SynPower Co., Ltd.

Parent Company Only Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
SynPower Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of SynPower Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, parent company only changes in equity and parent company only cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company’s parent company only financial statements for the year ended December 31, 2024 were stated as follows:

Cut-off of Sales Revenue - Sales Revenue over Specific Types of Equipment

The Company generates its primary revenue from sales of automation equipment. Among these, the delivery and installation cycles for specific types of equipment are longer than others, and the sale of a single piece of equipment carries significant value. Whether such sales revenue were recognized only after fulfilling performance obligations and correctly cut-off will have a significant impact on the financial statements. Consequently, the auditor has identified the verification of the cut-off of these equipment sales as a key audit matter.

For accounting policies and relevant disclosure information related to revenue recognition, please refer to Notes 4 and 19 of the parent company only financial statements.

The main audit procedures performed by the accountant for the above matters were as follows:

1. Understanding and testing the effectiveness of internal controls over revenue recognition design and implementation. Evaluating the appropriateness of management's adopted revenue recognition accounting policies.

2. Sampling the transaction documents for sales revenue, including purchase orders, sales invoices, shipping documents and installation confirmation to verify the recognition of sales revenue was recorded upon fulfillment of obligations.

3. Reviewing post-period sales returns and allowances, as well as any anomalies in post-period receipts.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

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

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

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2024 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.

The engagement partners on the audit resulting in this independent auditors' report are Chin-Chuan Shih and Shu-Lin Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 20, 2025

<u>*Notice to Readers*</u>

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

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

SYNPOWER CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 185,635	8	$ 154,691	10
Financial assets at amortized cost - current (Notes 4, 8 and 27)	19,671	1	41,789	3
Notes receivable (Notes 4, 5 and 9)	1,200	-	9	-
Trade receivables (Notes 4, 5 and 9)	222,326	10	266,105	17
Trade receivables from related parties (Notes 4, 5, 9 and 26)	14,402	1	24,565	2
Other receivables (Notes 4 and 9)	4,637	-	5,845	-
Other receivables from related parties (Notes 4, 9 and 26)	161	-	84	-
Current tax assets (Notes 4 and 21)	4,648	-	4,542	-
Inventories (Notes 4, 5 and 10)	59,504	3	88,206	5
Prepayments (Note 26)	103,457	5	38,655	2
Right to recover a product (Note 4)	5,204	-	5,092	-
Other current assets	207	-	114	-
Total current assets	621,052	28	629,697	39
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	274,257	13	143,406	9
Financial assets at amortized cost - non-current (Notes 4, 8 and 27)	2,000	-	2,000	-
Investments accounted for using the equity method (Notes 4 and 11)	540,689	25	438,653	27
Property, plant and equipment (Notes 4, 12, 26 and 27)	689,150	32	368,795	23
Right-of-use assets (Notes 4 and 13)	4,047	-	6,553	1
Other intangible assets (Notes 4 and 26)	3,548	-	4,491	-
Deferred tax assets (Notes 4 and 21)	28,946	1	17,697	1
Prepayments for equipment	9,347	1	-	-
Refundable deposits (Note 4)	2,227	-	3,425	-
Net defined benefit assets - non-current (Notes 4 and 17)	7,379	-	-	-
Total non-current assets	1,561,590	72	985,020	61
TOTAL	$ 2,182,642	100	$ 1,614,717	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 14)	$ 140,000	7	$ 32,000	2
Short-term bills payable (Notes 4 and 14)	60,000	3	-	-
Contract liabilities - current (Notes 4 and 19)	39,006	2	15,413	1
Trade payables	82,142	4	106,700	7
Trade payables to related parties (Note 26)	71,526	3	46,798	3
Other payables (Note 15)	42,415	2	31,666	2
Other payables to related parties (Note 26)	63	-	141	-
Lease liabilities - current (Notes 4 and 13)	2,801	-	4,708	-
Current portion of long-term borrowings (Notes 4, 14 and 27)	19,797	1	19,797	1
Refund provisions (Notes 4 and 16)	7,189	-	6,843	1
Other current liabilities	4,629	-	2,092	-
Total current liabilities	469,568	22	266,158	17
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 14 and 27)	515,441	24	297,519	18
Deferred tax liabilities (Notes 4 and 21)	9,703	-	7,569	1
Lease liabilities - non-current (Notes 4 and 13)	1,273	-	1,870	-
Net defined benefit liabilities - non-current (Notes 4 and 17)	-	-	1,475	-
Other non-current liabilities	2,767	-	3,558	-
Total non-current liabilities	529,184	24	311,991	19
Total liabilities	998,752	46	578,149	36
EQUITY (Notes 4, 18 and 23)				
Ordinary shares	328,700	15	328,700	20
Capital surplus	359,848	16	359,848	22
Retained earnings				
Legal reserve	60,450	3	57,437	3
Special reserve	10,089	-	10,089	1
Unappropriated earnings	272,202	13	270,935	17
Total retained earnings	342,741	16	338,461	21
Other equity				
Exchange differences on translating foreign operations	(7,287)	-	(19,478)	(1)
Unrealized gain on financial assets at fair value through other comprehensive income	159,888	7	29,037	2
Total other equity	152,601	7	9,559	1
Total equity	1,183,890	54	1,036,568	64
TOTAL	$ 2,182,642	100	$ 1,614,717	100

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

SYNPOWER CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
NET OPERATING REVENUE (Notes 4, 16, 19 and 26)	$ 506,877	100	$ 516,776	100
OPERATING COSTS (Notes 4, 10, 20 and 26)	429,924	85	391,155	76
GROSS PROFIT	76,953	15	125,621	24
(UNREALIZED) REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	(2,016)	-	254	-
REALIZED GROSS PROFIT	74,937	15	125,875	24
OPERATING EXPENSES (Notes 4, 20, 23 and 26)				
Selling and marketing expenses	57,007	11	41,007	8
General and administrative expenses	61,873	12	66,363	13
Research and development expenses	48,616	10	38,252	7
Expected credit loss (reversal gain)	1,304	1	(4,333)	(1)
Total operating expenses	168,800	34	141,289	27
LOSS FROM OPERATIONS	(93,863)	(19)	(15,414)	(3)
NON-OPERATING INCOME AND EXPENSES (Notes 4, 11, 20 and 26)				
Interest income	1,356	-	2,381	1
Other income	14,030	3	12,260	2
Other gains and losses	12,298	3	2,101	-
Finance costs	(3,036)	(1)	(2,433)	-
Share of profit in subsidiaries accounted for under the equity method	94,418	19	30,183	6
Total non-operating income and expenses	119,066	24	44,492	9
PROFIT BEFORE INCOME TAX	25,203	5	29,078	6
INCOME TAX BENEFIT (Notes 4 and 21)	(10,771)	(2)	(1,009)	-
NET PROFIT FOR THE YEAR	35,974	7	30,087	6

(Continued)

SYNPOWER CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (Notes 4, 17 and 21)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ 9,114	2	$ (24)	-
Unrealized gain on investments in equity instruments designated as a fair value through other comprehensive income	130,851	26	24,497	5
Share of the other comprehensive gain in subsidiaries - remeasurement of defined benefit plans	458	-	61	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,822)	(1)	5	-
	138,601	27	24,539	5
Items that maybe reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	12,191	3	(4,849)	(1)
Other comprehensive income for the year, net of income tax	150,792	30	19,690	4
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 186,766	37	$ 49,777	10
EARNINGS PER SHARE (Note 22)				
Basic	$ 1.09		$ 0.99	
Diluted	$ 1.09		$ 0.98	

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

SYNPOWER CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

			Retained Earnings				Other Equity			
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity
BALANCE AT JANUARY 1, 2023	$ 300,280	$ 287,556	$ 45,402	$ 9,746	$ 313,240	$ 368,388	$ (14,629)	$ 4,540	$ (10,089)	$ 946,135
Appropriation of 2022 earnings										
Legal reserve	-	-	12,035	-	(12,035)	-	-	-	-	-
Special reserve	-	-	-	343	(343)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(60,056)	(60,056)	-	-	-	(60,056)
Net profit for the year ended December 31, 2023	-	-	-	-	30,087	30,087	-	-	-	30,087
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	42	42	(4,849)	24,497	19,648	19,690
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	30,129	30,129	(4,849)	24,497	19,648	49,777
Issuance of ordinary shares for cash	28,420	69,037	-	-	-	-	-	-	-	97,457
Issuance of ordinary shares under employee share options	-	3,255	-	-	-	-	-	-	-	3,255
BALANCE AT DECEMBER 31, 2023	328,700	359,848	57,437	10,089	270,935	338,461	(19,478)	29,037	9,559	1,036,568
Appropriation of 2023 earnings										
Legal reserve	-	-	3,013	-	(3,013)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(39,444)	(39,444)	-	-	-	(39,444)
Net profit for the year ended December 31, 2024	-	-	-	-	35,974	35,974	-	-	-	35,974
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	7,750	7,750	12,191	130,851	143,042	150,792
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	43,724	43,724	12,191	130,851	143,042	186,766
BALANCE AT DECEMBER 31, 2024	$ 328,700	$ 359,848	$ 60,450	$ 10,089	$ 272,202	$ 342,741	$ (7,287)	$ 159,888	$ 152,601	$ 1,183,890

