlling interest	0.41	0.20	0.08	(0.32)	(0.43)	(0.02)

(5) The names of CPA conducting financial audits in the most recent five years and their audit opinions

Audit year	Accounting Firm	Names of CPAs	Audit opinions
2019	Benison Associated CPAs' Firm	LIN, YU-YA, LI, HAN	Unqualified opinion
2020	Benison Associated CPAs' Firm	LIN, YU-YA, LI, HAN	Unqualified opinion
2021	Benison Associated CPAs' Firm	LIN, YU-YA, LI, HAN	Unqualified opinion
Q1-Q2, 2022	Benison Associated CPAs' Firm	LIN, YU-YA, LI, HAN	Unqualified opinion
Q3-Q4, 2022		LI, HAN, QIU, YI-ZHI	
2023	Benison Associated CPAs' Firm	LI, HAN, QIU, YI-ZHI	Unqualified opinion

2. Financial analysis for the most recent five years

(1) Financial Analysis for the Most Recent Five Years -IFRSs(Parent Company Only)

Analytical items		Financial information for the most recent five years				
		2023	2022	2021	2020	2019
Financial Structure	Debt-asset Ratio (%)A	26.53	38.08	25.23	25.76	27.14
	Ratio of Long-term Capital to Property, Plant and Equipment(%)	828.48	789.09	823.57	1,015.28	1,020.85
Solvency	Current Ratio(%)	79.26	84.23	49.95	54.80	57.38
	Quick Ratio(%)B	53.62	65.79	29.39	43.53	44.88
	Interest Coverage Ratio	7.38	7.60	4.76	(14.23)	(13.84)
Operating Ability	Receivables Turnover Rate (times)	2.89	3.30	5.07	4.35	6.06
	Average Collection Days for Receivables	126.22	110.59	72.03	83.95	60.20
	Inventory Turnover Rate (times)C	3.91	5.31	2.73	2.44	3.27
	Average Days of Sale D	93.30	68.72	133.61	149.83	111.76
	Property, Plant and Equipment Turnover Rate (times) E	4.11	5.08	2.28	1.92	2.46
	Total Asset Turnover Rate (times) F	0.36	0.45	0.20	0.15	0.17
Profitability	Return on Assets(%) G	3.24	1.58	0.76	(2.41)	(2.84)
Profitability	Return on Equity(%) H	4.23	2.07	0.84	(3.46)	(4.05)
	Ratio of Income Before Tax to Paid-in Capital (%)I	4.59	2.13	0.78	(3.22)	(3.33)
	Net Profit (Loss) Margin(%) J	7.94	3.13	3.19	(17.39)	(17.57)
	Earnings per share (NT\$) K	0.41	0.20	0.08	(0.32)	(0.43)
Cash Flow	Cash Flow Ratio(%) L	33.27	(21.29)	(7.20)	(10.24)	(28.51)
	Cash Flow Adequacy Ratio (%) M	(57.50)	(90.42)	(50.43)	(57.69)	(6.36)
	Cash Flow Reinvestment Ratio (%)N	7.96	(9.22)	(1.56)	(2.28)	(17.57)
Leveraging	Operating Leverage	1.29	1.11	1.42	(71.03)	1.48
	Financial Leverage	1.32	1.05	1.19	0.03	1.29

Cause of changes in financial ratios in the most recent two years:

1. A: Due to an increase in total liabilities.
2. B, C: Due to an increase in current assets.
3. D: Due to an increase in net profit before tax.
4. E, F: Due to an increase in average accounts receivable.
5. G, H: Due to an increase in the cost of goods sold.
6. I, J: Due to an increase in net sales.
7. K, L, M, N: Due to an increase in net profit.

(2) Financial analysis for the most recent five years - IFRSs (consolidated)

Year Analytical items		Financial analysis for the most recent five years					As of Mar. 31, 2024
		2023	2022	2021	2020	2019	
Financial Structure (%)	Debt-asset Ratio (%)	41.08	43.02	38.66	34.32	33.71	39.09
	Ratio of Long-term Capital to Property, Plant and Equipment(%)	541.92	593.89	576.93	540.65	492.60	559.96
Solvency (%)	Current Ratio(%) A	212.80	310.63	369.22	331.14	321.58	226.68
	Quick Ratio(%) B	179.94	262.31	294.02	275.46	265.67	195.25
	Interest Coverage Ratio C	7.05	3.91	3.67	(3.20)	(1.82)	92.76
Operating Ability	Receivables Turnover Rate (times)	3.17	3.22	3.68	3.26	3.55	4.90
	Average Collection Days for Receivables	115.03	113.48	99.24	112.02	102.84	74.50
	Inventory Turnover Rate (times)	2.92	3.38	3.44	3.59	4.07	2.61
	Average Days of Sale	125.03	108.04	106.12	101.68	89.71	139.83
	Property, Plant and Equipment Turnover Rate (times)D	4.90	6.41	6.47	5.63	5.93	4.00
	Total Asset Turnover Rate (times) E	0.58	0.82	0.88	0.82	0.87	0.46
Profitability	Return on Assets(%) F	3.07	1.64	0.81	(1.89)	(2.31)	(0.05)
	ROE(%) G	4.23	2.07	0.84	(3.46)	(4.05)	(0.92)
	Ratio of Income Before Tax to Paid-in Capital (%) H	7.96	2.43	1.33	(2.95)	(2.61)	(0.07)
	Net Profit (Loss) Margin(%) I	4.22	1.50	0.61	(2.80)	(3.19)	(1.19)
	Earnings per share (NT\$)(note) J	0.41	0.20	0.08	(0.32)	(0.43)	(0.02)
Cash Flow	Cash Flow Ratio(%) K	50.76	(8.53)	(7.85)	9.05	13.18	(3.17)
	Cash Flow Adequacy Ratio (%) L	100.73	76.35	75.59	161.53	245.35	145.01
	Cash Flow Reinvestment Ratio (%) M	20.02	(1.91)	(2.61)	1.70	(4.68)	(1.14)
Leveraging	Operating Leverage N	(0.08)	4.62	4.48	0.08	0.42	0.26
	Financial Leverage O	0.69	6.04	0.85	0.84	2.83	0.76

Cause of changes in financial ratios in the most recent two years:

1. A, B: Due to a decrease in current assets and an increase in current liabilities
2. C: Due to an increase in net profit before tax
3. D and E: Due to a decrease in net sales
4. F, G, H, I, J: Due to an increase in net profit after tax
5. K, L, M: Due to an increase in net cash flow from operating activities
6. N: Due to a decrease in net operating revenue

3. Audit Committee' Review Report on the Financial Statement of the most recent year

SUNF PU TECHNOLOGY CO., LTD.

Audit Committee' Review Report

The Company's 2023 Parent-company-only and Consolidated Financial Statements prepared and delivered by the Board of Directors have been audited and verified by independent auditors, LI, HAN and QIU, YI-ZHI of Benison Associated CPAs' Firm and audit review reports relating to the Financial Statements have been issued. The Audit Committee has reviewed the aforementioned reports along with the Business Report and the earning distribution or loss off-setting and found them to be compliant with applicable regulations. We hereby produce this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your review.

To
2024 Annual General Meeting of this Company

SUNF PU TECHNOLOGY CO., LTD.

Convener of Audit Committee: CHEN, CHUN- CHIH

March 13, 2024

4. The financial statements of 2023, including Auditors' Report, refer to pages 91 to 155
5. The consolidated financial statements of the parent-subsiary companies of 2023 have been audited and attested by CPAs, refer to pages 156 to 223
6. In the case of any insolvency of the Company and its affiliates in the most recent year and up to the date of publication of the annual report, in the case of any insolvency, the effects on the financial position of the company shall be listed:
None

VII. Review and Analysis of Financial Position and Financial Performance and Risk Matters

1. Financial Position

Unit: NT\$1,000

Item \ Year	2023	2022	Variation	
			Amount	%
Current assets	1,227,414	1,349,638	(122,224)	-9.06%
Property, plant and equipment	177,686	190,009	(12,323)	-6.49%
Intangible assets	106	22,844	(22,738)	-99.54%
Other assets	134,502	442	134,060	#####
Total assets	1,539,708	1,562,933	(23,225)	-1.49%
Current liabilities	576,784	434,484	142,300	32.75%
Non-current liabilities	55,794	237,837	(182,043)	-76.54%
Total liabilities	632,578	672,321	(39,743)	-5.91%
Share capital	915,861	915,861	0	0.00%
Capital reserve	0	0	0	0.00%
Retained earnings	46,433	8,540	37,893	443.71%
Total shareholders'	907,130	890,612	16,518	1.85%

Please explain the reasons for the changes in financial ratios in the past two years:

1. Decrease in intangible assets: mainly due to the decrease in right-of-use assets
2. Increase in other assets: mainly due to the increase in finance lease receivable - non-receivable - non-current.
3. Increase in current liabilities: mainly due to the increase in unearned receipts and other current liabilities.
4. Decrease in non-current liabilities: mainly due to the decrease in deposits received.
5. Increase in retained earnings: This is mainly due to a decrease in deficit to be offset.

2. Financial Performance

(1) Comparative Analysis of Financial Conditions

Unit: NT\$1,000

Item \ Year	2023	2022	Increase (decrease) amount	Variation ratio (%)
Net operating revenue	900,871	1,206,365	(305,494)	-25.32%
Operating cost	809,946	1,061,425	(251,479)	-23.69%
Gross operating profit	90,925	144,940	(54,015)	-37.27%
Operating expense	117,647	135,778	(18,131)	-13.35%
Net operating profit (loss)	(26,722)	9,162	(35,884)	-391.66%
Non-operating revenue and expense	99,586	13,080	86,506	661.36%
Net profit before tax of continued	72,864	22,242	50,622	227.60%
Income tax expense (profit)	(34,870)	(4,158)	(30,712)	738.62%
Net profit (loss) for the current	37,994	18,084	19,910	110.10%

Main reasons for significant changes (changes in ratio exceeding 20%):

Decrease in operating gross profit and operating net profit: mainly due to the decrease in operating revenue.

Increase in non-operating income and expenses and continuing operating net income before tax: mainly due to the increase

Increase in income tax expenses and net income for the period: mainly due to the increase in non-operating income

(2) Variation analysis of operating gross profit

Unit: NT\$1,000

	Increase or decrease between periods	Reason for the variation			
		Sales price variation	Cost price variation	Sales portfolio variation	Quantity variation
Operating gross profit	(54,015)	(229,327)	173,661	11,265	(9,614)
Explanation	Sales price variance:	The sales price was adjusted in response to changes in raw material prices for the period, resulting in an unfavorable sales price variance of NT\$229,327,000.			
	Cost price variance:	Due to changes in the prices of main raw materials for the period, there was a favorable cost price variance of NT\$173,661,000.			
	Sales portfolio variation:	In this period, a favorable sales portfolio variation of NT\$11,265,000 was incurred due to changes in product portfolio.			
	Sales quantity variation:	In this period, a decrease in sales volume resulted in an unfavorable sales quantity variation of NT\$9,614,000.			

(3) Expected future sales volume and its basis, potential impact on the Company's future financial performance, and corresponding plans:

The main revenue of the Company comes from the selling of wires and cables for computer, communications and consumer electronics products (including network, PC peripherals, communication cables, etc.). The expected sales volume for 2024 is 166,054,000 meters. This estimate is based on the sales performance in 2023, taking into account the industry environment as well as the Company's production

capacity. A growth rate of approximately 25% is expected. Currently, the Company's operational status is good, with stable cash inflows from operating activities, which are sufficient to meet the future funding needs resulting from increased sales. Therefore, there is no significant impact on the Company's future financial operations.

3. Cash flows

(1) Liquidity analysis for the most recent two years

Item	Year		Increase /decrease ratio
	Dec. 31, 2023	Dec. 31, 2022	
Cash Flow Ratio(%)	50.76	(8.53)	(695.08)
Cash Flow Adequacy Ratio (%)	100.73	76.35	31.93
(%)	20.02	(1.91)	(1148.17)

Explanation of the analysis of variation in the ratio of increase and decrease

Analysis of cash flow variation for this year:

- (1) Operating activities : The net cash inflow from operating activities for the period was NT\$292,761,000, which was an increase compared with the inflow in 2022, mainly due to the increase in accounts receivable.
- (2) Investment activities : The net cash outflow from investing activities for the period was NT\$42,438,000, which was a decrease compared with the outflow in 2022, mainly due to the increase in sub-lease receivables for right-of-use assets as well as property, plant and equipment.
- (3) Financial activities : The net cash outflow from financing activities for the period was NT\$33,920,000, which was an increase compared with the outflow in 2022, mainly due to the decrease in short-term borrowings.

(2) Review and analysis of cash flows

Unit: NT\$1,000

Beginning of year cash balance (1)	Net operating cash flow for the whole year (2)	Cash outflow for the whole year (3)	Cash surplus (deficit) Amount (1)+(2)-(3)	Remediation measures against expected cash balance deficit	
				Investment plan	Financial plan
264,677	292,761	90,981	466,457	-	-

1. Cash flow variation status for the most recent year:

- (1) Operating activities: NT\$292,761,000
- (2) Investment activities: NT\$ (42,438),000
- (3) Financial activities: NT\$ (33,920),000
- (4) The impact of exchange rate fluctuations on cash and cash equivalents: NT\$ (14,623),000

2. Measures to address cash shortfall and liquidity analysis: None.

3. Cash flow analysis for the next year: The Company has maintained stable operations in recent years, and there are no concerns regarding cash turnover in the coming year.

