

PROMISE TECHNOLOGY,INC.

2023

Annual Report

Taiwan Stock Exchange Market Observation Post

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Company website : <https://www.promise.com/tw>

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The original of this Annual Report is written in Chinese language. If there is any discrepancy between the Chinese version and this English translation, the Chinese version shall prevail.

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Letter to Shareholders

Dear shareholders, :

Thank you very much to all shareholders for attending the 2023 ordinary shareholders meeting of the company in spite of their busy schedules.

First of all, I would like to thank all shareholders for their support in 2022. The 2022 operating results and 2023 operating outlook report are as follows:

Consolidated financial ratios

project		2023	2022
Financial Structure (%)	Liabilities to Assets Ratio	38.22	31.51
	Ratio of long-term funds to fixed assets	825.33	915.16
solvency	Current Ratio (%)	237.39	300.50
	Quick Ratio (%)	121.12	155.87
	Interest coverage ratio (times)	0	216.63
Profitability	Return on assets (%)	(11.25)	0.49
	Return on Equity (%)	(17.87)	0.34
	Net (loss) profit rate (%)	(24.53)	0.32
	Basic earnings per share (yuan)	(1.55)	0.03

Research Development Status

year	R & D results
2023	<ul style="list-style-type: none">Pegasus M4 has a stable and high-performance PromiseRAID engine and has Thunderbolt™ high-speed transmission. In a compact four-slot SSD chassis, the Pegasus M4 features a stable and high-performance PromiseRAID engine with high-speed Thunderbolt™ transmission, making it the best choice for creative media professionals. The perfect partner for Mac Studio: Pegasus M4 works perfectly with Mac Studio, M1/M2 CPU, Intel x86, MacOS 12 and MacOS 13 with DEXT driver. 4K/8K Editing: An all-SSD 2TB/4TB array represents a high-performance/low-latency 4K/8K inline/post-production pipeline and is a must-have tool for multimedia professionals. Pegasus M4 maximizes the speed of SSDs equipped with enterprise-class RAID data protection; delivering over 2,000 MB/sec transfer speeds with low latency.AI Surveillance Storage A8120 and A6600P This product aims to be an open monitoring application platform, with the hardware specifications and software system specifications required for monitoring. The system is highly reliable and easy to use and expand.

Operational outlook for 2024:

1. Open source - In addition to expanding sales channels, carry out technical cooperation or license to system manufacturers or IC design manufacturers to increase future revenue and profits.

- (1) Continue to carry out technical cooperation or license it to target cooperative manufacturers to increase new revenue and profits in the medium and long term.
 - (2) Implement the new product launch schedule, develop new products and strengthen the current business of system integration manufacturers (SI and OEM) in the fields of multimedia, surveillance and IT.
 - (3) Strengthen the development of business in regions with economic growth potential, such as Japan and India.
 - (4) Review the above results in the third and fourth quarters, continue or adjust methods to implement the above strategic directions.
2. Reduce expenditure-strengthen the management of people and things, improve efficiency and productivity
- (1) Improve the productivity of human resources.
 - (2) Examine the minimization of operating expenses in more detail.
 - (3) Strictly control R&D engineering design and maximize cost recovery.
 - (4) Strengthen the management of procurement and warehouse materials.

Since its establishment more than 30 years ago, Promise has always adhered to the professional field of data storage. In addition to the pursuit of core technologies, it has also adapted to the ever-changing industry trends and transformed at different stages to maintain the momentum of continued growth.

The company is committed to developing new products with high performance/low energy consumption as the main axis and actively promoting them in various markets around the world. On the other hand, the company simultaneously integrates relevant resources, continues to streamline the organization and reduce costs, and hopes to implement key execution points in this global economic dilemma. , aiming to turn losses into profits again in 2024, lay the foundation for growth and profitability, and return to glory in 2026.

We wish you good health and great fortune.

Chairman: Lee,Jyh-En

President: Lee,Jyh-En

Accounting Supervisor: Hsiao,Hsiang-Yun

Company Introduction

1. Company profile:

(1) Date of establishment: February 27, 1980

(2) History of the company:

The R&D team of Promise Technology. was established in Silicon Valley of the United States in 1988. It has been in the leading position in the world in the related technologies of IDE disk drives. Promise Information was formally established in Hsinchu Science and Technology Industrial Park in 1991.

Promise is recognized as a global leader in the storage industry, and is a leading developer of high-performance storage solutions for data centers, monitoring, cloud and multimedia. In terms of developing innovative storage solutions in the vertical market, Promise continues to strive to meet the strict requirements of customers, and has accumulated an outstanding reputation along the way. It proposes solutions to the business challenges faced by large enterprise companies, small and medium-sized enterprises, security integration vendors and creative professionals. Practical answers.

Promise Technology. will focus on opening up the blue ocean data storage market, redefining storage possibilities and seeking integration development opportunities. The enthusiasm for innovation keeps Promise Technology at the forefront of the storage industry, forming strategic alliances with major storage-related companies around the world, and working quietly to become the preferred storage supplier for the world's top distributors and integrators, so that they can use it through Promise Technology.'s technology and products are proud of its vertical market and channel sales.

Company Milestones :

Years	Publish projects
2024	<ul style="list-style-type: none">• Pegasus R12 is elegant and efficient. It uses NVMe SSD cache acceleration technology to achieve high performance, low latency NVMe SSD cache, small system and large capacity.• Pegasus R12 delivers extremely high performance through PromiseRAID, driving a 12-disk RAID array and pushing Thunderbolt™ 4 data transfer rates up to 3,000MB/s. Its unparalleled performance is boosted by two onboard NVMe SSD caches. The Pegasus R12 is a huge productivity infusion for any creator's work.• Sophisticated, elegant and compact, the 12-slot design can accommodate up to 240TB HDDs (20TB x 12 x 3.5" enterprise-class nearline HDDs) in a chassis that is nearly the same size as most 8-slot chassis on the market. PROMISE designed this high density Designed to allow for easy and quick disk drive replacement, and utilizing smart fan control to produce extremely low noise output, the Pegasus R12 is a compact, large-capacity, quiet desktop storage workhorse.• Pegasus R12 continues the power saving function built into the Pegasus system. When connected to Thunderbolt™ cables and power cords, Pegasus R12 power management automatically wakes and sleeps in response to host computer activity to save power and reduce noise. When the Thunderbolt™ cable is disconnected from the host, it will automatically shut down.
2023	<ul style="list-style-type: none">• Pegasus M4 has a stable and high-performance PromiseRAID engine with Thunderbolt™ high-speed transmission. In response to the improvement of SSD cost performance, small and fast storage devices have become possible. Therefore, a small

	<p>external fast storage device is specially developed for 2.5-inch disk drives, taking into account both size and performance, and is especially suitable for multimedia applications. Perfect partner for Mac Studio: Pegasus M4 is a perfect match for Mac Studio, M1/M2 CPU, Intel x86, MacOS 12 and MacOS 13 with DEXT driver. 4K/8K Editing: A full SSD 2TB/4TB array represents a high-performance/low-latency 4K/8K embedding/post-production workflow, and is also a must-have tool for multimedia professionals. Pegasus M4 can maximize the speed of SSD equipped with enterprise-level RAID data protection; it provides a transfer speed of over 2,000 MB/sec with low latency.</p> <ul style="list-style-type: none"> • AI Surveillance Storage A8120 and A6600P This product aims to be an open monitoring application platform, with the hardware specifications and software system specifications required for monitoring. The system is highly reliable and easy to use and expand.
2022	<ul style="list-style-type: none"> • Vess A8120 can assume three roles in the surveillance network architecture: management server, recording server or IVA (Intelligent Video Analysis) server. Vess A8120 can be used as an independent management server to manage 300 cameras/devices on the surveillance network. If it is used as a recording server, Vess A8120 can execute user-preferred recording software and store the recorded video data in Vess A8120 or PROMISE storage hardware for later playback ° • The main feature of Vess A8600 product is the combination of performance and expandable on-premises storage capacity, suitable for video surveillance and data-intensive workloads of large enterprises. Designed for video recording and Intelligent Video Analysis (IVA) applications. Hardware options include a PCI slot for an additional Intel Xeon CPU (dual CPU option); alternatively, a GPU card can be used for image analysis or other processor-intensive applications.VTrak N1616. • With the rapid growth of the RichMeida field, the demand for access speed and capacity expansion has increased significantly, and the network storage platform must find a cost-effective method to achieve a balance between performance and capacity. VTrak N1616 series is a rack-mounted high-speed hybrid network storage platform with 10G network speed, NVMe read speed exceeding 6000MB, high-speed and capacity disk hybrid mode, and a cost-effective way to provide capacity and speed requirements. In addition, the function of integrating with external clouds is also planned, including AWS with the highest market share, etc. • Pegasus Pro has a storage system with privacy and high performance requirements, and can easily expand storage capacity up or down according to the continuous changes of organizational needs. Combining with cloud systems can effectively eliminate the initial hardware cost configuration of enterprises or individuals. Many public cloud systems also provide automatic backup mechanisms to ensure data security. Through the hybrid cloud storage system design to achieve infrequently accessed cloud storage and frequently used local storage, optimize storage costs to reduce overall expenses and maintain performance.
2021	<ul style="list-style-type: none"> • Pegasus Pro R16: Recommended for medium and large editing teams. The independent Thunderbolt™ 3 port can connect editors using the Thunderbolt™ 3 interface, and there are multiple 10Gbps LAN ports that can be connected to a 10G Ethernet switch to share with up to 20 NAS users, or support up to five 4K simultaneous editor. It can aggregate and share content through 1G/10G Ethernet. At the same time, through another Thunderbolt 3 port, it can daisy-chain six Pegasus3 or

