SYNCOMM TECHNOLOGY CORP.

INDIVIDUAL FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2024 AND 2023

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.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying balance sheets of Syncomm Technology Corp. (the "Company") as at December 31, 2024 and 2023, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company’s 2024 financial statements. These matters were addressed in the context of our audit of the 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 Company’s 2024 financial statements are stated as follows:

Key audit matter - Allowance for inventory valuation losses

<u>Description</u>

The Company designs, manufactures and sells wireless audio control chips, modules and its related products. Please refer to Notes 4(11), 5(2) and 6(5) for the information relating to accounting policy, accounting estimates and assumptions, and allowance for inventory valuation losses. The Company’s percentage of inventories to total assets is significant and the industry is characterised by rapidly evolving technology. The valuation of obsolete inventory is mainly based on the market demand of such items in the future for a specific period, and the calculation of the net realisable value involves subjective judgment, which would result in a high degree of estimation uncertainty. As there might be material changes to the evaluation, we considered the valuation of inventory as a key audit matter.

<u>How our audit addressed the matter</u>

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

1. Assessed the reasonableness of provision policies relating to allowance for inventory valuation losses based on our understanding of the Company’s business and industrial nature.

2. Tested the basis of market value used in calculating the net realisable value of individual inventory and recalculated the accuracy of its calculation.

3. Validated the accuracy of the inventory aging report.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from error or fraud 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Huang, Pei-Chuan　　　　　　　　Chen, Ching Chang

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 6, 2025

The accompanying individual 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 individual 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.

SYNCOMM TECHNOLOGY CORP.
INDIVIDUAL BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 67,545	9	$ 224,433	33
1110	Financial assets at fair value through profit or loss - current	6(2)	151,883	20	179,565	26
1136	Financial assets at amortised cost - current	6(3)	266,480	35	106,500	16
1170	Accounts receivable, net	6(4)	23,356	3	16,008	2
130X	Inventory	6(5)	64,017	9	87,658	13
1479	Other current assets	7 and 8	8,011	1	13,276	2
11XX	**Total current assets**		581,292	77	627,440	92
	Non-current assets					
1600	Property, plant and equipment	6(6) and 7	24,702	3	3,177	1
1755	Right-of-use assets	6(7)	5,878	1	12,062	2
1780	Intangible assets	6(8) and 7	90,441	12	5,464	1
1840	Deferred income tax assets	6(20)	8,714	1	7,776	1
1900	Other non-current assets	6(3)(9)(11), 7 and 8	45,086	6	22,660	3
15XX	**Total non-current assets**		174,821	23	51,139	8
1XXX	**Total assets**		$ 756,113	100	$ 678,579	100

(Continued)

SYNCOMM TECHNOLOGY CORP.
INDIVIDUAL BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current liabilities					
2170	Accounts payable		$ 17,915	2	$ 18,713	3
2180	Accounts payable - related parties	7	-	-	4,111	-
2200	Other payables	6(10)	29,300	4	33,859	5
2220	Other payables - related parties	7	126	-	10	-
2280	Current lease liabilities	6(7)	5,983	1	6,187	1
2300	Other current liabilities		257	-	244	-
21XX	**Total current liabilities**		53,581	7	63,124	9
	Non-current liabilities					
2570	Deferred income tax liabilities	6(20)	160	-	193	-
2580	Non-current lease liabilities	6(7)	-	-	5,983	1
2670	Other non-current liabilities		-	-	1,579	-
25XX	**Total non-current liabilities**		160	-	7,755	1
2XXX	**Total liabilities**		53,741	7	70,879	10
	Equity					
	Share capital	6(13)				
3110	Common stock		443,980	59	418,980	62
	Capital surplus	6(14)				
3200	Capital surplus		212,149	28	174,146	26
	Retained earnings	6(15)				
3310	Legal reserve		13,819	2	13,819	2
3350	Unappropriated retained earnings		33,692	4	6,548	1
	Other equity interest					
3400	Other equity interest		(1,268)	-	(5,793)	(1)
3XXX	**Total equity**		702,372	93	607,700	90
	Significant Contingent Liabilities and Unrecognised Contract Commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 756,113	100	$ 678,579	100

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

SYNCOMM TECHNOLOGY CORP.
INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amount)

			Year ended December 31			
			2024		2023	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(16)	$ 345,263	100	$ 219,393	100
5000	Operating costs	6(5) and 7	(180,878)	(52)	(116,316)	(53)
5900	Net operating margin		164,385	48	103,077	47
	Operating expenses	6(19) and 7				
6100	Selling expenses		(28,888)	(8)	(24,364)	(11)
6200	General and administrative expenses		(36,285)	(11)	(32,350)	(15)
6300	Research and development expenses		(79,993)	(23)	(73,718)	(34)
6450	Expected credit (loss) gain	6(4)	(2)	-	1	-
6000	Total operating expenses		(145,168)	(42)	(130,431)	(60)
6900	Operating profit (loss)		19,217	6	(27,354)	(13)
	Non-operating income and expenses					
7100	Interest income	6(3)	4,916	1	1,640	1
7010	Other income	6(17) and 7	549	-	494	-
7020	Other gains and losses	6(18)	5,285	2	2,045	1
7050	Finance costs	6(7)	(157)	-	(266)	-
7000	Total non-operating income and expenses		10,593	3	3,913	2
7900	**Profit (loss) before income tax**		29,810	9	(23,441)	(11)
7950	Income tax benefit	6(20)	961	-	934	1
8200	**Profit (loss) for the year**		$ 30,771	9	($ 22,507)	(10)
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plan	6(11)	$ 563	-	($ 48)	-
8300	**Other comprehensive income (loss) for the year**		$ 563	-	($ 48)	-
8500	**Total comprehensive income (loss) for the year**		$ 31,334	9	($ 22,555)	(10)
	Earnings (loss) per share (in dollars)	6(21)				
9750	Basic earnings (loss) per share		$ 0.72		($ 0.70)	
9850	Diluted earnings (loss) per share		$ 0.71		($ 0.70)	

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

SYNCOMM TECHNOLOGY CORP.
INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Retained Earnings: Legal reserve	Retained Earnings: Unappropriated retained earnings	Other equity - others	Total equity
Year ended December 31, 2023							
Balance at January 1, 2023		$ 316,070	$ 9,768	$ 7,125	$ 83,658	($ 8,803)	$ 407,818
Loss for the year		-	-	-	(22,507)	-	(22,507)
Other comprehensive loss	6(11)	-	-	-	(48)	-	(48)
Total comprehensive loss for the year		-	-	-	(22,555)	-	(22,555)
Appropriations and distribution of 2022 retained earnings:	6(15)						
Legal reserve		-	-	6,694	(6,694)	-	-
Cash dividends		-	-	-	(47,861)	-	(47,861)
Cash capital increase	6(13)(14)	100,000	160,000	-	-	-	260,000
Share-based payment transactions	6(12)	2,910	4,378	-	-	3,010	10,298
Balance at December 31, 2023		$ 418,980	$ 174,146	$ 13,819	$ 6,548	($ 5,793)	$ 607,700
Year ended December 31, 2024							
Balance at January 1, 2024		$ 418,980	$ 174,146	$ 13,819	$ 6,548	($ 5,793)	$ 607,700
Profit for the year		-	-	-	30,771	-	30,771
Other comprehensive income	6(11)	-	-	-	563	-	563
Total comprehensive income for the year		-	-	-	31,334	-	31,334
Appropriation and distribution of 2023 retained earnings:	6(15)						
Cash dividends		-	-	-	(4,190)	-	(4,190)
Capital surplus used to issue cash to shareholders	6(14)(15)	-	(29,329)	-	-	-	(29,329)
Cash capital increase	6(13)(14)	25,000	66,617	-	-	-	91,617
Share-based payment transactions	6(12)	-	715	-	-	4,525	5,240
Balance at December 31, 2024		$ 443,980	$ 212,149	$ 13,819	$ 33,692	($ 1,268)	$ 702,372