4. Impact of significant capital expenditures in the recent year on financial operations: None.
5. Recent changes in re-investment policy, the main reasons for profitability or loss, improvement plans, and investment plans for the coming year:
 1. In 2023, the world was still affected by the COVID-19 pandemic and influenza. The Mainland China market was still miserable under the influence of the China-US trade war as well as the real estate downturn in Mainland China. The production capacity of Sunf Pu's factory in Taiwan is also affected by the adjustment in destocking of American and Japanese clients. The Company's revenue in the second half of the year was not as good. Under this situation, the Company continued to adjust the formula and manufacturing process in the research and development in the hope of maintaining the quality while lowering the cost to meet the market demand. With the service-oriented operation to shorten the distance between us and our clients, we expect that the orders will grow steadily as well.
 2. The main reasons for the profit in 2023:

In 2023, affected by the China-US trade war, the Russia-Ukraine war and the pandemic situation. Sunf Pu's clients placed orders conservatively. In addition, all the unit prices of raw materials such as copper increased, resulting in a decrease in placed orders (clients were not lost). The utilization capacity was unable to be fully loaded, resulting in Sunf Pu's being unable to make a profit from its main business; the main reason for the profit is non-operating income -- the part of New Sunf Pu's transfer of lease rights.
 3. Future goals:
 - (1) We will continue to expand into new overseas markets, participate in more international exhibitions in the hope of gaining more exposure in the wire market and developing new clients, invest in new machines to achieve higher production efficiency and yield, and develop new manufacturing processes and new formulas.
 - (2) We aim to improve the inventory turnover ratio so as to reduce unnecessary inventory; save expenses and improve personnel literacy; be service-oriented and pay attention to client satisfaction so as to win clients' trust in terms of quality.
 - (3) Our factory in Taiwan mainly serves clients in the United States, Canada and Taiwan. We strive to strengthen international certification as well as speed up price quotations and shipments so as to meet client requirements, thereby winning more orders from major manufacturers. We will also strengthen the flexible support capabilities between our factories.
6. Risk Management Assessment:

1. Impact of interest rate and exchange rate variation in recent years, as well as inflation on the Company's profit or loss and future mitigation measures:

Unit: NT\$1,000

Item	2023	2022	Variation amount	Variation percentage
Interest income (expense)	7,284	3,423	3,861	1.13
Exchange profit (loss)	6,246	6,524	(278)	0.04

- (1) Interest rate: Sunf Pu Group's interest income in 2023 increased by NT\$3,861 compared with that in 2022, mainly due to the increase in the interest rate for Sunf Pu's deposits as well as the use thereof.
- (2) Exchange rate: The Taiwan dollar continued to remain flat in 2023, and the US dollar was still the major international currency. The US dollar continued to demonstrate strength, and the RMB showed weakness against the US dollar. The exchange gains and losses in 2023 decreased compared with that in 2022, and the difference in valuation changes decrease by NT\$278,000.
- (3) Inflation: Inflation has an impact on Sunf Pu. The US Federal Reserve also raised interest rates to curb price fluctuations. The prices of raw materials used by Sunf Pu continued to rise slightly. The countermeasures were to locate several new suppliers for price comparison, and then communicate with third party suppliers for lowering prices in response to Sunf Pu's order volume, or to continue to develop new raw material suppliers and new formulas. Changes in international copper prices remained high. Clients' requests for Sunf Pu to lower its price (COST DOWN) was also another topic on Sunf Pu's compressed profits.
2. The policy, main reasons for profit or loss, and future corresponding measures related to engaging in high-risk and high-leverage investments, lending funds to others, endorsement and guarantees, and trading derivatives in the most recent year:
- (1) Engaging in high-risk and high-leverage investments:
Since its establishment, the Company has been committed to the operation of its core business and has not engaged in high-leverage investments.
- (2) Lending funds to others, endorsement and guarantees:
These activities are carried out in accordance with the Procedures for Lending Funds to Others and the Procedures for Endorsement and Guarantees established by the Company. For the details of funds lent to others, as well as the details of endorsement and guarantees in 2023, please refer to page 150 and page 151 respectively.
- (3) Derivatives trading:
The Company engages in derivatives trading in accordance with the established Procedures for the Acquisition or Disposal of Assets.
3. R&D plans in the most recent year, current progress of future R&D plans, required R&D expenses, expected time for mass production, and major factors that may affect the success of future R&D: None
4. The impact and corresponding measures of major domestic and international policies

and legal changes on the company's finance and business in the most recent year:
None

5. The impact of technology changes (including information and communication security risks) and industry changes on the company's finance and business, as well as the corresponding measures: None
6. The impact of changes in the company's image on corporate risk management in the most recent year and the corresponding measures: None
7. Expected benefits, possible risks and corresponding measures for merger and acquisition plans: None
8. Expected benefits, possible risks, and corresponding measures related to capacity expansion: None
9. Risks and corresponding measures related to excessive sales concentration and excessive customer concentration: None
10. Impact and risks to the company from significant transfer of shares or change of shareholding of the Board of Directors, supervisors, or major shareholders holding over ten percent of shares, and the corresponding measures:
The directors, supervisors, or shareholders holding more than ten percent of the shares of the Company have not experienced significant transfer of shares or change of shareholding. For detailed information, please refer to page 52 of the report.
11. Impact of changes in management right on the company, and the associated risks:
None
12. Disclosure shall be made of any significant litigation, non-litigation, or administrative disputes involving the person in charge, major shareholders holding more than 10% of the shares, or subsidiaries, that have been confirmed by a final judgment or are still pending and may have a significant impact on shareholder equity or securities prices. The disclosure shall include the facts of the dispute, the amount involved, the date when the dispute begins, the principal parties involved, and the status of the dispute as of the date of the publication of the annual report: None
13. Other important risks and corresponding measures
Explanation of information security risk assessment and analysis:

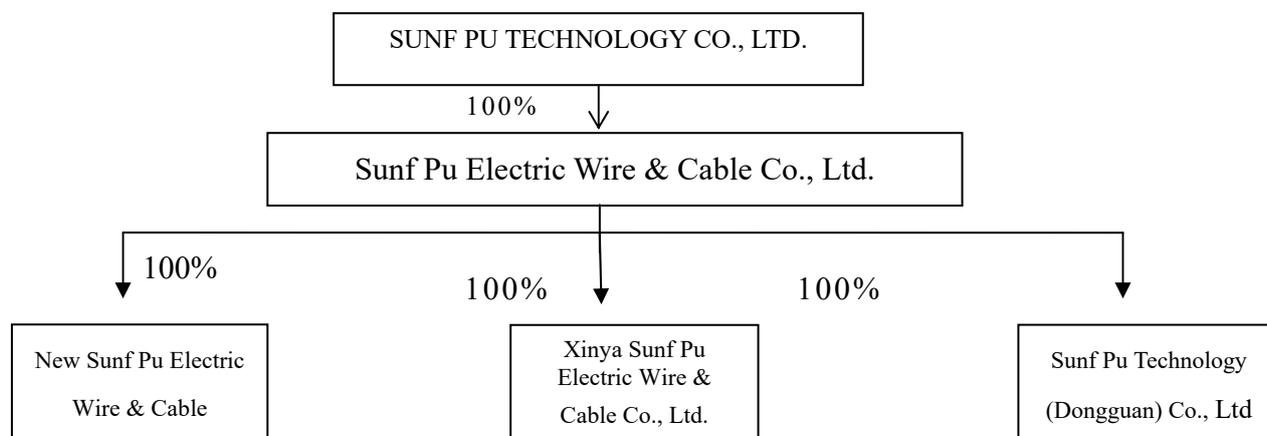
7. Other Important Matters: None

VIII. Special Disclosure

1. Information regarding the Company's affiliates

(1) Consolidated business report

(1) Chart showing the Company's affiliates



(2) Names of the Company's affiliates, date of establishment, paid-in capital, and main business

Dec. 31, 2023

Name of Enterprise	Date of Establishment	Paid-in Capital (Unit: NT\$1,000)	Main business or production items
Sunf Pu Electric Wire & Cable Co., Ltd.	August 1998	226,272	Manufacturing and sales of connecting wires & cables for computer, communication and consumer electronics products
Xinya Sunf Pu Electric Wire & Cable Co., Ltd.	June 1992	67,197	Processing of incoming materials such as wires and PVC powder
Sunf Pu Technology (Dongguan) Co., Ltd.	February 2004	219,150	Production and sales of insertion connectors for instruments
New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd.	May 2011	73,098	Production and sales of wires and cables for computer, communication and consumer electronics products

(3) Reasons and personnel related information for those presumed to be under control or subordinate relationships: None

(4) Industries covered by the business operated by affiliates overall. For businesses that are related among affiliates, the division of work in their connection shall be specified :

The Company was established in 1983, and its subsidiary (Samoan), SUNF PU PV ELECTRIC WIRE & CABLE CO., LTD., was established in 1998. The main business of the affiliate is focused on the manufacturing and sales of connecting cables for computer, communication and consumer electronics products

(5) The names of the directors, supervisors, and general manager of each affiliate and the details of their shareholding or capital contribution in such affiliate:

Name of Enterprise	Title	Name or representative	Status of shareholding	
			Amount of investment (USD)	Shareholding ratio
Sunf Pu Electric Wire & Cable Co., Ltd.	Director	Representative of SUNF PU TECHNOLOGY CO., LTD. : LO, KAO-CHENG	7,180,553	100%
	Director	LO, SHIU-YUNG		
Xinya Sunf Pu Electric Wire & Cable Co., Ltd.	Director	Representative of Sunf Pu Electric Wire & Cable Co., Ltd.: LO, KAO-CHENG	1,928,936	100%
	Director	LO, SHIU-YUNG		
Sunf Pu Technology (Dongguan) Co., Ltd.	Director	Representative of Sunf Pu Electric Wire & Cable Co., Ltd.: LO, KAO-CHENG	7,029,400	100%
	Director	LO, SHIU-YUNG		
	Supervisor	LO, CHAO-MING		
New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd.	Executive Director	Representative of Sunf Pu Electric Wire & Cable Co., Ltd.: LO, KAO-CHENG	8,000,000	100%

(6) Operating results of the financial status of each affiliated enterprise

Unit: NT\$1,000

Enterprise Name	Capital	Total Assets	Total Liabilites	Net Worth	Operating Revenue	Profit or Loss after Tax
Sunf Pu Electric Wire & Cable Co., Ltd.	226,272	1,269,494	375,046	894,447	499,076	21,167
Xinya Sunf Pu Electric Wire & Cable Co., Ltd.	67,197	0	0	0	0	0
Sunf Pu Technology (Dongguan) Co., Ltd.	219,150	625,944	34,977	590,967	441,045	(14,429)
New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd.	540,873	803,847	218,026	585,821	98,518	68,510

(2) Consolidated Financial Statements of Affiliated Enterprises: See pages 159-226

(3) Relationship Report of Affiliate Enterprises: None

2. Private placement of securities in the most recent year and up to the date of publication of the annual report: None
3. Subsidiaries' holding or disposal of the Company's shares in the most recent year and up to the date of publication of the annual report: None
4. Other necessary supplementary notes: None
5. The matters of primary exchange (or OTC) listed company shall include an explanation of any material differences from the rules of the ROC in relation to the protection of shareholder equity: None
6. Any matter in the most recent year and up to the date of publication of the annual report which has a significant impact on shareholders' equity or securities prices as stipulated in subparagraph 2 of paragraph 3 of Article 36 of the Securities and Exchange Act: None

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying parent company only balance sheets of Sunf Pu Technology Co., Ltd (the "Company") as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

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 parent company only financial Statements section of our report. We are independent of the Company 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 parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

Valuation of inventory

For the accounting policy of inventory valuation, please refer to Note 4(g), 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 9 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 company'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 company's inventory evaluation is mainly based on the estimated product demand within a specific period in the future, which may result in a significant changes 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 Company's accounting policies, such as allowance for inventory valuation and obsolescence. We performed a retrospective test of the Company'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 Company's accounting policies.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or

error.

In preparing the parent company only financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a 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 (ROC) 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 parent company only 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 parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the 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 parent company only 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.

Li, Han Qiu, Yi-Zhi

for and on behalf of Benison Associated CPA's Firm

March 13, 2024

Notice to Readers

The accompanying financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying 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
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

ASSETS	Note	2023.12.31		2022.12.31		LIABILITIES AND EQUITY	Note	2023.12.31		2022
		Amount	%	Amount	%			Amount		
CURRENT ASSETS						CURRENT LIABILITIES				
Cash and cash equivalents	Note 6	\$ 113,476	9	\$ 20,114	1	Short-term borrowings	Note 12	\$ 260,000	20	\$ 259,0
Financial assets at amortized cost	Note 7	6,560	1	6,540	-	Notes payables		2,672	-	12,9
Notes receivable, net	Note 8	314	-	802	-	Trade payables to unrelated parties		421	1	20,2
Trade receivables, net	Note 8	28,833	2	300,971	22	Trade payables to related parties	Note 23	-	-	145,0
Trade receivables from related parties	Note 8	2,825	-	-	-	Other payables	Note 13	10,598	1	17,0
Other receivables	Note 8	545	-	3,710	-	Other payables to related parties		-	-	48,4
Inventories, net	Note 9	71,467	6	80,711	6	Current tax liabilities		2,862	-	1,4
Prepayments		1,470	-	12,416	1	Advance receipts and Other current liabilities		7,994	1	6
Other current assets		32	-	34	-	Total current liabilities		284,547	23	504,9
Total current assets		225,522	18	425,298	30					
NON-CURRENT ASSETS						NON-CURRENT LIABILITIES				
Investments accounted for using equity method	Note 10	894,447	73	894,655	62	Deferred tax liabilities	Note 22	27,210	2	27,2
Property, plant and equipment	Note 11	114,684	9	118,279	8	Net defined benefit liability	Note 14	15,796	1	15,5
Refundable deposits		30	-	30	-	Total non-current liabilities		43,006	3	42,7
Other non-current assets	Note 8	-	-	-	-	Total liabilities		327,553	26	547,6
Total non-current assets		1,009,161	82	1,012,964	70					
						EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
						Share capital	Note 15			
						Ordinary shares		915,861	74	915,8
						Total share capital		915,861	74	915,8
						Capital surplus	Note 15	-	-	
						Retained earnings				
						Legal reserve		18,218	1	18,2
						Special reserve		32,305	3	32,3
						Unappropriated earnings(accumulated deficit)		(4,090)	-	(41,9
						Total retained earnings	Note 15	46,433	4	8,5
						Other equity				
						Exchange differences on translating foreign operations		(55,164)	(4)	(33,7
						Total equity attributable to owners of the Company		907,130	74	890,6
TOTAL		\$ 1,234,683	100	\$ 1,438,262	100	TOTAL		\$ 1,234,683	100	\$ 1,438,2

(The accompanying notes are an integral part of the parent company only financial statements.)

SUNF PU TECHNOLOGY CO.,LTD
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Item	Note	2023		2022	
		Amount	%	Amount	%
OPERATING REVENUE	Note 17	\$ 478,683	100	\$ 578,106	100
OPERATING COSTS		(401,169)	(84)	(460,609)	(80)
GROSS PROFIT		77,514	16	117,497	20
OPERATING EXPENSES	Note 21				
Selling and marketing expenses		(8,641)	(2)	(9,172)	(2)
General and administrative expenses		(37,565)	(7)	(39,258)	(6)
Research and development expenses		(4,203)	(1)	(6,742)	(1)
Total operating expenses		(50,409)	(10)	(55,172)	(9)
PROFIT FROM OPERATIONS		27,105	6	62,325	11
NON-OPERATING INCOME AND EXPENSES					
Interest income		852	-	88	-
Other income	Note 18	207	-	570	-
Other gains and losses	Note 19	(718)	-	(6,649)	(1)
Finance costs	Note 20	(6,586)	(1)	(2,957)	(1)
Share of profits of subsidiaries and associates	Note 10	21,167	4	(33,865)	(6)
Total non-operating income and expenses		14,922	3	(42,813)	(8)
INCOME BEFORE INCOME TAX		42,027	9	19,512	3
INCOME TAX EXPENSE	Note 22	(4,033)	(1)	(1,428)	-
NET INCOME		37,994	8	18,084	3
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit plans		(101)	-	1,051	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating the financial statements of foreign operations		(21,375)	(4)	16,262	3
Other comprehensive income/(loss) for the period, net of income tax		(21,476)	(4)	17,313	3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		\$ 16,518	4	\$ 35,397	6
EARNINGS PER SHARE	Note 16				
Basic		\$ 0.41		\$ 0.20	
Diluted		\$ 0.41		\$ 0.20	

(The accompanying notes are an integral part of the parent company only financial statements.)