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

SYNPOWER CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 25,203	$ 29,078
Adjustments for:		
Depreciation expenses	10,392	10,048
Amortization expense	2,193	3,533
Expected credit loss (reversed)	1,304	(4,333)
Finance costs	3,036	2,433
Interest income	(1,356)	(2,381)
Dividend income	(5,673)	(10,996)
Compensation cost of employee share options	-	3,255
Share of profit in subsidiaries accounted for under the equity method	(94,418)	(30,183)
Gain on disposal of property, plant and equipment	(791)	(471)
Gain on lease modification	(2)	(4)
Write-down of inventories	12,244	6,001
Realized (unrealized) gain on transactions with subsidiaries	2,016	(254)
Recognized (reversed) refund provisions	234	(1,839)
Changes in operating assets and liabilities		
Notes receivable	(1,191)	250
Trade receivables	42,475	(36,606)
Trade receivables from related parties	10,163	(342)
Other receivables	55	6,804
Other receivables from related parties	(77)	-
Inventories	8,185	(9,274)
Prepayments	(64,802)	(16,903)
Other current assets	(93)	169
Contract liabilities	23,593	12,140
Trade payables	(24,558)	(3,059)
Trade payables to related parties	24,728	(15,633)
Other payables	9,407	(17,053)
Other payables to related parties	(78)	(12,252)
Other current liabilities	2,537	1,748
Net defined benefit (assets) liabilities	260	(6,560)
Cash used in operations	(15,014)	(92,684)
Interest received	1,356	2,381
Interest paid	(2,869)	(2,373)
Income tax paid	(272)	(15,918)
Net cash used in operating activities	(16,799)	(108,594)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(4,613)
Purchase of financial assets at amortized cost	(19,118)	(63,812)
Proceeds from financial assets at amortized cost	41,236	45,826
Acquisition of equity investment accounted for using equity method	(2,438)	-

(Continued)

SYNPOWER CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
Payments for property, plant and equipment	(316,869)	(87,882)
Proceeds from disposal of property, plant and equipment	-	33,513
Decrease (increase) in refundable deposits	1,198	(106)
Decrease in other receivables from related parties	-	47,632
Payments for intangible assets	(1,250)	(1,495)
Increase in prepayments for equipment	(9,397)	-
Dividends received from subsidiaries	6,653	8,743
Dividends received from investment in financial assets at fair value through other comprehensive income	6,826	7,362
Net cash used in investing activities	(293,159)	(14,832)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	360,000	319,000
Repayments of short-term borrowings	(252,000)	(377,000)
Proceeds of short-term bills payable	60,000	-
Proceeds from long-term borrowings	585,243	55,846
Repayments of long-term borrowings	(367,321)	(21,997)
Repayment of the principal portion of lease liabilities	(5,576)	(5,232)
Dividends paid to owners of the Company	(39,444)	(60,056)
Proceeds from issuance of ordinary shares	-	97,457
Net cash generated from financing activities	340,902	8,018
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,944	(115,408)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	154,691	270,099
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 185,635	$ 154,691

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

SYNPOWER CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

SynPower Co., Ltd. (the "Company") was incorporated in the Republic of China (ROC) in April 29, 2002. The Company is mainly engaged in the combination, manufacture, testing and sales of electronic equipment.

The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since November 2023.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company's board of directors on February 17, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

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

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Company shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	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 IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

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

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

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

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

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

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the basis of consolidation were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

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

Current assets include:

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

Current liabilities include:

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

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

d. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

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

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity (including a structured entity) that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

Any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

g. Investments in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Company uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates attributable to the Company.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate quals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method and does not remeasure the retained interest.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's consolidated financial statements only to the extent of interests in the associate that are not related to the Company.

h. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds and the cost are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

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

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

i. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

j. Impairment of property, plant and equipment, right-of-use asset and intangible assets

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

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

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

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

k. Financial instruments

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

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

1) Financial assets

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

   a) Measurement categories

      Financial assets are classified into the following categories: Financial assets at amortized cost and investments in equity instruments at FVTOCI.

      i. Financial assets at amortized cost

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

         i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

         ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

         i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

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

         A financial asset is credit impaired when one or more of the following events have occurred:

         i) Significant financial difficulty of the issuer or the borrower;

         ii) Breach of contract, such as a default;

         iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including notes receivable and trade receivables) on each balance sheet date.

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

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

For internal credit risk management purposes, the Company considers if there is internal or external information that the debtor is no longer able to pay off its debts, a financial asset is in default (without taking into account any collateral held by the Company).

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

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

l. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions for the expected cost of warranty obligations generated under sales contracts are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Company's obligations.

m. Revenue recognition

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

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of electronic equipment. Sales of electronic equipment are recognized as revenue when the goods are delivered to the customer's specific location and reach the agreed usable status, because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. Revenue from the sale of goods are measured at fair value of consideration received or receivable, net of estimated customer returns, discounts and other similar discounts. Estimated sales returns and other allowances is generally made and adjusted based on historical experience and the consideration of varying contractual terms to recognize refund provisions and right to recover a product.

2) Revenue from the rendering of services

   Revenue from the rendering of services comes from the maintenance services of equipment, and other related technical services, is recognized at the time of service provision.

n. Leases

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

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

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

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

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

   Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

o. Borrowing costs

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

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

p. Government grants

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

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and recognized in profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

r. Share-based payment arrangements

<u>Employee share options granted to employees</u>

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the number of shares that the employees purchase is confirmed.

At the end of each reporting period, the Company revises its estimate of the number of employee share options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

s. Taxation

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

1) Current tax

Income tax payable is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction. According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

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

2) Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

Management will continue to review the estimates and underlying assumptions. If the revision of the estimate only affects the current period, it is recognized in the revision period; if the revision of the accounting estimate affects both the current period and the future period, it is recognized in the revision period and the future period.

Key Sources of Estimation Uncertainty

a. Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions on probability of default and loss given default. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Write-down of inventories

The net realizable value of inventories 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. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	**2023**
Cash on hand	$ 577	$ 505
Checking accounts and demand deposits	185,043	154,171
Cash equivalents (investments with original maturities of 3 months or less)		
Postal gift coupon	15	15
	$ 185,635	$ 154,691

The market rate intervals of cash in banks at the end of the reporting period were as follows:

	December 31	
	2024	**2023**
Bank deposits	0.001%-1.050%	0.001%-1.450%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2024	**2023**
Non-current		
Domestic investments		
Unlisted shares		
Odobez system Taiwan corporation. (Odobez)	$ 10,001	$ 10,001
Listed shares		
Symtek Automation Asia Co., Ltd. (Symtek)	264,256	133,405
	$ 274,257	$ 143,406

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	**2023**
Current		
Pledged certificate of deposit	$ 19,671	$ 41,789
Non-current		
Pledged certificate of deposit	$ 2,000	$ 2,000

The market rate intervals of financial assets at amortized cost at the end of the reporting period were as follows:

	December 31	
	2024	**2023**
Pledged certificate of deposit	1.69%-2.75%	1.56%-5.31%

Refer to Note 27 for information relating to investments in financial assets at amortized cost pledged as security.

9. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2024	2023
Notes receivable - operating	$ 1,200	$ 9
Trade receivables	$ 235,997	$ 278,472
Less: Allowance for impairment loss	(13,671)	(12,367)
	$ 222,326	$ 266,105
Trade receivables from related parties (Note 26)	$ 14,402	$ 24,565
Other receivables	$ 4,637	$ 5,970
Less: Allowance for impairment loss	-	(125)
	$ 4,637	$ 5,845
Other receivables from related parties (Note 26)	$ 161	$ 84

a. Notes receivable and trade receivables

The average credit period of sales of goods is 30 to 150 days. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company’s credit risk was significantly reduced.

The Company measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer’s current financial position, economic condition of the industry in which the customer operates and industry outlook. As the Company’s historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company’s different customer base.

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

The following table details the loss allowance of accounts receivable based on the Company's provision matrix.

December 31, 2024

	0 to 120 Days	121 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 115,603	$ 18,437	$ 50,728	$ 66,831	$ 251,599
Loss allowance (Lifetime ECL)	-	(224)	(758)	(12,689)	(13,671)
Amortized cost	$ 115,603	$ 18,213	$ 49,970	$ 54,142	$ 237,928

December 31, 2023

	0 to 120 Days	121 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 156,824	$ 59,830	$ 30,158	$ 56,234	$ 303,046
Loss allowance (Lifetime ECL)	-	(312)	(1,432)	(10,623)	(12,367)
Amortized cost	$ 156,824	$ 59,518	$ 28,726	$ 45,611	$ 290,679

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

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 12,367	$ 12,680
Add (less): Net remeasurement of loss allowance	1,304	(313)
Balance at December 31	$ 13,671	$ 12,367

b. Other receivables

The Company has measured the loss allowance of other receivables as of December 31, 2024 and 2023.

