

**SUNREX TECHNOLOGY CORP. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2023 AND 2022**

For the convenience of readers and for information purpose only, the 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. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

SUNREX TECHNOLOGY CORP.
DECEMBER 31, 2023 AND 2022 CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
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SUNREX TECHNOLOGY CORP.
DECLARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATED
ENTERPRISES

For the year ended December 31, 2023, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the Company that is required to be included in the consolidated financial statements of affiliates, is the same as the Company required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

SUNREX TECHNOLOGY CORP.

Representative: Tsai, Huo-Lu

March 12, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR23005012

To the Board of Directors and Shareholders of Sunrex Technology Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Sunrex Technology Corp. and subsidiaries (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 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, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's 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 Accountants in 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 and the report of other auditors are 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 significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's financial statements of the current period are stated as follows:

Appropriateness of the timing of revenue recognition from distribution warehouse sales

Description

Refer to Note 4(27) for accounting policies on revenue recognition.

The Group mainly manufactures and sells laptop computer keyboards and related products, has marketing channels all over the world and has two primary types of sales, specifically, sales of goods directly shipped from factories and sales of goods from distribution warehouses. For sales of goods directly shipped from factories, sales to customers involve different types of transaction terms and revenue is recognised after confirming the control of the goods is transferred based on terms of each customer contract and performance obligations. Especially, whether the control of the sales revenue of goods shipped before the balance sheet date is transferred to the buyer in accordance with the terms stipulated in the contract will affect to which financial reporting period sales revenue is attributed.

For sales of goods from distribution warehouses, revenue is recognised when goods are picked up at the distribution warehouses by customers (the transfer of controls) based on movements of inventories in the distribution warehouses shown in the statements or other information provided by the warehouse custodians. The distribution warehouses are located in many areas with numerous warehouse custodians, and the frequency of information and contents of statements provided by each custodian are different. Consequently, the process of revenue recognition usually contains many manual procedures, which would potentially result in improper timing of revenue recognition or discrepancies between the physical inventory quantities in the distribution warehouses and inventory quantities recorded in the accounting records. Given that the Group has a large number of daily sales transactions from the distribution warehouses, the transaction amounts before and after the balance sheet date are significant to the financial statements and this transaction modes also exist in the subsidiaries held by the Group and recorded as investments accounted for using the equity method, we consider the appropriateness of

the timing of revenue recognition from distribution warehouse sales of the Group a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the Group's sales transaction methods and the control procedures over the timing of revenue recognition for performance obligations as well as assessed and tested the effectiveness of the controls.
2. Performed cut-off tests for transactions from distribution warehouse sales during a certain period before and after balance sheet date, including checking supporting documents signed by the warehouse custodians and customers to assess the appropriateness of revenue cut-off and whether the records of movements in inventory and cost of goods sold have been accounted for in the appropriate period.
3. Sent confirmation letters or observed physical inventory count for the inventories of the distribution warehouses and checked the records of inventories. In addition, inspected the reason for the difference between the confirmation replies and accounting records and tested the reconciling items made by the Group.

Assessment of allowance for inventory valuation losses

Description

Refer to Notes 4(14), 5(2) and 6(5) for accounting policies on inventory, critical accounting estimates and assumptions of inventory evaluation and details of allowance for inventory valuation losses, respectively. The Group's inventories and allowance for inventory valuation losses amounted to NT\$2,963,141 thousand and NT\$399,304 thousand as at December 31, 2023, respectively.

The Group mainly manufactures and sells laptop computer keyboards and related products. Due to the rapid technology innovation and the short life cycle, there is a higher risk of incurring inventory valuation losses or obsolescence. The assessment of net realisable value for inventories without market selling value on balance sheet date and the adjustment of obsolete inventories aged over a certain period of time involve management's subjective judgment and contain estimation uncertainty. Given that the aforementioned circumstances also exist in the subsidiaries held by the Group and recorded as investments accounted for using the equity method, we consider the assessment of allowance for inventory valuation losses of the Group a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the operation of the Group and the consistency of related accounting policies, obtained an understanding of and assessed the internal control procedures of allowance for inventory valuation losses and tested the effectiveness of the controls.
2. Obtained an understanding of the Group warehousing control procedures, reviewed the annual physical inventory stocktaking plan as well as participated and observed the annual physical inventory stocktaking to assess obsolete and damaged inventories.
3. Verified the appropriateness of the inventory aging reports that the Group used in valuation to ascertain the information on the reports is consistent with its policies.
4. Tested the carrying amount of the inventories at the end of the year, sampled and obtained the latest purchases and sales invoices to verify its inventories are stated at the lower of cost and net realisable value as well as recalculated and assessed the reasonableness of changes in allowance for inventory valuation losses.

Other matter – Parent company only financial statements

We have audited and expressed an unqualified opinion with other matter paragraph on the parent company only financial statements of the Group as at and for the years ended December 31, 2023 and 2022.

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 consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed 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's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group'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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Wu, Sung-Yuan

Hsu, Chien-Yeh

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 4,106,630	21	\$ 4,262,302	20
1136	Current financial assets at amortised cost, net	6(3)	648,950	3	795,928	4
1170	Accounts receivable, net	6(4) and 7(2)	6,402,660	33	7,711,549	35
1200	Other receivables	7(2)	66,140	-	80,198	-
130X	Inventories	6(5)	2,563,837	13	3,094,186	14
1410	Prepayments		184,263	1	258,896	1
11XX	Current Assets		13,972,480	71	16,203,059	74
Non-current assets						
1510	Non-current financial assets at fair value through profit or loss	6(2)	30,892	-	-	-
1535	Non-current financial assets at amortised cost	6(3)	1,084,223	6	132,207	1
1600	Property, plant and equipment	6(6)	4,045,362	21	5,129,386	24
1755	Right-of-use assets	6(7)	278,412	1	239,157	1
1780	Intangible assets		31,387	-	33,830	-
1840	Deferred income tax assets	6(23)	64,159	-	44,198	-
1900	Other non-current assets	6(8)	91,155	1	74,695	-
15XX	Non-current assets		5,625,590	29	5,653,473	26
1XXX	Total assets		\$ 19,598,070	100	\$ 21,856,532	100

(Continued)

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2023		December 31, 2022	
			Notes	AMOUNT	%	AMOUNT
Current liabilities						
2100	Short-term borrowings	6(9)	\$ 2,952,006	15	\$ 4,282,119	20
2130	Current contract liabilities	6(16)	77,485	1	79,472	-
2150	Notes payable		-	-	28	-
2170	Accounts payable	7(2)	3,319,387	17	3,421,783	16
2200	Other payables	6(10) and 7(2)	1,672,483	9	1,780,374	8
2230	Current income tax liabilities	6(23)	155,738	1	195,158	1
2280	Current lease liabilities	6(7)	29,161	-	50,490	-
2320	Long-term liabilities, current portion	6(11)	453,656	2	646,414	3
2399	Other current liabilities, others		17,957	-	13,254	-
21XX	Current Liabilities		8,677,873	45	10,469,092	48
Non-current liabilities						
2540	Long-term borrowings	6(11)	25,485	-	888,902	4
2570	Deferred income tax liabilities	6(23)	170,339	1	95,725	1
2580	Non-current lease liabilities	6(7)	75,940	-	94,088	-
2600	Other non-current liabilities	6(12)	173,241	1	186,325	1
25XX	Non-current liabilities		445,005	2	1,265,040	6
2XXX	Total Liabilities		9,122,878	47	11,734,132	54
Equity attributable to owners of parent						
	Share capital	6(13)				
3110	Share capital - common stock		1,952,510	10	1,952,510	9
	Capital surplus	6(14)				
3200	Capital surplus		94,242	-	86,367	1
	Retained earnings	6(15)				
3310	Legal reserve		1,477,693	8	1,332,686	6
3320	Special reserve		913,232	5	913,232	4
3350	Unappropriated retained earnings		5,959,271	30	5,532,631	25
	Other equity interest					
3400	Other equity interest		(979,211)	(5)	(799,084)	(4)
3500	Treasury shares	6(13)	(30,871)	-	(30,871)	-
31XX	Equity attributable to owners of the parent		9,386,866	48	8,987,471	41
36XX	Non-controlling interest	4(3)	1,088,326	5	1,134,929	5
3XXX	Total equity		10,475,192	53	10,122,400	46
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 19,598,070	100	\$ 21,856,532	100

The accompanying notes are an integral part of these consolidated financial statements.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(16) and 7(2)	\$ 21,614,782	100	\$ 24,571,786	100
5000	Operating costs	6(5)(21)(22) and 7(2)	(18,220,442)	(84)	(21,232,076)	(86)
5900	Net operating margin		<u>3,394,340</u>	<u>16</u>	<u>3,339,710</u>	<u>14</u>
	Operating expenses	6(21)(22)				
6100	Selling expenses		(297,142)	(1)	(289,598)	(1)
6200	Administrative expenses		(604,854)	(3)	(643,069)	(3)
6300	Research and development expenses		(835,528)	(4)	(790,946)	(3)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	<u>-</u>	<u>-</u>	<u>(4,728)</u>	<u>-</u>
6000	Total operating expenses		<u>(1,737,524)</u>	<u>(8)</u>	<u>(1,728,341)</u>	<u>(7)</u>
6900	Operating profit		<u>1,656,816</u>	<u>8</u>	<u>1,611,369</u>	<u>7</u>
	Non-operating income and expenses					
7100	Interest income	6(17)	112,607	-	40,149	-
7010	Other income	6(18)	59,805	-	267,573	1
7020	Other gains and losses	6(19)	161,141	1	336,452	1
7050	Finance costs	6(20)	(200,675)	(1)	(135,075)	-
7000	Total non-operating income and expenses		<u>132,878</u>	<u>-</u>	<u>509,099</u>	<u>2</u>
7900	Profit before income tax		1,789,694	8	2,120,468	9
7950	Income tax expense	6(23)	(562,478)	(2)	(556,754)	(2)
8200	Profit for the year		<u>\$ 1,227,216</u>	<u>6</u>	<u>\$ 1,563,714</u>	<u>7</u>
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Other comprehensive income, before tax, actuarial gains on defined benefit plans	6(12)	\$ 1,822	-	\$ 8,707	-
8316	Total expenses, by nature		-	-	(70)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	<u>(365)</u>	<u>-</u>	<u>(1,741)</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations		<u>(200,377)</u>	<u>(1)</u>	<u>57,024</u>	<u>-</u>
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss		<u>(200,377)</u>	<u>(1)</u>	<u>57,024</u>	<u>-</u>
8300	Total other comprehensive (loss) income for the year		<u>(\$ 198,920)</u>	<u>(1)</u>	<u>\$ 63,920</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 1,028,296</u>	<u>5</u>	<u>\$ 1,627,634</u>	<u>7</u>
	Profit attributable to:					
8610	Owners of the parent		\$ 1,253,569	6	\$ 1,443,111	7
8620	Non-controlling interest		<u>(26,353)</u>	<u>-</u>	<u>120,603</u>	<u>-</u>
			<u>\$ 1,227,216</u>	<u>6</u>	<u>\$ 1,563,714</u>	<u>7</u>
	Comprehensive income attributable to:					
8710	Owners of the parent		\$ 1,074,899	5	\$ 1,486,821	6
8720	Non-controlling interest		<u>(46,603)</u>	<u>-</u>	<u>140,813</u>	<u>1</u>
			<u>\$ 1,028,296</u>	<u>5</u>	<u>\$ 1,627,634</u>	<u>7</u>
	Basic earnings per share	6(24)				
9750	Total basic earnings per share		\$ 6.50		\$ 7.48	
9850	Total diluted earnings per share		\$ 6.47		\$ 7.44	