SUNF PU TECHNOLOGY CO.,LTD
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company							
	Share Capital	Capital Surplus	Retained Earnings				Total	Other Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings (accumulated deficit)	Exchange differences on translating foreign operations		
BALANCE AT JANUARY 1, 2022	\$ 915,861	\$ -	\$ 18,218	\$ 32,305	\$ (61,118)	\$ (10,595)	\$ (50,051)	
Net income in 2022	-	-	-	-	18,084	18,084	-	
Other comprehensive	-	-	-	-	1,051	1,051	16,262	
BALANCE AT DECEMBER 31, 2022	<u>\$ 915,861</u>	<u>\$ -</u>	<u>\$ 18,218</u>	<u>\$ 32,305</u>	<u>\$ (41,983)</u>	<u>\$ 8,540</u>	<u>\$ (33,789)</u>	
BALANCE AT JANUARY 1, 2023	\$ 915,861	\$ -	\$ 18,218	\$ 32,305	\$ (41,983)	\$ 8,540	\$ (33,789)	
Net income in 2023	-	-	-	-	37,994	37,994	-	
Other comprehensive	-	-	-	-	(101)	(101)	(21,375)	
BALANCE AT DECEMBER 31, 2023	<u>\$ 915,861</u>	<u>\$ -</u>	<u>\$ 18,218</u>	<u>\$ 32,305</u>	<u>\$ (4,090)</u>	<u>\$ 46,433</u>	<u>\$ (55,164)</u>	

SUNF PU TECHNOLOGY CO.,LTD
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 42,027	\$ 19,512
Adjustments for:		
Depreciation expenses	6,413	5,411
Finance costs	6,586	2,957
Share of profits of subsidiaries and associates	(21,167)	33,865
Interest income	(852)	(88)
Reclassification of property, plant and equipment to	(537)	511
Changes in operating assets and liabilities		
Notes receivable	488	547
Trade receivable	272,138	(253,923)
Trade receivables from related parties	(2,825)	-
Inventories	9,244	(32,224)
Prepayments	10,946	(10,546)
Other current assets	2	(5)
Notes payable	(10,236)	8,477
Trade payables	(19,852)	19,245
Trade payables from related parties	(145,081)	52,229
Other payables	(6,337)	3,875
Other payables to related parties	(48,490)	48,490
Advance receipts and Other current liabilities	7,305	216
Net defined benefit liability	185	105
Cash generated from/(used in) operations	103,122	(104,868)
Interest received	852	88
Interest paid	(6,716)	(2,860)
Income taxes refund(paid)	(2,595)	119
Net cash generated from/(used in) operating activities	94,663	(107,521)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition for property, plant and equipment	(2,281)	(15,056)
Financial assets at amortized cost	(20)	(4,014)
Net cash generated from/(used in) investing activities	<u>(2,301)</u>	<u>(19,070)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	1,000	126,000
Net cash generated from/(used in) financing activities	<u>1,000</u>	<u>126,000</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	93,362	(591)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	20,114	20,705
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 113,476</u>	<u>\$ 20,114</u>

(The accompanying notes are an integral part of the parent company only financial statements.)

SUNF PU TECHNOLOGY CO., LTD

NOTES TO PARENT COMPANY ONLY FINACIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

The Company’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.

2. APPROVAL OF FINANCIAL STATEMENTS

These parent company only financial statements were authorized for issuance by the Board of Directors on March 13, 2024.

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”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024.

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note1)</u>
Amendments to IFRS16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements "	January 1, 2024 (Note 3)

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: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the parent company only financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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: The Company shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the Company recognizes any effect as an adjustment to the opening balance of retained earnings. When the Company uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the accompanying parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company’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 applied in the preparation of these parent company only 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 parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. Basis of preparation

The 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 Company used equity method to account for its investment in subsidiaries and associates for the stand-alone financial statements. The amounts of the net profit, other comprehensive income and total equity in stand-alone financial statements are same with the amounts attributable to the owner of the Company in its consolidated financial statements since there is no difference in accounting treatment between stand-alone basis and consolidated basis.

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 Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

Functional and presentation currency

The parent Company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

c. Foreign currencies

In preparing the parent company only financial statements, 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-m -

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 purpose of presenting financial statements, the financial statements of the Company's foreign operations (including subsidiaries, associates and branches in other countries) that are prepared using functional currencies which are different from the currency of the Company 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 period. The resulting currency translation differences are recognized in other comprehensive income, Exchange differences arising, if any, 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.

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

Current assets include:

- Assets held primarily for the purpose of trading; and
- 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; and
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Company 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.

e. 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.

f. Financial instruments

Financial assets and financial liabilities are recognized when the Company 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 are classified into the following categories: financial assets at amortized.

Financial assets at amortized cost

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

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables, for all other financial instruments, the Company 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 Company 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 Company 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 Company 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 Company 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 Company derecognizes financial liabilities when, and only when, the Company'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 recognize.

e) Derivative financial instruments

The Company 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.

g. 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 Company 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.

h Investment in subsidiaries

The Company uses the equity method on investees over which the Company has control when preparing the parent-company-only financial statements. The profit or loss for the period and other comprehensive income presented in individual financial statements shall be the same as the allocations of profit or loss for the period and of other comprehensive income attributable to owners of the parent presented in the financial reports prepared on a consolidated basis, and the owners' equity presented in the individual financial statements shall be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions.

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 Company assesses whether the contract is, or contains, a lease.

1) The Company 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 Company 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 Company 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 Company 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 Company as lessee

The Company 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 parent company only 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 Company 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 Company 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 parent company only 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. 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 Company 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 Company 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.

l. Revenue recognition

The Company 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) Revenue from the services

Services revenues are recognized when services are provided.

3) 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 company 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 company 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.

m. 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.

n. 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 remeasurement) 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. Remeasurement, 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. Remeasurement 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 Company'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 remeasurement is recognized in profit or loss

o. Taxation

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

1) Current tax

Income tax payable is based on taxable profit 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 Company 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 cash 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 Company 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.

p. Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company 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 Company 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 Company's potentially dilutive ordinary shares include convertible corporate bonds and stock options granted to employees.

q. Government Grants

Government grants are not recognized until there is reasonable assurance that the Company 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 Company 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 Company 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 Company'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 Company 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 Company 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 Company 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 Company'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 Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company'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 Company uses estimate to determine the net realizable value of inventory at the end of each reporting period.

Due to rapid technological changes, the company 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 Company mainly takes into account the market risk-free rates, the estimated lessee's credit spreads and secured status in a similar economic environment.

6. CASH AND CAHS EQUIVALENTS

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand	\$ 193	\$ 171
Checking accounts and Demand deposits	113,283	19,943
	<u>\$ 113,476</u>	<u>\$ 20,114</u>

Refer to Note 28 for the sensitivity analysis of the financial assets.

7. FINANCIAL ASSETS AT AMORTIZED COSTS

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Time deposits held for more than 3 months	\$ 520	\$ 530
Pledged Demand deposits	<u>6,040</u>	6,010

<u>\$</u>	<u>6,560</u>	<u>\$</u>	<u>6,540</u>
-----------	--------------	-----------	--------------

- a. Refer to Note 28 for information related to credit risk management and impairment evaluation of financial assets at amortized cost.
- b. Refer to Note 24 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, 2023		December 31, 2022
At amortized cost			
Notes receivable	\$ 322	\$	810
Allowance for impairment loss	(8)		(8)
	<u>\$ 314</u>	<u>\$</u>	<u>802</u>
Trade receivables	28,901		301,039
Allowance for impairment loss	(68)		(68)
	<u>\$ 28,833</u>	<u>\$</u>	<u>300,971</u>
Trade receivables from related parties	2,825		--
Allowance for impairment loss	--		--
	<u>\$ 2,825</u>	<u>\$</u>	<u>--</u>
Other receivables	\$ 545	\$	3,710
Overdue receivables (Accounting for Other non-current assets)	\$ 21,022	\$	21,022
Allowance for impairment loss	(21,022)		(21,022)
	<u>\$ --</u>	<u>\$</u>	<u>--</u>
	<u>\$ 32,517</u>	<u>\$</u>	<u>305,483</u>

The average credit period of sales of goods was 30 to 150 days. No interest was charged on the receivables. The Company uses other publicly available financial information or its own trading records to rate its major customers. The Company'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 Company 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 Company'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 Company recognized 100% of the amount as allowance for impairment loss. For the receivables past due

within one year.

The Company write off accounts receivable when there is information indicating that the debtor is in sever 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 mad, these are recognized in profit or loss.

The aging analysis of accounts receivable is as follows:

	Not Past Due	Past Due 1~90 Days	Past Due 91~180 Days	Past Due 181~270 Days	Past Due Over 271 Days	Total
December 31, 2023						
Gross carrying amount	\$ 30,652	\$ 381	\$ 1,560	\$ --	\$ 21,022	\$ 53,615
Loss allowance	(76)	--	--	--	(21,022)	(21,098)
Amortized cost	<u>\$ 30,576</u>	<u>\$ 381</u>	<u>\$ 1,560</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 32,517</u>
December 31, 2022						
Gross carrying amount	\$ 302,056	\$ 3,503	\$ --	\$ --	\$ 21,022	\$ 326,581
Loss allowance	(76)	--	--	--	(21,022)	(21,098)
Amortized cost	<u>\$ 301,980</u>	<u>\$ 3,503</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 305,483</u>

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

	For the year ended December 31	
	2023	2022
Balance on January 1	\$ 21,098	\$ 21,098
Add: Provision	--	--
Less: Write-off	--	--
Balance on December 31	<u>\$ 21,098</u>	<u>\$ 21,098</u>

9. INVENTORIES, NET

	December 31, 2023	December 31, 2022
Raw materials	\$ 24,848	\$ 27,657
Merchandise	497	1,753
Work in progress	24,239	36,297

Finished goods	49,458	40,351
Allowance for inventory valuation	(27,575)	(25,347)
	\$ 71,467	\$ 80,711

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	
	2023	2022
Inventory write-downs (reversal)	\$ 2,228	\$ 6,458

As of December 31, 2023 and 2022, the Company did not provide any inventories as collateral or restricted.

10. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

a. Investments in subsidiaries:

Subsidiaries	Principal Activities	Carrying Amount	
		December 31, 2023	December 31, 2022
SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	Manufacture and trade of wires for 3C products such as computer wires and telephone wires.	\$ 894,447	\$ 894,655
Subsidiaries	Principal Activities	Percentage of Ownership	
		December 31, 2023	December 31, 2022
SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	Manufacture and trade of wires for 3C products such as computer wires and telephone wires.	100%	100%

b. Changes in the book value of investments accounted for using equity method are as follow :

December 31, 2023	December 31, 2022
----------------------	----------------------

	December 31, 2023	December 31, 2022
Book value on January 1	\$ 894,655	\$ 912,258
Increased :		
Investment amount	--	--
Share of profits of subsidiaries and associates	21,167	--
Exchange differences on translating foreign operations	--	16,262
Decrease :		
Share of loss of subsidiaries and associates	--	(33,865)
Exchange differences on translating foreign operations	(21,375)	--
Refund of capital reduction	--	--
Cash dividend distributed by the company	--	--
Book value on December 31	<u>\$ 894,447</u>	<u>\$ 894,655</u>

The investments in subsidiaries accounted for using the equity method and the share of profit or loss of those investments for the years ended December 31, 2023 and 2022 were recognized based on the subsidiaries' financial statements which have been audited.

- c. As of December 31, 2023 and 2022, the Company did not provide any investments accounted for using equity method as collateral or restricted.

11. PROPERTY, PLANT AND EQUIPMENT, NET

As of December 31, 2023 and 2022, please refer to Note 24 for the details of property, plant and equipment pledged as collateral

	Land	Buildings	Machinery Equipment	Other Equipment	Property under Construction	Total
Cost						
January 1,2023	\$ 63,264	\$ 86,364	\$ 151,926	\$ 41,001	\$ 8,613	\$ 351,168
Additions	--	372	808	93	1,008	2,281
Disposals	--	--	--	--	--	--
Reclassification	--	--	10,158	--	(9,621)	537
December 31,2023	<u>\$ 63,264</u>	<u>\$ 86,736</u>	<u>\$ 162,892</u>	<u>\$ 41,094</u>	<u>\$ --</u>	<u>\$ 353,986</u>
January 1,2022	\$ 63,264	\$ 84,776	\$ 137,511	\$ 39,860	\$ 11,212	\$ 336,623
Additions	--	1,588	1,807	1,141	10,520	15,056
Disposals	--	--	--	--	--	--
Reclassification	--	--	12,608	--	(13,119)	(511)
December 31,2022	<u>\$ 63,264</u>	<u>\$ 86,364</u>	<u>\$ 151,926</u>	<u>\$ 41,001</u>	<u>\$ 8,613</u>	<u>\$ 351,168</u>
Accumulated depreciation						
January 1,2023	\$ --	\$ 71,119	\$ 124,467	\$ 37,303	\$ --	\$ 232,889
Depreciation expenses	--	1,220	4,020	1,173	--	6,413
Disposals	--	--	--	--	--	--
December 31,2023	<u>\$ --</u>	<u>\$ 72,339</u>	<u>\$ 128,487</u>	<u>\$ 38,476</u>	<u>\$ --</u>	<u>\$ 239,302</u>
Accumulated depreciation						
January 1,2022	\$ --	\$ 69,936	\$ 121,423	\$ 36,119	\$ --	\$ 227,478
Depreciation expenses	--	1,183	3,044	1,184	--	5,411
Disposals	--	--	--	--	--	--
December 31,2022	<u>\$ --</u>	<u>\$ 71,119</u>	<u>\$ 124,467</u>	<u>\$ 37,303</u>	<u>\$ --</u>	<u>\$ 232,889</u>
Carrying amount at						
December 31,2023	<u>\$ 63,264</u>	<u>\$ 14,397</u>	<u>\$ 34,405</u>	<u>\$ 2,618</u>	<u>\$ --</u>	<u>\$ 114,684</u>
December 31,2022	<u>\$ 63,264</u>	<u>\$ 15,245</u>	<u>\$ 27,459</u>	<u>\$ 3,698</u>	<u>\$ 8,613</u>	<u>\$ 118,279</u>

a. As of December 31, 2023 and 2022, part of the property, plant and equipment has been pledged as collateral for borrowings, please refer to Note 24.