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

SYNCOMM TECHNOLOGY CORP.
INDIVIDUAL STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax		$ 29,810	($ 23,441)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7)(19)	8,234	8,348
Amortisation	6(8)(19)	2,723	2,683
Expected credit loss (gain)	6(4)	2	(1)
Net gain on financial assets at fair value through profit or loss	6(2)(18)	(2,318)	(2,093)
Interest expense	6(7)	157	266
Interest income		(4,916)	(1,640)
Share-based payments	6(12)(19)	5,240	10,298
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		30,000	(10,000)
Accounts receivable, net		(7,350)	3,428
Inventory		23,641	11,162
Other current assets		7,140	(775)
Changes in operating liabilities			
Accounts payable		(798)	(1,971)
Accounts payable - related parties		(4,111)	(6,852)
Other payables		(4,778)	(12,629)
Other payables to related parties		116	(1,656)
Other current liabilities		13	(86)
Cash inflow (outflow) generated from operations		82,805	(24,959)
Interest received		4,916	1,640
Interest paid		(157)	(266)
Income taxes paid		(10)	(616)
Net cash flows from (used in) operating activities		87,554	(24,201)
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in financial assets at amortised cost - current		(159,980)	(10,000)
Acquisition of property, plant and equipment	6(22)	(37,282)	(3,299)
Acquisition of intangible assets	6(22)	(98,973)	(9,466)
Increase in guarantee deposits paid (shown as other non-current assets)		(50)	(265)
Increase in other non-current assets		(68)	(78)
Net cash flows used in investing activities		(296,353)	(23,108)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease liabilities	6(23)	(6,187)	(6,345)
Cash dividends paid	6(15)	(4,190)	(47,861)
Capital surplus used to issue cash to shareholders	6(14)(15)	(29,329)	-
Proceeds from issuance of shares		91,617	260,000
Net cash flows from financing activities		51,911	205,794
Net (decrease) increase in cash and cash equivalents		(156,888)	158,485
Cash and cash equivalents at beginning of year		224,433	65,948
Cash and cash equivalents at end of year		$ 67,545	$ 224,433

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

SYNCOMM TECHNOLOGY CORP.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

Syncomm Technology Corp. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) in January 1998. The Company was listed on the Taiwan Innovation Board of the Taiwan Stock Exchange on June 27, 2024. The Company is primarily engaged in the research, development, design, manufacture and sales of wireless audio control chips and modules.

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

These financial statements were authorised for issuance by the Board of Directors on March 6, 2025.

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 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 Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
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
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards-Volume 11	January 1, 2026

Except for IFRS 18 "Presentation and Disclosure in Financial Statements" below which is yet to be assessed, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment:
IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

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

(1) Compliance statement

The financial statements of the Company 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 financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Defined benefit assets 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 judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(3) Foreign currency translation

A. The financial statements are presented in New Taiwan dollars, which is the Company's functional and the Company's presentation currency.

B. 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 based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as 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.

The Company classifies all assets that do not meet the above criteria as non-current assets.

B. Liabilities that meet one of the following criteria are classified as 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) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

The Company classifies all liabilities that do not meet the above criteria as non-current liabilities.

(5) 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. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) 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 trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

(7) 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 Company'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 Company 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 Company'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.

(8) Accounts receivable

A. Accounts receivable entitles the Company 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.

(9) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost, at each reporting date, the Company 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 that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

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

(11) 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, supplies and related production overheads. 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.

(12) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. 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:

Office equipment	3 ～ 5 years
Testing equipment	3 ～ 5 years
Other equipment	3 ～ 10 years

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

A. Leases are recognised 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 Company. For short-term leases or leases of low-value assets, lease payments are recognised 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 fixed payments, less any lease incentives receivable. The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised 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;

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.

(14) Intangible assets

A. Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 years.

B. Acquired special technology are stated at cost and amortised on a straight-line basis over its estimated useful life of 10 years.

(15) Impairment of non-financial assets

The Company 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 recognised 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. When the circumstances or reasons for recognising 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 amortised historical cost would have been if the impairment had not been recognised.

(16) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(17) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(18) 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 plan

For the defined contribution plan, 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 plan

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 government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on the defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' 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.

(19) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

(a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.

(b) For restricted stocks where employees acquire those stocks at no consideration, if employees resign during the vesting period, they must return the stocks to the Company and the Company will redeem at no consideration and retire those stocks.

(20) 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 operates and generates 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 recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. 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 realised 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 and tax losses can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(21) Share capital

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.

(22) Dividends

Dividends are recorded in the Company’s financial statements in the period in which they are approved by the Company’s Board of Directors. Cash dividends are recorded as liabilities.

(23) Revenue recognition

A. The Company manufactures and sells the products related to wireless audio control chips and modules. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and 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 Company has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue from these sales is recognised based on the price specified in the contract, net of business tax, sales returns and volume discounts and allowances. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. The credit terms on sales are payment before shipment or 15~30 days after monthly billings, which is consistent with market practice. Therefore, the contract does not include a significant financing component.

C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

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

The preparation of these financial statements requires management to make critical judgements in applying the Company'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. The related information is addressed below:

(1) Critical judgements in applying the Company'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 Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company 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. Since the net realisable values used in valuation of inventories and the basis for assessing the loss for obsolete and slow-moving inventories often involve subjective judgement resulting in high degree of estimation uncertainty, and considering the allowance for inventory valuation losses is material to financial statements, therefore, there might be material changes to the evaluation.

As of December 31, 2024, the carrying amount of inventories was $64,017.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and petty cash	$ 160	$ 326
Demand and checking deposits	49,353	54,896
Time deposits	18,032	169,211
	$ 67,545	$ 224,433

A. The above time deposits are highly liquid investments with maturity within three months.

B. The Company 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.

C. The Company has no cash and cash equivalents pledged to others.

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

Items	December 31, 2024	December 31, 2023
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 146,265	$ 175,000
Valuation adjustments	5,618	4,565
	$ 151,883	$ 179,565

A. The Company recognised net gain amounting to $2,318 and $2,093 on financial assets at fair value through profit or loss for the years ended December 31, 2024 and 2023, respectively.