The accompanying notes are an integral part of these consolidated financial statements.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent												
			Retained earnings			Other equity interest						
							Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income					
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations		Treasury shares	Total	Non-controlling interest	Total equity
2022												
Balance at January 1, 2022		\$ 1,952,510	\$ 79,617	\$ 1,229,816	\$ 913,232	\$ 4,771,177	(\$ 829,602)	(\$ 6,226)	(\$ 30,871)	\$ 8,079,653	\$ 994,116	\$ 9,073,769
Profit for the year		-	-	-	-	1,443,111	-	-	-	1,443,111	120,603	1,563,714
Other comprehensive income (loss)		-	-	-	-	6,966	36,814	(70)	-	43,710	20,210	63,920
Total comprehensive income (loss)		-	-	-	-	1,450,077	36,814	(70)	-	1,486,821	140,813	1,627,634
Appropriation and distribution of 2021 earnings	6(15)											
Legal reserve		-	-	102,870	-	(102,870)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(585,753)	-	-	-	(585,753)	-	(585,753)
Treasury shares	6(13)(14)											
Adjustments of capital surplus for company's cash dividends received by subsidiaries		-	6,750	-	-	-	-	-	-	6,750	-	6,750
Balance at December 31, 2022		\$ 1,952,510	\$ 86,367	\$ 1,332,686	\$ 913,232	\$ 5,532,631	(\$ 792,788)	(\$ 6,296)	(\$ 30,871)	\$ 8,987,471	\$ 1,134,929	\$ 10,122,400
2023												
Balance at January 1, 2023		\$ 1,952,510	\$ 86,367	\$ 1,332,686	\$ 913,232	\$ 5,532,631	(\$ 792,788)	(\$ 6,296)	(\$ 30,871)	\$ 8,987,471	\$ 1,134,929	\$ 10,122,400
Profit (loss) for the year		-	-	-	-	1,253,569	-	-	-	1,253,569	(26,353)	1,227,216
Other comprehensive income (loss)		-	-	-	-	1,457	(180,127)	-	-	(178,670)	(20,250)	(198,920)
Total comprehensive income (loss)		-	-	-	-	1,255,026	(180,127)	-	-	1,074,899	(46,603)	1,028,296
Appropriation and distribution of 2022 earnings	6(15)											
Legal reserve		-	-	145,007	-	(145,007)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(683,379)	-	-	-	(683,379)	-	(683,379)
Treasury shares	6(13)(14)											
Adjustments of capital surplus for company's cash dividends received by subsidiaries		-	7,875	-	-	-	-	-	-	7,875	-	7,875
Balance at December 31, 2023		\$ 1,952,510	\$ 94,242	\$ 1,477,693	\$ 913,232	\$ 5,959,271	(\$ 972,915)	(\$ 6,296)	(\$ 30,871)	\$ 9,386,866	\$ 1,088,326	\$ 10,475,192

The accompanying notes are an integral part of these consolidated financial statements.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 1,789,694	\$ 2,120,468
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(21)	1,657,125	1,607,531
Amortisation	6(21)	13,640	9,593
Expected credit loss	12(2)	-	4,728
Gain on financial asset at fair value through profit or loss	6(19)	(3,292)	-
Interest revenue	6(17)	(112,607)	(40,149)
Interest expense	6(20)	200,675	135,075
Loss on disposal of property, plant and equipment	6(19)	31,390	101,831
Gain on disposal of investments	6(19)	(23,644)	(12,627)
Loss on disposal of lease modification	6(19)	(8,325)	3,378
Unrealised foreign exchange (gain) loss		(154,717)	23,441
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(3,956)	12,627
Accounts receivable (including related parties)		1,250,267	660,347
Other receivables (including related parties)		(3,449)	102,246
Inventories		496,249	735,291
Prepayments		71,277	114,331
Other current assests		(82)	1,272
Changes in operating liabilities			
Contract liabilities		(1,877)	(26,305)
Notes payable		(28)	(13)
Accounts payable (including related parties)		(166,436)	(958,242)
Other payables (including related parties)		(231,342)	(103,172)
Other current liabilities		4,968	76,825
Other non-current liabilities		(8,649)	81,903
Cash inflow generated from operations		4,796,881	4,650,379
Interest received		134,057	28,885
Interest paid		(194,738)	(228,378)
Income taxes paid		(525,273)	(393,326)
Net cash flows from operating activities		4,210,927	4,057,560

(Continued)

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from financial assets at amortised cost		(\$ 835,229)	(\$ 132,689)
Acquisition of investment properties	6(25)	(605,971)	(1,145,869)
Proceeds from disposal of property, plant and equipment		45,856	564,017
Increase in intangible assets		(11,394)	(3,026)
Decrease in refundable deposits paid		4,682	3,006
Increase in other non-current assets		(10,569)	(18,118)
Net cash flows used in investing activities		(1,412,625)	(732,679)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease (increase) in short-term borrowings	6(26)	(1,297,322)	168,406
Increase in other payables – related parties	6(26)	100,000	-
Increase in long-term borrowings	6(26)	140,197	279,804
Decrease in long-term borrowings	6(26)	(1,204,348)	(756,828)
Repayments of principal portion of lease liabilities	6(26)	(140,811)	(70,844)
Cash dividends paid	6(15)(26)	(675,504)	(579,003)
Net cash flows used in financing activities		(3,077,788)	(958,465)
Effect of exchange rate changes on cash and cash		123,814	(236,205)
Net (decrease) increase in cash and cash equivalents		(155,672)	2,130,211
Cash and cash equivalents at beginning of year		4,262,302	2,132,091
Cash and cash equivalents at end of year		<u>\$ 4,106,630</u>	<u>\$ 4,262,302</u>

The accompanying notes are an integral part of these consolidated financial statements.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Sunrex Technology Corp. (the “Company”) was incorporated on July 22, 1991, merged with Jing Mold Plastic Electronics (Shen-Zhen) Co., Ltd. with January 10, 2002 as the effective date and is primarily engaged in manufacturing and trading of laptop computer keyboards and its auxiliary equipment. The Company’s shares have been listed on the Taiwan Stock Exchange starting from January 1999. The Company and its subsidiaries are collectively referred herein as the “Group”.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These parent company only financial statements were authorised for issuance by the Board of Directors on March 12, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS®”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
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

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment 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

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. Summary of Material Accounting Policies

The principal accounting policies 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.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

- A. Except for the following items, the Group's financial statements have been prepared under the historical cost convention:
- (a) Financial assets at fair value through other comprehensive income.
 - (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-Group transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
 - (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2023	December 31, 2022	
The Company	Ching Yi Investment Co., Ltd.	Various investments	100.00	100.00	
The Company	American Sunrex Corporation (A.S.C)	Sales of computers and their ancillary equipment	100.00	100.00	
The Company	Sunrex Technology (HK) Co Ltd	Sales of computers and their ancillary equipment	100.00	100.00	
The Company	Excellent Global International (Excellent)	Various investments	100.00	100.00	
The Company	Forward Optocs Co., LTD.	Manufacture of industrial plastic products, moulds and electronic components	74.59	74.59	
The Company	Sunrex Technology Singapore PTE. Ltd.	Various investments	100.00	-	Note 4
The Company and Sunrex Technology (HK) Co Ltd	Sunrex Technology (Thailand) Co. Ltd.	Production of laptop computer keyboards and	100.00	-	Note 5
Sunrex Technology (HK) Co Ltd and Excellent	Leading Growth Industrial Co.,Ltd. (Leading)	Various investments	100.00	100.00	
Excellent	Golden Point Trading International Ltd. (G.P.I.)	Import and export trades	100.00	100.00	
Excellent	Golden Point Trading Intl. Limited (G.P.I. H.K)	Import and export trades	100.00	100.00	
Excellent	Crown Trading International Ltd. (CROWN)	Import and export trades	-	-	Note 3

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2023	December 31, 2022	
Excellent	Crown Trading International Limited. (CROWN.H.K)	Import and export trades	100.00	100.00	
Excellent	Amiable Development Incorporated (Amiable)	Import and export trades	100.00	100.00	
Excellent	Elated Develope Limited	Import and export trades	100.00	100.00	
Leading	Best Elite Holdings Limited (Best Elite)	Various investments	100.00	100.00	
Sunrex Technology (HK) Co Ltd and Best Elite	Sunrex Technology (Jiangsu) Co., Ltd.	Manufacture of production data telecommunications multimedia system equipment, stamping dies,	100.00	100.00	Note 1
Best Elite	Changshu Sunrex Technology Co.,Ltd.	Production of laptop computer keyboards and	100.00	100.00	Note 1
Best Elite	Sunrex Technology (Chongqing) Co., Ltd.	Production of laptop computer keyboards and	100.00	100.00	Note 1
Best Elite	Jing Mold Electronic Technology (Shenzhen) Co.,ltd.	Production and operation of plastic moulds, computer (telephone) keyboards, plastic injection mould	50.00	50.00	Note 2
Jing Mold Electronic Technology (Shenzhen) Co.,ltd.	Sunrex Technoloy (Jiangxi) Co., Ltd	Production and operation of plastic moulds, computer (telephone) keyboards, plastic injection mould	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2023	December 31, 2022	
Sunrex Technology (Jiangsu) Co., Ltd.	Kai Zhao (Suzhou)dian Zi You Xian Gong Si	Production of laptop computer keyboards and	100.00	100.00	

Note 1: Significant subsidiary.

Note 2: The Company's subsidiary held half seats in the Board of Directors of Jing Mold Electronics Technology (Shen Zhen) Co., Ltd. and had control over the company, thus, the company was included in the consolidated financial statements.

Note 3: On December 2, 2021, the liquidation of Crown Trading International Ltd. was completed, and the remaining capital was remitted back to Excellent Global International Ltd. on January 21, 2022.

Note 4: On March 31, 2023, the Company incorporated a wholly-owned subsidiary in Singapore.

Note 5: On August 10, 2023, the Company's Board of Directors resolved to invest and establish a Thailand subsidiary, Sunrex Technology (Thailand) Co. Ltd. The registration of incorporation had been completed on September 21, 2023. The total investment amount is THB 15,000 thousand.

Note 6: On August 10, 2023, the Company's Board of Directors resolved to invest and establish a Vietnam subsidiary, Sunrex Technology (Vietnam) Company Limited. The expected total investment amount is US\$8,000 thousand. The registration of incorporation had not been completed as of December 31, 2023.

C. Subsidiaries not included in the consolidated financial statements:

None.

D. Adjustments for subsidiaries with different balance sheet dates:

None.

E. Significant restrictions

None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2023 and 2022, the non-controlling interest amounted to \$1,088,326 and \$1,134,929, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest December 31, 2023		Non-controlling interest December 31, 2022		Description
		Amount	Ownership (%)	Amount	Ownership (%)	
Jing Mold Electronic Technology (Shenzhen) Co.,ltd.	China	\$ 1,083,597	50%	\$ 1,124,403	50%	-
Jing Mold Electronics Technology (Shen Zhen) Co., Ltd.						
		December 31, 2023		December 31, 2022		
Current assets		\$	1,418,573	\$	1,901,706	
Non-current assets			1,292,936		1,216,716	
Current liabilities		(	399,438)	(	773,958)	
Non-current liabilities		(	144,878)	(	95,658)	
Total net assets		\$	2,167,193	\$	2,248,806	
Jing Mold Electronics Technology (Shen Zhen) Co., Ltd.						
		Year ended December 31, 2023		Year ended December 31, 2022		
Revenue		\$	1,447,645	\$	2,175,445	
(Loss) profit before income tax		(	41,326)		285,953	
Income tax expense			166	(	32,661)	
Net (loss) income		(\$	41,160)	\$	253,292	
Other comprehensive income (net income after tax)			-		-	
Total comprehensive (loss) income for the period		(\$	41,160)	\$	253,292	
Comprehensive (loss) income attributable to non-controlling interest		(\$	20,580)	\$	126,646	
Dividends paid to non-controlling interest		\$	-	\$	-	

Jing Mold Electronics Technology (Shen Zhen) Co., Ltd.			
	Year ended December 31, 2023		Year ended December 31, 2022
Net cash provided by (used in) operating activities	\$	129,131	\$ 270,938
Net cash used in investing activities		2,125	(33,441)
Net cash (used in) provided by financing activities	(	26,199)	99,528
Effect of exchange rates on cash and cash equivalents	(	11,312)	1,564
Increase in cash and cash equivalents		93,745	338,589
Cash and cash equivalents, beginning of period		513,908	175,319
Cash and cash equivalents, end of period	\$	607,653	\$ 513,908

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the Group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (e) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (f) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (g) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future

economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts receivable

- A. Accounts receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost (including forward-looking), at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leasing arrangements (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for using the equity method / subsidiaries and associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

- D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5 ~ 55 years
Machinery and equipment	1 ~ 13 years
Molding equipment	1 ~ 11 years
Other equipment	1 ~ 30 years

(17) Leasing arrangements (lessee) - right-of-use assets/ lease liabilities

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable; and
- (b) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date; and
- (c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(18) Intangible assets

A. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 10 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(19) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.
- B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(21) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified group classified the contract is discharged or cancelled or expires.