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. BORROWINGS

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

	December 31, 2023		
	Interest Rate	Year of	Amount
	Interval	Maturity	
Collateralized loans	2.10%	2024	\$ 260,000
			<u>\$ 260,000</u>
Recognized as :			
Current			
Short-term loans			\$ 260,000
Long-term loans-current portion			--
Non-current			
Long-term loans			--
			<u>\$ 260,000</u>

	December 31, 2022		
	Interest Rate	Year of	Amount
	Interval	Maturity	
Collateralized loans	1.125%~2.430%	2023	\$ 244,500
Non- Collateralized loans	2.430%	2023	14,500
			<u>\$ 259,000</u>
Recognized as :			
Current			
Short-term loans			\$ 259,000
Long-term loans-current portion			--
Non-current			
Long-term loans			--
			<u>\$ 259,000</u>

- a. For the information on the Company's exposures to interest rate and liquidity risk, please refer to Note 28.
- b. For the collateral for short-term borrowings, please refer to Note 24.
- c. As of December 31, 2023 and 2022, the loan quotas yet to be used by the Company are 260,000 and 31,514 thousand dollars, respectively.

13. OTHER PAYABLES

	December 31, 2023	December 31, 2022
Accrued salaries expense	\$ 5,847	\$ 8,414
Remuneration of directors and supervisors	90	90
Accounts payable for professional fees	2,558	2,449
Insurance payable	672	687
Interest expense	57	187
Accrued utilities expense	199	446
Others	1,175	4,792
	<u>\$ 10,598</u>	<u>\$ 17,065</u>

14. RETIREMENT BENEFIT PLANS

a. Defined contribution plans.

The Company 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 Company are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company 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	
	2023	2022
Operating costs	<u>\$ 414</u>	<u>\$ 412</u>
Administrative expenses	<u>\$ 1,117</u>	<u>\$ 1,182</u>

b. Defined benefit plans.

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes amounts equal to 3% 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 Company 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 Company 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 Company has no right to influence the investment policy and strategy.

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligation	\$ 18,489	\$ 18,146
Fair value of plan assets	<u>(2,693)</u>	<u>(2,636)</u>
Net defined benefit liability	<u>\$ 15,796</u>	<u>\$ 15,510</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 January1,2023	<u>\$ 18,146</u>	<u>\$ (2,636)</u>	<u>\$ 15,510</u>
Service cost			
Current service cost	--	--	--
Net interest expense (income)	213	(27)	186
Profit or loss on liquidation of plan assets	--	--	--
Recognized in profit or loss	<u>213</u>	<u>(27)</u>	<u>186</u>
Remeasurement			
-Return on plan assets (excluding amounts included inf net interest)	--	(29)	(29)
-Actuarial loss-changes in demography assumptions	(12)	--	(12)
-Actuarial loss-changes in financial assumptions	63	--	63
-Actuarial loss-experience adjustments	79	--	79
Recognized in other comprehensive income	<u>130</u>	<u>(29)</u>	<u>101</u>
Contributions from the employer	--	(1)	(1)
Benefits paid	--	--	--
Balance on December 31, 2023	<u>\$ 18,489</u>	<u>\$ (2,693)</u>	<u>\$ 15,796</u>

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	\$ 18,887	\$ (2,431)	\$ 16,456
Service cost			
Current service cost	--	--	--
Net interest expense (income)	120	(14)	106
Profit or loss on liquidation of plan assets	--	--	--
Recognized in profit or loss	<u>120</u>	<u>(14)</u>	<u>106</u>
Remeasurement			
-Return on plan assets (excluding amounts included in net interest)	--	(190)	(190)
-Actuarial loss-changes in demography assumptions	(18)	--	(18)
-Actuarial loss-changes in financial assumptions	(734)	--	(734)
-Actuarial loss-experience adjustments	(109)	--	(109)
Recognized in other comprehensive income	<u>(861)</u>	<u>(190)</u>	<u>(1,051)</u>
Contributions from the employer	--	(1)	(1)
Benefits paid	--	--	--
Balance at December 31, 2022	<u>\$ 18,146</u>	<u>\$ (2,636)</u>	<u>\$ 15,510</u>

e. Through the defined benefit plans under the Labor Standards Act, the Company 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:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate	1.15 %	1.20 %
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:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate		
0.25% increase	\$ (310)	\$ (309)
0.10% increase	\$ (126)	\$ (125)
0.25% decrease	\$ 326	\$ 323
0.10% decrease	\$ 128	\$ 127
Expected rate of salary increase		
0.25% increase	\$ 319	\$ 316
0.25% decrease	\$ (306)	\$ (304)
Planned turnover rate		
0.10% increase	\$ (7)	\$ (6)
0.10% decrease	\$ 7	\$ 6

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 2023 and 2022.

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
The expected contributions to the plan for the next year	\$ 3,416	\$ 1
The average duration of the defined benefit obligation	6 years	6 years

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

	For the year ended	
	December 31	
	2023	2022
Operating costs	\$ --	\$ --
Administrative expenses	\$ 186	\$ 107

j. The employee benefit liabilities are as follows :

	For the year ended	
	December 31	
	2023	2022
Unused leave bonus	\$ 896	\$ 1,138

In October 2020, the company 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, 2023 and 2022, the vested payment obligations of the managers appointed by the company were 15,796 thousand and 15,510 thousand respectively.

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

a. Capital stock.

As of December 31, 2023 and 2022, the authorized share capital of the Company 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 21.

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

The Company 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 2022 have been approved in the Company's shareholders' meeting held on June 27, 2023.

The appropriation of loss proposal of 2021 have been approved in the Company's shareholders' meeting held on June 17, 2022.

The above 2023 appropriation for cash dividends is to be presented for approval in the Company's shareholders' meeting to be held on June 26, 2024 (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 Company.

16. EARNINGS(LOSS) PER SHARE

a. Basic EPS

Basic earnings per share of the Company are calculated by dividing the profit and loss attributable to the parent company'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 company and the weighted average number of outstanding common shares to the effects of all potentially dilutive securities.

	For the year ended	
	December 31	
	2023	2022
Consolidated basic EPS		
Net income available to common shareholders of the parent company	\$ 37,994	\$ 18,084
Number of Outstanding Shares	91,586	91,586
Basic EPS	\$ 0.41	\$ 0.20
Consolidated Diluted EPS		
Net income available to common shareholders of the parent, adjusted for the effect of potentially dilutive ordinary shares	\$ 37,994	\$ 18,084
Number of Outstanding Shares (in thousands)	91,586	91,586
Effect of potentially dilutive ordinary shares	--	--
Bonuses issued to employees		
Number of Outstanding Shares (in thousands)	91,586	91,586
Diluted EPS	\$ 0.41	\$ 0.20

If the Company settles the bonuses or remuneration paid to employees in cash or shares, the Company 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.

17. OPERATING REVENUE

	For the year ended December 31	
	2023	2022
Asia	\$ 432,160	\$ 510,104
Americas	45,411	67,591
Europe	1,112	411
	<u>\$ 478,683</u>	<u>\$ 578,106</u>

	For the year ended December 31	
	2023	2022
Wires for computer peripherals	\$ 373,378	\$ 452,562
Network wire	67,555	89,303
Others	357	658
Expense from management services	37,393	35,583
	<u>\$ 478,683</u>	<u>\$ 578,106</u>

18. OTHER INCOME

	For the year ended December 31	
	2023	2022
Government subsidy income	\$ --	\$ 30
Others	207	540
	<u>\$ 207</u>	<u>\$ 570</u>

19. OTHER GAINS AND LOSSES

	For the year ended December 31	
	2023	2022
Gain (Loss) on foreign exchange, net	\$ (705)	\$ (6,493)
Others	(13)	(156)
	<u>\$ (718)</u>	<u>\$ (6,649)</u>

20. FINANCE COSTS

	For the year ended December 31	
	2023	2022
Interest on borrowings	\$ 6,586	\$ 2,957

21. ADDITIONAL INFORMATION ON EXPENSES

a. Depreciation and amortization

	For the year ended December 31	
	2023	2022
Property, plant and equipment	\$ 6,413	\$ 5,411
	<u>\$ 6,413</u>	<u>\$ 5,411</u>

	For the year ended December 31	
	2023	2022
An analysis of depreciation by function		
Recognized in operating costs	\$ 5,641	\$ 4,552
Recognized in operating expenses	772	859
	<u>\$ 6,413</u>	<u>\$ 5,411</u>

b. Employee benefit expenses

	For the year ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plans (Note 14)	\$ 1,531	\$ 1,594
Defined benefit plans (Note 14)	186	107
	1,717	1,701
Other employee benefits	49,521	56,467
	<u>\$ 51,238</u>	<u>\$ 58,168</u>

	For the year ended December 31	
	2023	2022
Employee benefits expense summarized by function		
Recognized in operating costs	\$ 20,254	\$ 22,965
Recognized in operating expenses	30,984	35,203
	<u>\$ 51,238</u>	<u>\$ 58,168</u>

1. According to the Company's articles, if there is a profit in the current year, the Company accrued employees' compensation at rate of 3% to 10% and remuneration of directors within 5%. However, if the company 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. Both of the year 2023 and 2022, the Company are accumulated losses, therefore, the employee and remuneration of director remuneration are not estimated.
3. Both of the year 2022 and 2021 the Company are accumulated losses, therefore, the employees' compensation and remuneration of director are not estimated.
4. Information on the employees' compensation and remuneration of directors resolved by the Company's Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

22. 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	
	2023	2022
Current income tax expense		
In respect of the current year	\$ 2,939	\$ 1,428
Adjustments for prior year	1,094	--
Deferred income tax expense		
The recognition and reversal of temporary differences	--	--
Income tax expense recognized in profit or loss	<u>\$ 4,033</u>	<u>\$ 1,428</u>

b. Income tax expense at the statutory rate

	For the year ended December 31	
	2023	2022
Income before Income tax	\$ 42,027	\$ 19,512
Income tax based on the Company's domestic tax rate	8,405	3,902
Income that should be ratified by tax regulation	150	136
Income calculated according to tax laws	--	--
Change in unrecognized deductible temporary differences	(5,616)	10,682
Current-year losses for which no deferred tax asset was recognized	--	(13,292)
Previous income tax (overstatement) understatement	1,094	--
	<u>\$ 4,033</u>	<u>\$ 1,428</u>

For the years ended December 31, 2023 and 2022, the Company applied a tax rate of 20% subject to the R.O.C. Income Tax Law.

c. The Company 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	
	2023	2022
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, 2023

	January 1,2023	Recognized in profit or loss	December 31,2023
Deferred tax assets			
Allowance for impairment of debts	\$ 4,106	\$ 13	\$ 4,119
Unrealized loss on inventories	5,069	446	5,515
Deferred tax liabilities			
Unrealized (gain) loss and expense	2,217	(1,841)	376
Investment accounted for using the equity method	(174,843)	(4,234)	(179,077)
	<u>(163,451)</u>	<u>(5,616)</u>	<u>(169,067)</u>
Amount not recognized as deferred tax liabilities	163,451	5,616	169,067
Total Deferred tax assets(liabilities)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

For the year ended December 31, 2022

	January 1,2022	Recognized in profit or loss	December 31,2022
Deferred tax assets			
Allowance for impairment of debts	\$ 4,106	\$ --	\$ 4,106
Unrealized loss on inventories	3,778	1,291	5,069
Operating loss carryforward	13,292	(13,292)	--
Deferred tax liabilities			
Unrealized (gain) loss and expense	(401)	2,618	2,217
Investment accounted for using the equity method	(181,616)	6,773	(174,843)
	<u>(160,841)</u>	<u>(2,610)</u>	<u>(163,451)</u>
Amount not recognized as deferred tax liabilities	160,841	2,610	163,451
Total Deferred tax assets(liabilities)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

- f. Expiration dates of unused net operating loss carry forward and amounts of unrecognized deferred tax assets are as follows:

December 31,2022 (December 31,2023:None)

Year incurred	Tax losses for the period	Accumulated deducted deficit	Unused amount	Usable until year
2012	\$ 66,150	\$ 66,150	\$ --	2022
2013	29,143	29,143	--	2023
2014	17,605	17,605	--	2024
2015	40,038	40,038	--	2025
	<u>\$ 152,936</u>	<u>\$ 152,936</u>	<u>\$ --</u>	

- g. Assessment of income tax

The Company's income tax returns of the year through 2021 were assessed by the Taipei National tax Administration.

23. TRANSACTIONS WITH RELATED PARTIES

Besides as disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed below.

- a. Related parties and relationships

Related Parties	Related Party Categories
SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	A subsidiary
SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	Third-tier subsidiary
NEW SUNF PU ELECTRIC WIRE & CABLE(SHENZHEN) CO., LTD.	Third-tier subsidiary
All directors, general managers and vice general managers	Major members of whom the Management of the Group consists

- b. Parent company and ultimate controller: the company is the ultimate controller °

c. Net revenue

(1) Net revenue from professional fees

	For the year ended December 31	
	2023	2022
Subsidiaries:		
SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	\$ 37,393	\$ 35,583

The labor service income calculated and collected by the company for providing relevant management services such as procurement, transportation, and quality inspection on behalf of related parties.

d. Trade receivables from related parties

	December 31,2023	December 31,2022
Subsidiaries:		
SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	\$ 2,825	\$ --

e. Purchase of goods

	For the year ended December 31	
	2023	2022
Subsidiaries:		
SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	\$ 35,111	\$ 64,786

The parent company purchases 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 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. Generally, the monthly settlement for manufacturers is 90-120 days. However, to meet the company's working capital turnover needs, it agreed to repay in installments depending on the company's capital status. The amount beyond the normal repayment period at the end of 112 and 111 was 0 thousand and 105,647 thousand, respectively.

f.	Payables to related parties		
		<u>December 31,2023</u>	<u>December 31,2022</u>
	Subsidiaries:		
	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	\$ --	\$ 145,081
		<u>=====</u>	<u>=====</u>
g.	Other payables form fund loan:		
		<u>December 31,2023</u>	<u>December 31,2022</u>
	Subsidiaries:		
	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	\$ --	\$ 31,174
		<u>=====</u>	<u>=====</u>
h.	Other payables from advance payment:		
		<u>December 31,2023</u>	<u>December 31,2022</u>
	Subsidiaries:		
	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	\$ --	\$ 17,316
		<u>=====</u>	<u>=====</u>

Funds provided to related parties for free, without interest calculation and agreed repayment period.

i. Guarantee

As of December 31, 2023 and 2022, the company issued guarantee notes for SUNF PU ELECTRIC WIRE & CABLE CO., LTD. and its joint borrowing from financial institutions, account deposits and deposits of guarantee notes and payable guarantee notes Subject, because it is a memorandum entry, it is not listed in the balance sheet, and its details are as follows :

SUNF PU ELECTRIC WIRE & CABLE CO., LTD.