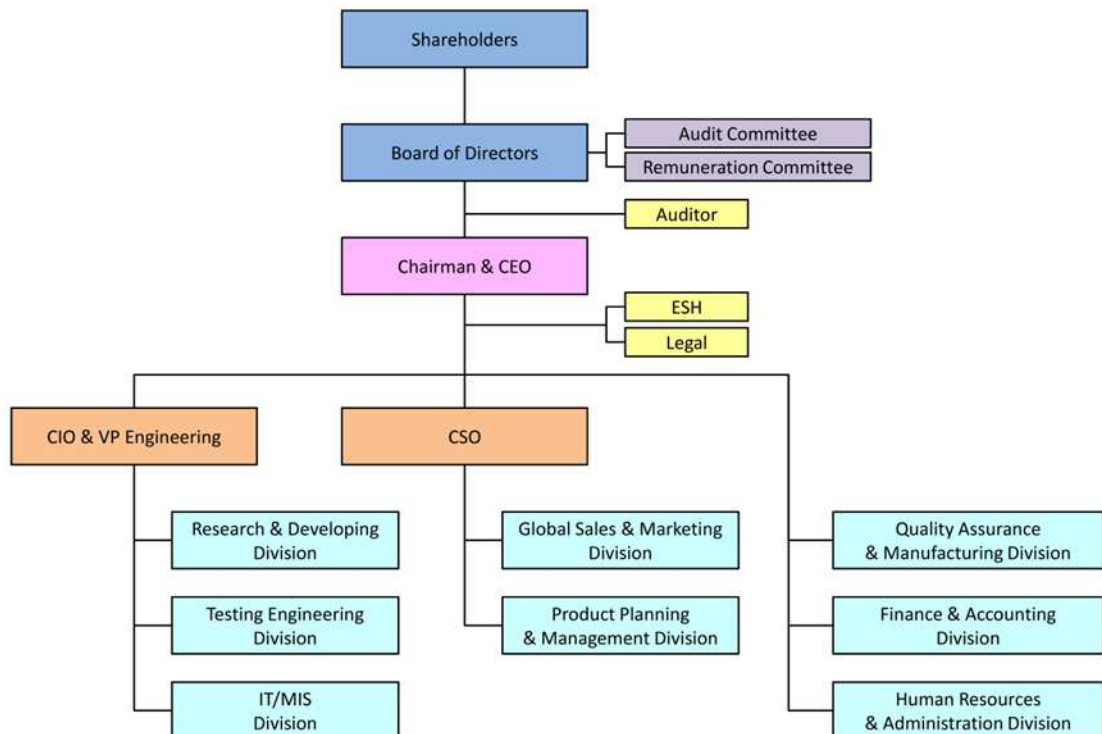
	<p>Pegasus32 storage devices to ensure that Pegasus lovers can maximize the utilization of their invested devices. . The performance that keeps pace with the times can be upgraded to meet future needs and support the production requirements of 8K image quality. Support high-performance SSD, with PROMISE RAID performance, security and fault tolerance.</p> <ul style="list-style-type: none"> • VTrak J5960 JBOD with green DNA is specially designed for enterprise environments that require large capacity, high bandwidth and high speed. Each input/output (I/O) module of the VTrak J5960 has six external 12Gb/s SAS ports, and each dual I/O module chassis has a total of twelve 12Gb/s SAS ports, providing modern Extreme performance for data centers. Optimized for high-speed computing applications, cloud platforms, and enterprise applications, the aggregate transfer rate can reach up to 15GB/s through 60 HDDs, suitable for heavy workload scenarios.
2020	<ul style="list-style-type: none"> • Pegasus32 is the world's first external storage device that combines Thunderbolt™ 3 and USB 3.2 Gen 2 two different transmission interfaces. Unlike other products currently on the market, Thunderbolt and USB must be separated into different ports. Pegasus32 only needs one port According to the connected host interface, it automatically judges and actively provides the transmission speed of Thunderbolt or USB. In addition, the Pegasus32 series has three different models: R4, R6, and R8, which are matched with hard drives of different capacities to meet the diverse needs of professional video editors and provide greater convenience and flexibility. • Pegasus Pro built-in FileBoost exclusive technology, this epoch-making innovation will break the limitation of DAS and NAS two different file formats, allowing files to be converted and shared between DAS and NAS storage areas on the same device to support 4K or 5K video smoothly Uncompromised video playback or editing. Combining the innovative breakthrough of FileBoost and Promise Technology.RAID technology, PegasusPro will provide users with unprecedented convenience and flexibility, as well as more optimized audio-visual post-production process and collaborative operation.
2019	<ul style="list-style-type: none"> • The internal storage device tailored for Mac Pro, Promise Pegasus R4i RAID storage MPX module and Pegasus J2i allow users to easily and safely store, browse and manage data up to 32TB. • Monitoring and optimization storage platform Vess R3000: Promise's new Vess R3000 unified storage device (Unified Storage) can integrate NAS and SAN architectures on the same device, and process two different data formats, block data and file, at the same time. Let customers enjoy more flexibility in data management. Whether monitoring video streaming, or data backup or data archiving, R 3000 can provide optimized performance.
2018	<ul style="list-style-type: none"> • Published Vess A6000 and Vess A3120 monitoring storage and simultaneously obtained Milestone SBP certification from a major software company • The excellent performance of VTrak D5000 has evolved to help customers meet the rapidly changing IT needs at an affordable price
2017	<ul style="list-style-type: none"> • Launched the second generation personal cloud storage product - Apollo Cloud 2 Duo • Launched the Vess A6120 series with enhanced monitoring management, analysis, video recording and other functions • Cooperate with Sugon to develop storage device VTrak D5000 with Data Service function.
2016	<ul style="list-style-type: none"> • Launched personal cloud storage products -Apollo

For further information on The Company, please visit our official website at: www.promise.com.

Corporate Governance Report

I、Organizational system：

(1) Organizational structure：



Division	Responsibilities
Research & Developing	<ol style="list-style-type: none"> 1. Product appearance and mechanism design. 2. Software support for OBM/ODM customers 3. Development of mid/to-high-end disk array cabinets and NAS (network-attached storage devices). 4. Product prototype and core technology development. 5. RAID software development and application. 6. Cloud storage application software development.
Testing Engineering	<ol style="list-style-type: none"> 1. Test and verify the feasibility for R&D technology. 2. Assist R&D in system testing and verification. 3. Test technology development and implement
IT/MIS	<ol style="list-style-type: none"> 1. Planning and maintenance for the IT/MIS system architecture. 2. Formulate company information security norms and management regulations. 3. Management and maintenance for the ERP system. 4. Build information system and applications for the operational needs.
Global Sales & Marketing	<ol style="list-style-type: none"> 1. Marketing strategy planning and execution for the products, brands and images. 2. Handle sales business and order related matters. 3. Development for OBM/ODM/OEM Customers. 4. Market research and analysis and formulation for relevant specifications. 5. Forecast for product technologies , product life cycle, technology life cycle, price and channel.
Product Planning & Management	<ol style="list-style-type: none"> 1. Product project management. 2. New product introduction and pilot run management. 3. Product life cycle management.
Quality Assurance & Manufacturing	<ol style="list-style-type: none"> 1. Implementation and management of ISO quality system and green products. 2. Product manufacturing, quality and logistics planning and management. 3. Global production and sales coordination. 4. Cost control. 5. Outsourcing vendor development and management. 6. Production schedule arrangement, manufacturing process supervision and production operation execution. 7. Product management, logistics and production material procurement management. 8. Improvement of global logistics business and production exception handling and analysis. 9. Productivity efficiency assessment, quality control system and improvement of yield rate. 10. Strengthen OEM production capacity.
Finance & Accounting	<ol style="list-style-type: none"> 1. Fund scheduling and bank transactions. 2. Planning and implementation for financial accounting system. 3. IR relationship maintenance. 4. Planning and evaluating strategic investment with external companies.
Human Resources & Administration	<ol style="list-style-type: none"> 1. Human resources management. 2. Planning and execution for administrative/ general/ factory affairs.

II 、Information on Directors, Presidents, Vice Presidents, Assistant Vice Presidents, and managers of each department and division :

(1) Information on Directors and Supervisors :

Unit: share April 23, 2024

Title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commence ment date of first term	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares held in the names of others		Education and Experience	Positionsheld concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Note
							Shares held	%	Shares held	%	Shares held	%	Shares held	%			title	Name	Relationship	
Chairman	ROC	Qixiang Co., Ltd.	-	2023.6.26	3	2020.6.24	7,142,873	7.71	7,142,873	7.71	-	-	-	-	None	None	-	-	-	-
		legal representative : Lee, Jyh-En	Male 61~70				-	-	-	-	-	-	-	-	Master in Electrical Engineering , State Univer-sity of New York at Stony Brook University / Vice Presidents Manager of R&D at TP-Tronics Inc., USA	1. Director Promise Technology Europe B.V. 2. Director Joding Investment Corp. 3. Legal representative of Promise Technology (Shanghai), Inc., 4. Chairman Promise iCloud Technology.	-	-	-	-
Director	ROC	Tsu Fung Investment Corporation	-	2023.6.26	3	106.6.14	2,609,479	2.82	2,609,479	2.82	-	-	-	-	None	None	-	-	-	-
		legal representative : Ho, Jhi-Wu	Male 71~80				-	-	-	-	-	-	-	-	Master in Computer Science, Fairleigh Dickinson University Master in Science of International Manager of Marketing Department of Baohua Co., Ltd.	1. Director and President, MiTAC Holdings Corpo-ration 2. Director and President, MiTAC International Corp. 3. Chairman and CEO, MiTAC Computing Technol-ogy Corp. 4. Chairman and CEO, MiTAC Digital Technology Corp. 5. Chairman, Tsu Fung Investment Corporation 6. Director, 3-Probe Technologies Co., Ltd. 7. Director, Promise Technology, Inc. 8. Director ,Whetron Electronics Co., Ltd	-	-	-	-