(23) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(24) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

- C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed
- E. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(25) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(26) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities.

(27) Revenue recognition

The Group manufactures and sells laptop computer keyboards, their auxiliary equipment and related products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer. There is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(28) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(29) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the carrying amount of inventories was \$2,563,837 thousand.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	\$ 1,157	\$ 1,177
Checking accounts	531	1,450
Demand deposits	2,923,462	3,389,232
Time deposits	1,181,480	870,443
	<u>\$ 4,106,630</u>	<u>\$ 4,262,302</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group's time deposits pledged to others as collateral, were classified as financial assets at amortized cost. Details are provided in Notes 6(3) and 8.

(2) Financial assets at fair value through profit or loss

	December 31, 2023	December 31, 2022
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	\$ 27,600	\$ -
Valuation adjustment	3,292	-
	<u>\$ 30,892</u>	<u>\$ -</u>

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Year ended December 31	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Debt instruments	\$ 3,292	\$ -

B. The Group sold financial assets at fair value through profit or loss as of December 31, 2023. The fair value of the investment was \$735,927 thousand at the disposal date, resulting in the gain on disposal of \$23,644 thousand.

C. The Group has no financial assets at fair value through profit or loss pledged to others.

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits over three months	\$ 648,950	\$ -
Current pledged time certificates of deposit	-	795,928
Total	<u>\$ 648,950</u>	<u>\$ 795,928</u>
Non-current items:		
Time deposits over three months	\$ 781,380	\$ 132,207
Non-current pledged time certificate of deposit	302,843	-
Total	<u>\$ 1,084,223</u>	<u>\$ 132,207</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31	
	2023	2022
Interest revenue	\$ 30,879	\$ 26,137

B. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was as follows:

	December 31, 2023	December 31, 2022
Maximum credit risk exposure amount	\$ 1,733,173	\$ 928,135

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 12(2).

(4) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	\$ 6,403,963	\$ 7,712,852
Less: Allowance for uncollectible accounts	(1,303)	(1,303)
	<u>\$ 6,402,660</u>	<u>\$ 7,711,549</u>

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	December 31, 2023	December 31, 2022
Not past due	\$ 6,394,624	\$ 7,630,535
Up to 90 days	8,036	80,982
91 to 180 days	-	-
Over 180 days	1,303	1,335
	<u>\$ 6,403,963</u>	<u>\$ 7,712,852</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2023, December 31, 2022 and January 1, 2022, the Group had receivables due to contract with customers in the amounts are listed below:

	December 31, 2023	December 31, 2022	January 1, 2022
Receivables	<u>\$ 6,403,963</u>	<u>\$ 7,712,852</u>	<u>\$ 8,052,378</u>

C. The Group did not hold any collateral.

D. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the accounts receivable held by the Group.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

December 31, 2023			
	Cost	Allowance for slow-moving and valuation	Book amounts
Raw materials	\$ 411,702	(\$ 97,251)	\$ 314,451
Work in progress	1,044,599	(105,127)	939,472
Finished goods	1,506,840	(196,926)	1,309,914
	<u>\$ 2,963,141</u>	<u>(\$ 399,304)</u>	<u>\$ 2,563,837</u>
December 31, 2022			
	Cost	Allowance for slow-moving and valuation	Book amounts
Raw materials	\$ 527,171	(\$ 71,576)	\$ 455,595
Work in progress	1,221,221	(69,668)	1,151,553
Finished goods	1,848,799	(361,761)	1,487,038
	<u>\$ 3,597,191</u>	<u>(\$ 503,005)</u>	<u>\$ 3,094,186</u>

Inventory-related expenses recognised for the year:

Year ended December 31			
	2023	2022	
Cost of goods sold	\$ 18,188,844	\$ 20,842,578	
Loss on scrapping inventories	153,384	289,013	
(Gain) loss on slow-moving inventories and decline in market value	(96,661)	117,029	
Others	(25,125)	(16,544)	
	<u>\$ 18,220,442</u>	<u>\$ 21,232,076</u>	

For the year ended December 31, 2023, the Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold due to the sale of scrap or inventories which were previously provided with allowance.

(6) Property, plant and equipment

Year ended December 31, 2023						
	Beginning balance	Additions	Decreases	Transfers	Exchange rate differences	Ending balance
<u>Cost</u>						
Land	\$ 478,814	\$ -	\$ -	\$ -	\$ -	\$ 478,814
Buildings and structures	2,149,420	14,580	(19,297)	-	(37,815)	2,106,888
Machinery and equipment	4,684,420	58,509	(151,438)	37,174	(83,704)	4,544,961
Molding and equipment	3,991,956	256,702	(217,317)	79,399	(74,540)	4,036,200
Other equipment	1,313,499	125,959	(43,861)	15,635	(24,733)	1,386,499
Unfinished construction	113,223	190,069	(34,067)	(120,930)	(1,988)	146,307
	<u>12,731,332</u>	<u>\$ 645,819</u>	<u>(\$ 465,980)</u>	<u>\$ 11,278</u>	<u>(\$ 222,780)</u>	<u>12,699,669</u>
<u>Accumulated depreciation</u>						
Buildings and structures	1,193,846	141,823	(16,545)	-	(22,733)	1,296,391
Machinery and equipment	2,551,031	628,120	(131,257)	-	(53,652)	2,994,242
Molding and equipment	3,039,927	519,604	(202,590)	-	(59,603)	3,297,338
Other equipment	817,142	306,816	(38,342)	-	(19,280)	1,066,336
	<u>7,601,946</u>	<u>\$ 1,596,363</u>	<u>(\$ 388,734)</u>	<u>\$ -</u>	<u>(\$ 155,268)</u>	<u>8,654,307</u>
Book value	<u>\$ 5,129,386</u>					<u>\$ 4,045,362</u>

Year ended December 31, 2022						
	Beginning balance	Additions	Decreases	Transfers	Exchange rate differences	Ending balance
Cost						
Land	\$ 486,291	\$ -	(\$ 7,477)	\$ -	\$ -	\$ 478,814
Buildings and structures	2,080,852	56,297	(17,071)	-	29,342	2,149,420
Machinery and equipment	4,482,817	115,206	(171,288)	193,153	64,532	4,684,420
Molding and equipment	3,681,794	341,440	(220,263)	136,062	52,923	3,991,956
Other equipment	1,470,095	449,999	(689,017)	60,643	21,779	1,313,499
Unfinished construction	403,864	106,210	(35,386)	(367,893)	6,428	113,223
	<u>12,605,713</u>	<u>\$ 1,069,152</u>	<u>(\$ 1,140,502)</u>	<u>\$ 21,965</u>	<u>\$ 175,004</u>	<u>12,731,332</u>
Accumulated depreciation						
Buildings and structures	1,043,425	148,574	(12,204)	-	14,051	1,193,846
Machinery and equipment	2,023,454	650,505	(150,218)	-	27,290	2,551,031
Molding and equipment	2,635,491	571,199	(203,812)	335	36,714	3,039,927
Other equipment	<u>730,490</u>	<u>184,743</u>	<u>(108,420)</u>	<u>(335)</u>	<u>10,664</u>	<u>817,142</u>
	<u>6,432,860</u>	<u>\$ 1,555,021</u>	<u>(\$ 474,654)</u>	<u>\$ -</u>	<u>\$ 88,719</u>	<u>7,601,946</u>
Book value	<u>\$ 6,172,853</u>					<u>\$ 5,129,386</u>

- A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation: None.
- B. The Group had no property, plant and equipment pledge to others as collateral.
- C. The significant components of buildings and structures include buildings and the subsequent engineering works such as fire protection and power distribution, which are depreciated over 5~55 years and 5~30 years, respectively.

(7) Lease arrangements — lessee

- A. The Group leases various assets including land, buildings, machinery and equipment as well as business vehicles. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The lease period of the employee dormitories leased by the Group does not exceed 12 months, and the underlying assets leased are low-value multi-functional business machines.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Land	\$ 160,261	\$ 77,467
Buildings	118,151	161,690
	<u>\$ 278,412</u>	<u>\$ 239,157</u>

	Year ended December 31	
	2023	2022
	Depreciation charge	Depreciation charge
Land	\$ 2,213	\$ 3,161
Buildings	58,549	48,757
Transportation equipment (Business vehicles)	-	592
	<u>\$ 60,762</u>	<u>\$ 52,510</u>

- D. Acquisition of right-of-use assets:

	Year ended December 31	
	2023	2022
Acquisition of right-of-use assets	<u>\$ 206,419</u>	<u>\$ 26,977</u>

- E. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 7,940	\$ 9,384
Expense on short-term lease contracts	36,335	48,285
(Gain) loss on disposal of lease modification	(8,325)	3,378
	<u>\$ 35,950</u>	<u>\$ 61,047</u>

F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases are as follows:

	Year ended December 31	
	2023	2022
The cash outflow for leases	\$ 185,086	\$ 128,513

(8) Other non-current assets

	December 31, 2023	December 31, 2022
Prepayments for equipment	\$ 58,553	\$ 36,108
Refundable deposits	15,798	20,759
Others	16,804	17,828
	<u>\$ 91,155</u>	<u>\$ 74,695</u>

(9) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 133,293	5.47%	Time deposits
Unsecured borrowings	2,818,713	1.60%-6.39%	None
	<u>\$ 2,952,006</u>		
Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	\$ 557,179	2.90%-4.30%	Time deposits
Unsecured borrowings	3,724,940	1.27%-5.55%	None
	<u>\$ 4,282,119</u>		

Interest expense recognised in profit or loss amounted for the years ended December 31, 2023 and 2022 are as follows:

	Year ended December 31	
	2023	2022
Interest expense	\$ 190,853	\$ 124,030

(10) Other payables

	December 31, 2023	December 31, 2022
Salary payable	\$ 338,334	\$ 368,337
Processing payable	457,218	694,710
Miscellaneous payable	322,276	410,051
Equipment payment payable	230,426	168,133
Employees' compensation and remuneration payable to directors	30,400	30,800
Accumulation fund and social insurance payable	16,203	13,590
Labor insurance and health insurance payable	526	3,864
Other payables - management of the company	101,882	
Others	175,218	90,889
	<u>\$ 1,672,483</u>	<u>\$ 1,780,374</u>

(11) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Unsecured borrowings	Borrowing period is to January 16, 2025; interest is repayable monthly; principal is repayable in installments.	5.25%~6.70%	None	\$ 116,525
Unsecured borrowings	Borrowing period is to December 5, 2024; interest is repayable monthly; principal is repayable in maturity date.	5.38%~7.03%	None	122,820
Unsecured borrowings	Borrowing period is to October 7, 2024; interest is repayable monthly; principal is repayable in maturity date.	5.15%~6.72%	None	239,796
Less: Current portion				(453,656)
				<u>\$ 25,485</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Unsecured borrowings	Borrowing period is to August 23, 2025; interest is repayable monthly; principal is repayable in installments.	1.68%	None	\$ 200,000
Unsecured borrowings	Borrowing period is to September 23, 2023; interest is repayable monthly; principal is repayable in maturity date.	1.68%	None	50,000
Unsecured borrowings	Borrowing period is to October 29, 2024; interest is repayable monthly; principal is repayable in installments.	1.73%	None	200,000
Unsecured borrowings	Borrowing period is to January 22, 2024; interest is repayable monthly; principal is repayable in maturity date.	1.83%	None	50,000
Unsecured borrowings	Borrowing period is to January 16, 2025; interest is repayable monthly; principal is repayable in installments.	2.77%~2.83%	None	383,752
Unsecured borrowings	Borrowing period is to December 5, 2024; interest is repayable monthly; principal is repayable in installments.	1.35%~2.68%	None	257,964
Unsecured borrowings	Borrowing period is to October 7, 2024; interest is repayable monthly; principal is repayable in installments.	3.00%~3.28%	None	255,405
Unsecured borrowings	Borrowing period is to November 30, 2023; interest is repayable monthly; principal is repayable in maturity date.	3.62%~5.35%	None	138,195
Less: Current portion				(646,414)
				<u>\$ 888,902</u>