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

C. 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, 2024	December 31, 2023
Current items:		
Time deposits with original maturity over three months	$ 266,480	$ 106,500
Non-current items:		
Pledged time deposits (Note)	$ 1,000	$ 1,000

Note: Shown as other non-current assets. Refer to Note 6(9).

A. As of December 31, 2024 and 2023, 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 Company was the carrying amount of the financial assets.

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

	Year ended December 31	
	2024	2023
Interest income	$ 3,672	$ 1,060

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

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Company's investments in certificates of deposits are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(4) Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable	$ 23,363	$ 16,013
Less: Allowance for uncollectible accounts	(7)	(5)
	$ 23,356	$ 16,008

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

	December 31, 2024	December 31, 2023
Not past due	$ 23,363	$ 16,013

The above ageing analysis was based on past due date.

B. As of December 31, 2024, December 31, 2023, and January 1, 2023, the balances of accounts receivable from contracts with customers amounted to $23,363, $16,013, and $19,441, respectively. As of the end of the reporting period, without taking into account any collateral held or other credit enhancements, the maximum credit risk in relation to the financial loss arising from unsatisfied performance obligation of the counterparties is the carrying amount of the financial assets.

C. The Company has no accounts receivable pledged to others.

D. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	Year ended December 31	
	2024	2023
At January 1	$ 5	$ 6
Provision for (reversal of) impairment loss	2	(1)
At December 31	$ 7	$ 5

For provisioned loss in 2024 and 2023, the impairment (losses) gains arising from customers' contracts are ($2) and $1, respectively.

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

(5) Inventories

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 22,179	($ 1,508)	$ 20,671
Work in progress	31,525	(1,558)	29,967
Finished goods	25,238	(12,357)	12,881
Inventory in transit	498	-	498
	$ 79,440	($ 15,423)	$ 64,017

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 60,835	($ 2,253)	$ 58,582
Work in progress	19,719	(1,387)	18,332
Finished goods	23,989	(13,245)	10,744
	$ 104,543	($ 16,885)	$ 87,658

A. The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2024	2023
Cost of goods sold	$ 181,167	$ 114,277
(Gain on reversal of) inventory valuation losses	(289)	2,039
	$ 180,878	$ 116,316

The gain from price recovery was caused by the disposal of obsolete inventories in 2024.

B. The Company has no inventory pledged to others.

(6) Property, plant and equipment

	2024			
	Office equipment	Testing equipment	Other equipment	Total
At January 1				
Cost	$ 2,011	$ 3,125	$ 251	$ 5,387
Accumulated depreciation	(1,030)	(1,018)	(162)	(2,210)
	$ 981	$ 2,107	$ 89	$ 3,177
Opening net book amount as at January 1	$ 981	$ 2,107	$ 89	$ 3,177
Additions	1,101	802	21,672	23,575
Depreciation charge	(620)	(988)	(442)	(2,050)
Closing net book amount as at December 31	$ 1,462	$ 1,921	$ 21,319	$ 24,702
At December 31				
Cost	$ 2,502	$ 3,579	$ 21,725	$ 27,806
Accumulated depreciation	(1,040)	(1,658)	(406)	(3,104)
	$ 1,462	$ 1,921	$ 21,319	$ 24,702

	2023			
	Office equipment	Testing equipment	Other equipment	Total
At January 1				
Cost	$ 1,896	$ 2,566	$ 198	$ 4,660
Accumulated depreciation	(828)	(987)	(86)	(1,901)
	$ 1,068	$ 1,579	$ 112	$ 2,759
Opening net book amount as at January 1	$ 1,068	$ 1,579	$ 112	$ 2,759
Additions	452	1,812	53	2,317
Depreciation charge	(539)	(1,284)	(76)	(1,899)
Closing net book amount as at December 31	$ 981	$ 2,107	$ 89	$ 3,177
At December 31				
Cost	$ 2,011	$ 3,125	$ 251	$ 5,387
Accumulated depreciation	(1,030)	(1,018)	(162)	(2,210)
	$ 981	$ 2,107	$ 89	$ 3,177

A. The Company’s property, plant and equipment are owner-occupied.

B. The Company has no property, plant and equipment pledged to others.

(7) Lease transactions－lessee

	December 31, 2024	December 31, 2023
Right-of-use assets:		
Offices	$ 5,823	$ 11,952
Parking spaces	55	110
	$ 5,878	$ 12,062
Lease liability:		
Current	$ 5,983	$ 6,187
Non-current	-	5,983
	$ 5,983	$ 12,170

A. The Company leases various assets including offices and parking spaces. Rental contracts are typically made for periods of 2 to 3 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. Short-term leases with a lease term of 12 months or less comprise certain offices and parking spaces.

C. The depreciation charge on right-of-use assets is as follows:

	Year ended December 31	
	2024	2023
Offices	$ 6,129	$ 6,381
Parking spaces	55	68
	$ 6,184	$ 6,449

D. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were $0 and $18,246, respectively.

E. The information on profit or loss in relation to lease contracts is as follows:

	Year ended December 31	
	2024	2023
Items affecting profit or loss		
Interest expense on lease liabilities	$ 157	$ 266
Expense on short-term lease contracts	2,198	1,736

F. For the years ended December 31, 2024 and 2023, the Company's total cash outflow for leases were $8,542 and $8,347, respectively.

(8) Intangible assets

	2024			2023
	Computer Software	Acquired special technology	Total	Computer Software
At January 1				
Cost	$ 8,702	$ -	$ 8,702	$ 8,953
Accumulated amortisation	(3,238)	-	(3,238)	(1,513)
	$ 5,464	$ -	$ 5,464	$ 7,440
Opening net book amount as at January 1	$ 5,464	$ -	$ 5,464	$ 7,440
Additions (Note)	907	86,793	87,700	707
Amortisation charge	(2,678)	(45)	(2,723)	(2,683)
Closing net book amount as at December 31	$ 3,693	$ 86,748	$ 90,441	$ 5,464
At December 31				
Cost	$ 8,792	$ 86,793	$ 95,585	$ 8,702
Accumulated amortisation	(5,099)	(45)	(5,144)	(3,238)
	$ 3,693	$ 86,748	$ 90,441	$ 5,464

Note: In June 2024, the Company acquired special technology amounting to $86,493 as approved by the Board of Directors in April 2024. As of December 31, 2024, the acquired special technology has not yet been amortised because the manufacturer has not confirmed the new specifications of Higher Data Throughput to provide an updated version. The Company obtained the updated version of the abovementioned acquired special technology in February 2025.