Director	ROC	Syntec Technology Co., Ltd.	-	2023.6.26	3	2023.6.26	2,741,860	2.96	2,741,860	2.96	-	-	-	-	None	None	-	-	-	-
		legal representative : Chirstine Huang	Female 61~70				-	-	-	-	-	-	-	-	Mathematics Dept.,National Kaohsiung Normal University	Administration Director, SYNTEC Technology Chairman, Leantec Intelligence Chairman, Syntec Education Foundation Director, Promise Technology, Inc.	-	-	-	-
Independent director	ROC	Chang,Wen-Thong	Male 61~70	2023.6.26	3	94.06.13	-	-	-	-	-	-	-	-	1.Ph.D,electrical engineering,Carnegie-mellon. 2.Professor,dept.of electrical engineering, Na-tional Chiao Tung University	1.Professor,dept.of computers science and infor-mation engineering,Asia University 2.KEY WARE ELECTRONICS CO., LTD. Independent director	-	-	-	-
Independent director	ROC	Lu,Hong-Sheng	Male 61~70	2023.6.26	3	106.6.14	-	-	-	-	-	-	-	-	National Taiwan University of Science and Technology Graduate Institute of Manage-ment,master. Vice Executive Officer,Taiwan Internation Securities co;Ltd.	Independent director of Promise Technology, Inc.	-	-	-	-
Independent director	ROC	Chen, Jyh-Cheng	Male 61~70	2023.6.26	3	106.6.14	-	-	-	-	-	-	-	-	National Chiao Tung University, Department of Electronic Engineering LONGI Information Co. Ltd.	Independent director of Promise Technology, Inc.	-	-	-	-
Independent director	ROC	Chen Yi Liang (New)	Male 41~50	2023.6.26	3	2023.6.26	-	-	-	-	-	-	-	-	Department of Accounting, Soochow University Deloitte & Touche Assistant manager	YI XIANG & Co.,CPAs Partne PLOTECH Technology CO., LTD. Independent director ECHEM SOLUTIONS CORP. Supervisor	-	-	-	-

Independent director	ROC	Shih, Pen-Li (Resign)	Male 51~60	2020.6.24	3	2020.6.24	-	-	-	-	-	-	-	-	National Chengchi University Executive Master of Management Master of Materials Science, Tsinghua University Deputy General Manager of Hongsu Technology Senior Director of New Solar Energy Technology Director of Macronix Electronics	General Manager of Home Plastic Technology Co., Ltd., Chairman of Tianhong Technology Co., Ltd., Chairman of Taiyin Information System Co., Ltd., 、 Independent director of Promise Technology, Inc.	-	-	-	-
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Total shares issued on June 26, 2023 : 92,678,668 Shares ; Total shares issued on April 23, 2024. : 92,678,668 Shares-

Note : The company's independent directors account for more than half of all directors, and an audit committee has been set up, so there is no applicable statutory number of shares held by all directors and supervisors.

Directors and supervisors are representatives of legal person shareholders :

(1) Form 1: Major Shareholders of Corporate Shareholders :

April 23, 2024.

Name of corporate shareholder (Note 1)	Major shareholders of the corporate shareholder (Note 2)	
	shareholder name	Share holding ratio%
Qixiang Co., Ltd.	Lee, Jyh-En	100
Tsu Fung Investment Corpora-tion	MITAC INTERNATIONAL CORPORATION	100
Syntec Technology Co., Ltd.	TSAI,YU-KENG	10.9
	HUANG,WEI-SHENG	6.8
	RealHunt Ltd.	5.88
	Songbao Engineering Consulting Co., Ltd.	5.16
	Chirstine Huang	5.00
	CHEN,HENG-REN	4.91
	TSAI,CHANG-WEI	4.70
	TSAI,PEI-HSIN	4.70
	CHEN,CHANG-MING	4.20
	WU,KUAN-CHUN	4.05

Note 1 : If the director or supervisor is a representative of a legal person shareholder, the name of the legal person shareholder shall be filled in.

Note 2 : Fill in the name of the major shareholder of the legal person shareholder (whose shareholding ratio accounts for the top ten) and its shareholding ratio. If the major shareholder is a legal person, the following table 2 should be filled out.

(2) The main shareholder of the legal person shareholder is the representative of the legal person shareholder :

April 23, 2024.

Legal person name (Note 1)	Major shareholder of legal person (Note 2)	
	shareholder name	Share holding ratio%
MITAC INTERNATIONAL CORPORATION	MITAC Holdings Corporation	100
RealHunt Ltd.	RFSR CH LIMITED	55.56
	HENRIOT TRADING LIMITED	22.22
	Peihsin Partners Limited	22.22
Songbao Engineering Consulting Co., Ltd.	Chen Ying Chih	80
	Chen Fu Yuan	20

Note 1: If the major shareholder in Table 1 above is a legal person, the name of the legal person should be filled in.

Note 2: Fill in the name of the main shareholder of the legal person (whose shareholding ratio accounts for the top 10) and their shareholding ratio.

A 、Disclosure of professional qualifications of directors and supervisors and independence of independent directors :

Condition Name	Professional qualifications and experience	Independence situation	Number of independent directors concurrently serving as other public offering companies
Legal representative of Qixiang Co., Ltd. : Lee, Jyh-En	Chairman and Presidents of the Company. Have more than five years of working experience and the required working experience in business, legal affairs, finance, accounting or corporate business. Possess strategic management capabilities, technology industry knowledge, crisis management capabilities, leadership and decision-making capabilities, and an international market outlook	not applicable	-

Legal representative of Tsu Fung Investment Corporation : Ho, Jhi-Wu	<p>Director and President of Mitac Holdings °</p> <p>Have more than five years of working experience and the required working experience in business, legal affairs, finance, accounting or corporate business.</p> <p>Possess strategic management capabilities, technology industry knowledge, crisis management capabilities, leadership and decision-making capabilities, and an international market outlook</p> <p>None of the circumstances specified in Article 30 of the Company Act.</p>		-
Legal representative of Syntec Technology Co., Ltd.: Chirstine Huang	<p>Director and chief executive officer of Syntec Technology Co., Ltd.</p> <p>Have more than five years of working experience and the required working experience in business, legal affairs, finance, accounting or corporate business.</p> <p>Possess strategic management capabilities, technology industry knowledge, crisis management capabilities, leadership and decision-making capabilities, and an international market outlook</p> <p>None of the circumstances specified in Article 30 of the Company Act.</p>		-

<p>Chang, Wen-Thong</p>	<p>Professor of Department of Information Engineering, Asia University. Lecturer or above in public and private colleges and universities with more than five years of work experience and relevant departments required by the company's business. With relevant experience as a professor of the Department of Telecommunications Engineering of Jiaotong University and a professor of the Department of Optoelectronics and Communications of Asia University, he can provide professional advice on the company's product development and application None of the circumstances specified in Article 30 of the Company Act.</p>	<p>All independent directors meet the following conditions :</p> <ul style="list-style-type: none"> (1) Not an employee of the company or its affiliated enterprises. (2) Directors and supervisors who are not the company or its affiliated companies (except for independent directors established by the company and its parent company, subsidiaries, or subsidiaries of the same parent company in accordance with this Act or the laws of the local country.). (3) Natural person shareholders who are not themselves, their spouses, minor children, or others who hold more than 1% of the company's total issued shares or hold the top ten shares. (4) Spouses, relatives within the second degree, or direct blood relatives within the third degree of the managers listed in (1) or persons listed in (2) and (3). (5) Directors of legal person shareholders who do not directly hold more than 5% of the company's total issued shares, are among the top five shareholders, or designate representatives to serve as company directors or supervisors in accordance with Article 27, Item 1 or Item 2 of the Company Law, Supervisors or employees (except for independent directors established by the company and its parent company, subsidiaries, or subsidiaries of the same parent company in accordance with this Act or the laws of the local country concurrently). (6) Directors, supervisors, or employees of other companies that are not controlled by the same person as the directors of the company or more than half of the shares with voting rights (but if they are the company or its parent company, subsidiary company or a child of the same parent The independent directors established by the company in accordance with this Act or the laws of the local country concurrently serve concurrently, except for this limitation). (7) Directors (directors), supervisors (supervisors) or employees of other companies or institutions that are not the same person or spouse as the chairman, Presidents or equivalent of the company (but if the company and its parent company , subsidiaries, or subsidiaries belonging to the same parent company, where the independent directors established in accordance with this Act or the 	<p>1</p>
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Lu, Hong-Sheng	Have more than five years of working experience and the required working experience in business, legal affairs, finance, accounting or corporate business. Possess strategic management capabilities, technology industry knowledge, crisis management capabilities, leadership and decision-making capabilities, and an international market outlook None of the circumstances specified in Article 30 of the Company Act.	laws of the local country concurrently serve as each other, this limitation does not apply). (8) Directors (directors), supervisors (supervisors), managers, or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business relations with the company (but if specific companies or institutions hold issued shares of the company More than 20% of the total but less than 50%, and the independent directors of the company and its parent company, subsidiaries, or subsidiaries of the same parent company established in accordance with this Act or the laws of the local country concurrently serve as independent directors, except for this limitation).	-
Chen, Jyh-Cheng	Have more than five years of working experience and the required working experience in business, legal affairs, finance, accounting or corporate business. Possess strategic management capabilities, technology industry knowledge, crisis management capabilities, leadership and decision-making capabilities, and an international market outlook None of the circumstances specified in Article 30 of the Company Act.	(9) Non-professionals, sole proprietorships, partnerships, companies, or institutions that provide auditing for companies or affiliated companies, or that have received accumulative remuneration in the last two years that does not exceed NT\$500,000 in business, legal, financial, accounting, and other related services Business owners, partners, directors (council members), supervisors (supervisors), managers and their spouses. However, this does not apply to members of the Remuneration Committee, the Public Offer Review Committee, or the Special Committee on Mergers and Acquisitions who perform their duties in accordance with the Securities and Exchange Act or the Enterprise Merger and Acquisition Act.	-
Chen Yi Liang	Have more than five years of working experience and the required working experience in business, legal affairs, finance, accounting or corporate business.	(10) Does not have a spouse or relative within the second degree of relationship with other directors. (11) One of the circumstances specified in Article 30 of the Company Act is not met. (12) Article 27 of the Company Law does not stipulate that the government, legal person or its representative shall be elected..	-

B 、 Diversity and Independence of the Board of Directors:

(A) Board Diversity:

1. Diversity policy: Diversity policy: In order to enable the board of directors to achieve the aforementioned goals and strengthen its effectiveness, the company shall consider diversity in the composition of the board of directors in accordance with Article 20, Item 3 of the "Corporate Governance Practice Code", except for concurrently serving as company managers. The number of directors should not exceed one-third of the number of directors, and an appropriate diversification policy should be drawn up based on its own operation, operation mode and development needs, which should include but not limited to the following two

major aspects:

- (a) Basic conditions and values: gender, age, nationality and culture, etc.
- (b) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

2. Specific goals: The members of the board of directors should pay attention to gender equality and generally have the knowledge, skills and accomplishments necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the board of directors as a whole should have the following capabilities:

- (a) Operational judgment ability.
- (b) Accounting and financial analysis skills.
- (c) Operation and management capabilities.
- (d) Crisis management capabilities.
- (e) Industry knowledge.
- (f) International market outlook.
- (g) Leadership.
- (h) Decision-making ability.