(12) Pensions

A. (a) The Company and its domestic subsidiaries has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with the trust department of the Bank of Taiwan and the Mega International Commercial Bank, the trustees, under the name of the independent retirement fund committee. Additionally, starting from April 2009, the Company makes pension contribution of 4% for appointed managers. Furthermore, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	(\$ 107,748)	(\$ 115,049)
Fair value of plan assets	74,163	76,124
Net defined benefit liability	(\$ 33,585)	(\$ 38,925)

(c) Movements in net defined benefit liabilities are as follows:

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 115,049)	\$ 76,124	(\$ 38,925)
Current service cost	(142)	-	(142)
Interest (expense) income	(1,400)	936	(464)
	(116,591)	77,060	(39,531)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	575	575
Change in demographic assumptions	-	-	-
Change in financial assumptions	(382)	-	(382)
Experience adjustments	1,629	-	1,629
	1,247	575	1,822
Pension fund contribution	7,596	(3,472)	4,124
At December 31	(\$ 107,748)	\$ 74,163	(\$ 33,585)

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 119,345)	\$ 67,989	(\$ 51,356)
Current service cost	(150)	-	(150)
Interest (expense) income	(820)	474	(346)
	(120,315)	68,463	(51,852)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	4,892	4,892
Change in demographic assumptions	-	-	-
Change in financial assumptions	5,008	-	5,008
Experience adjustments	(1,193)	-	(1,193)
	3,815	4,892	8,707
Pension fund contribution	1,451	2,769	4,220
At December 31	(\$ 115,049)	\$ 76,124	(\$ 38,925)

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company and its domestic subsidiaries defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31	
	2023	2022
Discount rate	1.20%	1.25%
Future salary increases	2.00%	2.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	(\$ 1,887)	\$ 1,943	\$ 1,923	(\$ 1,877)
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ 2,168)	\$ 2,235	\$ 2,213	(\$ 2,158)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (f) Expected contributions to the defined benefit pension plans of the Group for the year ended December 31, 2024 amount to \$3,675 thousand.
- (g) As of December 31, 2023, the weighted average duration of the retirement plan is 7 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	9,137
1-2 year(s)		10,763
2-5 years		25,241
Over 5 years		72,078
	\$	117,219

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) Sunrex Technology (Jiangsu) Co., Ltd., Jing Mold Electronics Technology (Shen Zhen) Co., Ltd., Changshu Sunrex Technology Co., Ltd., Sunrex (Chongqing) Computer Co., Ltd., Jiangxi Sunrex Technology Co., Ltd. and Kaizhao (Suzhou) Electronics Co., Ltd. have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under defined contribution pension plans of the Group were as follows:

	Year ended December 31	
	2023	2022
Pension costs	\$ 408,419	\$ 483,014

(d) Since American Sunrex Corporation has no pension plan, no pension cost is recognized.

(13) Share capital

A. As of December 31, 2023, the Company’s authorised capital was \$4,200,000 thousand, consisting of 420,000 thousand shares of ordinary share, and the paid-in capital was \$1,952,510 thousand with a par value of \$10 (in dollars) per share. As of December 31, 2023, the number of outstanding shares was 193,001 thousand shares.

Movements in the number of the Company’s ordinary shares (in thousands) outstanding are as follows:

	Year ended December 31	
	2023	2022
At January 1	193,001	193,001
Add: Disposal of treasury shares	-	-
At December 31	193,001	193,001

B. Treasury shares

- (a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		December 31, 2023	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
Subsidiary - Ching Yi Investment Co., Ltd.	Operational and management considerations	2,250 thousand shares	\$ <u>30,871</u>

		December 31, 2022	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
Subsidiary - Ching Yi Investment Co., Ltd.	Operational and management considerations	2,250 thousand shares	\$ <u>30,871</u>

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the three-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(14) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	December 31, 2023	December 31, 2022
Used to offset deficits, distributed as cash dividends or transferred to share capital		
Treasury share transactions	\$ <u>94,242</u>	\$ <u>86,367</u>

(15) Retained earnings

- A. The Company operates in the electronics industry. To accompany the growth and overall environment of the industry and the Company's long-term financial planning for the sustainable and stable operation, in accordance with the Company's dividend policy, the Board of Directors shall take into consideration its future operations and capital expenditure needs when proposing the appropriation of earnings. Such appropriation is subject to a resolution of the shareholders' meeting. The amount and type of dividend distribution may be flexibly adjusted by the Board of Directors depending on the subjective environment and actual operational needs. The current year's earnings, if any, shall be appropriated as follows:
- (a) Provision of profit-seeking enterprise income tax.
 - (b) Offsetting accumulated deficits of prior years.
 - (c) Setting aside 10% as legal reserve.
 - (d) Special reserve should be provisioned from the remaining plus accumulated undistributed surplus earnings of prior year, and then the remaining is the accumulated distributable earnings. The appropriation of the aforementioned accumulated distributable earnings shall be proposed by the Board of Directors and resolved by the shareholders.
 - (e) The remaining amount is distributable as dividends to shareholders according to their shareholding ratios.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amount previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be the same as the amount reclassified from accumulated translation adjustment under shareholders' equity to retained earnings for the exemptions elected by the Company. The special reserve increased as a result of retained earnings arising from the adoption of IFRS was \$257,070 thousand.

D. The appropriations of 2022 and 2021 earnings had been approved by the shareholders during their meeting on June 21, 2023 and June 17, 2022, respectively. Details are summarised below:

	Year ended December 31			
	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 145,007		\$ 102,869	
Cash dividends	683,379	\$ 3.50	585,753	\$ 3.00
	<u>\$ 828,386</u>		<u>\$ 688,622</u>	

E. The appropriation of 2023 earnings as proposed by the Board of Directors on March 12, 2024 is as follows:

	Year ended December 31, 2023	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 125,503	
Special reserve	65,979	
Cash dividends	585,753	\$ 3.00
	<u>\$ 777,235</u>	

As of March 12, 2024, the aforementioned appropriation of 2023 earnings has not yet been resolved at the shareholders' meeting.

(16) Operating revenue

	Year ended December 31	
	2023	2022
Revenue from contracts with customers	<u>\$ 21,614,782</u>	<u>\$ 24,571,786</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time, and the revenue can be distinguished according to the geographic type. The related disclosure information is provided in Note 14(3).

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities	<u>\$ 77,485</u>	<u>\$ 79,472</u>	<u>\$ 30,237</u>

Revenue recognised that was included in the contract liability balance at the beginning of the year

	Year ended December 31	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the year	\$ 75,759	\$ 26,305

(17) Interest income

	Year ended December 31	
	2023	2022
Interest income from bank deposits	\$ 81,728	\$ 14,012
Interest income from financial assets at amortised cost	30,879	26,137
	\$ 112,607	\$ 40,149

(18) Other income

	Year ended December 31	
	2023	2022
Rental income	\$ 239	\$ 307
Dividend income	1,143	-
Other income, others	58,423	267,266
	\$ 59,805	\$ 267,573

Other income, others mainly refer to the land improvement program of Xin Qiao community implemented in Shenzhen. In the first quarter of 2022, the Company's second-tier subsidiary, Jing Mold Electronics Technology (Shen Zhen) Co., Ltd. ('Jing Mold Electronics Technology (Shen Zhen)') returned part of the land and buildings leased from Shenzhen Xinqiao Xinda Company ('Xinqiao Company') to Xinqiao Company. The company compensated the plant relocation fee of Jing Mold Electronics Technology (Shen Zhen) and recognised in other income after deducting the expenses which were incurred in the plant relocation.

(19) Other gains and losses

	Year ended December 31	
	2023	2022
Foreign exchange gains, net	\$ 175,047	\$ 452,357
Losses on disposals of property, plant and equipment	(31,390)	(101,831)
Gains on disposals of investments	23,644	12,627
Gains on financial asset at fair value through profit or loss	3,292	-
Gains (losses) on lease modification	8,325	(3,378)
Miscellaneous disbursements	(17,777)	(23,323)
	<u>\$ 161,141</u>	<u>\$ 336,452</u>

(20) Finance costs

	Year ended December 31	
	2023	2022
Interest expense-Bank borrowings	\$ 190,853	\$ 124,030
Interest expense-Lease	7,940	9,384
Interest expense-Management of the company	1,882	1,661
	<u>\$ 200,675</u>	<u>\$ 135,075</u>

(21) Expenses by nature

	Year ended December 31, 2023		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	\$ 3,075,572	\$ 790,992	\$ 3,866,564
Depreciation charge	1,464,807	192,318	1,657,125
Amortisation charge	2,934	10,706	13,640
	<u>\$ 4,543,313</u>	<u>\$ 994,016</u>	<u>\$ 5,537,329</u>

	Year ended December 31, 2022		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	\$ 3,629,488	\$ 769,365	\$ 4,398,853
Depreciation charge	1,392,428	215,103	1,607,531
Amortisation charge	1,933	7,660	9,593
	<u>\$ 5,023,849</u>	<u>\$ 992,128</u>	<u>\$ 6,015,977</u>

(22) Employee benefit expense

	Year ended December 31	
	2023	2022
Wages and salaries	\$ 2,928,760	\$ 3,271,474
Labour and health insurance fees	217,078	263,061
Pension costs	409,025	483,510
Directors' remuneration	1,000	1,400
Other personnel expenses	310,701	379,408
	<u>\$ 3,866,564</u>	<u>\$ 4,398,853</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.
- B. The Company set up an audit committee after reelection of the Board of Directors in June, 2022.
- C. The estimated amount of the Company's employees' remuneration and directors' remuneration is as follows, and the above mentioned amount is included in the account of salary expenses:

	Year ended December 31	
	2023	2022
Employees' compensation	\$ 29,000	\$ 29,000
Directors' and supervisors' remuneration	1,000	1,800
	<u>\$ 30,000</u>	<u>\$ 30,800</u>

The aforementioned amounts were recognised in salary expenses. For the years ended December 31, 2023 and 2022, the employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on the distributable profit of current year as of the end of reporting period. The employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors were \$29,000 thousand and \$1,000 thousand, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration of 2023 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense

(a) Components of income tax expense:

		Year ended December 31	
		2023	2022
Current tax			
Current tax on profits for the year	\$	504,228	\$ 526,180
Income exempted from tax according to the Income Tax Act	(	4,729)	(9,593)
Tax on undistributed earnings		31,085	17,003
Prior year income tax (overestimation) underestimation	(	22,394)	1,011
Total current tax		508,190	534,601
Deferred tax:			
Origination and reversal of temporary differences		54,288	22,153
Total deferred tax		54,288	22,153
Income tax expense	\$	562,478	\$ 556,754

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

		Year ended December 31	
		2023	2022
Remeasurements of defined benefit obligations	(\$	365)	(\$ 1,741)

B. Reconciliation between income tax expense and accounting profit:

		Year ended December 31	
		2023	2022
Tax calculated based on profit before tax and statutory tax rate (Note 1)	\$	610,515	\$ 610,326
Effects from items disallowed by the regulation (Note 2)	(	51,999)	(61,993)
Income exempted from tax according to the Income Tax Act	(	4,729)	(9,593)
Prior year income tax (overestimation) underestimation	(	22,394)	1,011
Tax on undistributed earnings		31,085	17,003
Income tax expense	\$	562,478	\$ 556,754

Note 1: The tax rates applied were according to the tax authorities' regulation of entities located.

Note 2: Items that cannot be recognised according to laws and regulations are mainly unrealised investment profit or loss.