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

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 125	$ 4,145
Less: Net remeasurement of loss allowance	-	(4,020)
Less: Amounts written-off	(125)	-
Balance at December 31	$ -	$ 125

10. INVENTORIES

	December 31	
	2024	2023
Merchandise	$ 28,348	$ 22,308
Raw materials	3,000	5,191
Work in process	11,179	8,162
Finished goods	16,977	52,545
	$ 59,504	$ 88,206

For the years ended December 31, 2024 and 2023, the cost of goods sold related to inventory were $419,562 thousand and $381,245 thousand, respectively; the cost of goods sold including write-down of inventories were $12,244 thousand and $6,001 thousand, respectively.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31			
	2024		2023	
	Amount	%	Amount	%
Subsidiaries				
HK Synpower Ltd. (HK Synpower)	$ 335,053	100.00	$ 259,583	100.00
Synpower Co., Ltd. (Synpower)	69,233	100.00	61,848	100.00
SynTop Co., Ltd. (SynTop)	14,676	76.76	2,914	76.76
Chipboard Technology Corporation (Chipboard)	113,690	51.00	108,357	51.00
SYNDIA INDIA PRIVATE LIMITED (Syndia India)	5,745	100.00	5,951	100.00
Synthai Technology (Thailand) Company Limited (Synthai Technology)	2,292	100.00	-	-
	$ 540,689		$ 438,653	

1) The Company invested in Kunshan SynPower and Dongguan SynPower through subsidiary, HK Synpower. As of December 31, 2024, the amounts invested in Kunshan SynPower and Dongguan SynPower were $40,142 thousand (US$1,282 thousand) and $68,636 thousand (US$2,222 thousand), respectively.

2) The Company invested in Synthai Technology (Thailand) Company Limited (Synthai Technology) in November 2024. As of December 31, 2024, the amounts invested in Synthai Technology were $2,438 thousand (THB 2,500 thousand).

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Machinery and Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Other Equipment	Construction in Progress	Total
Cost								
Balance at January 1, 2024	$ 271,369	$ 23,838	$ -	$ 7,793	$ 3,340	$ 4,225	$ 87,396	$ 397,961
Additions	-	300	450	360	-	-	317,068	318,178
Disposals	-	-	-	(615)	-	-	-	(615)
Reclassification	-	12,098	-	-	-	465	-	12,563
Balance at December 31, 2024	271,369	36,236	450	7,538	3,340	4,690	404,464	728,087
Accumulated depreciation and impairment								
Balance at January 1, 2024	-	16,124	-	6,649	3,339	3,054	-	29,166
Additions	-	3,983	67	451	1	395	-	4,897
Disposals	-	-	-	(615)	-	-	-	(615)
Reclassification	-	5,489	-	-	-	-	-	5,489
Balance at December 31, 2024	-	25,596	67	6,485	3,340	3,449	-	38,937
Carrying amount at December 31, 2024	$ 271,369	$ 10,640	$ 383	$ 1,053	$ -	$ 1,241	$ 404,464	$ 689,150
Cost								
Balance at January 1, 2023	$ 301,382	$ 26,417	$ -	$ 7,304	$ 3,340	$ 4,345	$ 1,496	$ 344,284
Additions	-	464	-	489	-	-	85,900	86,853
Disposals	(30,013)	(2,308)	-	-	-	(120)	-	(32,441)
Reclassification	-	(735)	-	-	-	-	-	(735)
Balance at December 31, 2023	271,369	23,838	-	7,793	3,340	4,225	87,396	397,961
Accumulated depreciation and impairment								
Balance at January 1, 2023	-	12,818	-	6,301	3,288	2,799	-	25,206
Additions	-	4,030	-	348	51	375	-	4,804
Disposals	-	(1,179)	-	-	-	(120)	-	(1,299)
Reclassification	-	455	-	-	-	-	-	455
Balance at December 31, 2023	-	16,124	-	6,649	3,339	3,054	-	29,166
Carrying amount at December 31, 2023	$ 271,369	$ 7,714	$ -	$ 1,144	$ 1	$ 1,171	$ 87,396	$ 368,795

No impairment assessment was performed for the years ended December 31, 2024 and 2023 as there was no indication of impairment.

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

Machinery and equipment	4-6 years
Transportation equipment	5 years
Office equipment	2-5 years
Leasehold improvements	2-4 years
Other equipment	2-6 years

Property, plant and equipment used by the Company and pledged as collateral for bank borrowings were set out in Note 27.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amount		
Buildings	$ 3,961	$ 5,832
Transportation equipment	86	721
	$ 4,047	$ 6,553

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	$ 3,318	$ 7,154
Depreciation charge for right-of-use assets		
Buildings	$ 3,614	$ 2,702
Transportation equipment	1,881	2,542
	$ 5,495	$ 5,244

b. Lease liabilities

	December 31	
	2024	2023
Carrying amounts		
Current	$ 2,801	$ 4,708
Non-current	$ 1,273	$ 1,870

Range of weighted average interest rate for lease liabilities was as follows:

	December 31	
	2024	2023
Buildings	1.18%-1.73%	0.88%-1.73%
Transportation equipment	1.58%-2.17%	0.67%-1.61%

The Company leases buildings and transportation equipment for operational use with lease terms of 2 to 3 years. The Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

c. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	$ 720	$ 720
Expenses relating to low-value asset leases	$ 2,069	$ 1,614
Total cash outflow for leases	$ 8,365	$ 7,566

The Company's leases of certain buildings qualify as short-term leases and leases of certain office equipments as low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. BORROWINGS

a. Short-term borrowings

	December 31	
	2024	2023
Unsecured borrowings		
Line of credit borrowings	$ 140,000	$ 32,000

Range of interest rate on balance sheet date was as follows:

	December 31	
	2024	2023
Line of credit borrowings	2.06%-2.18%	1.65%-2.41%

As of December 31, the credit borrowings of the Company is jointly guaranteed by the Chairman of the Company.

b. Commercial paper (As of December 31, 2023: None)

	December 31, 2024	
Guarantee/Accepting Institution	**Carrying Amounts**	**Range of Interest Rate**
MEGA BILLS FINANCE CO., LTD.	$ 60,000	2.08%

c. Long-term borrowings

	December 31	
	2024	2023
Bank loans	$ 535,238	$ 317,316
Less: Current portion	(19,797)	(19,797)
Long-term borrowings	$ 515,441	$ 297,519

To enhance midterm operational funds, the Company entered into a medium-term facility agreement with Taipei Fubon Commercial Bank, with a facility limit of $80,000 thousand. The Company initially used the facility drawdown in October 2021. According to the agreement, the principal was to be repaid in 48 monthly installments starting one year after the initial drawdown date. As of December 31, 2024, the effective annual interest rate was 1.77%. The borrowing was jointly guaranteed by the Chairman and the specific shareholders of the Company and with no assets provided as collateral.

For the expanding operational scale and capacity, the Company purchased land on Xinsheng Road, Zhongli District, and planned to construct plants. Therefore, the Company entered into a comprehensive facility agreement with E.Sun Commercial Bank in June 2022. The medium-term facility limit for land was $208,000 thousand, and the Company initially used the facility drawdown on July 5, 2022, with a drawdown period of four years. According to the agreement, interest was to be paid monthly, and the repayment was to be made upon maturity. On the other hand, the medium-term facility limit for buildings was $310,000 thousand, and the Company initially used the facility drawdown on September 1, 2023, with a drawdown period of four years. According to the agreement, interest was to be paid monthly, and the repayment was to be made upon maturity. The borrowing were secured by the land on Xinsheng Road, Zhongli District, the facility was fully repaid ahead of schedule on July 2024.

For the expanding operational scale and capacity, the Company purchased land on Xinsheng Road, Zhongli District, and planned to construct plants. Therefore, the Company entered into a comprehensive facility agreement with CTBC Bank in July 2024. The medium-term facility limit for land was $200,000 thousand, and the Company initially used the facility drawdown on July 19, 2024, with a drawdown period of five years. According to the agreement, interest was to be paid monthly, grace period till December 2026, and the repayment monthly was to be made upon January 15, 2027. As of December 31, 2024, the effective annual interest rate was 2.42%. On the other hand, the medium-term facility limit for buildings was $140,000 and 355,000 thousand, and the Company initially used the facility drawdown on July 19, 2024 and July 31, 2024, respectively, with a drawdown period of five years. According to the agreement, interest was to be paid monthly, grace period till December 2026 and July 2027, and the repayment monthly was to be made upon January 15, 2027 and August 15, 2027. As of December 31, 2024, the effective annual interest rate was 2.52% and 1.67%. On the other hand, the medium-term facility limit for buildings was $54,000 and 139,000 thousand, as of December 31, 2024, the Company not used the facility drawdown. The long-term borrowing was pledged by land and buildings on Xinsheng Road, Zhongli District., please refer to Note 27 for more information; on the other hand, upon completion of the plant and obtaining the license to use the plant, it should also be additionally designated as collateral.