3. Achievement situation:

- (a) The current board of directors of the company is composed of 7 directors, including 4 independent directors and 3 non-independent directors. The directors are all leaders in the industry and academia, including 5 directors with industrial experience, 1 director with academic background, and 1 director with investment professional background
- (b) 1 director of the company is over 70 years old, 5 are 61-70 years old, and 1 is 41-50 years old.
- (c) Proportion of the company not concurrently serving as employees or managers: 6 people (85.7%), and more than half of them did not concurrently serve as employees or managers, achieving the purpose of supervision.
- (d) Among the 7 directors (including 4 independent directors), including 1 female director.

(B) Board independence:

- 1. The number of directors in the company's articles of association is 7 seats, of which at least 3 are independent directors. Currently, there are 3 directors and 4 independent directors. Independent directors account for about 57%. There are 3 seats for less than three terms and 1 seat for less than one term, and there is no situation where the term of office exceeds three terms.
- 2. The members of the board of directors of the company have no family relationship within the spouse or second-degree relatives, so there is no circumstance stipulated in items 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(2) Remunerations to Directors, Presidents, and Vice Presidents :

Base date : April 23, 2024.

Title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	hold shares		Shares held by spouse and minor children		Holding shares in the name of others		Main experience and education (Note2)	Currently holding positions in other companies	Managers with a relationship within the spouse or within the second degree			Note 3
					Shares held	%	Shares held	%	Shares held	%			Title	Name	relation	
Presidents	ROC	Lee, Jyh-En	Male	2020.6.24	-	-	-	-	-	-	Master in Electrical Engineering , State University of New York at Stony Brook University / Vice Presidents Manager of R&D at TP-Tronics Inc., USA	1. Director Promise Technology Europe B.V. 2. Director Joding Investment Corp. 3. Legal representative of Promise Technology (Shanghai), Inc., 4. Chairman Promise iCloud Technology.	-	-	-	Countermeasures for the same person as the chairman and general manager : 1. Among the six directors, four are independent directors, and only one director is an employee 2. Independent directors can fully discuss and make suggestions in each functional committee for the board of directors' reference to implement corporate governance.
CIO and R&D director	ROC	Lin, Yu-Tsung	Male	2013.07.19	135,000	0.15	-	-	-	-	Master of Institute of Information Engineering, National Taiwan University/Bachelor of Information Engineering, National Taiwan University/CIO of Promise Technology/Director of Information of Dongsende.com/Manager of Information Office of Runtai Group/Senior Manager of UMC/Technical Consultant of HP Technology	Director of Promise iCloud Technology.	-	-	-	-
Financial Officer	ROC	Chen Ro-Han	Female	2023.03.10	-	-	-	-	-	-	Department of Accounting, Chung Yuan University/Finance Director of Mude Technology/Finance Director of Hongyou Technology	Supervisor of Promise iCloud Technology.	-	-	-	-
Accounting Supervisor (Note 4)	ROC	Hsiao, Hsiang-Yun	Female	2023.03.10	1,565	0.00	-	-	-	-	Accounting Department of Tamkang University/Zhiyuan Accounting Firm/Assistant Accounting Manager of Far EasTone Telecom Co., Ltd.	-	-	-	-	-

Assistant Manager (Note 5)	ROC	YU,JIN-HAO	Male	2023.12.01	10,000	0.01	-	-	-	-	Master of Business Administration, University of South Australia, Australia/Associate Business Manager of American EMC/American Sun Computer Business Manager/Business Manager of Shentong Computer	-	-	-	-
Assistant Manager (Note 5)	ROC	KAO,SHUN-CHANG	Male	2023.12.01	7,350	0.01	-	-	-	-	Master of Information Engineering from the University of Southern California/Information Manager of TSMC/Technical Sales Manager of Xunzhen Technology	-	-	-	-
Assistant Manager (Note 5)	ROC	WEI,DENG-LIANG	Male	2023.12.01	-	-	-	-	-	-	Department of Statistics, Fengjia University/Senior Procurement Manager of Lite-On Technology/Procurement Manager of Avison/Purchasing Manager of UMAX Computer Corporation	-	-	-	-
Assistant Manager (Note 5)	ROC	MAI,KUN-CHUNG	Male	2023.12.01	-	-	-	-	-	-	Master of Industrial Engineering Management from Jiaotong University/Senior Manager and Materials Manager of Supply Chain Management at Zyxel Technology	-	-	-	-

Note 1: It should include information on the Presidents, Vice Presidents, assistant manager, heads of various departments and branches, and those whose positions are equivalent to the Presidents, Vice Presidents or assistant manager, regardless of their titles, should also be disclosed.

Note 2: Experience related to holding the current position. If you have worked in a verification and certification accounting firm or an affiliated company during the period disclosed above, you should describe your job title and responsible position.

Note 3: When the Presidents or a person of equivalent position (top manager) and the chairman are the same person, spouse or first-degree relative, the reason, rationality, necessity and countermeasures should be disclosed (such as increasing the number of independent directors, And there should be relevant information that more than half of the directors do not concurrently serve as employees or managers, etc.).

Note 4: Inauguration on March 10, 2023

Note 5: Inauguration on December 1, 2023

(3) Remunerations to Directors, Presidents, and Vice Presidents

(A) Remunerations to Directors and Independent Directors

Unit: NT\$ thousand

Tital	Name	Remuneration to the Directors								Sum of A, B, C and D, and the proportion to net income		Remuneration to employees holding concurrent positions								Sum of A, B, C, D, E, F and G, and the proportion to net income		Remuneration from investees other than subsidiaries, or from the parent company
		Compensation (A)		Pension(B)		Director remuneration (C)		Business expenses (D)				Salaries, bonus, and special expenses (E)		Pension(F)		Employee remuneration (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
Chairman	Qixiang Co., Ltd. Lee,Jyh-En	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	25	25	25 0.86%	25 0.86%	5,405	5,405	-	-	-	-	-	-	5,430 187.87%	5,430 187.87%	
Director	Tsu Fung Investment Corporation Ho,Jhi-Wu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	20	20	20 0.69%	20 0.69%	-	-	-	-	-	-	-	-	20 0.69%	20 0.69%	
Director	Syntec Technology Co., Ltd.: Chirstine Huang	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	15	15	15 (0.01%)	15 (0.01%)	-	-	-	-	-	-	-	-	15 (0.01%)	15 (0.01%)	
Independen t director	Chang,Wen-Thong	300	300	-	-	-	-	25	25	325 (0.23%)	325 (0.23%)	-	-	-	-	-	-	-	-	325 (0.23%)	325 (0.23%)	
Independen t director	Lu,Hong-Sheng	300	300	-	-	-	-	25	25	325 (0.23%)	325 (0.23%)	-	-	-	-	-	-	-	-	325 (0.23%)	325 (0.23%)	
Independen t director	Chen, Jyh-Cheng	300	300	-	-	-	-	20	20	320 (0.22%)	320 (0.22%)	-	-	-	-	-	-	-	-	320 (0.22%)	320 (0.22%)	
Independen t director	Chen Yi Liang (Newly appointed on June 26, 2023)	154	154	-	-	-	-	15	15	169 (0.12%)	169 (0.12%)	-	-	-	-	-	-	-	-	169 (0.12%)	169 (0.12%)	
Independen t director	Shih,Pen-Li (Resigned on June 26, 2023)	146	146	-	-	-	-	10	10	156 (0.11%)	156 (0.11%)	-	-	-	-	-	-	-	-	156 (0.11%)	156 (0.11%)	
<div>1. Independent director remuneration payment policy, system, standards and structure, and the relationship between the amount of remuneration and the amount of remuneration according to the responsibilities, risks, investment time and other factors: the remuneration of the company's independent directors is based on the company's director remuneration distribution method And directors' self-assessment results evaluate the degree of participation in the company's operations and the value of their contributions, and negotiate with reference to the usual standards in the industry.</div> <div>2. In addition to the disclosure in the above table, the remuneration received by the directors of the company for providing services (such as serving as consultants who are not employees) to all companies listed in the financial report in the most recent year: None.</div> <div>3. Due to the accumulated losses, only the attendance fee and the fixed remuneration of independent directors are paid, and the operating performance is poor.</div> <div>4. Independent directors will receive fixed remuneration for 2022.</div>																						