A. Details of amortisation change on intangible assets are as follows:

	Year ended December 31	
	2024	2023
General and administrative expenses	$ 291	$ 280
Research and development expenses	2,432	2,403
	$ 2,723	$ 2,683

B. The Company has no intangible asset pledged to others.

(9) Other non-current assets

	December 31, 2024	December 31, 2023
Prepayments for intangible assets	$ 16,159	$ 6,465
Prepayments for machinery and equipment	13,951	25
Net defined benefit asset	6,279	5,648
Other prepayments	5,625	7,500
Guarantee deposits paid	2,072	2,022
Pledged time deposits	1,000	1,000
	$ 45,086	$ 22,660

(10) Other payables

	December 31, 2024	December 31, 2023
Salary and bonus payable	$ 19,428	$ 25,425
Employees' dividends and directors' remuneration payable	2,591	-
Service fees payable	3,175	3,613
Insurance expense payable	1,119	1,054
Payable on intangible assets	1,580	1,580
Payable on machinery and equipment	219	-
Others	1,188	2,187
	$ 29,300	$ 33,859

(11) Pensions

A. (a) The Company 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 Labor Standards Act. Under the defined benefit pension plan, 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 Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by 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, 2024	December 31, 2023
Present value of defined benefit obligations	($ 1,442)	($ 1,369)
Fair value of plan assets	7,721	7,017
Net defined benefit asset (Note)	$ 6,279	$ 5,648

Note: Shown as other non-current assets.

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit asset
2024			
At January 1	($ 1,369)	$ 7,017	$ 5,648
Interest (expense) income	(16)	84	68
	(1,385)	7,101	5,716
Remeasurements:			
Return on plan assets (Note)	-	620	620
Change in financial assumptions	50	-	50
Experience adjustments	(107)	-	(107)
	(57)	620	563
At December 31	($ 1,442)	$ 7,721	$ 6,279

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit asset
2023			
At January 1	($ 1,282)	$ 6,901	$ 5,619
Interest (expense) income	(19)	96	77
	(1,301)	6,997	5,696
Remeasurements:			
Return on plan assets (Note)	-	20	20
Change in financial assumptions	(25)	-	(25)
Experience adjustments	(43)	-	(43)
	(68)	20	(48)
At December 31	($ 1,369)	$ 7,017	$ 5,648

Note: Excluding amounts included in interest income or expense.

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's 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, 2024 and 2023 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	
	2024	2023
Discount rate	1.60%	1.20%
Future salary increases	4.50%	4.50%

Assumptions regarding future mortality experience are set based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2024 and 2023.

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, 2024				
Effect on present value of defined benefit obligation	($ 30)	$ 31	$ 26	($ 26)

	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	($ 32)	$ 33	$ 28	($ 28)

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) The Company discontinued contributing to the pension fund starting from the year ending December 31, 2015 given the sufficiency of the pension fund.

(g) As of December 31, 2024, the weighted average duration of the retirement plan is 9 years.

B. (a) 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 contributes 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) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2024 and 2023 were $3,229 and $3,122, respectively.

(12) Share-based payment

A. As of December 31, 2024, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Number of shares subscribable per unit (in shares)	Contract period	Vesting conditions
Cash capital increase reserved for employee preemption	2024.06.18	80 thousand units	1	Not applicable	Vested immediately (Note 3)
Cash capital increase reserved for employee preemption	2023.10.16	1,090 thousand units	1	Not applicable	Vested immediately (Note 3)
Restricted stocks to employees (Note 1)	2023.02.01	300 thousand units	1	3 years	Note 2
Restricted stocks to employees (Note 1)	2022.03.17	700 thousand units	1	3 years	Note 2

The restricted shares issued by the Company cannot be sold, pledged, transferred, donated, collateralised, or disposed in any other method before reaching the vesting conditions.

Note 1: The dividend right is not restricted on the restricted stocks issued by the Company before reaching the vesting conditions. However, the voting right on these stocks is entrusted to a trust custodial institution to be exercised on behalf of the employees, and there is no right to participate in the distribution of stock dividends and the subscription of stocks.

Note 2: For the employees whose services have reached 1 year, 2 years and 3 years since the allocation of restricted stocks and who achieved the target performance, the shares will become vested at the ratio of 30%, 35% and 35%, respectively.

Note 3: For certain employees, 50% will be vested after six months of service starting from the effective date of capital increase, and the remaining 50% will be vested after one year of service starting from the effective date of capital increase.

The above share-based payment arrangements are settled by equity.

B. Details of the abovementioned restricted shares to employees are as follows:

	Year ended December 31	
	2024	2023
	Quantity (in thousand units)	Quantity (in thousand units)
Employee restricted shares at January 1	790	700
Number of shares issued during the year	-	300
Number of shares vested during the year	(335)	(201)
Number of shares retired during the year	-	(9)
Employee restricted shares at December 31	455	790

C. The information relating to the fair value of share-based payment arrangements granted by the Company is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Excepted dividends	Risk-free interest rate	Fair value (in dollars)
Cash capital increase reserved for employee preemption	2024.06.18	$42.43	$33.50	32.64%	0.02 year	-	1.32%	$8.94
Cash capital increase reserved for employee preemption	2023.10.16	$26.31	$26.00	31.43%	0.07 year	-	0.95%	$1.04
Restricted stocks to employees	2023.02.01	$22.62	-			Note		$22.62
Restricted stocks to employees	2022.03.17	$25.49	-			Note		$25.49

Note: The Company issued employee restricted shares with a par value of NT$10 (in dollars) per share, and the issuance price was NT$0 (in dollars) per share (without consideration). The fair value was measured based on the Company's closing price at the grant date and took into account the restrictions on dividends collection.

D. The compensation costs recognised for the above share-based payment arrangements for the years ended December 31, 2024 and 2023 were $5,240 and $10,298, respectively.

(13) Share capital

A. As of December 31, 2024, the Company's authorised capital was $1,000,000, consisting of 100,000 thousand shares of ordinary stock, and the paid-in capital was $443,980 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2024	2023
At January 1 (Note)	41,898,001	31,607,001
Cash capital increase	2,500,000	10,000,000
Issuance of employee restricted shares	-	300,000
Retirement of employee restricted shares	-	(9,000)
At December 31 (Note)	44,398,001	41,898,001

Note: As of December 31, 2024, December 31, 2023 and January 1, 2023, the number of employee restricted shares issued but not yet vested were 455 thousand shares, 790 thousand shares and 700 thousand shares, respectively.

B. On April 23, 2024, the Board of Directors of the Company resolved to increase its capital by issuing 2,500 thousand ordinary shares with a par value of NT$10 (in dollars) per share in order to cooperate with the public underwriting before the Company's initial listing on the Taiwan Innovation Board. The capital increase was set effective on June 25, 2024, and the registration for the change has been completed.

C. On September 19, 2023, the Board of Directors of the Company resolved to increase its capital by issuing 10,000 thousand ordinary shares with a par value of NT$10 (in dollars) per share, at an issuance price of NT$26 (in dollars) per share. The capital increase was set effective on November 15, 2023, and the registration for the change has been completed.

D. Employee restricted shares

In order to attract and retain professionals as well as create high profit for the Company and shareholders, on February 14, 2022, the Company's shareholders resolved to issue employee restricted shares at no consideration. The effective date was set on March 17, 2022 and February 1, 2023, with a total issuance of 1,000 thousand shares. The vesting conditions for the restricted shares require the employees to meet the standards set for seniority and annual performance appraisal. If employees do not meet the vesting condition, the Company has the right to redeem and retire their stocks at no consideration. As of December 31, 2024, a total of 1,000 thousand shares were issued, of which 536 thousand shares were vested and 9 thousand shares were retired.