15. OTHER PAYABLES FROM UNRELATED PARTIES

	December 31	
	2024	2023
Payables for salaries or bonuses	$ 17,081	$ 13,383
Payables for professional fee	2,502	2,359
Payables for employees' compensation and directors' remuneration	2,205	1,984
Others	20,627	13,940
	$ 42,415	$ 31,666

16. REFUND PROVISIONS

	December 31	
	2024	2023
Customer returns and rebates	$ 7,189	$ 6,843

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 6,843	$ 8,829
Provision (reversal) for the year	346	(1,986)
Balance at December 31	$ 7,189	$ 6,843

The refund provisions is based on the management's judgments and other known reasons for which estimated product returns and rebates may occur for the year ended. The provision is recognized as a reduction of operating income in the periods in which the related goods are sold.

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

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

The amounts included in the parent company only balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2024	2023
Present value of defined benefit obligation	$ 1,189	$ 9,272
Fair value of plan assets	(8,568)	(7,797)
Net defined benefit (assets) liabilities	$ (7,379)	$ 1,475

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

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2023	$ 8,829	$ (818)	$ 8,011
Service cost			
Current service cost	218	-	218
Net interest expense (income)	132	(12)	120
Recognized in profit or loss	350	(12)	338
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(69)	(69)
Actuarial loss - changes in financial assumptions	110	-	110
Actuarial gain - experience adjustments	(17)	-	(17)
Recognized in other comprehensive income	93	(69)	24
Contributions from the employer	-	(6,898)	(6,898)
Balance at December 31, 2023	9,272	(7,797)	1,475

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Service cost			
Current service cost	$ 322	$ -	$ 322
Net interest expense (income)	127	(108)	19
Recognized in profit or loss	449	(108)	341
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(582)	(582)
Actuarial gain - changes in financial assumptions	(11)	-	(11)
Actuarial gain - experience adjustments	(8,521)	-	(8,521)
Recognized in other comprehensive income	(8,532)	(582)	(9,114)
Contributions from the employer	-	(81)	(81)
Balance at December 31, 2024	$ 1,189	$ (8,568)	$ (7,379)

(Concluded)

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

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

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

	December 31	
	2024	2023
Discount rate(s)	1.500%	1.375%
Expected rate(s) of salary increase	2.250%	2.250%

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

	December 31	
	2024	2023
Discount rate(s)		
0.25% increase	$ (21)	$ (219)
0.25% decrease	$ 22	$ 226
Expected rate(s) of salary increase		
0.25% increase	$ 21	$ 220
0.25% decrease	$ (21)	$ (214)

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2024	2023
Expected contributions to the plans for the next year	$ 51	$ 112
Average duration of the defined benefit obligation	7.2 years	13.3 years

18. EQUITY

a. Ordinary shares

	December 31	
	2024	2023
Shares authorized (in thousands of shares)	60,000	60,000
Shares authorized	$ 600,000	$ 600,000
Shares issued and fully paid (in thousands of shares)	32,870	32,870
Shares issued and fully paid	$ 328,700	$ 328,700

The issued ordinary share has a par value of NT$10 per share and each share has one voting right and the right to receive dividends.

The Company's board of directors resolved to issue 2,842 thousand ordinary shares with $10 par value for pre-initial public offering placement, the above issuance of shares for cash capital increase was approved by the Taiwan Stock Exchange under letter No. 1121804375 and effective on October 31, 2023, the registration change was completed on November 15, 2023. The shares in the aforementioned cash capital increase are issued at a premium, includes the issuance of an underwriting price of $28 per share for employee subscription and public subscription and at weighted average price of the winning bidders of $38.32 per share for the auction. After deducting the underwriting handling fees, the net issuance amount of $97,457 thousand has been fully collected.

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 354,592	$ 354,592
Executive employees stock options	3,255	3,255
May only be used to offset a deficit		
Changes in percentage of ownership interests in subsidiaries (2)	2,001	2,001
	$ 359,848	$ 359,848

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 20-g.

The Company's Articles also stipulate a dividends policy whereby the dividend distribution is mainly based on cash dividends and stock dividends balanced dividend policies, of which the cash dividend payment ratio is limited to not less than 10% of the total dividends distributed from the earnings of the current year.

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

The Company has set aside and reversed the special surplus reserve in accordance with the provisions of Financial Supervisory Securities Letter No. 1090150022 and the "Q&A of Application of Set Aside Special Reserve After Adoption of International financial statements Standards (IFRS Accounting Standards)".

The appropriations of earnings for 2023 and 2022 were as follows:

	For the Year Ended December 31	
	2023	2022
Legal reserve	$ 3,013	$ 12,035
Special reserve	$ -	$ 343
Cash dividend	$ 39,444	$ 60,056
Cash dividend Per Share (NT$)	$ 1.20	$ 2.0

The above appropriations for cash dividends were resolved by the Company's board of directors on February 22, 2024 and February 23, 2023, respectively; the other proposed appropriations were resolved by the shareholders in their meeting on May 15, 2024 and May 18, 2023, respectively.

The appropriation of earnings for 2024, which were proposed by the Company's board of directors on February 17, 2024, were as follows:

	For the Year Ended December 31, 2024
Legal reserve	$ 4,372
Cash dividend	$ 39,444
Cash dividend Per Share (NT$)	$ 1.20

The above appropriation for cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on May 7, 2025.

19. REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from contracts with customers		
Revenue from the sale of goods	$ 496,075	$ 510,426
Revenue from the rendering of services	10,802	6,350
	$ 506,877	$ 516,776

Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivables (Note 9)	$ 1,200	$ 9	$ 259
Trade receivables (Note 9)	$ 222,326	$ 266,105	$ 229,186
Contract liabilities			
Product sales	$ 39,006	$ 15,413	$ 3,273

20. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2024	2023
Bank deposits interest	$ 1,322	$ 1,356
Reverse repurchase bonds interest	-	849
Others	34	176
	$ 1,356	$ 2,381

b. Other income

	For the Year Ended December 31	
	2024	2023
Dividends	$ 5,673	$ 10,996
Government grants income	4,177	-
Others	4,180	1,264
	$ 14,030	$ 12,260

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Net foreign exchange gains	$ 11,508	$ 1,645
Gain on disposal of property, plant and equipment	791	471
Gain on lease modification	2	4
Others	(3)	(19)
	$ 12,298	$ 2,101

d. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest on bank loans	$ 11,346	$ 6,892
Interest on lease liabilities	85	78
Less: Capitalized interest	(8,395)	(4,537)
	$ 3,036	$ 2,433

Information on capitalized interest was as follows:

	For the Year Ended December 31	
	2024	2023
Capitalized interest amount	$ 8,395	$ 4,537
Capitalization rate	1.67%-2.53%	1.84%-2.22%

e. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
Property, plant and equipment	$ 4,897	$ 4,804
Right-of-use assets	5,495	5,244
Intangible assets	2,193	3,533
	$ 12,585	$ 13,581
An analysis of depreciation by function		
Operating costs	$ 1,602	$ 1,530
Operating expenses	8,790	8,518
	$ 10,392	$ 10,048
An analysis of amortization by function		
Operating costs	$ 154	$ 166
Operating expenses	2,039	3,367
	$ 2,193	$ 3,533

f. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Post-employment benefits		
Defined contribution plan	$ 7,044	$ 4,400
Defined benefit plans	341	338
	7,385	4,738
Share-based payments	-	3,255
Other employee benefits	117,910	105,361
Total employee benefits expense	$ 125,295	$ 113,354
An analysis of employee benefits expense by function		
Operating costs	$ 16,700	$ 18,896
Operating expenses	108,595	94,458
	$ 125,295	$ 113,354

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 3% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors on February 17, 2025 and February 22, 2024, respectively, was as follows:

Estimated ratio

	For the Year Ended December 31	
	2024	**2023**
Compensation of employees	6.19%	5.00%
Remuneration of directors	1.86%	1.50%

Amount of cash

	For the Year Ended December 31	
	2024	**2023**
Compensation of employees	$ 1,696	$ 1,526
Remuneration of directors	509	458

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

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2024	**2023**
Foreign exchange gains	$ 43,738	$ 42,013
Foreign exchange losses	(32,230)	(40,368)
Net gain on foreign currency exchange	$ 11,508	$ 1,645

21. INCOME TAXES

a. Income tax benefit recognized in profit or loss

	For the Year Ended December 31	
	2024	2023
Current tax		
Income tax on unappropriated earnings	$ -	2,336
Adjustments for prior year	166	(757)
	166	1,579
Deferred tax		
In respect of the current year	(10,846)	(1,149)
Adjustments for prior year	(91)	(1,439)
	(10,937)	(2,588)
Income tax benefit recognized in profit or loss	$ (10,771)	$ (1,009)

A reconciliation of accounting profit and income tax benefit was as follows:

	For the Year Ended December 31	
	2024	2023
Profit before tax from continuing operations	$ 25,203	$ 29,078
Income tax expense calculated at the statutory rate	$ 5,041	$ 5,816
Items to be adjusted in determining taxable income	(15,887)	(6,965)
Income tax on unappropriated earnings	-	2,336
Adjustments for prior year - current tax	166	(757)
Adjustments for prior year - deferred tax	(91)	(1,439)
Income tax benefit recognized in profit or loss	$ (10,771)	$ (1,009)