	For the year ended December			
	31			
		<u>2023</u>		<u>2022</u>
Deposits and Payables of Guaranteed Notes	NTD	46,500	NTD	48,000
Deposits and Payables of Guaranteed Notes	USD	2,000	USD	500
		<u>=====</u>		<u>=====</u>

j. Other

1) As of December 31, 2023 and 2022, the details of the company's endorsement or guarantee for related parties borrowing from financial institutions are as follows :

	<u>December 31,2023</u>	<u>December 31,2022</u>
Subsidiaries		
SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	\$ 61,450	\$ 116,717
	<u> </u>	<u> </u>

2) As of December 31, 2023 and 2022, the company and related parties jointly borrowed from financial institutions, and the related parties provided fixed deposits as collateral to the financial institutions. The details are as follows :

	<u>December 31,2023</u>	<u>December 31,2022</u>
Subsidiaries		
SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	\$ --	\$ 36,858
	<u> </u>	<u> </u>

k. Compensation of key management personnel :

	For the year ended	
	December 31	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 6,792	\$ 7,880
Post-employment benefits	--	--
Other long-term employee benefits	--	--
Post-employment Benefits	--	--
Share-based payment	--	--
	<u>\$ 6,792</u>	<u>\$ 7,880</u>

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

24. PLEDGED ASSETS

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Property, plant and equipment		
Land	\$ 63,264	\$ 63,264
Building	14,397	15,245
	<u>77,661</u>	<u>78,509</u>
financial assets at amortized costs		
Pledged reimbursement account	6,040	6,011
	<u>\$ 83,701</u>	<u>\$ 84,519</u>

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

25. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- i. Significant unrecognized commitments: None
- ii. Contingencies:
 - 1) As of December 31, 2023 and 2022, the amount that the company endorsed or acted as guarantor for related parties borrowing from financial institutions was 61,450 thousand and 116,717 thousand respectively; please refer Note 23.
 - 2) As of December 31, 2023 and 2022, except as mentioned in Note 23, the guarantee notes issued by the company due to borrowing from financial institutions are accounted for in the accounts of deposit and withdrawal guarantee notes and payable guarantee notes, which belong to Memorandum entry, not included in the balance sheet. Its details are as follows :

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Deposits and Payables of	NTD 30,000	NTD 30,000
Guaranteed Notes	<u> </u>	<u> </u>

26. SIGNIFICANT LOSSES FROM DISASTERS: None

27. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD : None

28. FIANCIAL RISK MANAGEMENT :

The Company'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 Company 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 Company 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 Company'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 intimal auditors on a continuous basis.

The significant financial activities of the Company 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 Company 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 company. At the end of the year, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Company, 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 Company ◦

Customer credit risk is managed by each business unit subject to the Company'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 Company's internal rating criteria etc. The Company 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 Company 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 Company 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 Company's credit risk was significantly reduced.

As of December 31, 2023 and 2022, receivables from top ten customers represented 74.38% and 98.99% of the total trade receivables of the Company, respectively. The credit concentration risk of other contract assets and accounts receivables was insignificant.

The Company'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 Company 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 Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company'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 Company relies on bank borrowings as a significant source of liquidity. the Company had available unutilized short-term bank loan facilities set out in Note 12.

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

	<u>Carrying amount</u>	<u>With 3 months</u>	<u>3-12months</u>	<u>1-5years</u>	<u>Over 5 years</u>
December 31, 2023					
Non-derivative financial liabilities					
Short-term borrowings	\$ 260,000	\$ 51,237	\$ 210,326	\$ --	\$ --
Other payables (including related parties)	10,598	8,513	2,085	--	--
Notes payable and Trade payables (including related parties)	3,093	3,093	--	--	--
	<u>\$ 273,691</u>	<u>\$ 62,843</u>	<u>\$ 212,411</u>	<u>\$ --</u>	<u>\$ --</u>
December 31, 2022					
Non-derivative financial liabilities					
Short-term borrowings	\$ 259,000	\$ 60,316	\$ 200,485	\$ --	\$ --
Other payables (including related parties)	65,555	63,105	2,450	--	--
Notes payable and Trade payables (including related parties)	178,262	178,262	--	--	--
	<u>\$ 502,817</u>	<u>\$ 301,683</u>	<u>\$ 202,935</u>	<u>\$ --</u>	<u>\$ --</u>

The Company 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 Company'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 Company buys and sells derivatives instruments, and incurs financial liabilities, in order to manage market risks. All such transactions are executed in accordance with the Company'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 Company on the balance sheet date are as follows:

	December 31, 2023			December 31, 2022		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items						
USD	\$ 4,236	30.725	\$ 130,151	\$ 8,040	30.715	\$ 246,949
HKD	90	3.933	354	90	3.938	354
CNY	1,057	4.329	4,576	1,054	4.411	4,649
Financial liabilities						
Monetary items						
USD	\$ --	30.725	--	\$ 5,189	30.715	\$ 159,380
CNY	--	4.329	--	8,600	4.411	37,935

(2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the foreign currency exchange gains and losses 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, 2023 and 2022, would have increased or decreased the profit before tax by 1,351 thousand and 546 thousand, respectively. The analysis assumed that all other variables remain constant and is performed on the same basis for both periods.

Since the Company has different functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed in aggregate amount. For the years 2023 and 2022, foreign exchange gain (loss) (including realized and unrealized portions) amounted to (705) thousand and (6,493) thousand, respectively.

(3) Interest rate analysis

The Company'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 Company'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, 2023				
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost (Note 1)	\$ 152,583	\$ --	\$ --	\$ --	\$ --
Financial liabilities at amortized cost (Note 2)	\$ 273,691	\$ --	\$ --	\$ --	\$ --

	December 31, 2022				
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost (Note 1)	\$ 332,167	\$ --	\$ --	\$ --	\$ --
Financial liabilities at amortized cost (Note 2)	\$ 502,817	\$ --	\$ --	\$ --	\$ --

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 (Including related parties), 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 (Including related parties), other payables (Including related parties), 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 Company'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.

29. CAPITAL MANGEMENT

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

30. SIGNIFICANT LOSSES FROM DISASTERS : None

31. OTHER ITEMS

- a. Based on factors about overall business planning and overall management of the company, on December 24, 2019, the board of directors of the Company approved the New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd. invested by the third place 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 Company 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 Shuntaixin Investment Co., Ltd., with a total transaction amount of RMB 50 million.

On March 20, 2020, the board of directors of the Company 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 Company 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 Shuntaixin 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, and January 5, 2022, RMB 10 million, RMB 15 million, RMB 5.5 million, RMB 2.5 million, RMB 2 million, and RMB 5 million were collected, respectively. which are listed as deposits received account. As of the release date of the financial report, there is a remaining balance of RMB 10 million was provided by real state mortgage by Shenzhen Zhenchang Property Management Co., Ltd., a related enterprise of Shenzhen Shuntaiyuan Investment Co., Ltd., as collateral through the agreement between the two parties. However, as of the date of the announcement of the financial report, The mortgage setting process is still in progress. If RMB 10 million cannot be collected in the future, the mortgaged properties will be disposed of as satisfaction.

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 company 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.

- 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, the board of directors of the Company 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.

- c. Due to the COVID-19 outbreak in January 2020, the factories of New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd. and Sunf Pu Technology (Dongguan) Co., Ltd. located in Shenzhen and Dongguan City, Guangdong Province, respectively, cooperated with the local government to postpone the resumption of work. Since the factories, customers, and major suppliers of New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd. and Sunf Pu Technology (Dongguan) Co., Ltd. are not concentrated in areas with severe outbreaks, as of the financial report date, New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd. and Sunf Pu Technology (Dongguan) Co. suspended work for one week and four days respectively on March 14 and March 18, 2020, in order to cooperate with the local government's quarantine measures. All operations have since returned to normal on March 21st. The company believes that the impact of the epidemic on its operations will be limited, but the exact extent of the impact remains uncertain.

32. SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions :
 - (1) Financing provided to others : (Table 1).
 - (2) Endorsements/guarantees provided : (Table 2).
 - (3) Marketable securities held (excluding investments in subsidiaries and associates) : None.
 - (4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital : None.
 - (5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital : None.
 - (6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital : None.
 - (7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital : (Table 3).
 - (8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital : (Table 4).
 - (9) Trading in derivative instruments : None.
- b. Names, Locations, And Related Information On Investees : (Table 5)
- 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 : (Table 6).
 - (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 : (Table 3).
 - b. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period : (Table 3).
 - 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 : (Table 2).
 - 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 : None
- d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder : (Table 7)

33. SEGMENT INFORMATION

a. General information

The Company 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 company as a single performance management entity and uses the financial data of the overall company's financial statements as the basis for evaluating performance, making decisions, and allocating resources. Based on the identified Company as a single reportable department.

b. Measurement of segment information

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

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

The Company 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 Company 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

**FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(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		
1	SUNF PUELECTRIC WIRE&CABLECO, LTD.	SUNF PUTECHNOLOGY CO,LTD.	Other receivables	YES	31,174	--	--	--	Short-term financing	--	Operating capital	--	--	--	178,889 (Note3)	357,778 (Note3)
2	SUNFPUTECHNOLOGY (DONGGUAN)CO, LTD.	SUNF PU ELECTRIC WIRE &CABLECO,LTD.	Other receivables	YES	6,323	6,155	6,155	--	Short-term financing	--	Operating capital	--	--	--	118,193 (Note4)	236,386 (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 10% 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

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(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 Subsidiary Provided to Subsidiaries in Mainland China	Guarantee Provided by Parent Company Guarantee Provided by A Subsidiary Provided to Subsidiaries in Mainland China No. (Note 1)	Guarantee Provided by Parent Company Guarantee Provided by A Subsidiary Provided to Subsidiaries in Mainland China Name
No. (Note 1)	Name	Name	Nature of Relationship								Guarantee Provided by Parent Company Guarantee Provided by A Subsidiary Provided to Subsidiaries in Mainland China	Guarantee Provided by Parent Company Guarantee Provided by A Subsidiary Provided to Subsidiaries in Mainland China No. (Note 1)	Guarantee Provided by Parent Company Guarantee Provided by A Subsidiary Provided to Subsidiaries in Mainland China Name
0	SUNF PU TECHNOLOGY CO.,LTD.	SUNF PUELECTRIC WIRE&CABLECO, LTD.	Subsidiary	453,565	123,215	61,450	46,088	--	6.77%	453,565	YES	NO	NO

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 total endorsements and guarantees of the Company to others should not be in excess of the Company’s net assets, and for a single party should not be in excess of 50% of the Company’s net assets.

Note 3 : The total endorsements and guarantees of overseas subsidiaries of which the Company directly or indirectly holds of their voting shares to others should not be in excess of 50% the endorser/guarantor's net assets, and for a single party should not be in excess of 50% of the endorser/guarantor's net assets.

SUNF PU TECHNOLOGY CO., LTD

**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, 2023
(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 Amount
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	Purchase/ Sale	
SUNF PU ELECTRIC WIRE&CABLE CO.,LTD.	SUNF PU TECHNOLOGY(DONGGUAN)CO., LTD.	Subsidiary	Purchase	136,942	Note	Note	Note	Note	Trade payables 21,428	7.75 %	--

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

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

December 31, 2023

(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	252,245	0.11	241,232	Cooperate with funding needs and agree to schedule according to their funding status	10,465	--

Note : Amount recovered as of February 28, 2024.

SUNF PU TECHNOLOGY CO., LTD

**NAMES, LOCATIONS, AND RELATED INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2023**

(Amounts in Thousands of New Taiwan Dollars)

(Table 5)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2023	December 31, 2022	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%	894,447	21,167	21,167	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
INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

(Table 6)

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, 2023	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023 (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	(14,429)	100%	(14,429) (Note 1)	590,967	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	68,510	100%	68,510 (Note 1)	585,821	--

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Investment Amounts Authorized by Investment Commission, MOEA
330,456 (Note 3) (Note 5) (Note 6) (Note 7)	734,876(Note 2) (Note 8)	544,278

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 : On December 21, 2017, the Group sold 100% equity of Sunf Pu Technology (Suzhou) Co., Ltd. through the resolution of the board of directors. After the equity change registration was completed in August 2018, it was not authorized to release the equity transaction price by the State Administration of Foreign Exchange of Mainland China until October 2018. Meanwhile, 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 November 5, 2018, and reported to the Investment Commission, MOEA for future reference on April 17, 2019.

However, the equity price of USD 50,000 thousand dollars was remitted through the subsidiary Sunf Pu Electric Wire & Cable Co. back to Taiwan as capital reduction in June 2019, it was reported to the Investment Commission, MOEA for future reference on May 8, 2020. 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 rest income of 75,128 thousand dollars from the disposal has not been remitted to Taiwan yet.

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.

SUNF PU TECHNOLOGY CO., LTD

INFORMATION ON MAJOR SHAREHOLDERS

FOR THE YEAR ENDED DECEMBER 31, 2023

(Table 7)

Shareholders	Shares	
	Total Shares Owned (Thousand shares)	Ownership Percentage
HSUI-YUNG, LO	6,185	6.75 %

Note 1: Information on the above table is based on the calculation provided by the Taiwan Depository & Clearing Corporation for stockholders holding greater than 5% of ordinary shares and special shares who have completed the process of registration and book-entry delivery issued in dematerialized form (including treasury shares) on the last business day of the current quarter. There may be a discrepancy between the number of shares recorded on the Company only financial statements and its dematerialized securities due to the difference in basis of preparation and calculation.

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Sunf Pu Technology Co., Ltd. as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Sunf Pu Technology Co., Ltd and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

SUNF PU TECHNOLOGY CO., LTD

By
Kao-Cheng Lo
Chairman

March 13, 2024

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 (the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, of 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, 2023 and 2022, and 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.

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, 2023. 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, 2023 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 changes and involve in significant judgments by the management. As mentioned above, we consider inventory evaluation as a key audit matter.

Corresponding audit procedure:

4. We obtained an understanding of the design of the key controls over the valuation of inventory.
5. 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.
6. 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 parent company only financial statements of Sunf Pu Technology Co., Ltd as of and for the years ended December 31, 2023 and 2022 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 (ROC) 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; and
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.