(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.

	2024		
	Share premium	Employee restricted shares	Total
At January 1	$ 164,093	$ 10,053	$ 174,146
Cash capital increase	66,617	-	66,617
Capital surplus used to issue cash to shareholders	(29,329)	-	(29,329)
Share-based payment	5,216	(4,501)	715
At December 31	$ 206,597	$ 5,552	$ 212,149

	2023		
	Share premium	Employee restricted shares	Total
At January 1	$ -	$ 9,768	$ 9,768
Cash capital increase	160,000	-	160,000
Share-based payment	4,093	285	4,378
At December 31	$ 164,093	$ 10,053	$ 174,146

(15) Retained earnings/Events after the balance sheets date

A. Under the Company's Articles of Incorporation, the current year's net profit after tax, if any, shall first be used to pay all taxes and offset accumulated deficit and then 10% of the remaining amount shall be set aside as legal reserve until the accumulated legal reserve equals the total capital stock balance. A special reserve is set aside or reversed in accordance with regulations or the competent authority. The remainder, if any, along with the beginning unappropriated earnings, shall be proposed by the Board of Directors and be resolved by the shareholders.

B. The Company's dividend policy is summarised below: Based on the Company's future capital requirements and long-term operating plan, the total amount of stockholders' dividends should not exceed 90% of the total distributable earnings. The stockholders' dividends shall be preferably distributed in the form of cash dividends, and can be distributed in the form of stock dividends. However, stock dividends shall be distributed no higher than 50% of total dividends.

C. The Board of Directors is authorised by the Company to resolve the distribution of dividends and bonuses or legal reserve and capital surplus, in whole or in part, in the form of cash by the resolution adopted by a majority vote at its meeting attended by two-thirds of the total number of directors, and then reported to the shareholders.

D. 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.

E. 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.

F. The appropriations of 2023 and 2022 earnings and the distribution of cash dividends from capital surplus as resolved by the Board of Directors of the Company on March 5, 2024 and March 13, 2023, respectively, are as follows:

	2023		2022	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ -		$ 6,694	
Cash dividends	4,190	$ 0.1	47,861	$ 1.5
	$ 4,190		$ 54,555	

	2023	
	Amount	Cash distributed per share (in dollars)
Capital surplus used to issue cash to shareholders	$ 29,329	$ 0.7

The above appropriations of 2023 and 2022 earnings and the distribution of cash dividends from capital surplus had been reported to the shareholders on April 17, 2024 and June 13, 2023, respectively. The legal reserve for 2022 has been resolved by the shareholders on June 13, 2023.

G. Events after the balance sheets date

The appropriations of 2024 earnings and the distribution of cash dividends from capital surplus as resolved by the Board of Directors of the Company on March 6, 2025 are as follows:

	2024	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 3,133	
Cash dividends	17,751	$ 0.4
	$ 20,884	

	2024	
	Amount	Cash distributed per share (in dollars)
Capital surplus used to issue cash to shareholders	$ 26,626	$ 0.6

As of March 6, 2025, the aforementioned appropriations of 2024 earnings and the distribution of cash dividends from capital surplus have not yet been reported to the shareholders.

(16) Operating revenue

A. The Company derives revenue from the transfer of goods at a point in time in the following major product types:

	Year ended December 31	
	2024	2023
Revenue from contracts with customers		
Sales revenue		
- Chips	$ 146,973	$ 56,326
- Modules	198,185	163,033
- Others	105	34
Total	$ 345,263	$ 219,393

B. As of December 31, 2024, December 31, 2023 and January 1, 2023, the Company did not have contract revenue-related contract liabilities.

(17) Other income

	Year ended December 31	
	2024	2023
Rental revenue	$ 307	$ 378
Other income	242	116
	$ 549	$ 494

(18) Other gains and losses

	Year ended December 31	
	2024	2023
Net foreign exchange gains (losses)	$ 2,967	($ 48)
Net gains on financial assets at fair value through profit or loss	2,318	2,093
	$ 5,285	$ 2,045

(19) Expenses by nature

	Year ended December 31	
	2024	2023
Employee benefit expense (shown as operating expenses)		
Wages and salaries	$ 70,516	$ 64,735
Share-based payment	5,240	10,298
Labour and health insurance fees	5,687	5,812
Pension costs	3,229	3,122
Directors' emoluments	7,629	4,190
Other personnel expenses	2,477	2,049
	$ 94,778	$ 90,206
Depreciation charges	$ 8,234	$ 8,348
Amortisation charges	$ 2,723	$ 2,683

A. For the years ended December 31, 2024 and 2023, the Company had an average of 61 employees, which included 8 non-employee directors for both years.

B. For the years ended December 31, 2024 and 2023, the average employee benefit expense and the average employees' salaries were $1,644, $1,623, $1,429 and $1,416, respectively, and the adjustment of average employees' salaries was 0.96%.

C. The Company has no supervisors' emolument as it has set up the audit committee.

D. 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 5% for employees' compensation and shall not be higher than 3% for directors' remuneration.

E. Employees' compensation and directors' remuneration were accrued as follows, which were recognised in salary expenses:

	Year ended December 31	
	2024	2023
Employees' compensation	$ 1,621	$ -
Directors' remuneration	970	-
	$ 2,591	$ -

For the year ended December 31, 2024, the employees' compensation and directors' remuneration were estimated and accrued based on the distributable profit of current year as of the end of reporting period in accordance with the Company's Articles of Incorporation.

For the year ended December 31, 2023, the Company generated loss before tax, and thus did not accrue employees' compensation and directors' remuneration.

On March 6, 2025, the amounts of directors' remuneration and employees' compensation for the year ended December 31, 2024 as approved by the Board of Directors were the same as the amounts accrued in the 2024 financial statements. The employees' compensation will be distributed in the form of cash.

F. The Company has set up a remuneration committee. Salary and remuneration of the directors and managers were determined as approved by the remuneration committee and resolved by the Board of Directors after taking into consideration their participation frequency and contribution to the Company's operations as well as annual goal achievement and performance contribution.

G. Remuneration of employees includes monthly salaries, bonuses and employees' compensation. The salary standard of the employees is determined based on the position, education and experience background, professional knowledge and market value. Starting salary and rewards do not vary according to gender, religion, political affiliation, marital status, etc. The average budget for salary increases is about 3-5% based on the Company's operating performance every year. The employee salary adjustment and compensation distribution were determined according to the employees' position, contribution and performance to ensure that the employees' salary is in line with the market condition and fairness, and to encourage the employees to focus on long-term contribution to, and build mutual benefit and prosperity with, the Company.