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
Deferred tax		
In respect of the current year		
Remeasurement of defined benefit plans	$ (1,822)	$ 5

c. Current tax assets and liabilities

	For the Year Ended December 31	
	2024	2023
Current tax assets		
Tax refund receivable	$ 4,648	$ 4,542

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2024

Deferred Tax Assets	**Opening Balance**	**Recognized in Profit or Loss**	**Recognized in Other Comprehensive Income**	**Closing Balance**
Temporary differences				
Unrealized net gain on sale of goods	$ 441	$ 403	$ -	$ 844
Defined benefit retirement plan	295	52	(1,822)	(1,475)
Refund provisions	350	47	-	397
Unrealized foreign exchange losses	901	(901)	-	-
Others	9,863	893	-	10,756
	11,850	494	(1,822)	10,522
Tax losses	5,847	12,577	-	18,424
	$ 17,697	$ 13,071	$ (1,822)	$ 28,946
Temporary differences				
Investments accounted for using the equity method	$ 7,569	$ 1,414	$ -	$ 8,983
Unrealized foreign exchange gains	-	720	-	720
	$ 7,569	$ 2,134	$ -	$ 9,703

For the year ended December 31, 2023

Deferred Tax Assets	**Opening Balance**	**Recognized in Profit or Loss**	**Recognized in Other Comprehensive Income**	**Closing Balance**
Temporary differences				
Unrealized net gain on sale of goods	$ 491	$ (50)	$ -	$ 441
Defined benefit retirement plan	1,602	(1,312)	5	295
Refund provisions	718	(368)	-	350
Unrealized foreign exchange losses	-	901	-	901
Others	9,945	(82)	-	9,863
	12,756	(911)	5	11,850
Tax losses	4,353	1,494	-	5,847
	$ 17,109	$ 583	$ 5	$ 17,697
Temporary differences				
Investments accounted for using the equity method	$ 6,901	$ 668	$ -	$ 7,569
Unrealized foreign exchange gains	2,673	(2,673)	-	-
	$ 9,574	$ (2,005)	$ -	$ 7,569

e. Related to investment for which no deferred tax assets have been recognized in the balance sheets:

As of December 31, 2024 and 2023, deferred tax liabilities have not been recognized for taxable temporary differences associated with investments in subsidiaries is $234,767 thousand and $170,681 thousand, respectively.

f. Income tax assessments

The income tax returns of the Company through 2022 have been assessed by the tax authorities.

22. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2024	**2023**
Basic earnings per share	$ 1.09	$ 0.99
Diluted earnings per share	$ 1.09	$ 0.98

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2024	**2023**
Profit for the year attributable to owners of the Company	$ 35,974	$ 30,087

Number of Shares

	For the Year Ended December 31	
	2024	**2023**
Weighted average number of ordinary shares used in the computation of basic earnings per share	32,870	30,511
Effect of potentially dilutive ordinary shares		
Compensation of employees	28	64
Weighted average number of ordinary shares used in the computation of diluted earnings per share	32,898	30,575

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

23. SHARE-BASED PAYMENT ARRANGEMENTS (AS OF DECEMBER 31, 2024: NONE)

On August 31, 2023, the Company's board of directors resolved to issue ordinary shares, which consisted of 313 thousand shares for employee share option plan. Employees who meet specific criteria are given the options and could exercise the shares in accordance with the employee share option plan issuance and subscription terms and conditions immediately. The duration of the employee share option plan is 9 days and the exercise price is $28.

Information on employee share options was as follows:

	For the Year Ended December 31, 2023	
Employee Share Options	**Number of Options (In Thousands of Units)**	**Weighted-average Exercise Price ($)**
Balance at January 1	-	$ -
Options granted	313	28
Options exercised	(313)	
Balance at December 31	-	
Weighted-average fair value of options granted ($)	$ 12.04	

Options granted in August 2023 is priced using the Black-Scholes pricing model, and the inputs to the model were as follows:

Grant-date share price	$40.04
Exercise price	$28.00
Expected volatility	26.99%
Expected dividend yield	0%
Duration	9 days
Risk-free interest rate	0.95%

Compensation costs recognized were $3,255 thousand for the year ended December 31, 2023.

24. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

25. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management of the Company considers that the carrying amounts of financial assets and financial liabilities not measured at fair value are closer to their fair values or their fair values cannot be reliably measured.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2024

	Level 1	Level 2	Level 3	Total
Investments in equity instruments				
Listed shares	$ 264,256	$ -	$ -	$ 264,256
Unlisted shares	-	-	10,001	10,001
	$ 264,256	$ -	$ 10,001	$ 274,257

December 31, 2023

	Level 1	Level 2	Level 3	Total
Investments in equity instruments				
Listed shares	$ 133,405	$ -	$ -	$ 133,405
Unlisted shares	-	-	10,001	10,001
	$ 133,405	$ -	$ 10,001	$ 143,406

2) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity securities were determined using the market approach. To calculate the fair value of the investment, the fair value is determined by the transaction price of the shares traded in the active market of an enterprise engaged in the same or similar business, the value multiplier of the price and related transaction information, and the significant unobservable input value is mainly the liquidity discount. The unobservable input value used on December 31, 2024 and 2023 were both a liquidity discount of 20%.

c. Categories of financial instruments

	December 31	
	2024	2023
Financial assets		
Financial assets at amortized cost (Note 1)	$ 452,259	$ 498,513
Financial assets at fair value through other comprehensive income	274,257	143,406
Financial liabilities		
Amortized cost (Note 2)	931,384	534,621

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, pledged certificate of deposit, notes receivable, trade receivables, other receivables and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, trade payables, other payables and long-term borrowings.

d. Financial risk management objectives and policies

The Company's major financial instruments include notes receivable, trade receivables, trade payables, short-term bills payable and borrowings. The financial risk management objectives of the Company is to manage market risk, credit risk and liquidity risk related to operational activities. In order to mitigate the associated risks, the Company's management is committed to identifying, evaluating and avoiding market uncertainties in order to mitigate the potential adverse impact of market changes on the Company's financial performance.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price (see (c) below).

a) Foreign currency risk

The Company engages in foreign currency-denominated sales and purchase transactions, causing the Company to cause risk exposure to the fluctuation of the exchange rates. In order to avoid fluctuations in the value of foreign currency assets and future cash flows due to exchange rate fluctuations, the Company avoids the impact of the exchange rates fluctuations through analyzing the amount and maturity period of foreign currency assets and liabilities and considering the risk of foreign currency net position to avoid related risks.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are set out in Note 30.

Sensitivity analysis

The Company's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. When the functional currency of the Company appreciates/depreciates by 1% against USD, the Company's net income before tax will decrease/increase by $1,528 thousand and $1,171 thousand in 2024 and 2023, respectively.

In the opinion of the Company's management, this sensitivity analysis is unrepresentative of the Company's inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Company is exposed to fair value interest rate risk in relation to fixed-rate financial assets and financial liabilities; the Company is also exposed to cash flow interest rate risk in relation to variable-rate financial assets and financial liabilities. The Company's management regularly monitors changes in market interest rates and adjusts the fixed and floating rate financial liabilities to keep the interest rates of the Company close to the market interest rates to cope with the risks arising from changes in market interest rates.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2024	2023
Fair value interest rate risk		
Financial assets	$ 21,686	$ 43,804
Financial liabilities	204,074	38,578
Cash flow interest rate risk		
Financial assets	184,238	153,366
Financial liabilities	535,238	317,516

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of financial assets and financial liabilities on the balance sheet date. The Company uses a 0.5% increase/decrease in market interest rates as a reasonable risk assessment to report interest rate changes to management. If the interest rate increased/decreased by 0.5% basis points and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2024 and 2023 would have decreased/increased by $1,755 thousand and $821 thousand, respectively.

c) Other price risk

The Company was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than for trading purposes, the Company does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 1% higher/lower, pre-tax other comprehensive income for the year ended December 31, 2024 and 2023 would have increased/decreased by $2,743 thousand and $1,434 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Company's sensitivity to investments in equity securities has not changed significantly from the prior year.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. At the end of the year, the Company's maximum exposure to credit risk is fairly equivalent to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The policies adopted by the Company are to trade only with well-reputed counterparties, and to continuously monitor credit exposure and the credit status of counterparties to mitigate the risk of financial losses arising from default. The Company uses other publicly available financial information and mutual transaction records to rate its major customers. The Company continues to monitor credit exposure and the creditworthiness of counterparties.

The trade receivables balance of the largest five customers accounted for 67% and 71% of the total trade receivables of the Company as of December 31, 2024 and 2023, respectively. The credit concentration risk of the remaining trade receivables is relatively insignificant.