Li, Han Qiu, Yi-Zhi

for and on behalf of Benison Associated CPA's Firm

March 13, 2024

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, 2023 and 2022
(In Thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2023		December 31, 2022		LIABILITIES AND EQUITY	Note	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	Note 6	\$ 466,457	30	\$ 264,677	17	Short-term borrowings	Note 13	\$ 306,304	20	\$ 334,779	21
Financial assets at amortized cost	Note 7	371,522	24	431,298	27	Notes payable		2,672	-	12,908	1
Notes receivable, net	Note 8	314	-	802	-	Trade payables to unrelated parties		19,460	2	34,358	3
Trade receivables, net	Note 8	131,775	9	431,003	27	Other payables	Note 14	62,250	5	39,135	4
Finance lease receivables - current	Note 9	58,443	4	-	-	Current tax liabilities	Note 24	32,116	2	3,684	-
Other receivables	Note 8	9,287	1	11,858	1	Lease liabilities	Note 12	5,542	-	5,427	-
Inventories, net	Note 10	184,981	12	195,492	13	Advances received and Other current liabilities	Note 15	148,440	10	4,193	-
Prepayments		4,583	-	14,450	1	Total current liabilities		<u>576,784</u>	<u>39</u>	<u>434,484</u>	<u>29</u>
Other current assets		52	-	58	-						
Total current assets		<u>1,227,414</u>	<u>80</u>	<u>1,349,638</u>	<u>86</u>						
NON-CURRENT ASSETS						NON-CURRENT LIABILITIES					
Property, plant and equipment, net	Note 11	177,686	11	190,009	13	Deferred tax liabilities	Note 24	27,210	2	27,210	2
Right-of-use assets, net	Note 12	106	-	22,844	1	Lease liabilities	Note 12	12,788	1	18,677	1
Refundable deposits		896	-	100	-	Net defined benefit liability	Note 16	15,796	1	15,510	1
Finance lease receivables - non-current	Note 9	133,606	9	-	-	Guarantee deposits	Note 32	-	-	176,440	10
Other non-current assets	Note 8	-	-	342	-	Total non-current liabilities		<u>55,794</u>	<u>4</u>	<u>237,837</u>	<u>14</u>
Total non-current assets		<u>312,294</u>	<u>20</u>	<u>213,295</u>	<u>14</u>	Total liabilities		<u>632,578</u>	<u>42</u>	<u>672,321</u>	<u>43</u>
						EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
						Share capital	Note 17				
						Ordinary shares		915,861	59	915,861	59
						Total share capital		<u>915,861</u>	<u>59</u>	<u>915,861</u>	<u>59</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)		(4,090)	-	(41,983)	(3)
						Total retained earnings		<u>46,433</u>	<u>3</u>	<u>8,540</u>	<u>-</u>
						Other equity					
						Exchange differences on translating foreign operations		(55,164)	(4)	(33,789)	(2)
						Total equity attributable to owners of the Company		<u>907,130</u>	<u>58</u>	<u>890,612</u>	<u>57</u>
TOTAL		<u>\$ 1,539,708</u>	<u>100</u>	<u>\$ 1,562,933</u>	<u>100</u>	TOTAL		<u>\$ 1,539,708</u>	<u>100</u>	<u>\$ 1,562,933</u>	<u>100</u>

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

SUNF PU TECHNOLOGY CO.,LTD AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Item	Note	2023		2022	
		Amount	%	Amount	%
OPERATING REVENUE	Note 19	\$ 900,871	100	\$ 1,206,365	100
OPERATING COSTS		(809,946)	(90)	(1,061,425)	(88)
GROSS PROFIT		90,925	10	144,940	12
OPERATING EXPENSES	Note 23				
Selling and marketing expenses		(15,247)	(2)	(16,961)	(1)
General and administrative expenses		(94,553)	(10)	(108,423)	(9)
Research and development expenses		(7,201)	(1)	(10,394)	(1)
Expected credit loss	Note 8	(646)	-	-	-
Total operating expenses		(117,647)	(13)	(135,778)	(11)
PROFIT FROM OPERATIONS		(26,722)	(3)	9,162	1
NON-OPERATING INCOME AND EXPENSES					
Interest income		19,332	2	11,068	1
Other income	Note 20	83,351	9	3,698	-
Other gains and losses	Note 21	8,951	1	5,959	-
Finance costs	Note 22	(12,048)	(1)	(7,645)	(1)
Total non-operating income and expenses		99,586	11	13,080	-
INCOME BEFORE INCOME TAX		72,864	8	22,242	1
INCOME TAX EXPENSE	Note 24	(34,870)	(4)	(4,158)	-
NET INCOME		37,994	4	18,084	1
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit plans		(101)	-	1,051	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating the financial statements of foreign operations		(21,375)	(2)	16,262	1
Other comprehensive income/(loss) for the period, net of income tax		(21,476)	(2)	17,313	1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		\$ 16,518	2	\$ 35,397	2
NET PROFIT ATTRIBUTABLE TO:					
Owners of the Company		\$ 37,994		\$ 18,084	
Non-controlling interests		-		-	
		\$ 37,994		\$ 18,084	
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Owners of the Company		\$ 16,518		\$ 35,397	
Non-controlling interests		-		-	
		\$ 16,518		\$ 35,397	
EARNINGS PER SHARE	Note 18				
Basic		\$ 0.41		\$ 0.20	
Diluted		\$ 0.41		\$ 0.20	

(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, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity Exchange differences on translating foreign operations	Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (accumulated deficit)	Total		
BALANCE AT JANUARY 1, 2022	\$ 915,861	\$ -	\$ 18,218	\$ 32,305	\$ (61,118)	\$ (10,595)	\$ (50,051)	\$ 855,215
Net income in 2022	-	-	-	-	18,084	18,084	-	18,084
Other comprehensive income in 2022, net of income tax	-	-	-	-	1,051	1,051	16,262	17,313
BALANCE AT DECEMBER 31, 2022	<u>\$ 915,861</u>	<u>\$ -</u>	<u>\$ 18,218</u>	<u>\$ 32,305</u>	<u>\$ (41,983)</u>	<u>\$ 8,540</u>	<u>\$ (33,789)</u>	<u>\$ 890,612</u>
BALANCE AT JANUARY 1, 2023	\$ 915,861	\$ -	\$ 18,218	\$ 32,305	\$ (41,983)	\$ 8,540	\$ (33,789)	\$ 890,612
Net income in 2023	-	-	-	-	37,994	37,994	-	37,994
Other comprehensive income in 2023, net of income tax	-	-	-	-	(101)	(101)	(21,375)	(21,476)
BALANCE AT DECEMBER 31, 2023	<u>\$ 915,861</u>	<u>\$ -</u>	<u>\$ 18,218</u>	<u>\$ 32,305</u>	<u>\$ (4,090)</u>	<u>\$ 46,433</u>	<u>\$ (55,164)</u>	<u>\$ 907,130</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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 72,864	\$ 22,242
Adjustments for:		
Depreciation expenses(Contains Right-of-use assets)	22,743	26,710
Reclassification of property, plant and equipment to expense(Transfer of expenses)	(4,130)	511
Expected credit loss(Rotation benefits)	646	-
Finance costs	12,048	7,645
Interest income	(19,332)	(11,068)
Net loss (gain) on disposal of property, plant and equipment	776	230
Impairment loss on property, plant and equipment(Rotation benefits)	(3,652)	-
Sublease interests in right-of-use assets and property, plant and equipment	(80,869)	-
Changes in operating assets and liabilities		
Notes receivable	488	547
Trade receivables	298,914	(121,732)
Other receivables	3,165	(4,721)
Inventories	10,511	39,775
Prepayments	9,330	(9,541)
Other current assets	6	237
Notes payable	(10,236)	8,477
Trade payables	(14,898)	2,756
Other payables	23,319	(5,572)
Advances received and Other current liabilities	(29,165)	2,201
Net defined benefit assets	185	105
Cash generated from/(used in) operations	292,713	(41,198)
Interest received	18,738	13,000
Interest paid	(12,252)	(7,421)
Income tax refund(paid)	(6,438)	(1,435)
Net cash generated from/(used in) operating activities	292,761	(37,054)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition for property, plant and equipment	(46,649.00)	(23,129.00)
Sublease payments for right-of-use assets and property, plant and equipment	144,369.00	0.00
Proceeds from disposal of property, plant and equipment	0.00	0.00
Financial assets at amortized cost	52,721.00	(89,760.00)
Finance lease receivables	(192,083.00)	0.00
Refundable deposits	(796.00)	0.00
Net cash generated from/(used in) investing activities	<u>(42,438.00)</u>	<u>(112,889.00)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings	(28,475.00)	104,110.00
Repayments of the principal portion of lease liabilities	(5,445.00)	(5,072.00)
Guarantee deposits	-	24,330.00
Net cash generated from/(used in) financing activities	<u>(33,920.00)</u>	<u>123,368.00</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(14,623.00)</u>	<u>16,766.00</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	201,780.00	(9,809.00)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEA	<u>264,677.00</u>	<u>274,486.00</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>466,457.00</u></u>	<u><u>264,677.00</u></u>

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

SUNF PU TECHNOLOGY CO., LTD AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINACIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1.GENERAL INFORMATION

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

The Company’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 Company and its subsidiaries, hereinafter collectively referred to as the Group, are presented in the Company's functional currency, the New Taiwan dollar.

2.APPROVAL OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were authorized for issuance by the Board of Directors on March 13, 2024.

3.APPLICATION OF NEW, AMENDED REVISED STANDARDS AND

INTERPRETATIONS

g. 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”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

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

h. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024.

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note1)
Amendments to IFRS16“Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements "	January 1, 2024 (Note 3)

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: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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: The Company shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the Company recognizes any effect as an adjustment to the opening balance of retained earnings. When the Company uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other 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 IFRSs 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 Company'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 Company and the entities controlled by the Company. 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 Company 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 Company.

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 31,2023	December 31,2022	
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)

Name of Investor	Name of Investee	Main Businesses and products	Percentage of Ownership		Notes
			December 31,2023	December 31,2022	
SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	NEW SUNF PU ELECTRIC WIRE &CABLE(SHENZHEN) 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-m -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 Company's foreign operations that are prepared using functional currencies which are different from the currency of the Company 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 Company 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 Company derecognizes financial liabilities when, and only when, the Company'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 Company 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.

3) 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.

4) 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 company 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 company 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 Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company 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 Company 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 Company 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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand	\$ 6,257	\$ 2,716
Checking accounts and Demand deposits	230,763	235,495
Time deposits	<u>229,437</u>	<u>26,466</u>
	<u>\$ 466,457</u>	<u>\$ 264,677</u>

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

7.FINANCIAL ASSETS AT AMORTIZED COSTS

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Time deposits held for more than 3 months	\$ 356,762	\$ 379,875
Pledged time deposits	8,720	45,412
Pledged Demand deposits	<u>6,040</u>	<u>6,011</u>
	<u>\$ 371,522</u>	<u>\$ 431,298</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
At amortized cost		
Notes receivable	\$ 322	\$ 810
Allowance for impairment loss	<u>(8)</u>	<u>(8)</u>
	<u>\$ 314</u>	<u>\$ 802</u>
Trade receivables	131,843	434,858
Allowance for impairment loss	<u>(68)</u>	<u>(3,855)</u>
	<u>\$ 131,775</u>	<u>\$ 431,003</u>
Other receivables	<u>\$ 9,287</u>	<u>\$ 11,858</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Overdue receivables (Accounting for Other non-current assets)	\$ 21,022	\$ 21,364
Allowance for impairment loss	<u>(21,022)</u>	<u>(21,022)</u>
	<u>\$ --</u>	<u>\$ 342</u>
	<u>\$ 141,376</u>	<u>\$ 444,005</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 write 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, 2023	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	\$ 136,657	\$ 3,150	\$ 1,560	\$ --	\$ 21,107	\$ 162,474
Loss allowance	(76)	--	--	--	(21,022)	(21,098)
Amortized cost	<u>\$ 136,581</u>	<u>\$ 3,150</u>	<u>\$ 1,560</u>	<u>\$ --</u>	<u>\$ 85</u>	<u>\$ 141,376</u>
December 31, 2022	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	\$ 433,986	\$ 6,135	\$ 1,525	\$ 1,221	\$ 26,023	\$ 468,890
Loss allowance	(76)	--	--	--	(24,809)	(24,885)
Amortized cost	<u>\$ 433,910</u>	<u>\$ 6,135</u>	<u>\$ 1,525</u>	<u>\$ 1,221</u>	<u>\$ 1,214</u>	<u>\$ 444,005</u>

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

	For the year ended	
	December 31	
	2023	2022
Balance at January 1	\$ 24,885	\$ 24,828
Add: Expected credit loss	646	--
Less: Write-off	(4,443)	--
Foreign exchange translation	10	57
Balance at December 31	\$ 21,098	\$ 24,885

9. FINANCE LEASE RECEIVABLES

	December 31, 2023	December 31, 2022
Undiscounted lease payments		
Year 1	\$ 64,787	\$ --
Year 2	64,244	--
Year 3	64,244	--
Year 4	10,707	--
Year 5	--	--
	203,982	--
Less: Unearned finance income	(11,933)	--
Finance lease receivables	\$ 192,049	\$ --
Current	\$ 58,443	\$ --
Non-current	\$ 133,606	\$ --

As of December 31, 2023 and 2022, no finance lease receivable was past due. The Group has not recognized a loss allowance for finance lease receivables after taking into consideration of the historical trading experience of business partner and the future prospects of the leasing relative industries as well as the value of collateral held over these finance lease receivables.