Salary Scale

Bracket of salaries paid to directors of the Company	Name of director			
	Total of first 4 items (A+B+C+D)		Total of first 7 items (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements (H)	The Company	All companies in the financial statements (I)
Less than NT\$1,000,000	Lee, Jyh-En、Ho, Jhi-Wu、Chirstine Huang(NEW)、Chang,Wen-Thong、Lu,Hong-Sheng、Chen, Jyh-Cheng、Chen Yi Liang(NEW)、Shih, Pen-Li (Resigned)	Lee, Jyh-En、Ho, Jhi-Wu、Chirstine Huang(NEW)、Chang,Wen-Thong、Lu,Hong-Sheng、Chen, Jyh-Cheng、Chen Yi Liang(NEW)、Shih, Pen-Li(Resigned)	Ho, Jhi-Wu、Chirstine Huang(NEW)、Chang,Wen-Thong、Lu,Hong-Sheng、Chen, Jyh-Cheng、Chen Yi Liang(NEW)、Shih, Pen-Li(Resigned)	Ho, Jhi-Wu、Chirstine Huang(NEW)、Chang,Wen-Thong、Lu,Hong-Sheng、Chen, Jyh-Cheng、Chen Yi Liang(NEW)、Shih, Pen-Li(Resigned)
NT\$1,000,000 (incl.) ~ NT\$2,000,000 (not incl.)	-	-	-	-
NT\$2,000,000 (incl.) ~ NT\$3,500,000 (not incl.)	-	-	-	-
NT\$3,500,000 (incl.) ~ NT\$5,000,000 (not incl.)	-	-	-	-
NT\$5,000,000 (incl.) ~ NT\$10,000,000 (not incl.)	-	-	Lee, Jyh-En	Lee, Jyh-En
NT\$10,000,000 (incl.) ~ NT\$15,000,000 (not incl.)	-	-	-	-
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (not incl.)	-	-	-	-
NT\$30,000,000 (incl.) ~ NT\$50,000,000 (not incl.)	-	-	-	-
NT\$50,000,000 (incl.) ~ NT\$100,000,000 (not incl.)	-	-	-	-
More than NT\$100,000,000	-	-	-	-
Total	8	8	8	8

* The content of remuneration disclosed in this form is different from the concept of income in the income tax law, so this form is for information disclosure and not for taxation purposes.

(B) Remuneration for Presidents and Vice Presidents

Unit: NT\$ thousand

Tital	Name	Salaries (A)		Pension(B)		Bonus and special expenses (C)		Employee remuneration(D)				Sum of A, B, C and D, and the proportion to net income		Remunerat ion from investees other than subsidiarie s, or from the parent company
		The Company	All companies in the financial statements	The Compan y	All companies in the financial statemen ts	The Company	All compani es in the financial stateme nts	The Company		All companies in the financial statements		The Compan y	All companies in the financial statements	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Presidents	Lee, Jyh-En	10,705	10,705	214	214	2,350	2,350	-	-	-	-	13,269 459.06 %	13,269 459.06%	-
CIO and R&D director	Lin,Yu-Tsung													

* Regardless of title, anyone whose position is equivalent to Presidents or Vice Presidents (for example: president, chief executive officer, director...etc.) should be disclosed.

Salary Scale

Brackets of salaries to the President and all Vice Presidents	Name of President and Vice Presidents	
	The Company	All companies in the financial statements (E)
Less than NT\$1,000,000	-	-
NT\$1,000,000 (incl.) ~ NT\$2,000,000 (not incl.)	-	-
NT\$2,000,000 (incl.) ~ NT\$3,500,000 (not incl.)	-	-
NT\$3,500,000 (incl.) ~ NT\$5,000,000 (not incl.)	Lee, Jyh-En 、 Lin,Yu-Tsung	Lee, Jyh-En 、 Lin,Yu-Tsung
NT\$5,000,000 (incl.) ~ NT\$10,000,000 (not incl.)	-	-
NT\$10,000,000 (incl.) ~ NT\$15,000,000 (not incl.)	-	-
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (not incl.)	-	-
NT\$30,000,000 (incl.) ~ NT\$50,000,000 (not incl.)	-	-
NT\$50,000,000 (incl.) ~ NT\$100,000,000 (not incl.)	-	-
More than NT\$100,000,000	-	-
Total	2	2

(C) The remuneration of the top five executives with the highest remuneration (individually disclose the name and method of remuneration) (Note 1)

Tital	Name	Salaries (A)		Pension(B)		Bonus and special expenses (C)		Employee remuneration(D)				Sum of A, B, C and D, and the proportion to net income		Remuneration from investees other than subsidiaries, or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Chairman and Presidents	Lee, Jyh-En	3,727	3,727	-	-	1,268	1,268	-	-	-	-	4,995 (3.49%)	4,995 (3.49%)	-
CIO and R&D director	Lin,Yu-Tsung	3,313	3,313	108	108	564	564	-	-	-	-	3,985 (2.78%)	3,985 (2.78%)	-
Assistant Manager (Resigned on October 12)	Hong,Rong-Cheng	2,626	2,626	103	103	400	400	-	-	-	-	3,129 (2.19%)	3,129 (2.19%)	-
Assistant Manager	WEI,DENG-LIANG	2,542	2,542	108	108	390	390	-	-	-	-	3,040 (2.12%)	3,040 (2.12%)	-
Assistant Manager	MAI,KUN-CHUNG	2,467	2,467	108	108	378	378	-	-	-	-	2,953 (2.06%)	2,953 (2.06%)	-

Note 1: The so-called "top five executives with the highest remuneration" refers to the managers of the company, and the standards for the identification of relevant managers are based on the three characters of the Taiwan Financial Certificate issued by the Securities and Futures Administration Commission of the former Ministry of Finance on March 27, 2003. Order No. 0920001301 specifies the applicable scope of "manager". As for the calculation and recognition principle of "the top five highest remuneration", it is based on the total amount of salaries, retirement pensions, bonuses and special expenses received by the company managers from all companies in the consolidated financial report, as well as the amount of employee remuneration (that is, A +B+C+D (total of the four items), and the top five with the highest rewards will be determined after sorting. If the director concurrently serves as the former supervisor, this form and the above form (1-1) should be filled out.

* The content of remuneration disclosed in this form is different from the concept of income in the income tax law. Therefore, this form is for information disclosure and not for taxation.

Note 2: This is the salary, job bonus, and severance pay of the top five executives with the highest remuneration in the most recent year.

Note 3: This is the amount of various bonuses, incentives, travel expenses, special expenses, various allowances, dormitories, cars and other in-kind provisions and other remuneration for the top five executives with the highest remuneration in the most recent year. If houses, cars and other means of transportation or exclusive personal expenses are provided, the nature and cost of the assets provided, as well as actual or fair market value rent, gas and other payments should be disclosed. If there is a driver, please add a note explaining the relevant remuneration paid by the company to the driver, but it will not be included in the remuneration. In addition, salary expenses recognized in accordance with IFRS 2 "Share-based benefits", including obtaining employee stock option certificates, new shares with restricted employee rights, and participating in cash capital increases to subscribe for shares, etc., should also be included in remuneration.

Note 4: The amount of employee remuneration (including stocks and cash) of the top five top executives approved by the board of directors for distribution in the most recent year is filled in. If it cannot be estimated, the proposed distribution amount for this year will be calculated based on the proportion of the actual distribution amount last year, and additional Complete Schedule 1-3.

Note 5: The total amount of remuneration paid to the top five executives of the company by all companies (including the company) in the consolidated report should be disclosed.

Note 6: Net profit after tax refers to the net profit after tax of the most recent annual individual or individual financial report.

Note 7:

a. This column should clearly indicate the amount of remuneration received by the company's top five top executives from reinvested enterprises outside the subsidiary or related to the parent company (if none, please fill in "None").

b. Remuneration refers to the remuneration, remuneration (including remuneration of employees, directors and supervisors) received by the company's top five executives for serving as directors, supervisors or managers of subsidiaries' external investment enterprises or parent companies, etc. Business execution fees and other related remuneration.

*The content of remuneration disclosed in this table is different from the concept of income under the Income Tax Law. Therefore, this table is for information disclosure purposes and is not used for tax purposes.

The name of the manager who distributes employee remuneration and the distribution situation

April 23, 2024

	Title (Note 1)	Name (Note 1)	stock amount	cash amount	total	Proportion of total amount to net profit after tax (%)
manager	Presidents	Lee, Jyh-En	-	-	-	-
	CIO and R&D Director	Lin,Yu-Tsung				
	Financial Officer	Chen Ro-Han				
	Accounting Supervisor	HSIAO,HSIANG-YUN				
	Assistant Manager	YU,JIN-HAO				
	Assistant Manager	KAU,SHUN-CHANG				
	Assistant Manager	WEI,DENG-LIANG				
	Assistant Manager	MAI,KUN-CHUNG				

Note: There will be no distribution of employee remuneration in 2022.

Note 1: Individual names and titles should be disclosed, but profit distribution can be disclosed in an aggregated manner.

Note 2: Fill in the amount of employee remuneration (including stocks and cash) approved by the board of directors for distribution to managers in the most recent year. If it is impossible to estimate, calculate the proposed distribution amount for this year based on the actual distribution amount last year. After-tax net income refers to the after-tax net income of the most recent year; if the International Financial Reporting Standards have been adopted, after-tax net income refers to the after-tax net income of an individual or individual financial report in the most recent year.

Note 3: The scope of application of managers is based on the provisions of the Taiwan Caizheng Sanzi No. 0920001301 Letter on March 27, 1992. The scope is as follows:

- (1) Presidents and equivalent level (2) Vice Presidents and equivalent level
- (3) Associate and equivalent (4) Finance department supervisor
- (5) Head of the accounting department (6) Other persons who have the right to manage the company and sign

Note 4: If directors, Presidents and Vice Presidents receive employee remuneration (including stock and cash), this form should be filled out in addition to the second form of the attached form.

(D) Comparing and explaining the ratio of the total amount of remuneration paid to the company's directors, supervisors, Presidents and Vice Presidents in the last two years by the company and all companies in the consolidated statement to the net profit after tax of individual or individual financial reports, and explaining the policy, standard and Composition, procedures for determining remuneration, and relationship with business performance and future risks:

- (1) The proportion of total remuneration paid to the company's directors and supervisors in the last two years by the company and all companies in the consolidated statement to the net profit after tax is (4.44%) in 2023 and 233.54% in 2022
- (2) The total amount of remuneration paid to the Presidents and Vice Presidents of the company in the last two years by the company and all companies in the consolidated statement accounted for (6.27%) in 2023 and 459.06% in 2022.
- (3) The distribution of the company's remuneration is assessed in accordance with the salary remuneration and performance targets approved by the Remuneration Committee and the Board of Directors. After checking that the performance targets are met, and approved by the Remuneration Committee and the Board of Directors, the distribution is made.