3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2024 and 2023, the Company had available unutilized short-term bank borrowings facilities set out in b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Weighted Average Effective Interest Rate (%)	**Demand or Less than 1 Year**	**1-5 Years**	**5+ Years**
December 31, 2024				
Non-derivative financial liabilities	-	$ 196,146	$ -	$ -
Variable interest rate liabilities	2.17	30,868	540,739	-
Fixed interest rate liabilities	2.12	202,299	-	-
Lease liabilities	1.77	2,849	1,295	-
		$ 432,162	$ 542,034	$ -
December 31, 2023				
Non-derivative financial liabilities	-	$ 185,305	$ -	$ -
Variable interest rate liabilities	2.03	26,960	311,391	24,022
Fixed interest rate liabilities	1.70	32,043	-	-
Lease liabilities	1.23	4,765	1,885	-
		$ 249,073	$ 313,276	$ 24,022

b) Financing facilities

The undrawn facility facilities of the banks of the Company at the balance sheet date were as follows:

	December 31	
	2024	2023
Financing amount		
Undrawn amount	$ 668,752	$ 1,215,614

26. TRANSACTIONS WITH RELATED PARTIES

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

a. Related party name and category

Related Party Name	Related Party Category
Synpower Co., Ltd. (Synpower)	Subsidiary
HK Synpower Ltd.	Subsidiary
SynTop Co., Ltd. (SynTop)	Subsidiary
SYNDIA INDIA PRIVATE LIMITED. (Syndia India)	Subsidiary
Chipboard Technology Corporation (Chipboard)	Subsidiary
Synthai Technology (Thailand) Company Limited (Synthai Technology)	Subsidiary
SynPower Co., Ltd (Kunshan). (Kunshan SynPower)	Sub-subsidiary
SynPower Co., Ltd Dongguan. (Dongguan SynPower)	Sub-subsidiary
Industrial Technology Research Institute (ITRI)	Related party in substance (until February 24, 2023)
Shengyi Limited Company (Shengyi)	Related party in substance

b. Sales of goods

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2024	2023
Sales	Subsidiary		
	Chipboard	$ 1,820	$ -
	Sub-subsidiary		
	Dongguan SynPower	31,662	25,540
	Kunshan SynPower	17,750	16,620
		$ 51,232	$ 42,160
Technical service revenue	Subsidiary		
	SynTop	$ 490	$ -
	Chipboard	5	-
	Sub-subsidiary		
	Kunshan SynPower	-	64
		$ 495	$ 64

(Continued)

Line Item	Related Party Category/Name	For the Year Ended December 31 2024	2023
Sales discount and sales return	Sub-subsidiary Dongguan SynPower	$ 35	$ -

(Concluded)

c. Purchase

Related Party Category/Name	For the Year Ended December 31 2024	2023
Subsidiary		
SynTop	$ 155,458	$ 82,606
Sub-subsidiary		
Dongguan SynPower	5,239	296
Kunshan SynPower	1,954	422
	$ 162,651	$ 83,324

d. Receivables from related parties

Related Party Category/Name	December 31 2024	2023
Subsidiary		
Chipboard	$ 618	$ -
SynTop	280	-
Sub-subsidiary		
Dongguan SynPower	8,488	14,902
Kunshan SynPower	5,016	9,663
	$ 14,402	$ 24,565

The credit period of the receivable is 30-120 days from the end of the month.

The outstanding balances of trade receivables from related parties is not collateralized. No bad debts expense was set aside for receivables from related parties for the years ended December 31, 2024 and 2023.

e. Payables to related parties

Related Party Category/Name	December 31 2024	2023
Subsidiary		
SynTop	$ 66,644	$ 46,723
Sub-subsidiary		
Dongguan SynPower	3,257	33
Kunshan SynPower	1,625	42
	$ 71,526	$ 46,798

f. Other receivables form related parties

Related Party Category/Name	December 31 2024	December 31 2023
Subsidiary		
Chipboard	$ 84	$ 84
Synthai Technology	77	-
	$ 161	$ 84

Other receivables from subsidiaries are on behalf of the collection.

g. Other payables to related parties

Related Party Category/Name	December 31 2024	December 31 2023
Subsidiary		
SynTop	$ 63	$ 63
Sub-subsidiary		
Kunshan SynPower	-	78
	$ 63	$ 141

h. Prepayments

Related Party Category/Name	December 31 2024	December 31 2023
Subsidiary		
SynTop	$ 27,925	$ 27,837

i. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31 2024	Purchase Price For the Year Ended December 31 2023
Related party in substance		
Shengyi	$ 11,970	$ -

j. Disposal of property, plant and equipment

Related Party Category/Name	Proceeds For the Year Ended December 31 2024	Proceeds For the Year Ended December 31 2023	Gain on Disposal For the Year Ended December 31 2024	Gain on Disposal For the Year Ended December 31 2023
Subsidiary				
Chipboard	$ -	$ 3,500	$ -	$ 2,371

k. Acquisition of intangible equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31 2024	2023
Related party in substance		
ITRI	$ -	$ 500

l. Lease arrangements

Related Party Category/Name	For the Year Ended December 31 2024	2023
Rental expense		
Subsidiary		
SynTop	$ 720	$ 720

The Company leased a plant located in Taoyuan from SynTop and paid fixed rental expenses monthly based on the contract terms.

m. Others

Line Item	Related Party Category/Name	For the Year Ended December 31 2024	2023
Technical service expenses	Subsidiary SynTop	$ 417	$ 28
Other income	Subsidiary Chipboard	$ 960	$ 960

n. Remuneration of key management personnel

The total remuneration of key management personnel as of December 31, 2024 and 2023, respectively were as follows:

	For the Year Ended December 31 2024	2023
Salaries and other	$ 13,221	$ 22,962
Post-employment benefits	211	300
	$ 13,432	$ 23,262

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings and post-release duty payment:

	For the Year Ended December 31	
	2024	2023
Pledged certificate of deposit (recognized as financial assets at amortized cost)	$ 21,671	$ 43,789
Property, plant and equipment, net	271,369	271,369
	$ 293,040	$ 315,158

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Company at December 31, 2024 and 2023 were as follows:

Significant Unrecognized Commitments

a. As of December 31, 2024 and 2023, unused letters of credit for purchases of raw materials and machinery and equipment amounted to approximately $1,106 thousand and $0 thousand, respectively.

b. Unrecognized commitments were as follows:

	December 31	
	2024	2023
Acquisition of property, plant and equipment	$ 156,801	$ 465,474

29. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

On September 19, 2024, the Company’s board of directors approved a cash capital increase, issuing 3,500 thousand new shares, each with a par value of $10 NTD per share. This cash capital increase was declared effective by the Financial Supervisory Commission (FSC) on October 21, 2024, under document number 1130359181. The aforementioned capital increase includes a share issuance for employee subscription and public offering, priced at a premium of $60 NTD per share. In light of the recent volatility in the capital markets, and to ensure the successful execution of the capital increase plan, the Company applied to the FSC for a three-month extension of the fundraising period. On January 20, 2025, the FSC granted approval for this extension, under document number 1140330698. As a result, the fundraising period has been extended until April 20, 2025. As of the date of the approval of this financial report, the fundraising has yet to be completed.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Company and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 6,472	32.785 (USD:NTD)	$ 212,185
JPY	38,277	0.210 (JPY:NTD)	8,034
CNY	5,750	4.478 (CNY:NTD)	25,749
THB	1,971	0.962 (THB:NTD)	1,897
Financial liabilities			
Monetary items			
USD	1,811	32.785 (USD:NTD)	59,374
JPY	6,949	0.210 (JPY:NTD)	1,459
CNY	31,586	4.478 (CNY:NTD)	141,442

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 5,199	30.705 (USD:NTD)	$ 159,635
JPY	47,876	0.217 (JPY:NTD)	10,399
CNY	12,337	4.327 (CNY:NTD)	53,382
Financial liabilities			
Monetary items			
USD	1,384	30.705 (USD:NTD)	42,496
JPY	46,170	0.217 (JPY:NTD)	10,028
CNY	799	4.327 (CNY:NTD)	3,457

For the years ended December 31, 2024 and 2023, realized and unrealized net foreign exchange gains were \$11,508 thousand and \$1,645 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Company.

31. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (Table 1)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

9) Trading in derivative instruments (None)

b. Information on investees (Table 5)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 6)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 1 and 7):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

SYNPOWER CO., LTD. AND REINVESTMENT COMPANIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 3)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 3)	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	SynPower Co., Ltd.	SynPower Co., Ltd. Dongguan	Sub-subsidiary	$ 1,183,890	$ 131,140 (US$ 4,000 thousand)	$ 131,140 (US$ 4,000 thousand)	$ 16,121 (US$ 492 thousand)	$ 19,671	11	$ 1,183,890	Yes	No	Yes
		SynPower Co., Ltd. (Kunshan)	Sub-subsidiary	1,183,890	71,648 (CNY 16,000 thousand)	-	-	-	-	1,183,890	Yes	No	Yes
		SynTop Co., Ltd.	Subsidiary	1,183,890	155,000	155,000	50,000	-	13	1,183,890	Yes	No	No

Note 1: Calculated using the net value of the Company as of December 31, 2024.

Note 2: The total amount of endorsements/guarantees provides to the subsidiary in which the Company directly or indirectly holds 100% of the shares is limited to 100% of net value of the parent company. The limit on endorsements/guarantees provided to a single entity is 100% of the net assets of the parent company.

Note 3: The foreign currencies are translated at the exchange rates prevailing on December 31, 2024.