10. INVENTORIES, NET

	December 31, 2023	December 31, 2022
Raw materials	\$ 69,922	\$ 79,733
Merchandise	6,794	15,425
Work in progress	93,195	113,680

Finished goods	88,566	87,595
Allowance for inventory valuation	(73,496)	(100,941)
	<u>\$ 184,981</u>	<u>\$ 195,492</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	
	<u>2023</u>	<u>2022</u>
Inventory write-downs(reversal)	<u>\$ (24,830)</u>	<u>\$ 3,065</u>

As of December 31, 2023 and 2022, 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 1,2023	\$ 63,264	\$ 299,965	\$ 547,705	\$ 98,056	\$ 16,626	\$ 1,025,616
Additions	--	14,669	908	93	30,979	46,649
Disposals	--	(114,195)	(127,656)	(12,237)	--	(254,088)
Reclassification	--	34,757	5,495	8,353	(44,475)	4,130
Effect of foreign currency exchange differences	--	(3,545)	(5,487)	(934)	(520)	(10,486)
December 31,2023	<u>\$ 63,264</u>	<u>\$ 231,651</u>	<u>\$ 420,965</u>	<u>\$ 93,331</u>	<u>\$ 2,610</u>	<u>\$ 811,821</u>
January 1,2022	\$ 63,264	\$ 295,108	\$ 550,900	\$ 78,277	\$ 11,212	\$ 998,761
Additions	--	1,588	1,807	1,141	18,593	23,129
Disposals	--	--	(4,553)	(999)	--	(5,552)
Reclassification	--	122	(6,813)	19,299	(13,119)	(511)
Effect of foreign currency exchange differences	--	3,147	6,364	338	(60)	9,789
December 31,2022	<u>\$ 63,264</u>	<u>\$ 299,965</u>	<u>\$ 547,705</u>	<u>\$ 98,056</u>	<u>\$ 16,626</u>	<u>\$ 1,025,616</u>
Accumulated depreciation						
January 1,2023	\$ --	\$ 210,383	\$ 530,342	\$ 94,882	\$ --	\$ 835,607
Depreciation expenses	--	10,276	7,888	2,025	--	20,189
Disposals	--	(71,340)	(126,393)	(11,715)	--	(209,448)
Reclassification	--	292	(4,979)	4,687	--	--
Rotation benefits	--	(3,652)	--	--	--	(3,652)
Effect of foreign currency exchange differences	--	(2,201)	(5,477)	(883)	--	(8,561)
December 31,2023	<u>\$ --</u>	<u>\$ 143,758</u>	<u>\$ 401,381</u>	<u>\$ 88,996</u>	<u>\$ --</u>	<u>\$ 634,135</u>
Accumulated depreciation						
January 1,2022	\$ --	\$ 198,195	\$ 543,034	\$ 71,247	\$ --	\$ 812,476
Depreciation expenses	--	10,351	7,855	2,751	--	20,957
Disposals	--	--	(4,367)	(955)	--	(5,322)
Reclassification	--	--	(21,626)	21,626	--	--
Effect of foreign currency exchange differences	--	1,837	5,446	213	--	7,496
December 31,2022	<u>\$ --</u>	<u>\$ 210,383</u>	<u>\$ 530,342</u>	<u>\$ 94,882</u>	<u>\$ --</u>	<u>\$ 835,607</u>
Carrying amount at						
December 31,2023	<u>\$ 63,264</u>	<u>\$ 87,893</u>	<u>\$ 19,584</u>	<u>\$ 4,335</u>	<u>\$ 2,610</u>	<u>\$ 177,686</u>
December 31,2022	<u>\$ 63,264</u>	<u>\$ 89,582</u>	<u>\$ 17,363</u>	<u>\$ 3,174</u>	<u>\$ 16,626</u>	<u>\$ 190,009</u>

- As of December 31, 2023 and 2022, 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.
- 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

d. Right-of -use -assets

	Right of use assets-
	Land
Cost	
January 1,2023	\$ 45,652
Disposals	(43,929)
Effect of foreign currency exchange differences	(32)
December 31,2023	<u>\$ 1,691</u>
January 1,2022	\$ 44,979
Additions	--
Effect of foreign currency exchange differences	673
December 31,2022	<u>\$ 45,652</u>
Accumulated depreciation	
January 1,2023	\$ 22,808
Depreciation expenses	2,554
Disposals	(23,750)
Effect of foreign currency exchange differences	(27)
December 31,2023	<u>\$ 1,585</u>
Accumulated depreciation	
January 1,2022	\$ 16,854
Depreciation expenses	5,753
Effect of foreign currency exchange differences	201
December 31,2022	<u>\$ 22,808</u>
Carrying amount at	
December 31,2023	<u>\$ 106</u>
December 31,2022	<u>22,844</u>

e. Lease liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Future Minimum Lease Payments		
Within 1 year	\$ 6,169	\$ 6,286
1-5 years	13,367	19,906
Later than 5 years	--	--
Unrealized interest	(1,206)	(2,088)
	<u>\$ 18,330</u>	<u>\$ 24,104</u>
Present Value of Minimum Lease Payments		
Within 1 year	\$ 5,542	\$ 5,427
1-5 years	12,788	18,677
Later than 5 years	--	--
	<u>\$ 18,330</u>	<u>\$ 24,104</u>
Current	\$ 5,542	\$ 5,427
Non-current	12,788	18,677
	<u>\$ 18,330</u>	<u>\$ 24,104</u>

Range of discount rate for lease liabilities was as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Right to use land	<u>3.97%</u>	<u>3.97%</u>

f. 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.

g. Other lease information

	For the year ended	
	December 31	
	2023	2022
Expenses relating to short-term leases	\$ --	\$ --
Expenses relating to low-value asset leases	\$ 89	\$ 116
Total cash outflow for leases	\$ (6,386)	\$ (6,267)

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, 2023		
	Interest Rate Interval	Year of Maturity	Amount
Collateralized loans	2.100%~7.020%	2024	\$ 306,304
			\$ 306,304
Recognized as :			
Current			
Short-term loans			\$ 306,304
Long-term loans-current portion			--
Non-current			
Long-term loans			--
			\$ 306,304

December 31, 2022			
	Interest Rate Interval	Year of Maturity	Amount
Collateralized loans	1.125%~6.427%	2023	\$ 305,536
Non- Collateralized loans	2.430%~6.420%		29,243
			<u>\$ 334,779</u>
Recognized as :			
Current			
Short-term loans			\$ 334,779
Long-term loans-current portion			--
Non-current			
Long-term loans			--
			<u>\$ 334,779</u>

- d. For the information on the Group's exposures to interest rate and liquidity risk, please refer to Note 30.
- e. For the collateral for short-term borrowings, please refer to Note 26.
- f. As of December 31, 2023 and 2022, the borrowing amount yet to be used by the Group are 275,363 and 46,872 thousand dollars, respectively.

14. OTHER PAYABLES

	December 31, 2023	December 31, 2022
Accrued salaries expense	\$ 10,644	\$ 15,111
Remuneration of directors and supervisors	90	90
Accounts payable for professional fees	2,558	2,450
Insurance payable	672	687
Interest expense	169	373
Accrued utilities expense	1,818	2,135
Sales tax payable	2	3,555
Taxes payable	27,789	--
Output VAT	3,848	1,318
Others	14,660	13,416
	<u>\$ 62,250</u>	<u>\$ 39,135</u>

15.ADVANCES RECEIVED AND OTHER CURRENT LIABILITIES

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Unearned sales revenue	\$ 8,194	\$ 3,234
Unearned rent revenue	139,490	--
Others	756	959
	<u>\$ 148,440</u>	<u>\$ 4,193</u>

16.RETIREMENT BENEFIT PLANS

k. 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	
	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Operating costs	<u>\$ 2,717</u>	<u>\$ 5,464</u>
Administrative expenses	<u>\$ 5,010</u>	<u>\$ 5,325</u>

l. 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.

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligation	\$ 18,489	\$ 18,146
Fair value of plan assets	<u>(2,693)</u>	<u>(2,636)</u>
Net defined benefit assets	<u>\$ 15,796</u>	<u>\$ 15,510</u>

n. Movements in net defined benefit liabilities(assets)were as follows:

	<u>Present Value of the Defined Benefit Obligation</u>	<u>Fair Value of the Plan Assets</u>	<u>Net Defined Benefit Liabilities</u>
Balance at January1,2023	\$ 18,146	\$ (2,636)	\$ 15,510
Service cost			
Current service cost	--	--	--
Upfront service costs and liquidation losses (benefits)	--	--	--
Net interest expense (income)	213	(27)	186
Profit or loss on liquidation of plan assets	--	--	--
Recognized in profit or loss	<u>213</u>	<u>(27)</u>	<u>186</u>
Remeasurement			
Return on plan assets (excluding amounts included inf net interest)	--	(29)	(29)
Actuarial loss-changes in demographic assumptions	(12)	--	(12)
Actuarial loss-changes in financial assumptions	63	--	63
Actuarial loss-experience adjustments	<u>79</u>	<u>--</u>	<u>79</u>
Recognized in other comprehensive income	<u>130</u>	<u>(29)</u>	<u>101</u>
Contributions from the employer	--	(1)	(1)
Benefits paid	<u>--</u>	<u>--</u>	<u>--</u>
Balance at December 31, 2023	<u>\$ 18,489</u>	<u>\$ (2,693)</u>	<u>\$ 15,796</u>

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	\$ 18,887	\$ (2,431)	\$ 16,456
Service cost			
Current service cost	--	--	--
Upfront service costs and liquidation losses (benefits)	--	--	--
Net interest expense (income)	120	(14)	106
Profit or loss on liquidation of plan assets	--	--	--
Recognized in profit or loss	<u>120</u>	<u>(14)</u>	<u>106</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	--	(190)	(190)
Actuarial loss-changes in demographic assumptions	(18)	--	(18)
Actuarial loss-changes in financial assumptions	(734)	--	(734)
Actuarial loss-experience adjustments	(109)	--	(109)
Recognized in other comprehensive income	<u>(861)</u>	<u>(190)</u>	<u>(1,051)</u>
Contributions from the employer	--	(1)	(1)
Benefits paid	--	--	--
Balance at December 31, 2022	<u>\$ 18,146</u>	<u>\$ (2,636)</u>	<u>\$ 15,510</u>

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

4. 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.
5. 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.
6. 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.

- p. 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:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate	1.15 %	1.20 %
Expected rate of salary increase	3.00 %	3.00 %

- q. 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:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate		
0.25% increase	\$ (310)	\$ (309)
0.10% increase	\$ (126)	\$ (125)
0.25% decrease	\$ 326	\$ 323
0.10% decrease	\$ 128	\$ 127
Expected rate of salary increase		
0.25% increase	\$ 319	\$ 316
0.25% decrease	\$ (306)	\$ (304)
Planned turnover rate		
0.10% increase	\$ (7)	\$ (6)
0.10% decrease	\$ 7	\$ 6

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 2023 and 2022.

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
The expected contributions to the plan for the next year	\$ 3,416	\$ 1
The average duration of the defined benefit obligation	6 years	6 years

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

	For the year ended	
	December 31	
	2023	2022
Operating costs	\$ --	\$ --
Administrative expenses	\$ 186	\$ 107

t. The employee benefit liabilities are as follows :

	For the year ended	
	December 31	
	2023	2022
Unused leave bonus	\$ 896	\$ 1,138

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, 2023 and 2022, the vested payment obligations of the managers appointed by the group were 15,796 thousand and 15,510 thousand respectively.

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

e. Capital stock.

As of December 31, 2023 and 2022, the authorized share capital of the Company 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.

f. 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.

g. 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 Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company 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 2022 have been approved in the Company's shareholders' meeting held on June 27, 2023.

The appropriation of loss proposal of 2021 have been approved in the Company's shareholders' meeting held on June 17, 2022.

The above 2023 appropriation for cash dividends is to be presented for approval in the Company's shareholders' meeting to be held on June 26, 2024 (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).

h. 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(LOSS) PER SHARE

c. Basic EPS

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

d. Diluted EPS

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

	For the year ended	
	December 31	
	2023	2022
Consolidated basic EPS		
Net income available to common shareholders of the parent company	\$ 37,994	\$ 18,084
Number of Outstanding Shares (in thousands)	91,586	91,586
Basic EPS	\$ 0.41	\$ 0.20
Consolidated Diluted EPS		
Net income available to common shareholders of the parent, adjusted for the effect of potentially dilutive ordinary shares	\$ 37,994	\$ 18,084
Number of Outstanding Shares (in thousands)	91,586	91,586
Effect of potentially dilutive ordinary shares	--	--
Bonuses issued to employees		
Number of Outstanding Shares (in thousands)	91,586	91,586
Diluted EPS	\$ 0.41	\$ 0.20

If the Company settles the bonuses or remuneration paid to employees in cash or shares, the Company 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	
	2023	2022
Asia	\$ 853,801	\$ 1,136,900
Americas	45,448	68,342
Europe	1,622	1,123
	<u>\$ 900,871</u>	<u>\$ 1,206,365</u>

	For the year ended December 31	
	2023	2022
Network wire	\$ 422,077	\$ 570,339
Wires for computer peripherals	474,781	626,204
Others	4,013	9,822
	<u>\$ 900,871</u>	<u>\$ 1,206,365</u>

20.OTHER INCOME

	For the year ended December 31	
	2023	2022
Government subsidy income	\$ 1,732	\$ 30
Sublease interests	80,869	--
Others	750	3,668
	<u>\$ 83,351</u>	<u>\$ 3,698</u>

21.OTHER GAINS AND LOSSES

	For the year ended December 31	
	2023	2022
Gain (Loss) on foreign exchange, net	\$ 6,246	\$ 6,524
(Loss) on disposal of property, plant and equipment, net	(776)	(230)
Rotation benefits	3,652	--
Others	(171)	(335)
	<u>\$ 8,951</u>	<u>\$ 5,959</u>

22.FINANCE COSTS

	For the year ended December 31	
	2023	2022
Interest on borrowings	\$ 11,196	\$ 6,566
Interest on lease liabilities	852	1,079
	<u>\$ 12,048</u>	<u>\$ 7,645</u>

23.ADDITIONAL INFORMATION ON EXPENSES

c. Depreciation and amortization

	For the year ended December 31	
	2023	2022
Property, plant and equipment	\$ 20,189	\$ 20,957
Right-of-use assets	2,554	5,753
	<u>\$ 22,743</u>	<u>\$ 26,710</u>

	For the year ended December 31	
	2023	2022
An analysis of depreciation by function		
Recognized in operating costs	\$ 17,983	\$ 17,070
Recognized in operating expenses	4,760	9,640
	<u>\$ 22,743</u>	<u>\$ 26,710</u>

d. Employee benefit expenses

	For the year ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plans (Note 16)	\$ 7,727	\$ 10,789
Defined benefit plans (Note 16)	186	107
	7,913	10,896
Other employee benefits	137,093	164,690
	<u>\$ 145,006</u>	<u>\$ 175,586</u>

	For the year ended December 31	
	2023	2022
Employee benefits expense summarized by function		

Recognized in operating costs	\$	79,275	\$	100,799
Recognized in operating expenses		65,731		74,787
	\$	145,006	\$	175,586

5. According to the Company's articles, if there is a profit in the current year, the Company accrued employees' compensation at rate of 3% to 10% and remuneration of directors within 5%. However, if the company 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.
6. Both of the year 2023 and 2022, the Company are accumulated losses, therefore, the employee and remuneration of director remuneration are not estimated.
7. Both of the year 2022 and 2021, the Company are accumulated losses, therefore, the employee and remuneration of director remuneration are not estimated.
8. 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

- h. 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	
	2023	2022
Current income tax expense		
In respect of the current year	\$ 33,297	\$ 3,157
Adjustments for prior year	1,573	1,001
Deferred income tax expense		
The recognition and reversal of temporary differences	--	--
Income tax expense recognized in profit or loss	\$ 34,870	\$ 4,158

- i. Income tax expense at the statutory rate

	For the year ended	
	December 31	
	2023	2022
Income before Income tax	\$ 72,864	\$ 22,242
Income tax based on the Company's domestic tax rate	8,405	3,902

Tax rate difference effect for overseas jurisdictions	30,358	1,729
Income that should be ratified by tax regulation	150	136
Income calculated according to tax laws	--	--
Previous income tax (overstatement) understatement	1,573	1,001
Change in unrecognized deductible temporary differences	(5,616)	10,682
Current-year losses for which no deferred tax asset was recognized	--	(13,292)
	\$ 34,870	\$ 4,158

For the years ended December 31, 2023 and 2022, 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.