III 、The state of the company's implementation of corporate governance：

(1) Information on the operation of the board of directors：

The board of directors has held 5 meetings in the recent year (A), 2 times in the 11th session and 3 times in the 12th session. The attendance of directors is as follows:

Title	Name(Note1)	Actual number of attendance (B)	Entrusted Attendance	Actual attendance rate (%) (B/A) (Note 2)	Note
Chairman	Legal representative of Qixiang Co., Ltd.：Lee, Jyh-En	5	0	100	-
Director	Legal representative of Tsu Fung Investment Corporation：Ho, Jhi-Wu	4	1	80	-
Director	Legal representative of Syntec Technology Co., Ltd.: Chirstine Huang (Newly appointed on June 26, 2023)	3	0	100	
Independent Director	Chang, Wen-Thong	5	0	100	-
Independent Director	Lu, Hong-Sheng	5	0	100	-
Independent Director	Chen, Jyh-Cheng	4	1	80	-
Independent Director	Chen Yi Liang (Newly appointed on June 26, 2023)	3	0	100	
Independent Director	Shih, Pen-Li (Resigned on June 26, 2023)	2	0	100	-

Other matters to be recorded：

1. If any of the following situations occurs in the operation of the board of directors, the date, period, content of the proposal, opinions of all independent directors and the company's handling of the opinions of independent directors shall be stated：

(1) Matters listed in Article 14-3 of the Securities and Exchange Act

Board of Directors	Proposal content and follow-up processing	Items Listed in SEC & 14-3	Independent directors object or reserve opinions
2023.3.9 11-16	1. Review of variable remuneration for senior managers in the fourth quarter of 2022 2. Directors' remuneration and manager performance targets and annual remuneration case for 2023	V	
	Opinions of independent directors：None		
	The Company's Handling of Independent Directors' Opinions：None		
	Resolution result：Cases 2 and 3, except Lee, Jyh-En directors who avoided interests, the other directors present agreed to pass		
2023.5.8 11-17	1. The Company's private placement of securities 2. The Company's Issuance of New Shares Restricting Employee Rights 3. The company's twelfth issuance of employee stock option certificates	V	
	Opinions of independent directors：None		
	The Company's Handling of Independent Directors' Opinions：None		
	Resolution result：All directors present agree to pass		
2023.8.10 12-2	Amendment to the Measures for Employee Stock Option Vouchers and Amendment to the Measures for Restricting New Shares of Employee Rights in 2024	V	
	Opinions of independent directors：None		
	The Company's Handling of Independent Directors' Opinions：None		
	Resolution result：All directors present agree to pass		
2023.11.10 12-3	1. The company plans to evaluate the certified accountants based on the Audit Quality Index (AQIs) 2. The company's non-confidential services in 2024 - transfer pricing related report preparation services	V	

	Opinions of independent directors : None			
	The Company's Handling of Independent Directors' Opinions : None			
	Resolution result : In case 5, except directors Lee , Jyh-En who avoided interests, the other directors present agreed to pass			

(2) In addition to the above-mentioned matters, other resolutions of the board of directors that have been opposed or reserved by independent directors and have records or written statements : None °

2. The implementation of directors' recusal of interest-related proposals, shall state the director's name, content of the proposal, reasons for recusal due to interests, and participation in voting:

Board of Directors	Name	Motion content	The reason should be avoided	Voting situation
2023.3.9 11-16	Lee, Jyh-En	1. Review of variable remuneration for senior managers in the fourth quarter of 2022 2. Directors' remuneration and manager performance targets and annual remuneration case for 2023	Avoidance of interests as a manager	Approved by the remaining directors present and independent directors

3. Listed OTC companies shall disclose information such as the evaluation cycle and period, evaluation scope, method, and evaluation content of the board of directors' self (or peer) evaluation, and fill in Attachment 2

(2) The implementation status of the board of directors evaluation.

evaluation cycle	evaluation period	Assessment scope	Evaluation method	assessment content
Once a year	2023.1.1~2023.12.31	1. Overall Board of Directors 2. Individual directors	1. Self-evaluation of the board of directors 2. Self-assessment by directors	1. Performance evaluation of the board of directors (1) Degree of participation in company operations (2) Improving the quality of decision-making by the board of directors (3) Composition and structure of the board of directors (4) Election and continuing education of directors (5) Internal control 2. Performance evaluation of individual directors (1) Mastery of the company's goals and tasks (2) Responsibilities of directors (3) Degree of participation in company operations (4) Internal relationship management and communication (5) Election and continuous training of directors (6) Internal control

Note: The comprehensive performance of the overall board of directors and individual directors is "excellent", which is in line with corporate governance standards.

4. Evaluation of the goals and implementation status of strengthening the functions of the board of directors in the current year and the most recent year: A corporate governance director has been appointed on May 8, 2023, and has completed an 18-hour initial training course.

Note 1: If the directors and supervisors are legal persons, the names of the legal person shareholders and their representatives should be disclosed.

Note 2:

- (1) If a director or supervisor resigns before the end of the year, the resignation date should be indicated in the remarks column, and the actual attendance (list) rate (%) is calculated based on the number of board meetings and the actual number of attendance (list) during the term of office.
- (2) Before the end of the year, if there is a re-election of directors and supervisors, both the new and old directors and supervisors should be listed, and the directors and supervisors should be the former, new or re-elected and re-elected date in the remarks column. The actual attendance (list) rate (%) is calculated based on the number of board meetings and the number of actual attendance (list) during the term of office.

(2) Information on the participation of the audit committee or supervisor in the operation of the board of directors:

Information on the operation of the Audit Committee

The audit committee of the company is composed of 4 independent directors. The purpose of the audit committee is to assist the board of directors to perform its supervision on the company's quality and integrity in the implementation of accounting, auditing, financial reporting processes and financial control.

The Audit Committee has met 4 times in recent years (A), 2 times in the third session and 2 times in the fourth session. The matters reviewed mainly include:

1. Annual work focus:

- (1) Formulate or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Law.
- (2) Assessment of the effectiveness of the internal control system.
- (3) To formulate or amend the procedures for handling major financial business activities such as acquiring or disposing of assets, engaging in derivative commodity transactions, lending funds to others, and endorsement or guarantee for others in accordance with Article 36-1 of the Securities and Exchange Act.
- (4) Matters involving the interests of the directors themselves.
- (5) Significant asset or derivative commodity transactions.
- (6) Significant capital loans, endorsements or guarantees.
- (7) Raising, issuing or private placement of securities with equity nature.
- (8) Appointment, dismissal or remuneration of certified accountants.
- (9) Appointment and dismissal of financial, accounting or internal audit supervisors.
- (10) Annual financial report.
- (11) First quarter, semi-annual and third quarter financial reports.
- (12) Other major matters stipulated by the company or the competent authority.

2. Review the financial report

The board of directors prepared the company's 2023 annual business report, financial statements, and loss compensation proposals, among which the financial statements have been audited by Deloitte Touche Tohmatsu Limited and an audit report has been issued. The above business report, financial statement and loss compensation proposal have been reviewed by the Audit Committee and found to be consistent.

3. Evaluate the effectiveness of the internal control system

The audit committee evaluates the effectiveness of the policies and procedures of the company's internal control system (including financial, operational, risk management, information security, outsourcing, legal compliance, etc.) Reporting, including risk management and compliance. Referring to the Internal Control — Integrated Framework issued by The Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013, the Audit Committee believes that the company's risk management and internal control systems are effective. The company has put in place the necessary control mechanisms to monitor and correct violations.

4. The attendance of independent directors is as follows :

Title	Name	Actual number of attendance (B)	Entrusted Attendance	Actual attendance rate (%) (B/A) (Note)	Note
independent director	Chang,Wen-Thong	4	0	100	-
independent director	Lu,Hong-Sheng	4	0	100	-
independent director	Chen, Jyh-Cheng	4	0	100	-

independent director	Chen Yi Liang (Newly appointed on June 26, 2023)	2	0	100	-
independent director	Shih, Pen-Li (Resigned on June 26, 2023)	2	0	100	-

Other matters to be recorded :

1. In case of any of the following situations in the operation of the audit committee, the date, period, content of the proposal, the result of the resolution of the audit committee and the company's handling of the opinions of the audit committee shall be stated.

(1) Matters listed in Article 14-5 of the Securities and Exchange Act :

Board of Directors	Proposal content and follow-up processing	Items Listed in SEC & 14-5	Resolutions that have not been approved by the Audit Committee but have been agreed by more than 2/3 of all directors
2023.3.9 11-16	Pass the company's internal control system statement	V	
	Individual and consolidated financial reports through 2022	V	
	Approve the 2022 loss appropriation proposal	V	
	Approved the 2022 business report	V	
	Results of Audit Committee Resolutions(2023.3.9) : The audit committee all passed		
	The company's handling of the audit committee's opinion: all directors present agree to pass		
2023.5.8 11-17	Through the 2023Q1 consolidated financial report	V	
	Private placement of securities through our company	V	
	Case of restricting employee rights through the issuance of new shares by the company	V	
	Passed the company's twelfth issuance of employee stock option certificates	V	
	Results of Audit Committee Resolutions(2023.5.8) : The audit committee all passed		
	The company's handling of the audit committee's opinion: all directors present agree to pass		
2023.8.10 12-2	Through the 2023Q2 consolidated financial report	V	
	Passed the amendments to the 2023 Employee Stock Option Certificate Measures and the Amendments to the Measures to Restrict Employee Rights and New Shares	V	
	Results of Audit Committee Resolutions(2023.8.10) : The audit committee all passed		
	The company's handling of the audit committee's opinion: all directors present agree to pass		
2023.11.10 12-3	Approved the 2024 annual audit plan	V	
	Approved the revision of the company's internal control system and internal audit implementation rules	V	
	Through the 2023Q3 consolidated financial report	V	
	Approved the independence and suitability of the company's employment of accountants	V	
	Results of Audit Committee Resolutions(2023.11.10 : The audit committee all passed		
	The company's handling of the audit committee's opinion: all directors present agree to pass		

(2) In addition to the above-mentioned matters, other resolution matters that have not been passed by the audit committee and approved by more than two-thirds of all directors : None °

2. The independent director's implementation of the recusal of the interest-related proposal shall state the name of the independent director, the content of the proposal, the reason for the recusal of the interest, and the voting status : None °

3. Communication between independent directors, internal audit supervisors and accountants (should include major events, methods and results of communication on the company's financial and business conditions, etc.) :

i. Communication policy between independent directors and internal audit supervisors and accountants

(1) When the audit committee approves the annual financial report and quarterly financial report every year,

accountants are invited to attend the audit committee to explain the inspection and review situation, at least twice a year.