SYNPOWER CO., LTD. AND REINVESTMENT COMPANIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
SynPower Co., Ltd.	Odobez System Taiwan Corporation	-	Financial assets at fair value through other comprehensive income	259,000	$ 10,001	0.60	$ 10,001	-
	Symtek Automation Asia Co., Ltd.	-	Financial assets at fair value through other comprehensive income	1,276,599	264,256	1.70	264,256	Note

Note: It is evaluated based on the closing price of the last trading day of December 2024 on the Taiwan Stock Exchange.

SYNPOWER CO., LTD. AND REINVESTMENT COMPANIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transact	
			Purchase/ Sale	Amount
SynPower Co., Ltd.	SynTop Co., Ltd.	Parent company to subsidiary	Purchase	$ 155,458

Note: In order to enrich the production capacity of SynTop Co., Ltd., the Company pays for partial purchase transaction

SYNPOWER CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
SynTop Co., Ltd.	The Company	Subsidiary to parent company	$ 66,644	2.74	$ -	-	$ 40,178	$ -

Note 1: Trade receivables or notes receivable, other receivables or any others shall be disclosed separately.

Note 2: Paid-in capital refers to the paid-in capital of the parent company. If the issuer's stock has no denomination or the denomination per share is not NT$10, the transaction amount of 20% of the paid-in capital shall be calculated based on the 10% of the equity attributable to the owner of the parent company on the balance sheet.

TABLE 5

SYNPOWER CO., LTD. AND REINVESTMENT COMPANIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 1)		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2024	Number of Shares	%	Carrying Amount			
SynPower Co., Ltd.	HK Synpower Ltd.	Hong Kong	Investment company	$ 111,876 (US$ 3,630 thousand)	$ 111,876 (US$ 3,630 thousand)	3,630,000	100	$ 335,053	$ 63,919	$ 64,086	
	Synpower Co., Ltd	Republic of Seychelles	Trading Company	9,613 (US$ 319 thousand)	9,613 (US$ 319 thousand)	50,000	100	69,233	7,385	7,385	
	SynTop Co., Ltd.	Taiwan	Electronic automated equipment manufacturing and related upgrading services	49,996	49,996	2,479,500	77	14,676	9,076	11,762	
	Chipboard Technology Corporation	Taiwan	Electroless nickel immersion gold for PCB	71,211	71,211	4,371,502	51	113,690	22,548	11,499	
	SYNDIA INDIA PRIVATE LIMITED	India	Electronic components and other parts, and related maintenance services	4,044 (INR 10,000 thousand)	4,044 (INR 10,000 thousand)	-	100	5,745	(206)	(206)	
	Synthai Technology (Thailand) Company Limited	Thailand	Electronic components and other parts, and related maintenance services	2,438 (THB 2,500 thousand)	-	250,000	100	2,292	(108)	(108)	

Note 1: The original investment amount is converted at the exchange rate prevailing at the time of the original investment.

Note 2: Investments in mainland China are included in Table 6.

SYNPOWER CO., LTD. AND REINVESTMENT COMPANIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 3)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024 (Note 1)	Net Income (Loss) of the Investee (Note 2)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2024 (Note 3)	Accumulated Repatriation of Investment Income as of December 31, 2024	Note
					Outward	Inward							
SynPower Co., Ltd. (Kunshan)	Electronic product testing services, automated equipment, electronic components and other parts, and related maintenance services	$ 35,824 (CNY 8,000 thousand)	Invest Company in Mainland China through HK Synpower Ltd.	$ 40,142 (US$ 1,282 thousand)	$ -	$ -	$ 40,142 (US$ 1,282 thousand)	$ 43,702 (CNY 9,812 thousand)	100	$ 43,702 (CNY 9,812 thousand)	$ 174,079 (CNY 38,874 thousand)	$ -	Notes 5
SynPower Co., Ltd. Dongguan	Electronic product testing services, automated equipment, electronic components and other parts, and related maintenance services	62,692 (CNY 14,000 thousand)	Invest Company in Mainland China through HK Synpower Ltd.	68,636 (US$ 2,222 thousand)	-	-	68,636 (US$ 2,222 thousand)	20,087 (CNY 4,510 thousand)	100	20,087 (CNY 4,510 thousand)	163,067 (CNY 36,415 thousand)	-	Notes 5
Jiangsu SLK High-Tech Co., Ltd.	Electronic product testing services, automated equipment, electronic components and other parts, and related maintenance services	403,020 (CNY 90,000 thousand)	Invest Company in Mainland China through DongGuan SynPower Co., Ltd.	-	-	-	-	(39,537) (CNY (8,877) thousand)	20	(7,907) (CNY (1,775) thousand)	73,206 (CNY 16,348 thousand)	-	-

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023 (Note 1)	Investment Amount Authorized by the Investment Commission, MOEA (Note 3)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 4)
$108,778 (US$3,504 thousand)	$114,879 (US$3,504 thousand)	$710,334

Note 1: The foreign currencies are translated at the exchange rate at the time of remittance of the original investment cost.

Note 2: The foreign currencies are translated at the average exchange rate in 2024.

Note 3: The foreign currencies are translated at the exchange rates prevailing on December 31, 2024.

Note 4: It was calculated by 60% of the Group's net equity on December 31, 2024.

Note 5: The investment income (loss) recognized was based on the audited financial statement.

TABLE 7

SYNPOWER CO., LTD. AND REINVESTMENT COMPANIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
SynPower Co., Ltd. Dongguan	Sale	$ 31,627	6.23	No significant differences	No significant differences	No significant differences	$ 8,488	3.57	$ -	
	Purchase	5,239	1.33	No significant differences	No significant differences	No significant differences	(3,257)	(2.12)	-	
SynPower Co., Ltd. (Kunshan)	Sale	17,750	3.50	No significant differences	No significant differences	No significant differences	5,016	2.11	-	
	Purchase	1,954	0.49	No significant differences	No significant differences	No significant differences	(1,625)	(1.06)	-	

TABLE 8

SYNPOWER CO., LTD.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Chi Bin Industrial Co., Ltd.	4,786,751	14.56
Symtek Automation Asia Co., Ltd.	2,700,719	8.21
Kao Mei Industrial Co., Ltd.	2,124,729	6.46
Lin, Win-Bin	2,080,308	6.32
Zhen Ding Technology Holding Limited	1,733,697	5.27

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Comapny as of the last business day for the current quarter. The share capital in the parent company only financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

SYNPOWER CO., LTD.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

SYNPOWER CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Summary	Amount
Cash on hand		$ 577
Bank deposits		
Demand deposits		76,712
Demand deposits (foreign currency)	US$2,610,060, exchange rate at 32.785	107,526
	JPY38,277,410, exchange rate at 0.210	
	THB1,872,916, exchange rate at 0.962	
	GBP71, exchange rate at 41.190	
	CNY2,705,607, exchange rate at 4.478	
Check deposits		805
		185,043
Cash equivalents		
Postal gift coupon		15
		$ 185,635

SYNPOWER CO., LTD.

STATEMENT OF NOTES and TRADE RECEIVABLES
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Notes receivable	
Customer A	$ 756
Customer B	262
Customer C	116
Customer D	66
	1,200
Trade receivables from unrelated parties	
Customer E	72,289
Customer F	23,445
Customer G	22,254
Customer H	20,291
Customer I	15,924
Others (Note)	81,794
	235,997
Less: Allowance for impairment loss	(13,671)
	222,326
Trade receivables from related parties	
SynPower Co., Ltd. Dongguan	8,488
SynPower Co., Ltd. (Kunshan)	5,016
Others (Note)	898
	14,402
	$ 237,928

Note: The amount of individual customer included in others does not exceed 5% of the account balance.

SYNPOWER CO., LTD.

STATEMENT OF INVENTORIES
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount: Cost	Amount: Market Price (Note)
Merchandise	$ 42,388	$ 57,008
Raw materials	5,879	6,960
Work in process	12,360	12,365
Finished goods	25,295	28,692
	85,922	$ 105,025
Allowance for inventory valuation	(26,418)	
	$ 59,504	

Note: Market value is calculated using net realizable value.

SYNPOWER CO., LTD.

STATEMENT OF PREPAYMENTS
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Prepayments for goods	$ 81,286
Offset against business tax payable	15,394
Others (Note)	6,777
	$ 103,457

Note: The balance of each item does not exceed 5% of the balance of this account.

SYNPOWER CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Beginning Balance Shares (In Thousands)	Beginning Balance Amount	Increase/Decrease in This Year Shares (In Thousands)	Increase/Decrease in This Year Amount	Ending Balances Shares (In Thousands)	Ending Balances Amount	Year-end Shareholding %	Market Value/Net Equity	Guarantee or Pledge	Note
Unlisted shares										
Synpower Co., Ltd.	50	$ 61,848	-	$ 7,385	50	$ 69,233	100	$ 69,233	None	Note 1
HK Synpower Co., Ltd.	3,630	259,583	-	75,470	3,630	335,053	100	335,053	None	Note 2
SynTop Co., Ltd.	2,480	2,914	-	11,762	2,480	14,676	77	14,676	None	Note 3
Chipboard Technology Corporation	4,372	108,357	-	5,333	4,372	113,690	51	113,690	None	Note 4
SYNDIA INDIA PRIVATE LIMITED	-	5,951	-	(206)	-	5,745	100	5,745	None	Note 5
Synthai Technology (Thailand) Company Limited	-	-	250	2,292	250	2,292	100	2,292	None	Note 6
		$ 438,653		$ 102,036		$ 540,689				

Note:1 The increase in the current year is due to the recognition of investment gain of $7,385 thousand.