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

(20) Income tax

A. Components of income tax benefit:

	Year ended December 31	
	2024	2023
Current tax:		
Prior year income tax under (over) estimate	$ 10	($ 219)
Deferred tax:		
Origination and reversal of temporary differences	(971)	(715)
Income tax benefit	($ 961)	($ 934)

B. Reconciliation between income tax benefit and accounting profit:

	Year ended December 31	
	2024	2023
Tax calculated based on profit (loss) before tax and statutory tax rate	$ 5,962	($ 4,688)
Taxable loss not recognised as deferred tax assets	-	4,633
Tax exempt income by tax regulation	(357)	(160)
Change in assessment of realisation of deferred tax assets	(6,576)	(500)
Prior year income tax under (over) estimate	10	(219)
	($ 961)	($ 934)

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

	2024		
	January 1	Recognised in profit or loss	December 31
Deferred tax assets:			
Temporary differences:			
Allowance for valuation loss on inventory losses	$ 3,377	($ 292)	$ 3,085
Others	-	132	132
Tax losses	4,399	1,098	5,497
	7,776	938	8,714
Deferred tax liabilities:			
Temporary differences:			
Unrealised exchange gain	(193)	33	(160)
	$ 7,583	$ 971	$ 8,554

	2023		
	January 1	Recognised in profit or loss	December 31
Deferred tax assets:			
Temporary differences:			
Allowance for valuation loss on inventory losses	$ 2,969	$ 408	$ 3,377
Tax losses	3,899	500	4,399
	6,868	908	7,776
Deferred tax liabilities:			
Temporary differences:			
Unrealised exchange gain	-	(193)	(193)
	$ 6,868	$ 715	$ 7,583

The Company recognises deferred tax assets to the extent that future taxable income will be available against which the unused tax losses can be utilised.

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2024				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	$ 53,220	$ 17,790	$ -	2025
2016	70,801	70,801	66,505	2026
2017	16,143	16,143	16,143	2027
2023	23,168	23,168	23,168	2033
	$ 163,332	$ 127,902	$ 105,816	

December 31, 2023				
Year incurred	Amount assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	$ 53,220	$ 45,182	$ 23,188	2025
2016	70,801	70,801	70,801	2026
2017	16,143	16,143	16,143	2027
2023	23,168	23,168	23,168	2033
	$ 163,332	$ 155,294	$ 133,300	

E. The Company’s income tax returns through 2022 have been assessed and approved by the Tax Authority.

(21) Earnings (loss) per share

	Year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit	$ 30,771	42,682	$ 0.72
Diluted earnings per share			
Profit	$ 30,771	42,682	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	46	
Employee restricted stocks	-	442	
Profit plus assumed conversion of all dilutive potential ordinary shares	$ 30,771	43,170	$ 0.71

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss	($ 22,507)	32,364	($ 0.70)
Diluted loss per share			
Loss	($ 22,507)	32,364	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation (Note)	-	-	
Employee restricted stocks (Note)	-	-	
Loss plus assumed conversion of all dilutive potential ordinary shares	($ 22,507)	32,364	($ 0.70)

Note: The employees' compensation and employee restricted stocks were not included in the calculation of the diluted loss per share as they have anti-dilutive effect.

(22) Supplemental cash flow information

Investing activities with partial cash payments

	Year ended December 31	
	2024	2023
Purchase of property, plant and equipment	$ 23,575	$ 2,317
Add: Opening balance of payables	-	982
Add: Ending balance of prepayments	13,951	25
Less: Ending balance of payables	(219)	-
Less: Opening balance of prepayments	(25)	(25)
Cash paid during the year	$ 37,282	$ 3,299

	Year ended December 31	
	2024	2023
Purchase of intangible assets	$ 87,700	$ 707
Add: Opening balance of payables	3,159	5,453
Add: Ending balance of prepayments	16,159	6,465
Less: Ending balance of payables	(1,580)	(3,159)
Less: Opening balance of prepayments	(6,465)	-
Cash paid during the year	$ 98,973	$ 9,466

(23) Changes in liabilities from financing activities

	Lease liability	
	2024	2023
At January 1	$ 12,170	$ 269
Changes in cash flow from financing activities	(6,187)	(6,345)
Changes in other non-cash items	-	18,246
At December 31	$ 5,983	$ 12,170

7. Related Party Transactions

(1) Parent and ultimate controlling party

The Company is controlled by Alcor Micro, Corp., which directly and indirectly holds 29.29% of the Company's shares. The ultimate parent and ultimate controlling party of the Company is Egis Technology Inc.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Company
Egis Technology Inc.	Ultimate parent entity
Alcor Micro, Corp.	Parent company
Gear Radio Electronics Corp.	Other related party

(3) Significant related party transactions

A. Purchases

	Year ended December 31	
	2024	2023
Purchases of goods:		
Alcor Micro, Corp.	$ -	$ 30,351
Egis Technology Inc.	257	-
Total	$ 257	$ 30,351

The prices in relation to the purchases made through related parties on behalf of the Company are determined in accordance with mutual agreement, and the payment terms are 15 to 45 days after monthly billings. For the years ended December 31, 2024 and 2023, the purchases made through related parties on behalf of the Company amounted to $234 and $28,971, respectively, and the handling fee paid to related parties for the purchases on behalf of the Company amounted to $23 and $1,380 respectively.

B. Payables to related parties

	December 31, 2024	December 31, 2023
Accounts payable		
Alcor Micro, Corp.	$ -	$ 4,111
Other payables		
Alcor Micro, Corp.	$ 126	$ 10

The other payables to related parties arise mainly from payments for expenses.

C. Prepayments (shown as other current assets - others and other non-current assets)

	December 31, 2024	December 31, 2023
Alcor Micro, Corp.	$ 100	$ -
Gear Radio Electronics Corp.	16,159	7,432
Egis Technology Inc.	514	-
Total	$ 16,773	$ 7,432

The prepayments arise mainly from prepaid rents, prepayment for purchases, prepaid trial production expenses and prepayments for intangible assets.

D. Other income

	Year ended December 31	
	2024	2023
Rental revenue		
Alcor Micro, Corp.	$ -	$ 126

The rental revenue is generated from the Company leasing the offices to Alcor Micro, Corp. The period of lease contract is from January 2023 to September 2023, and the rent is collected monthly. There was no such transaction for the year ended December 31, 2024.

E. Property transaction

	Year ended December 31	
	2024	2023
Acquisition of property, plant and equipment		
Egis Technology Inc.	$ 21,589	$ -
Acquisition of intangible assets		
Alcor Micro, Corp.	$ 650	$ 656

The above mainly consists of acquisition of computer software and other equipment.

F. Guarantee deposits paid

In June 2021, the Company signed a contract with Alcor Micro, Corporation to purchase wafers on behalf of the Company, and paid the guarantee amounting to USD$325 thousand as collateral, which had been collected on July 8, 2024. Details of the deposits pledged to others as collateral are provided in Note 8.

G. Other expenses

		Year ended December 31	
Counterparty	Description	2024	2023
Gear Radio Electronics Corp.	Research and development expenses	$ 967	$ -
Alcor Micro, Corp.	Rent expense	600	-
Alcor Micro, Corp.	Service fees	120	120
Alcor Micro, Corp.	Miscellaneous purchases	1	40
Alcor Micro, Corp.	Insurance expense	-	307
		$ 1,688	$ 467

Research and development expenses mainly consists of the expense for trial production chip.