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

k. Deferred tax

The movements of deferred tax liabilities were as follows:

	For the year ended December 31	
	2023	2022
Temporary differences		
Land value increment tax	\$ 27,210	\$ 27,210

l. 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, 2023

	January 1,2023	Recognized in profit or loss	December 31,2023
Deferred tax assets			
Allowance for impairment of debts	\$ 4,106	\$ 13	\$ 4,119
Unrealized loss on inventories	5,069	446	5,515
Deferred tax liabilities			
Unrealized (gain) loss and expense)	2,217	(1,841)	376
Investment accounted for using the equity method	(174,843)	(4,234)	(179,077)

	(163,451)	(5,616)	(169,067)
Amount not recognized as deferred tax liabilities	163,451	5,616	169,067
Total Deferred tax assets(liabilities)	\$ --	\$ --	\$ --
For the year ended December 31, 2022			
	January 1,2022	Recognized in profit or loss	December 31,2022
Deferred tax assets			
Allowance for impairment of debts	\$ 4,106	\$ --	\$ 4,106
Unrealized loss on inventories	3,778	1,291	5,069
Operating loss carryforward	13,292	(13,292)	--
Deferred tax liabilities			
Unrealized (gain) loss and expense)	(401)	2,618	2,217
Investment accounted for using the equity method	(181,616)	6,773	(174,843)
	(160,841)	(2,610)	(163,451)
Amount not recognized as deferred tax liabilities	160,841	2,610	163,451
Total Deferred tax assets(liabilities)	\$ --	\$ --	\$ --

- m. Expiration dates of unused net operating loss carry forward and amounts of unrecognized deferred tax assets are as follows:

December 31,2022 (December 31,2023:None)

Year incurred	Tax losses for the period	Accumulated deducted deficit	Unused amount	Usable until year
2012	\$ 66,150	\$ 66,150	\$ --	2022
2013	29,143	29,143	--	2023
2014	17,605	17,605	--	2024
2015	40,038	40,038	--	2025
	\$ 152,936	\$ 152,936	\$ --	

- n. Assessment of income tax

The Company's income tax returns of the year through 2021 were assessed by the Taipei National tax Administration.

25. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which were related parties of the

Company, 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.

l. Related parties and relationships

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

m. Compensation of key management personnel :

	For the year ended December 31	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 14,758	\$ 15,853
Post-employment benefits	--	--
Other long-term employee benefits	--	--
Post-employment Benefits	--	--
Share-based payment	--	--
	<u>\$ 14,758</u>	<u>\$ 15,853</u>

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

26.PLEDGED ASSETS

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Property, plant and equipment		
Land	\$ 63,264	\$ 63,264
Building	14,397	15,245
	<u>77,661</u>	<u>78,509</u>
financial assets at amortized costs		
Pledged time deposits	8,720	45,412
Pledged reimbursement account	6,040	6,011
	<u>14,760</u>	<u>51,423</u>
	<u>\$ 92,421</u>	<u>\$ 129,932</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, 2023</u>		<u>December 31, 2022</u>	
Deposits and Payables of Guaranteed Notes	NTD	76,500	NTD	78,000
Deposits and Payables of Guaranteed Notes	USD	2,000	USD	2,300

28.SIGNIFICANT LOSSES FROM DISASTERS: None

29.SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD : None

30.FIANCIAL 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 intimal 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.

e. 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:

- (3) The carrying amount of the respective recognized financial assets as stated in the balance sheets;
and
- (4) 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, 2023 and 2022, receivables from top ten customers represented 57.69% and 83.59% 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.

f. 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 31,2023					
Non-derivative financial liabilities					
Short-term borrowings	\$ 306,304	\$ 76,692	\$ 232,389	\$ --	\$ --
Other payables	62,250	34,692	9,032	18,526	--
Lease liabilities	18,330	1,542	4,627	13,367	--
Notes payable and Trade payables	22,132	22,132	--	--	--
	<u>\$ 409,016</u>	<u>\$ 135,058</u>	<u>\$ 246,048</u>	<u>\$ 31,893</u>	<u>\$ --</u>
December 31,2022					
Non-derivative financial liabilities					
Short-term borrowings	\$ 334,779	\$ 115,582	\$ 222,525	\$ --	\$ --
Other payables	39,135	36,315	2,820	--	--
Lease liabilities	24,104	1,572	4,714	19,906	--
Notes payable and Trade payables	47,266	47,266	--	--	--
	<u>\$ 445,284</u>	<u>\$ 200,735</u>	<u>\$ 230,059</u>	<u>\$ 19,906</u>	<u>\$ --</u>

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

g. 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 Company'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, 2023			December 31, 2022		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items						
USD	\$ 9,384	30.725	\$ 288,323	\$ 11,773	30.715	\$ 361,608
HKD	1,910	3.933	7,512	6,828	3.938	26,889
CNY	3,889	4.329	16,835	3,860	4.411	17,026
Financial liabilities						
Monetary items						
USD	\$ 1,515	30.725	\$ 46,548	\$ 2,596	30.715	\$ 79,736
HKD	133	3.933	523	134	3.938	528
CNY	18	4.329	78	24	4.411	106

(2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the foreign currency exchange gains and losses 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, 2023 and 2022, would have increased or decreased the profit before tax by 2,655 thousand and 3,252 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 2023 and 2022, foreign exchange gain (loss) (including realized and unrealized portions) amounted to 6,246 thousand and 6,524 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.

h. Fair value of financial instruments

(2) Types and fair values of financial instruments

The carrying amount and fair value of the Consolidated Company'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, 2023				
		Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost (Note 1)		\$ 1,172,300	\$ --	\$ --	\$ --	\$ --
Financial liabilities at amortized cost (Note 2)		\$ 409,016	\$ --	\$ --	\$ --	\$ --
		December 31, 2022				
		Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost (Note 1)		\$ 1,140,080	\$ --	\$ --	\$ --	\$ --
Financial liabilities at amortized cost (Note 2)		\$ 621,724	\$ --	\$ --	\$ --	\$ --

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.

(3) 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).

(4) 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 MANAGEMENT

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

- d. Based on factors about overall business planning and overall management of the company, on December 24, 2019, the board of directors of the Company approved the New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd. invested by the third place 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 Company 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 Company 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 Company 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, and January 5, 2022, RMB 10 million, RMB 15 million, RMB 5.5 million, RMB 2.5 million, RMB 2 million, and RMB 5 million were collected, respectively. which are listed as deposits received account. As of the release date of the financial report, there is a remaining balance of RMB 10 million was provided by real state mortgage by Shenzhen Zhenchang Property Management Co., Ltd., a related enterprise of Shenzhen Shuntaiyuan Investment Co., Ltd., as collateral through the agreement between the two parties. However, as of the date of the announcement of the financial report, The mortgage setting process is still in progress. If RMB 10 million cannot be collected in the future, the mortgaged properties will be disposed of as satisfaction.

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 company 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.

- e. 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, the board of directors of the Company 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.
- f. Due to the COVID-19 outbreak in January 2020, the factories of New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd. and Sunf Pu Technology (Dongguan) Co., Ltd. located in Shenzhen and Dongguan City, Guangdong Province, respectively, cooperated with the local government to postpone the resumption of work. Since the factories, customers, and major suppliers of New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd. and Sunf Pu Technology (Dongguan) Co., Ltd. are not concentrated in areas with severe outbreaks, as of the financial report date, New Sunf Pu Electric Wire & Cable (Shenzhen) Co., Ltd. and Sunf Pu Technology (Dongguan) Co. suspended work for one week and four days respectively on March 14 and March 18, 2021, in order to cooperate with the local government's quarantine measures. All operations have since returned to normal on March 21st. The company believes that the impact of the epidemic on its operations will be limited, but the exact extent of the impact remains uncertain.

33.SEPARATELY DISCLOSED ITEMS

- a. Information on significant transactions :
 - (10) Financing provided to others : (Table 1)
 - (11) Endorsements/guarantees provided : (Table 2).
 - (12) Marketable securities held (excluding investments in subsidiaries and associates) : None.

- (13) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital : None.
- (14) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital : None.
- (15) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital : None.
- (16) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital : (Table 3).
- (17) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital : (Table 4).
- (18) Trading in derivative instruments : None.
- (19) Intercompany relationships and significant intercompany transactions. : (Table 5).
- b. Names, Locations, And Related Information On Investees : (Table 6).
- c. Information on investments in mainland China :
 - (3) 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).
 - (4) 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 :
 - g.The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period : (Table3).
 - h.The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period : (Table3).
 - i.The amount of property transactions and the amount of the resultant gains or losses : None.
 - j.The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes : (Table2).
 - k.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).
 - l.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).
- d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder : (Table8).

34. SEGMENT INFORMATION

- e. 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 company as a single performance management entity and uses the financial data of the overall company's financial statements as the basis for evaluating performance, making decisions, and allocating resources. Based on the identified Group as a single reportable department.
- f. Measurement of segment information

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

g. 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.

h. 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, 2023**

(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		
1	SUNF PUELECTRIC WIRE&CABLECO, LTD.	SUNF PUTECHNOLOGY CO,LTD.	Other receivables	YES	31,174	--	--	--	Short-term financing	--	Operating capital	--	--	--	178,889 (Note3)	357,778 (Note3)
2	SUNF PUTECHNOLOGY (DONGGUAN)CO, LTD.	SUNF PU ELECTRIC WIRE & CABLECO,LTD.	Other receivables	YES	6,323	6,155	6,155	--	Short-term financing	--	Operating capital	--	--	--	118,193 (Note4)	236,386 (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 10% 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, 2023
(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 Subsidiary Guarantee Provided to Subsidiaries in Mainland China	Guarantee Provided by Parent Company Guarantee Provided by A Subsidiary Guarantee Provided to Subsidiaries in Mainland China No.(Note 1)	Guarantee Provided by Parent Company Guarantee Provided by A Subsidiary Guarantee Provided to Subsidiaries in Mainland China Name
No. (Note 1)	Name	Name	Nature of Relationship								Guarantee Provided by Parent Company	Guarantee Provided by Parent Company	Guarantee Provided by Parent Company
0	SUNF PU TECHNOLOGY CO.,LTD.	SUNF PUELECTRIC WIRE&CABLECO, LTD.	Subsidiary	453,565	123,215	61,450	46,088	--	6.77%	453,565	YES	NO	NO

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 total endorsements and guarantees of the Company to others should not be in excess of the Company’s net assets, and for a single party should not be in excess of 50% of the Company’s net assets.

Note 3 : The total endorsements and guarantees of overseas subsidiaries of which the Company directly or indirectly holds of their voting shares to others should not be in excess of 50% the endorser/guarantor's net assets, and for a single party should not be in excess of 50% of the endorser/guarantor's net assets.

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, 2023

(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	136,942	Note	Note	Note	Note	Trade payables 21,428	7.75 %	--

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, 2023

(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	252,245	0.11	241,232	Cooperate with funding needs and agree to schedule according to their funding status	10,465	--

Note : Amount recovered as of February 28, 2024.

SUNF PU TECHNOLOGY CO., LTD AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

(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	35,111	Note 5	3.90 %
0	SUNF PU TECHNOLOGY CO., LTD.	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	1	Sales	37,393	Note 7	4.15 %
0	SUNF PU TECHNOLOGY CO., LTD.	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	1	Trade receivables	2,825	Note 4	0.18 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Sales	153	Note 4	0.02 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Purchase	136,942	Note 5	15.20 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Trade receivables	1	Note 4	-- %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Trade payables	21,428	Note 5	1.39 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Other payables	6,155	Note 6	0.40 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Other payables	3,969	Note 8	0.26 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Advances received	9,080	Note 4	0.59 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Cost of goods sold	10,607	Note 8	1.18 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	NEW SUNF PU ELECTRIC WIRE &CABLE(SHENZHEN) CO., LTD.	3	Purchase	32,916	Note 5	3.65 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	NEW SUNF PU ELECTRIC WIRE &CABLE(SHENZHEN) CO., LTD.	3	Trade payables	252,245	Note 5	16.38 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	NEW SUNF PU ELECTRIC WIRE &CABLE(SHENZHEN) CO., LTD.	3	Other payables	5,655	Note 8	0.37 %
1	SUNF PU ELECTRIC WIRE & CABLE CO., LTD.	NEW SUNF PU ELECTRIC WIRE &CABLE(SHENZHEN) CO., LTD.	3	Cost of goods sold	2,776	Note 8	0.31 %

SUNF PU TECHNOLOGY CO., LTD AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

(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
3	NEW SUNF PU ELECTRIC WIRE &CABLE(SHENZHEN) CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Sales	41,544	Note 4	4.61 %
	NEW SUNF PU ELECTRIC WIRE &CABLE(SHENZHEN) CO., LTD.	SUNF PU TECHNOLOGY (DONGGUAN) CO., LTD.	3	Other income	12,370	Note 7	1.37 %

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, 2023. For profit or loss items, cumulative amounts are shown as a percentage to consolidated total operating revenues for the year ended December 31, 2023.

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, 2023**

(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, 2023			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2023	December 31, 2022	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%	894,447	21,167	21,167	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, 2023

(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, 2023	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023 (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	(14,429)	100%	(14,429) (Note 1)	590,967	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	68,510	100%	68,510 (Note 1)	585,821	--

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Investment Amounts Authorized by Investment Commission, MOEA
330,456 (Note 3) (Note 5) (Note 6) (Note 7)	734,876 (Note 2) (Note 8)	544,278

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.

SUNF PU TECHNOLOGY CO., LTD AND SUBSIDIARIES

**INFORMATION ON MAJOR SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2023**

(Table 8)

Shareholders	Shares	
	Total Shares Owned (Thousand shares)	Ownership Percentage
HSUI-YUNG, LO	6,185	6.75 %

Note 1: Information on the above table is based on the calculation provided by the Taiwan Depository & Clearing Corporation for stockholders holding greater than 5% of ordinary shares and special shares who have completed the process of registration and book-entry delivery issued in dematerialized form (including treasury shares) on the last business day of the current quarter. There may be a discrepancy between the number of shares recorded on the Company's consolidated financial statements and its dematerialized securities due to the difference in basis of preparation and calculation.