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

	2023			
	Recognised in other			December 31
	January 1	Recognised in profit or loss	comprehensive income	
— Deferred tax assets:				
Temporary differences:				
Allowance for losses from inventory obsolescence	\$ 7,681	(\$ 2,417)	\$ -	\$ 5,264
Pensions	236	(703)	(365)	(832)
Loss tax credit	15,048	-	-	15,048
Others	21,233	23,446	-	44,679
	<u>\$ 44,198</u>	<u>\$ 20,326</u>	<u>(\$ 365)</u>	<u>\$ 64,159</u>
— Deferred tax liabilities:				
Gain on overseas long-term investment	(\$ 46,316)	(\$ 63,256)	\$ -	(\$ 109,572)
Provision for land increment tax	(26,745)	-	-	(26,745)
Others	(22,664)	(11,358)	-	(34,022)
	<u>(\$ 95,725)</u>	<u>(\$ 74,614)</u>	<u>\$ -</u>	<u>(\$ 170,339)</u>
		<u>(\$ 54,288)</u>	<u>(\$ 365)</u>	
	2022			
	Recognised in other			December 31
	January 1	Recognised in profit or loss	comprehensive income	
— Deferred tax assets:				
Temporary differences:				
Allowance for losses from inventory obsolescence	\$ 7,651	\$ 30	\$ -	\$ 7,681
Pensions	2,721	(744)	(1,741)	236
Loss tax credit	15,048	-	-	15,048
Others	13,916	7,317	-	21,233
	<u>\$ 39,336</u>	<u>\$ 6,603</u>	<u>(\$ 1,741)</u>	<u>\$ 44,198</u>
— Deferred tax liabilities:				
Gain on overseas long-term investment	(\$ 35,410)	(\$ 10,906)	\$ -	(\$ 46,316)
Provision for land increment tax	(29,614)	2,869	-	(26,745)
Others	(1,944)	(20,720)	-	(22,664)
	<u>(\$ 66,968)</u>	<u>(\$ 28,757)</u>	<u>\$ -</u>	<u>(\$ 95,725)</u>
		<u>(\$ 22,154)</u>	<u>(\$ 1,741)</u>	

D. Considering several factors such as the operating result, degree of expansion and dividend policy of each overseas subsidiary, and based on the assessment, as of December 31, 2023 and 2022, the amounts of temporary difference unrecognised as deferred tax liabilities were \$1,341,611 thousand and \$1,285,140 thousand, respectively.

E. The Company and its subsidiaries Forward Optocs Co., LTD. and Ching Yi Investment Co., Ltd.'s income tax returns through 2021 have been assessed and approved by the Tax Authority.

(24) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,253,569	193,001	\$ 6.50
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,253,569	193,001	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	641	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,253,569	193,642	\$ 6.47

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,443,111</u>	<u>193,001</u>	<u>\$ 7.48</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,443,111	193,001	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>917</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,443,111</u>	<u>193,918</u>	<u>\$ 7.44</u>

A. The number of weighted-average outstanding shares is included for assumed conversion of all dilutive potential ordinary shares at the calculation of diluted earnings per share, based on the assumption that employees' compensation will all be distributed in the form of shares.

B. For the years ended December 31, 2023 and 2022, the weighted average number of outstanding shares was calculated based on the weighted average number of treasury shares.

(25) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31	
	2023	2022
Purchase of property, plant and equipment	\$ 645,819	\$ 1,069,152
Add: Opening balance of payable on equipment	168,133	401,186
Add: Ending balance of prepayments for business facilities	58,553	36,108
Less: Ending balance of payable on equipment	(230,426)	(168,133)
Less: Opening balance of prepayments for business facilities	(36,108)	(192,444)
Cash paid during the year	<u>\$ 605,971</u>	<u>\$ 1,145,869</u>

(26) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Dividends payable	Other payables – related parties	Long-term borrowings (including current portion)	Liabilities from financing activities -gross
At January 1, 2023	\$ 4,282,119	\$ 144,578	\$ -	\$ -	\$ 1,535,316	\$ 5,962,013
Changes in cash flow from financing activities	(1,297,322)	(140,811)	(675,504)	100,000	(1,064,151)	(3,077,788)
Changes in other non- cash items	-	103,698	675,504	-	-	779,202
Impact of changes in foreign exchange rate	(32,791)	(2,364)	-	-	7,976	(27,179)
At December 31, 2023	<u>\$ 2,952,006</u>	<u>\$ 105,101</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 479,141</u>	<u>\$ 3,636,248</u>

	Short-term borrowings	Lease liabilities	Dividends payable	Long-term borrowings (including current portion)	Liabilities from financing activities -gross
At January 1, 2022	\$ 4,057,315	\$ 179,764	\$ -	\$ 1,862,567	\$ 6,099,646
Changes in cash flow from financing activities	168,406	(70,844)	(585,753)	(477,024)	(965,215)
Changes in other non- cash items	-	26,977	585,753	-	612,730
Impact of changes in foreign exchange rate	56,398	8,681	-	149,773	214,852
At December 31, 2022	<u>\$ 4,282,119</u>	<u>\$ 144,578</u>	<u>\$ -</u>	<u>\$ 1,535,316</u>	<u>\$ 5,962,013</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Name of related parties	Relationship with the Group
Jiangxi Jinyou Technology Co., Ltd.	Associate
Tsai, Huo-Lu	Chairman of the Company

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2023	2022
Operating revenue:		
Associates	<u>\$ 74,537</u>	<u>\$ 42,446</u>

Goods are sold by the Group to related parties at general prices plus transportation costs. The collection term was 30~120 days after monthly billings, T/T. The collection term to domestic general customers was 30~120 days after monthly billings, T/T, and to overseas general customers was advance receipts or 30~120 days after monthly billings, T/T.

B. Purchases

	Year ended December 31	
	2023	2022
Purchases:		
Associates	\$ 292,383	\$ 230,159

The inventories purchased by the Group from related parties were primarily finished goods and semi-finished goods of laptop keyboards. There were no comparable data of prices because the finished goods and semi-finished goods were outsourced based on machinery models. The payment term was 30-120 days after monthly billings, T/T. For domestic general suppliers, the payment term was 30-120 days after monthly billings, T/T or L/C.

C. Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable:		
Associates	\$ 31,528	\$ 19,510

D. Accounts payable

	December 31, 2023	December 31, 2022
Accounts payable:		
Associates	\$ 110,693	\$ 106,721

E. Other receivables

	December 31, 2023	December 31, 2022
Other receivables:		
Associates	\$ 37	\$ 37

F. Other payables

	December 31, 2023	December 31, 2022
Other payables:		
Management of the company	\$ 101,882	\$ -

The loans from the key management personnel of the Company to the subsidiaries are repayable monthly and carry interest at 3% per annum on December 31, 2023.

G. Interest expense

	Year ended December 31	
	2023	2022
Interest expense:		
Key management of the company	\$ 1,882	\$ 1,661

H. Rental income

	Year ended December 31	
	2023	2022
Rental income:		
Associates	\$ 197	\$ 90

I. Other expense

	Year ended December 31	
	2023	2022
Processing expense:		
Associates	\$ -	\$ 438

J. Endorsements and guarantees provided to related parties:

Information about endorsements and guarantees to others is provided in Note 13(1)B.

(3) Key management compensation

	Year ended December 31	
	2023	2022
Short-term employee benefits	\$ 26,220	\$ 25,472
Post-employment benefits	603	603
Total	\$ 26,823	\$ 26,075

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Pledged assets	Book value	Book value	Purpose
	December 31, 2023	December 31, 2022	
Current financial assets at amortised cost	\$ -	\$ 795,928	Short-term borrowings
Non-current financial assets at amortised cost	302,843	-	Short-term borrowings
	\$ 302,843	\$ 795,928	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

Capital expenditures contracted and not yet incurred

	December 31, 2023	December 31, 2022
Property, plant and equipment	\$ 71,482	\$ 46,204

(3) Commitments and contingencies

Information about guarantees provided to related parties is provided in Note 13(1)B.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Information about the appropriation of 2023 earnings is provided in Note 6(15)E.

12. Others

(1) Capital management

The Group's capital management is based on the scale of the industry which the Group is in, along with the industry's future growth and product development to set an appropriate market share. Furthermore, the Group determines an appropriate capital structure by planning a corresponding capital expenditure, calculating operation funds in accordance with operating plans, and considering the operating profits and cash flows that can be generated by products' competitiveness.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Non-current financial assets at fair value through other comprehensive income	\$ 30,892	\$ -
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	4,106,630	4,262,302
Current financial assets at amortised cost	648,950	795,928
Non-current financial assets at amortised cost	1,084,223	132,207
Accounts receivable (Including related parties)	6,402,660	7,711,549
Other receivables (Including related parties)	66,140	80,198
Guarantee deposits paid	15,798	20,759
	<u>\$ 12,355,293</u>	<u>\$ 13,002,943</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 2,952,006	\$ 4,282,119
Notes payable	-	28
Accounts payable (Including related parties)	3,319,387	3,421,783
Other accounts payable (Including related parties)	1,672,483	1,780,374
Contract liabilities	77,485	79,472
Long-term borrowings (including current portion)	479,141	1,535,316
Deposits received	24,141	26,596
	<u>\$ 8,524,643</u>	<u>\$ 11,125,688</u>
Leased liabilities (including current and non-current portion)	<u>\$ 105,101</u>	<u>\$ 144,578</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price rate risk and interest rate risk), credit risk and liquidity risk.
- (b) For the risk management, the Group's treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units, such as exchange rate risk, interest rate risk and investment of current residual capital.

C. Significant financial risks and degrees of financial risks

- (a) Market risk

Exchange rate risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

- ii. The Group's businesses involve some non-functional currency operations (the Group's functional currency: NTD; other certain subsidiaries' functional currency: USD or RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2023				
(Foreign currency: functional currency)	Foreign currency		Book amounts	
	amount	Exchange rate		
	(In thousands)		(NTD)	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	154,740	30.71	\$ 4,751,292
USD:RMB		88,103	7.10	625,531
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD		115	30.71	3,531
USD:RMB		106,375	7.10	755,263
December 31, 2022				
(Foreign currency: functional currency)	Foreign currency		Book amounts	
	amount	Exchange rate		
	(In thousands)		(NTD)	
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	171,953	30.71	\$ 5,280,677
USD:RMB		145,493	6.97	1,014,086
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD		331	30.71	10,165
USD:RMB		170,878	6.97	1,191,020

- iii. Please refer to the following table for the details of total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group:

	Year ended December 31	
	2023	2022
Foreign exchange gains, net	\$ 175,047	\$ 452,357

iv. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2023			
Sensitivity analysis			
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 47,513	\$ -
USD:RMB	1%	6,255	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	35	-
USD:RMB	1%	7,553	-
Year ended December 31, 2022			
Sensitivity analysis			
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 52,807	\$ -
USD:RMB	1%	10,141	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	102	-
USD:RMB	1%	11,910	-

Price risk

The investments held by the Group were classified as financial assets at fair value through other comprehensive income on the consolidated balance sheet. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and United States dollars.

- ii. As of December 31, 2023 and 2022, if the borrowing interest rate had increased/decreased by 0.1% with all other variables held constant, pre-tax profit for the years ended December 31, 2023 and 2022 were as follows:

Year ended December 31, 2023			
Sensitivity analysis			
	Borrowing interest rate	Pre-tax profit	
NTD Borrowings	0.1%	\$	1,082
RMB Borrowings	0.1%		1,083
USD Borrowings	0.1%		581

Year ended December 31, 2022			
Sensitivity analysis			
	Borrowing interest rate	Pre-tax profit	
NTD Borrowings	0.1%	\$	1,708
RMB Borrowings	0.1%		1,995
USD Borrowings	0.1%		951

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored.
- iii. For banks and financial institutions, the Group mainly transacts with famous domestic and foreign financial intuitions. To reduce credit risk, the Group maintains the cooperation with various banks and financial institutions to avoid concentrating on the same transaction counterparty. The transaction of financial services or loan approval conditions provided by banks and financial institutions can only be carried out in accordance with the Company's internal control authority, and approval by the Board of Directors or the approval supervisor. Documents signed with banks and financial institutions must be inspected by specialised personnel of legal affairs or legal consultant before they can be officially signed to avoid legal risks. The Group periodically reviews the rating from the credit agency, service conditions, quality, and transaction situation of banks and financial institutions, and periodically monitors and maintains reasonable credit limits and utilisation of credit limits in accordance with the Group's operation conditions to accurately meet operating needs.

iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Group adopts the default occurs when the contract payments are past due over 180 days.

vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(A) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(B) The disappearance of an active market for that financial asset because of financial;

(C) Default or delinquency in interest or principal repayments;

(D) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. The Group classifies customers' accounts receivable in accordance with credit rating of customer. The Group applies the modified approach using a provision matrix based on the loss rate methodology to estimate expected credit loss under the provision matrix basis.

viii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

ix. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the provision matrix, loss rate methodology is as follows:

	Individual	Group			
		Not past due	Within 1 year	Over 1 year	Total
<u>December 31, 2023</u>					
Expected loss rate	100%	0%	0%	100%	
Total book value	\$ 1,303	\$ 6,394,624	\$ 8,036	\$ -	\$ 6,403,963
Loss allowance	\$ 1,303	\$ -	\$ -	\$ -	\$ 1,303