The Company leases the offices from Alcor Micro, Corporation. The period of lease contract is within one year, and the rent is paid monthly.

H. Unrecognised contract commitments

The Company signed an intangible assets development contract with Gear Radio Electronics Corp. As of December 31, 2024, the amount contracted but not yet paid was USD $800 thousand.

(4) Key management compensation

	Year ended December 31	
	2024	2023
Short-term employee benefits	$ 17,898	$ 14,649
Post-employment benefits	303	300
Share-based payment	1,674	2,950
	$ 19,875	$ 17,899

8. Pledged Assets

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

	Book value		
Pledged asset	September 30, 2024	December 31, 2023	Purpose
Guarantee deposits paid	$ -	$ 9,979	Note 1
Pledged time deposits	1,000	1,000	Note 2
	$ 1,000	$ 10,979	

Note 1: The guarantee for the purchase of raw materials was shown as other current assets, and the guarantee deposits paid had been collected on July 8, 2024.

Note 2: The guarantee provided for customs duty on raw material imports was shown as other non-current assets.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

Refer to Note 7 for details of the Company's unrecognised contract commitments with related parties.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

(1) Refer to Note 6(15).

(2) On January 3, 2025, the Company participated in the capital increase of Transducer Star Technology Inc. with an investment of $25,000, resulting in a shareholding ratio of 17.3%.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to adjust to the most appropriate capital structure.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets at fair value through profit or loss (Note 1)	$ 151,883	$ 179,565
Financial assets at amortised cost and receivables (Note 2)	$ 361,934	$ 360,254
Financial liabilities		
Financial liabilities at amortised cost (Note 3)	$ 47,341	$ 56,693
Lease liability	$ 5,983	$ 12,170

Note 1: Represents financial assets mandatorily measured at fair value through profit or loss.

Note 2: Includes cash and cash equivalents, financial assets at amortised cost, accounts receivable, other receivables (shown as other current assets), pledged time deposits (shown as other non-current assets) and guarantee deposits paid (shown as other current assets and other non-current assets).

Note 3: Includes accounts payable (including related parties), other payables (including related parties) and other payables - non-current (shown as other non-current liabilities).

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management policy focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

(b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates internationally and is exposed to foreign exchange risk arising from various currency, primarily with respect to the USD. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). 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, 2024				
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effects on profit or loss
Financial assets					
Monetary items					
USD:NTD	$ 1,591	32.79	$ 52,171	1%	$ 522
Financial liabilities					
Monetary items					
USD:NTD	$ 202	32.79	$ 6,629	1%	$ 66

	December 31, 2023				
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effects on profit or loss
Financial assets					
Monetary items					
USD:NTD	$ 1,528	30.71	$ 46,917	1%	$ 469
Financial liabilities					
Monetary items					
USD:NTD	$ 395	30.71	$ 12,128	1%	$ 121

iii. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2024 and 2023, amounted to $2,967 and ($48), respectively.

Price risk

i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

ii. The Company's investments in equity securities comprise open-end funds. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, profit before income tax for the years ended December 31, 2024 and 2023 would have increased/decreased by $1,519 and $1,796, respectively.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company 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 contract cash flows of accounts receivable based on the agreed terms.

ii. According to the Company's credit policy, the Company 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 in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Company adopts following assumptions to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

(i) 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.

(ii) The default occurs when the contract payments are past due over 180 days.

iv. The Company classifies customer's accounts receivable in accordance with credit risk on trade. The Company applies the simplified approach using a provision matrix to estimate expected credit loss.

v. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2024 and 2023, the Company's loss allowance provided for accounts receivable which were not past due was insignificant.

(c) Liquidity risk

i. Cash flow forecasting is performed in the Company and aggregated by the treasury. The treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. Except for those listed in the table below, the Company's non-derivative financial liabilities will expire within 1 year. As of December 31, 2024 and 2023, the significant cash flows within 1 year of accounts payable and other payables are undiscounted and are in agreement with the balance of each account in the balance sheets.

December 31, 2024	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years
Non-derivative financial liabilities			
Lease liability	$ 6,031	$ -	$ -

December 31, 2023	Less than 1 year	Between 1 and 3 years	Between 3 and 5 years
Non-derivative financial liabilities			
Lease liability	$ 6,343	$ 6,031	$ -
Other payables - non-current (shown as other non-current liabilities)	-	1,579	-

(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. The fair value of the Company's investment in beneficiary certificates is included in Level 1.

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

The carrying amounts of cash and cash equivalents, financial assets at amortised cost, accounts receivable, other receivables, guarantee deposits paid, accounts payable (including related parties) and other payables (including related parties) are approximate to their fair values.

C. The Company classified 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. The Company's financial assets measured at fair value are included in Level 1.

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

The Company uses market quoted prices as the fair values (that is, Level 1), for example, the market quoted prices of open-end funds is based on the net value.

E. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.

F. For the years ended December 31, 2024 and 2023, there was no transfer into or out from Level 3.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

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

J. Significant inter-company transactions during the reporting period: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): None.

(3) Information on investments in Mainland China

A. Basic information: None.

B. Significant transactions either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Refer to table 2.

14. Segment Information

(1) General information

The Company operates business only in a single industry. The Board of Directors who allocates resources and assesses performance of the Company as a whole, has identified that the Company has only one reportable operating segment.

(2) Measurement of segment information

A. The Company's segment profit (loss) is measured with the profit before tax, which is used as a basis for the Company in assessing the performance of the operating segments. The accounting policies and accounting estimates of the operating segment are in agreement with the significant accounting policies and significant accounting estimates and assumptions summarised in Notes 4 and 5.

B. The revenue, profit (loss) and financial information from external customers reported to the chief operating decision-maker is measured in a manner consistent with the revenue, profit (loss) and financial information in the statement of comprehensive income.

(3) Information on products

Revenue from external customers is mainly from the sales of the products relating to wireless audio control chips and modules.

(4) Geographical information

Geographical information for the years ended December 31, 2024 and 2023 is as follows. Revenue is disclosed based on geographic location of customers, and non-current assets are disclosed based on geographic location of assets.

	Year ended December 31			
	2024		2023	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 169,174	$ 156,756	$ 170,161	$ 34,693
China	53,418	-	43,274	-
Korea	115,058	-	-	-
Others	7,613	-	5,958	-
	$ 345,263	$ 156,756	$ 219,393	$ 34,693

(5) Major customer information

Major customer information of the Company for the years ended December 31, 2024 and 2023 is as follows:

	Year ended December 31			
	2024		2023	
	Revenue	Percentage	Revenue	Percentage
Customer A	$ 112,794	33%	$ -	0%
Customer B	97,210	28%	78,619	36%
Customer C	71,515	21%	48,178	22%
Customer D	52,069	15%	34,869	16%
Customer E	-	0%	38,106	17%

SYNCOMM TECHNOLOGY CORP.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2024

Table 1

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, 2024 Number of shares (in thousand shares)	Book value	Ownership (%)	Fair value	Footnote
Syncomm Technology Corp.	Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss - current	3,203	$41,895	-	$41,895	
"	Jih Sun Money Market Fund	None	"	2,675	41,379	-	41,379	
"	PGIM Money Market Fund	None	"	2,294	37,817	-	37,817	
"	Allianz Global Investors Taiwan Money Market Fund	None	"	1,574	20,572	-	20,572	
"	Taishin Ta-Chong Money Market Fund	None	"	690	10,220	-	10,220	

SYNCOMM TECHNOLOGY CORP.