- (2) Before the end of each fiscal year, the audit plan for the next year shall be submitted to the Board of Directors for resolution after approval by the Audit Committee.
- (3) Report to the audit committee quarterly on the implementation of the audit business.
- (4) The internal audit supervisor submits the audit report to the independent directors for inspection every month, and reports the implementation status to the audit committee and the board of directors at least once a quarter.
- (5) The opinions or deficiencies in the internal self-inspection of the company, and the improvement items listed in the internal control system statement that should be strengthened shall be continuously tracked in accordance with the regulations, and the status of tracking and improvement shall be tracked and submitted to audit in a written report committee.
- (6) The company's annual assessment of the effectiveness of the internal control system and the statement of the internal control system are submitted to the audit committee for review in accordance with regulations .
- (7) Summary of previous communications between independent directors and accountants

Date	communication focus
2023.3.9	1. The accountant made an explanation on the 2022 annual financial report 2. Discuss and communicate with the questions raised by the participants
2023.8.10	1.Accountants explain the financial report for the second quarter of 2023 2.Discuss and communicate with the questions raised by the participants.

ii. Summary of previous communications between independent directors and audit supervisors

- (1) Before the end of each fiscal year, the audit plan for the next year will be submitted to the board of directors for resolution after being approved by the audit committee.
- (2) The internal audit shall conduct the audit according to the annual audit plan and submit the internal audit report to the independent directors for review before the end of the end of the audit. If the independent directors have any questions or instructions after review, they will ask or inform the audit supervisor.
- (3) Report the implementation of the audit plan to the board of directors and the audit committee on a quarterly basis. Independent directors will communicate and discuss with the internal audit supervisor on various audit matters before the audit committee or the meeting.
- (4) The assessment of the effectiveness of the company's internal control system and the statement of the internal control system were submitted to the audit committee for review and approval by the board of directors.

Date	communication focus
2023.3.9	1. The acting audit supervisor shall submit a report on the implementation of the audit from December 2022 to February 2023. 2. The acting audit supervisor will provide an explanation on the 2022 annual internal control system statement.
2023.5.8	The acting audit supervisor will submit a report on the implementation of the audit from March to April 2023.
2023.8.10	The internal audit supervisor will submit a report on the audit implementation from May to July 2023.
2023.11.10	1. The internal audit supervisor shall submit a report on the audit implementation from August to October 2023. 2. The internal audit supervisor made an explanation on the 2024 annual audit plan.

4. The audit committee of the company evaluates the independence and suitability of the certified accountant of the company every year. In addition to requiring the certified accountant to provide the "Detached Independent Statement" and "Audit Quality Indicators (AQIs)", it also follows the standards in Note 1 and 13 AQIs indicators are evaluated. It has been confirmed that accountants Lin, Hsin-Tung and Tsai,Mei-Chen of CPAs, Deloitte Touche Tohmatsu Limited have no other financial interests or business relationships with the company except for visa and financial and taxation fees. Information, confirm that accountants and firms are superior to the average level of the industry in terms of audit experience and training hours. In the past three years, they will continue to introduce audit innovation tools to improve audit quality. The evaluation results of the most recent year have been discussed and approved by the audit committee on November 10, 2023, and submitted to the board of directors for resolution on November 10, 2023 to adopt the assessment of the independence and competency of the accountants.

Note 1: Criteria for assessing the independence of accountants

evaluation items	evaluation result	Whether it meets independence
Whether the accountant has a direct or significant indirect financial interest in the company	No	Yes
Whether the accountant has any financing or assurance activities with the company or the directors of the company	No	Yes
Whether the accountant has a close business relationship and potential employment relationship with the company	No	Yes
Whether the accountants and their audit team members have served as directors, managers or positions that have a significant impact on the audit work in the company at present or in the last two years	No	Yes
Does the accountant provide the company with non-audit service items that may directly affect the audit work?	No	Yes
Whether the accountant has brokered the stocks or other securities issued by the company	No	Yes
Whether the accountant acts as the company's defender or coordinates conflicts with other third parties on behalf of the company	No	Yes
Whether the accountant has a family relationship with the company's directors, managers,	No	Yes

or personnel with positions that have a significant impact on the audit case		
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Note:

* If an independent director resigns before the end of the year, the date of resignation should be indicated in the remarks column, and the actual attendance rate (%) is calculated based on the number of audit committee meetings and actual attendance during the term of office.

* If an independent director is re-elected before the end of the year, both the new and former independent directors should be listed, and the independent director's former, new or re-election date should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of audit committee meetings and the number of actual attendance during his tenure.

(III) Corporate governance practices, and deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof:

Assessment criteria	Corporate governance in action (Note 1)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
I 、Has the Company established and disclosed its corporate governance principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?"	v		The Company has established corporate governance principles in accordance with "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and published onto its website and on MOPS.	Compliant with the rationale and practices of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
II 、Equity structure and shareholders' equity (1) Has the Company implemented a set of internal procedures to handle shareholders' suggestions, queries, disputes and litigations? (2) Is the Company constantly informed of the identities of its major shareholders and the ultimate controller? (3) Has the Company established and implemented risk management and firewalls on companies it is affiliated with? (4) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	v		(1) The company has set up a special person to deal with it, and if it involves legal issues, a dedicated legal office and lawyers will cooperate to deal with it. (2) The company confirms the changes in shareholdings of directors and other major shareholders every month, and understands and masters their shareholdings before or after the event. (3) The company is currently in compliance with the principle of financial and business independence with affiliated companies, and the risk control and firewall mechanisms are sound. (4) It has established a code of integrity management and a code of ethical conduct, internal major information processing procedures, and publicized laws and regulations to employees	Compliant with the rationale and practices of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
III 、Organization and functions of the Board of Directors (1)Are a diversity policy and specific management objectives established and implemented by the Board of Directors? (2)Apart from the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion? (3) Has the Company established methodology for evaluating the performance of its Board		v	(1) The nomination of directors of the company has gone through a strict selection process, considering not only the professional background of the industry, but also the reputation of leadership in the society. At present, the members of the board of directors have professional abilities in finance, accounting, leadership, decision-making, and operation management, which are helpful to the company's development and operation. Since June 2017, there have been 4 independent directors, and the directors have expertise in different fields. Give the company appropriate operating policy recommendations, detailed on page 9. (2) Other functional committees will be set up according to the actual needs of the company	Except for the third point Compliant with the rationale and practices of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."

Assessment criteria	Corporate governance in action (Note 1)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
<p>of Directors, on an annual basis? Are the results of the evaluation reported at the Board Meeting and used as reference for remuneration and the nomination for re-election?</p> <p>(4) Are CPAs' independence assessed on a regular basis?</p>			<p>(3) The company has formulated director self-evaluation methods, and the performance evaluation results of the board of directors are conducted once a year. The performance evaluation of the board of directors in 2023 has been reported to the board of directors in 2024Q1, and its performance results will be used as a reference for the next nomination; while the performance of individual directors The evaluation results will be used as a reference for determining their individual salaries.</p> <p>(4) The board of directors has assessed the independence, competence and professionalism of the accountant at least once a year, and requires the certified accountant to provide an "independence statement" every year, and when the board of directors discusses the independence and appointment of the accountant, the accountant's personal resume is checked (details of the accountant's past and current clients) and the non-audit service items provided for audit work, and the independence statement of each accountant (Professional Ethics Bulletin No. 10 not yet established) for evaluation and discussion by the board of directors. Amended in accordance with Article 29 of the Corporate Governance Code, and on November 10, 2023, the independence and suitability of certified accountants will be reassessed based on the Audit Quality Indicators (AQIs).</p>	
<p>IV 、 Does the TWSE/TPEX Listed company have an adequate number of corporate governance personnel with appropriate qualifications to be in charge of corporate governance affairs including, but not limited to, providing directors and supervisors with required information for business execution, handling relevant matters with board meetings and shareholders meetings according to the laws, processing corporate registration and amendment registration, and preparing minutes of board meetings and shareholders meetings?</p>	v		<p>The company's financial supervisor is concurrently the corporate governance supervisor, and promotes corporate governance-related matters, and draws up improvement plans in accordance with corporate governance assessment requirements to meet corporate governance requirements, and reports on important issues to the board of directors.</p>	<p>Compliant with the rationale and practices of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."</p>