	<u>Individual</u>	<u>Group</u>			
		<u>Not past due</u>	<u>Within 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
<u>December 31, 2022</u>					
Expected loss rate	100%	0%	0%	100%	
Total book value	\$ 1,303	\$ 7,630,535	\$ 81,014	\$ -	\$ 7,712,852
Loss allowance	\$ 1,303	\$ -	\$ -	\$ -	\$ 1,303

x. The overdue loss rate of financial assets, other receivables, and deposits held by the Group measured at amortized cost is minimal, so the provisions on December 31, 2023 and 2022 are not significant.

xi. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable is as follows:

	2023
At January 1	\$ 1,303
Effect of foreign exchange	-
At December 31	<u>\$ 1,303</u>
	2022
At January 1	\$ 1,721
Provision for impairment	5,285
Reversal of impairment loss on assets	(557)
Write-offs	(5,285)
Effect of foreign exchange	139
At December 31	<u>\$ 1,303</u>

The Group did not hold collateral for accounts receivable.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
- ii. The Group has the following undrawn borrowing facilities:

	December 31, 2023	December 31, 2022
Floating rate		
Expiring within one year	\$ 3,046,635	\$ 2,235,883
Fixed rate		
Expiring within one year	8,481,207	7,848,569
	<u>\$ 11,527,842</u>	<u>\$ 10,084,452</u>

- iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2023	Within one year	Between 1 and 2 year(s)	Over 2 years	Total
Short-term borrowings	\$ 2,983,858	\$ -	\$ -	\$2,983,858
Accounts payable	3,319,387	-	-	3,319,387
Other payables	1,672,483	-	-	1,672,483
Lease liabilities	33,925	30,928	54,669	119,522
Long-term borrowings (including current portion)	480,039	25,628	-	505,667

Non-derivative financial liabilities:

December 31, 2022	Within one year	Between 1 and 2 year(s)	Over 2 years	Total
Short-term borrowings	\$ 4,321,479	\$ -	\$ -	\$4,321,479
Notes payable	28	-	-	28
Accounts payable	3,421,783	-	-	3,421,783
Other payables	1,780,374	-	-	1,780,374
Lease liabilities	57,352	48,331	56,796	162,479
Long-term borrowings (including current portion)	689,531	846,072	67,217	1,602,820

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable and other payables are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2023 and 2022 are as follows:

The related information of natures of the assets and liabilities is as follows:

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 30,892	\$ -	\$ -	\$ 30,892

December 31, 2022:None.

D. The methods and assumptions the Group used to measure fair value are as follows:

- (a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed stocks</u>
Market quoted price	Closing price at evaluation date

- (b)The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value of valuation model would be adequately adjusted based on extra parameters, such as model risk or liquidity risk, etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

E. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

13. Supplementary Disclosures

(1) Significant transactions information

- Loans to others: Please refer to table 1.
- Provision of endorsements and guarantees to others: Please refer to table 2.
- Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information and limit of reinvestment in Mainland China: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area:

For the year ended December 31, 2023, significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to tables 1, 2, 4, 5 and 6.

(4) Major shareholders information

Please refer to table 9.

14. Operating Segments Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. Business organisation is divided into Taiwan, Central China, Southern China and other regions based on operation regions.

(2) Measurement of segment information

The Board of Directors of the Company evaluates the performance of the operating segments based on the segment profit (loss) before tax.

(3) Segment Information

	Year ended December 31, 2023					
	Taiwan	Central China	Southern China	Other areas	Write-off	Total
External-segment revenue	\$ 11,190,487	\$ 4,537,344	\$ 750,609	\$ 5,136,342	\$ -	\$ 21,614,782
Inter-segment revenue	202,279	13,833,641	697,036	5,383,899	(20,116,855)	-
Income total	<u>\$ 11,392,766</u>	<u>\$ 18,370,985</u>	<u>\$ 1,447,645</u>	<u>\$ 10,520,241</u>	<u>(\$ 20,116,855)</u>	<u>\$ 21,614,782</u>
Segment Earnings Before Interest and Tax	<u>\$ 707,256</u>	<u>\$ 1,178,403</u>	<u>(\$ 76,777)</u>	<u>\$ 23,291</u>	<u>(\$ 42,479)</u>	<u>\$ 1,789,694</u>
Segment assets (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Segment income (loss), including:						
Interest income	\$ 90,012	\$ 14,661	\$ 14,788	\$ 38,403	(\$ 45,257)	\$ 112,607
Depreciation and amortization expense	10,783	1,363,730	65,224	232,778	(1,750)	1,670,765
Finance costs	31,434	103,490	1,896	109,168	(45,313)	200,675
Income tax expense	275,970	206,599	(166)	80,075	-	562,478

Note: The chief operating decision-maker does not use the measured amount of the assets as a measurement indicator; therefore, the measured amount of the Group's assets shall be disclosed as zero.

	Year ended December 31, 2022					
	Taiwan	Central China	Southern China	Other areas	Write-off	Total
External-segment revenue	\$ 9,653,929	\$ 8,485,016	\$ 1,186,016	\$ 5,246,825	\$ -	\$ 24,571,786
Inter-segment revenue	281,471	12,506,110	989,429	3,629,513	(17,406,523)	-
Income total	<u>\$ 9,935,400</u>	<u>\$ 20,991,126</u>	<u>\$ 2,175,445</u>	<u>\$ 8,876,338</u>	<u>(\$ 17,406,523)</u>	<u>\$ 24,571,786</u>
Segment Earnings Before Interest and Tax	<u>\$ 1,160,636</u>	<u>\$ 1,037,036</u>	<u>\$ 244,252</u>	<u>(\$ 378,668)</u>	<u>\$ 57,212</u>	<u>\$ 2,120,468</u>
Segment assets (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Segment income (loss), including:						
Interest income	\$ 76,953	\$ 4,158	\$ 17,696	\$ 83,413	(\$ 142,071)	\$ 40,149
Depreciation and amortization expense	9,034	1,298,341	66,137	245,363	(1,751)	1,617,124
Finance costs	24,916	180,423	2,234	69,648	(142,146)	135,075
Income tax expense	281,207	203,502	32,662	39,383	-	556,754

Note: The chief operating decision-maker does not use the measured amount of the assets as a measurement indicator; therefore, the measured amount of the Group's assets shall be disclosed as zero.

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of segment profit (loss) before tax for the years ended December 31, 2023 and 2022 is provided as follows:

	Year ended December 31	
	2023	2022
Reportable segments profit/(loss) before tax after adjustment	\$ 1,808,882	\$ 2,441,924
Other segments income/(loss) before tax after adjustment	23,291	(378,668)
Total segments	1,832,173	2,063,256
Elimination of profit (loss) between segments	(42,479)	57,212
Consolidated profit before tax	\$ 1,789,694	\$ 2,120,468

(5) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Non-current Assets	Revenue	Non-current Assets
China	\$ 20,463,344	\$ 3,880,762	\$ 23,434,193	\$ 4,902,082
Germany	476,469	-	694,370	-
United States of America	177,179	83	152,089	83
Taiwan	87,412	549,673	161,436	554,144
Others	410,378	-	129,698	-
Total	\$ 21,614,782	\$ 4,430,518	\$ 24,571,786	\$ 5,456,309

The Group's geographic revenue is calculated based on countries where sales incur. Other countries include Singapore, Czechia, Netherlands and Hong Kong, etc. Non-current assets pertain to property, plant and equipment, right-of-use assets, intangible assets and other non-current assets, but excluded investments accounted for using equity method, financial instruments and deferred tax assets.

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Department	Revenue	Department
Company S	\$ 6,758,956	Taiwan	\$ 8,932,651	Taiwan
Company T	4,899,914	Taiwan	5,237,262	Taiwan
Company U	2,446,628	China	3,335,715	China
Company V	1,618,875	China	787,050	China
Company W	1,326,914	China	1,067,954	China
	\$ 17,051,287		\$ 19,360,632	

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES

LOANS TO OTHERS

YEAR ENDED DECEMBER 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down (Note 4)	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)	Footnote
0	Sunrex Technology Corp.	Sunrex Technology Singapore PTE. Ltd.	Other receivables	Yes	\$ 16,213	\$ 15,353	\$ -	2.50%	(2)	\$ -	Working capital	\$ -	None	\$ -	\$ 3,754,746	\$ 3,754,746	
0	Sunrex Technology Corp.	Sunrex Technology (Thailand) Co. Ltd.	Other receivables	Yes	31,255	30,705	18,942	8.00%	(2)	-	Working capital	-	None	-	3,754,746	3,754,746	
0	Sunrex Technology Corp.	BEST ELITE HOLDINGS LTD	Other receivables	Yes	1,531,495	1,504,545	930,362	2.50%	(2)	-	Working capital	-	None	-	3,754,746	3,754,746	
0	Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	Other receivables	Yes	2,551,420	-	-	5.00%	(2)	-	Working capital	-	None	-	3,754,746	3,754,746	
0	Sunrex Technology Corp.	Forward Optics Co., Ltd	Other receivables	Yes	60,000	60,000	25,000	3.00%	(2)	-	Working capital	-	None	-	3,754,746	3,754,746	
1	BEST ELITE HOLDINGS LTD	Sunrex Technology (Jiangsu) Co., Ltd.	Other receivables	Yes	1,059,495	-	-	5.00%	(2)	-	Working capital	-	None	-	7,817,392	7,817,392	
2	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technolog (Jiangxi) Co., Ltd	Other receivables	Yes	511,175	263,947	233,658	5.00%	(2)	-	Working capital	-	None	-	866,877	866,877	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Ceiling on total loans granted is 40% of the creditor’s net assets and limit on loans granted between the foreign companies which are directly or indirectly wholly owned by the Company is 100% of the creditor’s net assets.

Note 3: (1) Business transaction.

(2) Short-term financing.

Note 4: Has been eliminated in the consolidated financial statements.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
PROVISION OF ENDORSEMENTS AND GUARANTEES TO OTHERS
YEAR ENDED DECEMBER 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed			Limit on endorsements/guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements /guarantees provided (Note 2)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Relationship with the endorser/guarantor (Note 1)	Company name												
0	Sunrex Technology Corp.	BEST ELITE HOLDINGS LTD	Note 1	\$ 4,693,433	\$ 3,226,834	\$ 1,842,607	\$ 724,781	\$ -	19.63%	\$ 9,386,866	Y	N	N		
0	Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	Note 1	4,693,433	942,600	706,215	-	-	7.52%	9,386,866	Y	N	Y		
0	Sunrex Technology Corp.	Sunrex Technology (Vietnam) Company Limited	Note 1	4,693,433	2,500,400	2,456,400	-	-	26.17%	9,386,866	Y	N	N		
0	Sunrex Technology Corp.	Forward Optocs Co., LTD.	Note 1	4,693,433	30,000	30,000	30,000	-	0.32%	9,386,866	Y	N	N		

Note 1: The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
Note 2: Ceiling on total amount of endorsements/guarantees provided by the Company is 100% of the Company’s net assets.
Note 3: Limit on endorsements/guarantees provided by the Company for a single party is 50% of the Company’s net assets.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES

HOLDING OF MARKETABLE SECURITIES AT THE END OF THE PERIOD (NOT INCLUDING SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)

DECEMBER 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote(Note 4)
				Number of shares	Book value(Note 3)	Ownership (%)	Fair value	
Ching Yi Investment Co., Ltd.	Sunrex Technology Corp.	The Company	Current financial assets at fair value through other comprehensive income	2,250,000	\$ 133,650	1.15%	\$ 133,650	Note 5
Sunrex Technology Corp.	Waltop International Corporation	None	Non-current financial assets at fair value through other comprehensive income	47,286	-	1.60%	-	Note 6
Sunrex Technology Corp.	Bin Chuan Enterprise Co., Ltd.	None	Non-current Financial Assets at Fair Value through Profit or Loss	225,000	5,355	0.19%	5,355	
Forward Optics Co., Ltd.	Bin Chuan Enterprise Co., Ltd.	None	Current Financial Assets at Fair Value through Profit or Loss	1,073,000	25,537	0.88%	25,537	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and

Note 4: The number of shares of securities and their amounts pledged

Note 5: Book value as of December 31, 2023 has been transferred to treasury share in the consolidated financial statements.