Major shareholders information

December 31, 2024

Table 2

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Alcor Micro, Corp.	10,887,288	24.52%
HSU YU-PING	2,650,414	5.96%
CHEN LI-CHEN	2,645,164	5.96%

SYNCOMM TECHNOLOGY CORP.
CASH AND CASH EQUIVALENTS
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Statement 1

Item	Description	Amount	
Cash on hand and petty cash			
NTD		$	111
Foreign currency	USD 1 thousand Exchange rate 32.79		33
	RMB 4 thousand Exchange rate 4.478		16
Bank deposits			
Demand deposits			
NTD			38,632
Foreign currency	USD 327 thousand Exchange rate 32.79		10,721
Time deposits			
Foreign currency (Note)	USD 550 thousand Exchange rate 32.79		18,032
		$	67,545

Note: The term of time deposits is from December 16, 2024 to January 27, 2025, and the interest rate was 4.05%~4.10%.

SYNCOMM TECHNOLOGY CORP.
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Statement 2

Name of financial instruments	Description	Unit (in thousands)	Cost	Fair value Unit price (in dollars)	Fair value Total amount	Collateral or endorsement provided
Beneficiary certificates						
PGIM Money Market Fund	Open-end fund	2,294	$ 36,265	$ 16.49	$ 37,817	None
Mega Diamond Money Market Fund	Open-end fund	3,203	40,000	13.08	41,895	None
Jih Sun Money Market Fund	Open-end fund	2,675	40,000	15.47	41,379	None
Allianz Global Investors Taiwan Money Market Fund	Open-end fund	1,574	20,000	13.07	20,572	None
Taishin Ta-Chong Money Market Fund	Open-end fund	690	10,000	14.82	10,220	None
			$ 146,265		$ 151,883	

SYNCOMM TECHNOLOGY CORP.
STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST - CURRENT
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Statement 3

Name	Range of Interest Rate	Amount	Note
Mega International Commercial Bank	1.455%	$ 150,000	Time deposits (Note)
E.SUN Commercial Bank	1.685%~1.705%	93,000	"
CTBC Bank	1.435%~1.690%	23,480	"
		$ 266,480	

Note: The term of time deposits is from May 10, 2024 to November 29, 2025.

SYNCOMM TECHNOLOGY CORP.
ACCOUNTS RECEIVABLE, NET
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Statement 4

Customer name	Amount	Note
Customer C	$ 13,659	Following business practices, we do not disclose the full name of each client.
Customer A	5,030	"
Customer B	4,104	"
Others	570	The balance of each client has not exceeded 5% of total account balance.
	23,363	
Less: Allowance for uncollectible accounts	(7)	
	$ 23,356	

SYNCOMM TECHNOLOGY CORP.
INVENTORIES
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Statement 5

Item	Description	Amount		Note
		Cost	Net realisable value	
Raw materials		$ 22,179	$ 22,510	Note 1
Work in progress		31,525	31,525	Note 2
Finished goods		25,238	48,654	Note 2
Inventory in transit		498	498	Note 1
Subtotal		79,440	$ 103,187	
Less: Allowance for inventory valuation losses		(15,423)		
		$ 64,017		

Note 1: The net realisable value is based on replacement cost.

Note 2: The net realisable value is the balance based on the selling price of the most recent period, less the costs and selling expenses required for completion.

SYNCOMM TECHNOLOGY CORP.
RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Statement 6

Item	Opening balance	Additions	Deductions	Ending balance
Cost				
Offices	$ 18,081	$ -	($ 613)	$ 17,468
Parking spaces	165	-	-	165
	18,246	$ -	($ 613)	17,633
Accumulated depreciation				
Offices	(6,129)	($ 6,129)	$ 613	(11,645)
Parking spaces	(55)	(55)	-	(110)
	(6,184)	($ 6,184)	$ 613	(11,755)
Total	$ 12,062			$ 5,878

SYNCOMM TECHNOLOGY CORP.
ACCOUNTS PAYABLE
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Statement 7

Supplier name	Amount		Note
Supplier A	$	4,443	Following business practices, we do not disclose the full name of each client.
Supplier B		3,620	"
Supplier C		1,899	"
Supplier D		1,442	"
Supplier E		1,151	"
Supplier F		999	"
Others		4,361	The balance of each supplier has not exceeded 5% of total account balance.
	$	17,915	

<u>SYNCOMM TECHNOLOGY CORP.</u>
<u>LEASE LIABILITY</u>
<u>DECEMBER 31, 2024</u>
(Expressed in thousands of New Taiwan dollars)

Statement 8

Item	Description	Lease term	Discount rate (%)	Ending balance	
Offices	For business use	2~3 years	1.78%	$	5,927
Parking spaces	For business use	3 years	1.78%		56
					5,983
Less: Classified as current portion				(	5,983)
Lease liability - non-current				$	-

SYNCOMM TECHNOLOGY CORP.
OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Statement 9

Item	Quantity (in thousand units)	Amount	Note
Chips	3,102	$ 146,973	
Modules	1,828	198,185	
Others	-	105	
		$ 345,263	

SYNCOMM TECHNOLOGY CORP.
OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Statement 10

Item	Amount	Note
Beginning raw materials	$ 60,835	
Add: Raw materials purchased for the year	62,450	
Others	437	
Less: Ending balance of raw materials	(22,677)	Note
Raw materials scrapped	(422)	
Others	(18)	
Direct raw materials	100,605	
Processing costs	56,083	
Manufacturing cost	156,688	
Add: Beginning work in progress	19,719	
Purchases	39,503	
Less: Ending work in progress	(31,525)	
Work in progress scrapped	(39)	
Others	(737)	
Cost of finished goods	183,609	
Add: Beginning finished goods	23,989	
Purchases	424	
Others	348	
Less: Ending finished goods	(25,238)	
Finished goods scrapped	(712)	
Transfers to other accounts	(851)	
Others	(546)	
Cost of products sold	181,023	
Less: Gain on reversal of inventory valuation	(289)	
Add: Others	144	
Operating costs	$ 180,878	

Note: Ending raw materials include inventory in transit of $498.

SYNCOMM TECHNOLOGY CORP.
OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Statement 11

Item	Selling expenses	General and administrative expenses	Research and development expenses	Total amount	Note
Wages and salaries	$ 13,350	$ 26,698	$ 46,566	$ 86,614	
Service fees	7,433	1,274	11,550	20,257	
Depreciation	868	2,077	5,289	8,234	
Other expenses	7,237	6,236	16,588	30,061	Note
	$ 28,888	$ 36,285	$ 79,993	$ 145,166	

Note: The balance of each expense account has not exceeded 5% of total account balance.