Note 2: The increase in the current year is due to the recognition of investment gain of $64,086 thousand, unrealized sales gain of $845 thousand and deduction of cumulative translation adjustments of $12,229 thousand.

Note 3: The increase in the current year is due to the recognition of investment gain of $11,762 thousand.

Note 4: The increase in the current year is due to the recognition of investment gain of $11,499 thousand, change in the remeasurement of the investee's defined benefit plan of $458 thousand and realized sales gain of $29 thousand and the subsidiary paid cash dividends of $6,653 thousand.

Note 5: The increase in the current year is due to the recognition of investment loss of $206 thousand.

Note 6: The increase in the additional equity investment of $2,438 thousand, recognition of investment loss of $108 thousand and deduction of cumulative translation subtraction of $38 thousand.

SYNPOWER CO., LTD.

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Increased in This Year	Decrease in This Year	Ending Balance	Note
Cost					
Buildings	$ 7,779	$ 1,743	$ (2,064)	$ 7,458	
Transportation equipment	2,485	1,575	(3,050)	1,010	
	10,264	$ 3,318	$ (5,114)	8,468	
Accumulated depreciation					
Buildings	1,947	$ 3,614	$ (2,064)	3,497	
Transportation equipment	1,764	1,881	(2,721)	924	
	3,711	$ 5,495	$ (4,785)	4,421	
	$ 6,553			$ 4,047	

SYNPOWER CO., LTD.

STATEMENT OF CHANGES IN SHORT-TERM BORROWINGS
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Type of Loans	Ending Balance	Contract Period	Interest Rate (%)	Financing Amount	Pledge or Guarantee
Unsecured borrowings					
Shin Kong Commercial Bank	$ 30,000	2024.01.30-2025.01.30	2.16	$ 100,000	None
Taishin International Commercial Bank	40,000	2024.08.31-2025.08.31	2.06	50,000	None
Mega International Commercial Bank	60,000	2024.07.20-2025.07.19	2.18	100,000	None
Yuanta Commercial Bank	10,000	2024.11.12-2025.11.11	2.10	80,000	None
	$ 140,000			$ 330,000	

SYNPOWER CO., LTD.

STATEMENT OF SHORT-TERM BILLS PAYABLE
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Promissory Institution	Contract Period	Discount Rate (%)	Amount		
			Amount - Issued Amount	Amount-Unamortised Discount Bonds Premium (Discount)	Amount - Carrying Amount
Commercial paper payable					
Mega International Commercial Bank	2024.07.22-2025.07.21	2.08	$ 60,000	$ -	$ 60,000

SYNPOWER CO., LTD.

STATEMENT OF CHANGES IN TRADE PAYABLES
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Trade payables from unrelated parties	
Vendor A	$ 19,485
Vendor B	6,952
Vendor C	5,263
Vendor D	4,563
Vendor E	4,320
Others (Note)	41,559
	82,142
Trade payables from related parties	
SynTop Co., Ltd.	66,644
Others (Note)	4,882
	71,526
	$ 153,668

Note: The balance of each item does not exceed 5% of the balance of this account.

SYNPOWER CO., LTD.

STATEMENT OF CHANGES IN OTHER CURRENT LIABILITIES
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Temporary credits	$ 3,566
Receipts under credits	1,063
	$ 4,629

SYNPOWER CO., LTD.

STATEMENT OF CHANGES IN LONG-TERM BORROWINGS
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Creditor	Borrowing Balance	Contract Period	Interest Rate (%)	Financing Amount	Pledge or Guarantee
Secured borrowings					
CTBC Commercial Bank	$ 159,364	2024.07.31-2029.07.31	1.67	$ 355,000	Real estate
	200,000	2024.07.19-2029.07.19	2.42	200,000	Real estate
	140,000	2024.07.19-2029.07.19	2.52	140,000	Real estate
Unsecured borrowings					
Taipei Fubon Commercial Bank	35,874	2021.10.01-2026.10.01	1.77	80,000	None
	$ 535,238			$ 775,000	

SYNPOWER CO., LTD.

STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Sales	
Wet-process smart solutions	$ 135,370
AI machine vision equipment	98,080
Production automation integration	97,906
Others (Note)	175,521
	$ 506,877

Note: The balance of each item does not exceed 5% of the balance of this account.

SYNPOWER CO., LTD.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Cost of goods sold from trading business	
Beginning balance of merchandise	$ 39,815
Add: Purchase of merchandise	226,833
Less: Material request between departments	(4,693)
Others	(7,566)
Ending balance of merchandise	(42,388)
Costs of merchandise sold	212,001
Raw materials	
Beginning balance of raw materials	8,014
Add: Purchase of raw materials	7,725
Less: Sales of raw materials	(2,345)
Material request between departments	(197)
Ending balance of raw materials	(5,879)
Raw materials used in production	7,318
Manufacturing expenses (Statement 14)	8,961
Manufacturing costs	16,279
Beginning balance of work in process	8,202
Add: Purchase of work in process	1,936
Less: Ending balance of work in process	(12,360)
Finished goods costs	14,057
Beginning balance of finished goods	58,297
Add: Purchase of finished goods	144,908
Others	(12,561)
Less: Ending balance of finished goods	(25,295)
Production costs	179,406
Cost of goods sold before adjustment	391,407
Maintenance and warranty cost	9,944
Inventory valuation loss	12,244
Right to recover a product	(113)
Others	16,442
Operating costs	$ 429,924

SYNPOWER CO., LTD.

STATEMENT OF MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Amount
Salaries and pensions	$ 5,889
Depreciation expenses	1,602
Insurance fees	538
Others (Note)	932
	$ 8,961

Note: The balance of each item does not exceed 5% of the balance of this account.

SYNPOWER CO., LTD.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses
Salaries and pension	$ 36,269	$ 34,902	$ 25,416
Insurance fees	4,366	3,166	2,250
Travelling fees	4,066	756	1,250
Depreciation expenses	1,940	2,003	4,847
Professional fees	43	8,692	2,255
Research fees	-	-	8,927
Others (Note)	10,323	12,354	3,671
	$ 57,007	$ 61,873	$ 48,616

Note: The balance of each item does not exceed 5% of the balance of this account.

SYNPOWER CO., LTD.

STATEMENT OF EMPLOYEE BENEFITS AND DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

	2024			2023		
Item	**Cost of Goods Sold**	**Operating Expenses**	**Total**	**Cost of Goods Sold**	**Operating Expenses**	**Total**
Employee benefits expense						
Salaries	$ 14,003	$ 86,051	$ 100,054	$ 15,860	$ 72,382	$ 88,242
Share-based payments	-	-	-	-	3,255	3,255
Labor and health insurance	1,386	8,437	9,823	1,567	7,539	9,106
Pension	709	6,676	7,385	785	3,953	4,738
Remuneration paid to directors	-	3,286	3,286	-	3,472	3,472
Others	602	4,145	4,747	684	3,857	4,541
	$ 16,700	$ 108,595	$ 125,295	$ 18,896	$ 94,458	$ 113,354
Depreciation expenses	$ 1,602	$ 8,790	$ 10,392	$ 1,530	$ 8,518	$ 10,048
Amortization expenses	$ 154	$ 2,039	$ 2,193	$ 166	$ 3,367	$ 3,533

Note 1: The number of employees in 2024 and 2023 were 117 and 107, respectively, of which the number of directors who were not also employees is 5 and 4, respectively.

Note 2: a. Average employee benefits for the years ended December 31, 2024 and 2023 were $1,089 thousand and $1,067 thousand, respectively.

b. Average salary for the years ended December 31, 2024 and 2023 were $893 thousand and $888 thousand, respectively.

c. The average salary increased by 0.56% year over year.

d. The Company did not have supervisors for the years ended December 31, 2024 and 2023. Therefore, there was no compensation to the supervisor.

e. The compensation policies of the Company are as follow:

Directors

The remuneration of directors was determined by in accordance with the Company's regulations. If the Company makes annual profits, the remuneration shall be allocated in accordance with the Articles and approved by the Remuneration Committee and Board of Directors and report on the shareholder's meeting. If the directors are also employees, the remuneration should be paid in accordance with the following regulation.

Managers

The remuneration policy for the general manager and deputy general manager is based on the Company's operating strategy, profit ability, operating performance, job contribution and the future risks. The remuneration are reviewed by the Remuneration Committee and submitted to the Board of Directors for approval.

Employees

The remuneration of employees was positively correlated with the individual's ability, contribution to the Company, and the correlation between performance and business performance. The remuneration mainly includes basic salary, bonus and employee bonus. The standard of remuneration is based on the market competition situation of the position held by the employee and the Company's policy: Bonuses and employee bonuses are paid in connection with the department's goals or the Company's business performance.

The rule for employees share option plan or transfer treasury stock to employees should be established and reviewed by the Remuneration Committee and approved by the Board of Directors.