Note 6: Forward Optics Co., Ltd. reduced \$61,260 and \$49,260 of capital to offset accumulated deficits as resolved by the shareholders on April 28, 2021 and August 5, 2021, respectively and increased \$71,039 of capital by debt for equity swap as by the Board of Directors on October 28, 2021. As the Company did not participate in the capital increase, the Company's ownership decreased from 11.10% to 1.60%.Reduced \$79,881 of capital to offset accumulated deficits as resolved by the shareholders on August 16, 2022, with a capital reduction ration of 64.50%.After the capital reduction, the company's ownership decreased is 1.60% on August 16, 2022. On August 16, 2022, the shareholders resolved to reduce capital to offset accumulated deficits amounting to \$79,881 thousand. The capital reduction ratio was 64.50%. The effective date for the capital reduction was set on August 22, 2022. After the capital reduction, the Company's shareholding ratio was 1.60%.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES

PURCHASES OR SALES OF GOODS FROM OR TO RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE

YEAR ENDED DECEMBER 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)			
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote	
Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Purchases	\$ 4,812,673	26.41%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable \$ 2,026,988 thousand	61.07%	Note 2	
Sunrex Technology Corp.	Changshu Sunrex Technology Co., Ltd.	Same ultimate parent	Purchases	3,520,703	19.32%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 1,744,330 thousand	52.55%	Note 2	
Sunrex Technology Corp.	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Same ultimate parent	Purchases	664,402	3.65%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 123,722 thousand	3.73%	Note 2	
Sunrex Technology Corp.	Sunrex Technology (Chongqing) Co., Ltd.	Same ultimate parent	Purchases	1,461,891	8.02%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 463,774 thousand	13.97%	Note 2	
Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	Same ultimate parent	Sales	1,231,291	5.70%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 580,212 thousand	9.06%	Note 2	
Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technology Corp.	The Company	Sales	4,782,844	22.13%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 2,019,548 thousand	31.54%	Note 2	
Sunrex Technology (Jiangsu) Co., Ltd.	Kai Zhao (Suzhou)dian Zi You Xian Gong Si	Same ultimate parent	Purchases	187,274	1.03%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Others payables 65,172 thousand	1.96%	Note 2	
Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	Same ultimate parent	Purchases	393,681	2.16%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 161,109 thousand	4.85%	Note 2	
Sunrex Technology (Jiangsu) Co., Ltd.	Amiable Development Incorporated	Same ultimate parent	Purchases	2,409,583	13.22%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 957,897 thousand	28.86%	Note 2	
Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	Same ultimate parent	Sales	2,567,529	11.88%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 1,041,632 thousand	16.27%	Note 2	
Changshu Sunrex Technology Co., Ltd.	Sunrex Technology Corp.	The Company	Sales	3,494,769	16.17%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 1,738,662 thousand	27.16%	Note 2	
Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	Same ultimate parent	Purchases	728,465	4.00%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 380,764 thousand	11.47%	Note 2	
Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology Corp.	The Company	Sales	663,036	3.07%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 124,462 thousand	1.94%	Note 2	
Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technoloy (Jiangxi) Co., Ltd	Same ultimate parent	Purchases	126,165	0.69%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 31,403 thousand	0.95%	Note 2	
Sunrex Technology (Chongqing) Co., Ltd.	Crown Trading International Limited	Same ultimate parent	Sales	124,151	0.57%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 58,407 thousand	0.91%	Note 2	
Sunrex Technology (Chongqing) Co., Ltd.	Sunrex Technology Corp.	The Company	Sales	1,450,929	6.71%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 465,924 thousand	7.28%	Note 2	
Sunrex Technology (Chongqing) Co., Ltd.	Elated Develope Limited	Same ultimate parent	Purchases	219,019	1.20%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 70,927 thousand	2.14%	Note 2	
Sunrex Technoloy (Jiangxi) Co., Ltd	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Same ultimate parent	Sales	125,467	0.58%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 32,626 thousand	0.51%	Note 2	
Sunrex Technoloy (Jiangxi) Co., Ltd	Crown Trading International Limited	Same ultimate parent	Sales	278,000	1.29%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 145,347 thousand	2.27%	Note 2	
Sunrex Technoloy (Jiangxi) Co., Ltd	Amiable Development Incorporated	Same ultimate parent	Sales	728,475	3.37%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 380,764 thousand	5.95%	Note 2	
Sunrex Technoloy (Jiangxi) Co., Ltd	Elated Develope Limited	Same ultimate parent	Sales	218,899	1.01%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 70,927 thousand	1.11%	Note 2	
Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Sales	405,004	1.87%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 169,754 thousand	2.65%	Note 2	
Crown Trading International Limited	Sunrex Technology (Chongqing) Co., Ltd.	Same ultimate parent	Purchases	125,179	0.69%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 58,527 thousand	1.76%	Note 2	
Crown Trading International Limited	Sunrex Technoloy (Jiangxi) Co., Ltd	Same ultimate parent	Purchases	279,825	1.54%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 145,645 thousand	4.39%	Note 2	

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
PURCHASES OR SALES OF GOODS FROM OR TO RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
YEAR ENDED DECEMBER 31, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

							Differences in transaction terms compared to					
							third party transactions (Note 1)		Notes/accounts receivable (payable)			
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term		Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Purchases	1,236,184	6.78%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable	581,402 thousand	17.52%	Note 2
Amiable Development Incorporated	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Sales	2,429,516	11.24%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable	966,523 thousand	15.10%	Note 2
Amiable Development Incorporated	Changshu Sunrex Technology Co., Ltd.	Same ultimate parent	Sales	727,874	3.37%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable	381,546 thousand	5.96%	Note 2
Amiable Development Incorporated	Changshu Sunrex Technology Co., Ltd.	Same ultimate parent	Purchases	2,582,841	14.18%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable	1,043,770 thousand	31.44%	Note 2
Amiable Development Incorporated	Sunrex Technoloy (Jiangxi) Co., Ltd	Same ultimate parent	Purchases	727,874	3.99%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable	381,546 thousand	11.49%	Note 2
Elated Develop Limited	Sunrex Technology (Chongqing) Co., Ltd.	Same ultimate parent	Sales	220,904	1.02%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable	71,072 thousand	1.11%	Note 2
Elated Develop Limited	Sunrex Technoloy (Jiangxi) Co., Ltd	Same ultimate parent	Purchases	220,904	1.21%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable	71,072 thousand	2.14%	Note 2
Kai Zhao (Suzhou)dian Zi You Xian Gong Si	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Sales	190,164	0.88%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable	63,007 thousand	0.98%	Note 2

Note 1: As the finished goods and semi-finished goods purchased by the Company are outsourced according to different models, there was no relevant information for comparison.
Note 2: Has been eliminated in the consolidated financial statements.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
YEAR ENDED DECEMBER 31, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 1)	Allowance for doubtful accounts
						Amount	Action taken		
Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology (Jiangxi) Co., Ltd	Same ultimate parent	Other receivables	\$ 234,805 thousand	-	\$ -	\$ -	\$ 10,437	\$ -
Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Accounts receivable	169,754 thousand	2.73	-	-	43,637	-
Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	Same ultimate parent	Accounts receivable	580,212 thousand	2.11	-	-	144,892	-
Sunrex Technology (Jiangxi) Co., Ltd	Crown Trading International Limited	Same ultimate parent	Accounts receivable	145,347 thousand	1.85	-	-	51,986	-
Amiable Development Incorporated	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Accounts receivable	966,523 thousand	2.38	-	-	409,811	-
Amiable Development Incorporated	Changshu Sunrex Technology Co., Ltd.	Same ultimate parent	Accounts receivable	381,546 thousand	2.51	-	-	189,866	-
Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	Same ultimate parent	Accounts receivable	1,041,632 thousand	2.35	-	-	268,872	-
Sunrex Technology (Jiangxi) Co., Ltd	Amiable Development Incorporated	Same ultimate parent	Accounts receivable	380,764 thousand	2.52	-	-	189,866	-
Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technology Corp.	The Company	Accounts receivable	2,019,548 thousand	2.12	-	-	438,375	-
Changshu Sunrex Technology Co., Ltd.	Sunrex Technology Corp.	The Company	Accounts receivable	1,738,662 thousand	2.40	-	-	762,943	-
Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology Corp.	The Company	Accounts receivable	124,462 thousand	2.17	-	-	61,469	-
Sunrex Technology (Chongqing) Co., Ltd.	Sunrex Technology Corp.	The Company	Accounts receivable	465,924 thousand	4.59	-	-	112,319	-
Sunrex Technology Corp.	BEST ELITE HOLDINGS LTD	Same ultimate parent	Other receivables	942,346 thousand	-	-	-	375,239	-

Note 1: Subsequent collection is the amount collected as of March 1, 2024.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
SIGNIFICANT INTER-COMPANY TRANSACTIONS DURING THE REPORTING PERIODS
YEAR ENDED DECEMBER 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount (Note 5)	Transaction terms	
0	Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	1	Purchases	\$ 4,812,673	The price was negotiated and the payment was 120 days after monthly billings	22.27
0	Sunrex Technology Corp.	Changshu Sunrex Technology Co., Ltd.	1	Purchases	3,520,703	The price was negotiated and the payment was 120 days after monthly billings	16.29
0	Sunrex Technology Corp.	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	1	Purchases	664,402	The price was negotiated and the payment was 120 days after monthly billings	3.07
0	Sunrex Technology Corp.	Sunrex Technology (Chongqing) Co., Ltd.	1	Purchases	1,461,891	The price was negotiated and the payment was 120 days after monthly billings	6.76
0	Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	1	Accounts payable	2,026,988	The price was negotiated and the payment was 120 days after monthly billings	32.30
0	Sunrex Technology Corp.	Changshu Sunrex Technology Co., Ltd.	1	Accounts payable	1,744,329	The price was negotiated and the payment was 120 days after monthly billings	27.80
0	Sunrex Technology Corp.	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	1	Accounts payable	123,722	The price was negotiated and the payment was 120 days after monthly billings	1.97
0	Sunrex Technology Corp.	Sunrex Technology (Chongqing) Co., Ltd.	1	Accounts payable	463,774	The price was negotiated and the payment was 120 days after monthly billings	7.39
0	Sunrex Technology Corp.	BEST ELITE HOLDINGS LTD	1	Other receivables	942,346	The transaction was aroused from loans and the principal was repayable at the maturity date	15.02
1	Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	3	Sales	1,231,291	The price was negotiated and the payment was 120 days after monthly billings	5.70
1	Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technology Corp.	2	Sales	4,782,844	The price was negotiated and the payment was 120 days after monthly billings	22.13
1	Sunrex Technology (Jiangsu) Co., Ltd.	KAI ZHAO(SUZHOU)DIAN ZI YOU	3	Purchases	187,274	The price was negotiated and the payment was 120 days after monthly billings	0.87
1	Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	3	Purchases	393,681	The price was negotiated and the payment was 120 days after monthly billings	1.82
1	Sunrex Technology (Jiangsu) Co., Ltd.	Amiable Development Incorporated	3	Purchases	2,409,583	The price was negotiated and the payment was 120 days after monthly billings	11.15
1	Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	3	Accounts receivable	580,212	The price was negotiated and the payment was 120 days after monthly billings	9.25
1	Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technology Corp.	2	Accounts receivable	2,019,548	The price was negotiated and the payment was 120 days after monthly billings	32.19
1	Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	3	Accounts payable	161,109	The price was negotiated and the payment was 120 days after monthly billings	2.57
1	Sunrex Technology (Jiangsu) Co., Ltd.	Amiable Development Incorporated	3	Accounts payable	957,897	The price was negotiated and the payment was 120 days after monthly billings	15.27
2	Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	3	Sales	2,567,529	The price was negotiated and the payment was 120 days after monthly billings	11.88
2	Changshu Sunrex Technology Co., Ltd.	Sunrex Technology Corp.	2	Sales	3,494,769	The price was negotiated and the payment was 120 days after monthly billings	16.17
2	Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	3	Purchases	728,465	The price was negotiated and the payment was 120 days after monthly billings	3.37
2	Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	3	Accounts receivable	1,041,632	The price was negotiated and the payment was 120 days after monthly billings	16.60
2	Changshu Sunrex Technology Co., Ltd.	Sunrex Technology Corp.	2	Accounts receivable	1,738,662	The price was negotiated and the payment was 120 days after monthly billings	27.71

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
SIGNIFICANT INTER-COMPANY TRANSACTIONS DURING THE REPORTING PERIODS
YEAR ENDED DECEMBER 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount (Note 5)	Transaction terms	
2	Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	3	Accounts payable	380,764	The price was negotiated and the payment was 120 days after monthly billings	6.07
3	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology Corp.	2	Sales	663,036	The price was negotiated and the payment was 120 days after monthly billings	3.07
3	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technoloy (Jiangxi) Co., Ltd	3	Purchases	126,165	The price was negotiated and the payment was 120 days after monthly billings	0.58
3	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology Corp.	2	Accounts receivable	124,462	The price was negotiated and the payment was 120 days after monthly billings	1.98
3	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technoloy (Jiangxi) Co., Ltd	3	Other receivable	234,805	The transaction was aroused from loans and the principal was repayable at the maturity date	3.74
4	Sunrex Technology (Chongqing) Co., Ltd.	Crown Trading International Limited	3	Sales	124,151	The price was negotiated and the payment was 120 days after monthly billings	0.57
4	Sunrex Technology (Chongqing) Co., Ltd.	Sunrex Technology Corp.	2	Sales	1,450,929	The price was negotiated and the payment was 120 days after monthly billings	6.71
4	Sunrex Technology (Chongqing) Co., Ltd.	Elated Develop Limited	3	Purchases	219,019	The price was negotiated and the payment was 120 days after monthly billings	1.01
4	Sunrex Technology (Chongqing) Co., Ltd.	Sunrex Technology Corp.	2	Accounts receivable	465,924	The price was negotiated and the payment was 120 days after monthly billings	7.43
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	3	Sales	125,467	The price was negotiated and the payment was 120 days after monthly billings	0.58
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Crown Trading International Limited	3	Sales	278,000	The price was negotiated and the payment was 120 days after monthly billings	1.29
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Amiable Development Incorporated	3	Sales	728,475	The transaction was aroused from loans and the principal was repayable at the maturity date	3.37
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Elated Develop Limited	3	Sales	218,899	The price was negotiated and the payment was 120 days after monthly billings	1.01
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Crown Trading International Limited	3	Accounts receivable	145,347	The price was negotiated and the payment was 120 days after monthly billings	2.32
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Amiable Development Incorporated	3	Accounts receivable	380,764	The price was negotiated and the payment was 120 days after monthly billings	6.07
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	3	Other payables	234,802	The transaction was aroused from loans and the principal was repayable at the maturity date	3.74
6	BEST ELITE HOLDINGS LTD	Sunrex Technology Corp.	2	Other payables	943,479	The transaction was aroused from loans and the principal was repayable at the maturity date	15.04
7	Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	3	Sales	405,004	The price was negotiated and the payment was 120 days after monthly billings	1.87
7	Crown Trading International Limited	Sunrex Technology (Chongqing) Co., Ltd.	3	Purchases	125,179	The price was negotiated and the payment was 120 days after monthly billings	0.58
7	Crown Trading International Limited	Sunrex Technoloy (Jiangxi) Co., Ltd	3	Purchases	279,825	The price was negotiated and the payment was 120 days after monthly billings	1.29
7	Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	3	Purchases	1,236,184	The price was negotiated and the payment was 120 days after monthly billings	5.72
7	Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	3	Accounts receivable	169,754	The price was negotiated and the payment was 120 days after monthly billings	2.71
7	Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	3	Accounts payable	581,402	The price was negotiated and the payment was 120 days after monthly billings	9.27

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
SIGNIFICANT INTER-COMPANY TRANSACTIONS DURING THE REPORTING PERIODS
YEAR ENDED DECEMBER 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount (Note 5)	Transaction terms	
7	Crown Trading International Limited	Sunrex Technology (Jiangxi) Co., Ltd	3	Accounts payable	145,645	The price was negotiated and the payment was 120 days after monthly billings	2.32
8	Amiable Development Incorporated	Sunrex Technology (Jiangsu) Co., Ltd.	3	Sales	2,429,516	The price was negotiated and the payment was 120 days after monthly billings	11.24
8	Amiable Development Incorporated	Changshu Sunrex Technology Co., Ltd.	3	Sales	727,874	The price was negotiated and the payment was 120 days after monthly billings	3.37
8	Amiable Development Incorporated	Changshu Sunrex Technology Co., Ltd.	3	Purchases	2,582,841	The price was negotiated and the payment was 120 days after monthly billings	11.95
8	Amiable Development Incorporated	Sunrex Technology (Jiangxi) Co., Ltd	3	Purchases	727,874	The price was negotiated and the payment was 120 days after monthly billings	3.37
8	Amiable Development Incorporated	Sunrex Technology (Jiangsu) Co., Ltd.	3	Accounts receivable	966,523	The price was negotiated and the payment was 120 days after monthly billings	15.40
8	Amiable Development Incorporated	Changshu Sunrex Technology Co., Ltd.	3	Accounts receivable	381,546	The price was negotiated and the payment was 120 days after monthly billings	6.08
8	Amiable Development Incorporated	Changshu Sunrex Technology Co., Ltd.	3	Accounts payable	1,043,770	The price was negotiated and the payment was 120 days after monthly billings	16.64
8	Amiable Development Incorporated	Sunrex Technology (Jiangxi) Co., Ltd	3	Accounts payable	381,546	The price was negotiated and the payment was 120 days after monthly billings	6.08
9	Elated Develop Limited	Sunrex Technology (Chongqing) Co., Ltd.	3	Sales	220,904	The price was negotiated and the payment was 120 days after monthly billings	1.02
9	Elated Develop Limited	Sunrex Technology (Jiangxi) Co., Ltd	3	Purchases	220,904	The price was negotiated and the payment was 120 days after monthly billings	1.02
10	KAI ZHAO(SUZHOU)DIAN ZI YOU	Sunrex Technology (Jiangsu) Co., Ltd.	3	Sales	190,164	The price was negotiated and the payment was 120 days after monthly billings	0.88

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Only the related party transactions that reach \$10 million or more were disclosed.

Note 5: Has been eliminated in the consolidated financial statements.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
INFORMATION ON INVESTEEES
YEAR ENDED DECEMBER 31, 2023

Table 7
Expressed in thousands of NTD
(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2023						
Investor	Investee (Note 1)	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December	Investment income (loss) recognised by the Company for the year ended	Footnote	
									31, 2023	December 31, 2023		
Sunrex Technology Corp.	Ching Yi Investment Co., Ltd.	Taiwan	Production and sales of various investments	\$ 16,723	\$ 16,723	2,900,000	100%	\$ 61,151	\$ 7,963	\$ 87		
Sunrex Technology Corp.	American Sunrex Corporation	U.S.A	Sales of computers and their ancillary equipment	35,572	35,572	218,420	100%	(1,238)	934	934		
Sunrex Technology Corp.	Sunrex Technology (HK) Co Ltd	Hong Kong	Distribute of computers and their ancillary	252,178	252,178	8,400,000	100%	1,173,013	124,273	124,273		
Sunrex Technology Corp.	Excellent Global International Ltd.	Cayman Islands	Various investments	843,471	843,471	31,907,470	100%	6,798,177	713,065	713,065		
Sunrex Technology Corp.	Forward Optocs Co., LTD.	Taiwan	Production of plastic and rubber products	332,440	332,440	19,244,000	74.59%	31,418	(22,717)	(16,937)		
Sunrex Technology Corp.	Sunrex Technology Singapore PTE. Ltd.	Singapore	Various investments	253,273	-	-	100%	248,733	3,138	3,138	Note 4	
Sunrex Technology Corp.	Sunrex Technology (Thailand) Co. Ltd.	Thailand	Production of laptop computer keyboards and related products	13,260	-	1,499,999	100.00%	11,246	(2,277)	(2,277)	Note 5	
Sunrex Technology (HK) Co Ltd	Sunrex Technology (Thailand) Co. Ltd.	Thailand	Production of laptop computer keyboards and related products	-	-	1	0.00%	-	-	-	Note 5	
Sunrex Technology (HK) Co Ltd	Leading Growth Industrial Co., Ltd.	Mauritius	Various investments	250,530	250,530	-	14.92%	1,167,366	837,316	-	Note 3	
Excellent Global International Ltd.	Leading Growth Industrial Co., Ltd.	Mauritius	Various investments	1,428,081	1,428,081	-	85.08%	6,654,251	837,316	-	Note 3	
Excellent Global International Ltd.	Golden Point Trading International Ltd.	British Virgin Islands	Import and export trades	-	-	-	100%	8,701	(2,883)	-	Note 3	
Excellent Global International Ltd.	Golden Point Trading International Limited	Hong Kong	Import and export trades	-	-	-	100%	-	-	-	Note 3	
Excellent Global International Ltd.	Crown Trading International Limited	Hong Kong	Import and export trades	-	-	-	100%	2,043	1,498	-	Note 3	
Excellent Global International Ltd.	Amiable Development Incorporated	Samoa	Import and export trades	-	-	-	100%	13,054	(1,656)	-	Note 3	
Excellent Global International Ltd.	Elated Develop Limited	Samoa	Import and export trades	-	-	-	100%	101,781	3,792	-	Note 3	
Leading Growth Industrial Co., Ltd.	Best Elite Holdings Limited	Hong Kong	Various investments	1,678,611	1,678,611	-	100%	7,817,392	837,433	-	Note 3	

Note 1: Investees accounted for using the equity method by the Company.
Note 2: Investment amount as at December 31, 2023.
Note 3: The investment income (loss) was not shown as the investee was a second-tier subsidiary reinvested by the Company.
Note 4: On March 31, 2023, the Company incorporated a wholly-owned subsidiary in Singapore.
Note 5: On August 10, 2023, the Company’s Board of Directors resolved to invest and establish a Thailand subsidiary, Sunrex Technology (Thailand) Co. Ltd. The registration of incorporation had been completed on September 21, 2023.
The total investment amount is THB 15,000 thousand.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2023

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023														
Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 5)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote	
Sunrex Technology (Jiangsu) Co., Ltd.	Production of laptop computer keyboards and related products	USD 29,510	2	\$ 612,103	\$ -	\$ -	\$ 612,103	\$ 535,170	100%	\$ 534,200	\$ 4,871,322	\$ 377,193	Notes 4 and 5	
Changshu Sunrex Technology Co., Ltd.	Production of laptop computer keyboards and related products	USD 18,750	2	227,981	-	-	227,981	401,183	100%	397,179	1,772,507	201,722	Notes 4 and 5	
Sunrex Technology (Chongqing) Co., Ltd.	Production of laptop computer keyboards and related products	USD 17,400	2	-	-	-	-	402,985	100%	402,937	1,832,164	1,195,595	Notes 3、4 and 5	
Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Production and operation of plastic molds, computer (phone) keyboards and plastic injection molding	USD 28,680	2	343,948	-	-	343,948	(41,160)	50%	(41,142)	1,803,597	-	Note 5	
Sunrex Technoloy (Jiangxi) Co., Ltd	Production and operation of plastic molds, computer (phone) keyboards and plastic injection molding	USD 16,769	3	-	-	-	-	35,450	50%	35,450	1,021,685	-	Notes 2 and 5	
KAI ZHAO (SUZHOU)DIAN ZI YOU XIAN GONG SI	Production of laptop computer keyboards and related products	CNY 10,000	3	-	-	-	-	15,011	100%	15,011	83,704	-		
		Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA											
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023													
Sunrex Technology Corp.	\$ 1,184,032	\$ 1,398,439	\$ 5,632,119											

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others.

Note 2: The paid-in capital included USD 7,249 of capitalisation of earnings by Jing Mold Electronic Technology (Shenzhen) Co., Ltd. and USD 9,520 of capitalisation of loans in 2009.

Note 3: The MOEA has approved the Company to reinvest Sunrex Technology (Chongqing) Co., Ltd. with the earnings that the investees in Mainland China remitted back to existing companies in the third area in the amount of USD 17,400 on September 20, 2010, August 1, 2011 and June 25, 2013.

Note 4: Net income of investee as of December 31, 2023 included sidestream and upstream unrealised gains or losses.

Note 5: Investment income (loss) recognised by the Company for the year ended December 31, 2023 was recognised based on the audited financial statements.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
MAJOR SHAREHOLDERS INFORMATION
DECEMBER 31, 2023

Table 9

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Tsai, Huo-Lu	38,476,233	19.70%
Tsai Tseng, Shu-Ping	23,221,253	11.89%