Assessment criteria	Corporate governance in action (Note 1)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
V、Does the Company have established a communication channel for the stakeholders (including but not limited to stockholders, employees, customers and suppliers), set the stakeholder section on the Company's website, and responded to the stakeholders regarding their concerns over corporate social responsibilities?	v		(1) The company has a spokesperson and acting spokesperson as this communication channel, and also communicates through telephone, fax, letter, and IR website message. (2) Stakeholder Zone: http://www.promise.com.tw/tw/Stakeholder	Compliant with the rationale and practices of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
VI、Does the Company have commissioned a professional stock service agent to handle shareholders affairs?	v		The Company has commissioned Chinatrust Bank as the share administration agency, which is responsible for handling shareholder meeting affairs.	Compliant with the rationale and practices of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
VII、Information disclosure (1) Has the Company established a website that discloses financial, business, and corporate governance-related information? (2) Has the Company adopted other means to disclose information (e.g., English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the Company website)? (3) Does the Company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report Q1, Q2, Q3 financial reports and the operating status of each month in advance of the prescribed deadline?	v		(1) The company's website: http://www.promise.com.tw , has a shareholder service area, and discloses financial, business and related information in a timely and transparent manner. (2) The company has a spokesperson and acting spokesperson who are responsible for data collection, disclosure and external communication channels, and provide briefing information for legal briefings for investors to inquire. (3) The annual financial report and quarterly report will be announced and declared as soon as possible within the statutory time limit.	Except for the third point, compliant with the rationale and practices of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
VIII、Does the Company have other information that enables a better understanding of the	v		(1) Employee rights and employee care : 1. The company regards respect, care, and encouragement of self-management	Compliant with the rationale and practices of

Assessment criteria	Corporate governance in action (Note 1)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies																					
	Yes	No	Summary																						
Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and insuring against liabilities of Company directors and supervisors)?			<p>as one of its business philosophy, so it attaches great importance to the harmony between labor and management. All company policies and various important measures are stated in various documents or other promotional methods to allow employees to fully In addition, we have established an employee welfare committee in accordance with the law to implement various welfare plans, which can be described as comprehensive in the management of employee relations and the protection of their rights and interests.</p> <p>2. To spare no effort in caring for employees, the company's administrative department and a separate employee welfare committee are appointed to visit, condolence and assist in the payment of various insurances for colleagues who are recuperating due to illness.</p> <p>(2) Investor relations: The company has a spokesperson and an acting spokesperson, and sets up an IR webpage to communicate with investors. The website is as follows : http://www.promise.com.tw .</p> <p>(3) Supplier relationship and stakeholders: The company maintains good interactions with suppliers and stakeholders, and provides effective communication channels to establish long-term cooperative relationships and ensure the stability of material supply; The relevant person area, you can directly report problems with the company, the URL is as follows : http://www.promise.com.tw/tw/Stakeholder</p> <p>(4) Directors' advanced training :</p> <table border="1"> <thead> <tr> <th>Separate</th><th>Name</th><th>Study date</th><th>Course Title</th><th>Training hours</th></tr> </thead> <tbody> <tr> <td rowspan="2">Chairman</td><td rowspan="2">Lee, Jyh-En</td><td>20231013</td><td>2023 Insider Trading Prevention Promotion Conference</td><td>3</td></tr> <tr> <td>20231122</td><td>2023 Legal Compliance Information Conference on Insider Equity Transactions</td><td>3</td></tr> <tr> <td rowspan="2">director</td><td rowspan="2">Ho, Jhi-Wu</td><td>20230421</td><td>How the board of directors can formulate ESG sustainable governance strategies in 2023</td><td>3</td></tr> <tr> <td>2020602</td><td>2023 Taishin Net Zero</td><td>3</td></tr> </tbody> </table>	Separate	Name	Study date	Course Title	Training hours	Chairman	Lee, Jyh-En	20231013	2023 Insider Trading Prevention Promotion Conference	3	20231122	2023 Legal Compliance Information Conference on Insider Equity Transactions	3	director	Ho, Jhi-Wu	20230421	How the board of directors can formulate ESG sustainable governance strategies in 2023	3	2020602	2023 Taishin Net Zero	3	"Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
Separate	Name	Study date	Course Title	Training hours																					
Chairman	Lee, Jyh-En	20231013	2023 Insider Trading Prevention Promotion Conference	3																					
		20231122	2023 Legal Compliance Information Conference on Insider Equity Transactions	3																					
director	Ho, Jhi-Wu	20230421	How the board of directors can formulate ESG sustainable governance strategies in 2023	3																					
		2020602	2023 Taishin Net Zero	3																					

Assessment criteria	Corporate governance in action (Note 1)							Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies	
	Yes	No	Summary						
						Power Summit Forum			
					20240305	Succession plan launched-employee reward plan and equity inheritance	3		
					20240514	Renewable energy certificate system and green electricity trading analysis	3		
			director	Chirstine Huang	20231020	2023 Insider Trading Prevention Promotion Conference	3		
			Indepen dent director	Lu,Hong-Sheng	20230602	2023 Taishin Net Zero Power Summit Forum	3		
					20230713	Publicity meeting on sustainable development action plans for listed companies	3		
			Indepen dent director	Chang,Wen-Thong	20230602	2023 Taishin Net Zero Power Summit Forum	3		
					20230923	Sustainable Development Practice Promotion Conference	3		
			Indepen dent director	Chen, Jyh-Cheng	20231013	2023 Insider Trading Prevention Promotion Conference	3		
					20231115	2023 Legal Compliance Information Conference on Insider Equity Transactions	3		
			Indepen dent director	Chen Yi Liang	1130810	Global business layout strategy of Taiwanese businessmen: Things that Taiwanese businessmen should pay attention to when withdrawing from the mainland or reducing their	3		

Assessment criteria	Corporate governance in action (Note 1)						Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies	
	Yes	No	Summary					
						scale (Part 1)		
						Global business layout strategy of Taiwanese businessmen: Things that Taiwanese businessmen should pay attention to when withdrawing from the mainland or reducing their scale (Part 2)	3	
			(5) Implementation of risk management policies and risk measurement standards: The company and its subsidiaries are committed to integrating and managing all potential strategic, operational, financial and hazardous risks that may affect operations and profits in a proactive and cost-effective manner. In addition, the company adheres to the long-term sustainable responsibility to the industry and society. The purpose is to provide appropriate risk management for all stakeholders of the company, to assess the frequency of risk events and the severity of the impact on the company's operations, and to define the extent of risk. Priority and risk level, and adopt corresponding risk management strategies according to risk level.					
			name of association		Scope of responsibility			
			Board of Directors		1. Formulate risk management policies and framework			
					2. Ensure the effectiveness of the risk management mechanism and allocate resources			
			Presidents		1. Execute the risk management policy approved by the board of directors			
					2. Integrate cross-sector risk management interaction and communication			
			major business divisions		1. Collect the execution results of risk management activities			
					2. Assist and supervise the risk management activities of affiliated branches			
					3. Determine the risk category according to the change of the environment and suggest the way to take the risk			

Assessment criteria	Corporate governance in action (Note 1)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies					
	Yes	No	Summary						
			<table><tr><td></td><td>4. Perform risk-adjusted performance measurement and coordination</td></tr><tr><td rowspan="2">Affiliated branch</td><td>1. Perform daily risk management activities</td></tr><tr><td>2. Conduct self-assessment of risk control activities</td></tr></table> <p>Note: The duties of each major business division are as follows</p> <p>1. Audit: Assess the existing or potential risks of the company's various activities, formulate and implement a risk-oriented annual internal audit plan, assist the board of directors and managers to inspect and review the lack of internal control systems and measure the effectiveness of operations and Efficiency, to ensure the continuous and effective implementation of the internal control system.</p> <p>2. Finance and Accounting Department: Responsible for financial planning and operation, under the risk control and supervision mechanism, attach importance to safety, liquidity and profitability, so as to establish a risk avoidance mechanism to reduce financial risks.</p> <p>3. Personnel Administration Office:</p> <p>(i) Responsible for the use of human resource systems and human resource planning, improve employment efficiency and promote labor-management harmony, standardize employees' compliance with the company's code of conduct, and reduce operational risks caused by potential violations of human resources and labor disputes.</p> <p>(ii) Responsible for the supervision and management of safety, health and environmental pollution prevention, and comply with labor safety regulations to reduce the risk of industrial safety accidents and environmental pollution.</p> <p>4. Information Management Office: Responsible for network and business information security control and protection measures to reduce information security risks.</p> <p>5. Marketing Business Division: Responsible for market dynamics and consumption trend analysis, formulating product marketing strategies and promotion plans, and improving customer service models to reduce business operation risks.</p> <p>6. Legal department: Responsible for legal affairs management, reviewing customer contracts and product-related patents, following government supervision policies and handling contract and litigation disputes to reduce legal risks.</p> <p>7. Purchasing department: Responsible for supplier supply chain capacity assessment and planning, construction and management of procurement</p>		4. Perform risk-adjusted performance measurement and coordination	Affiliated branch	1. Perform daily risk management activities	2. Conduct self-assessment of risk control activities	
	4. Perform risk-adjusted performance measurement and coordination								
Affiliated branch	1. Perform daily risk management activities								
	2. Conduct self-assessment of risk control activities								

Assessment criteria	Corporate governance in action (Note 1)			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			<p>operations, in order to reduce the risk of material shortage and price rise caused by the imbalance between supply and demand of raw materials.</p> <p>8. R&D department: Responsible for new technology evaluation and new product development strategy and planning, and promote the formulation of relevant operating procedures and mechanisms to reduce R&D investment risks.</p> <p>(6) Implementation of customer policies: in accordance with the company's relevant system regulations</p> <p>(7) Situation where the company purchases liability insurance for directors: The company has purchased "directors, supervisors, and important staff liability insurance" since 1992, and uses the liability insurance to transfer the risks caused by directors and important staff's negligence, mistakes, and misconducts in order to improve the health of the company. The company operates and protects the directors and important employees, and reports the insurance status to the board of directors.</p>	
<p>IX 、Improvements made based on the latest corporate governance evaluation result announced by the Corporate Governance Center, Taiwan Stock Exchange, prioritized improvements and measures for areas to be improved.</p> <p>(1) The company has improved the situation:</p> <ol style="list-style-type: none"> 1. Disclose the specific management objectives and implementation status of the diversity policy on the company website and annual report. 2. Policies, systems, standards and structures for remuneration payment to independent directors, and a description of the correlation with the amount of remuneration paid based on factors such as responsibilities, risks, time invested and other factors. 3. A corporate governance director has been established on May 8, 2023. 4. Currently, there is 1 female director and 6 male directors among the directors. <p>(2) Priority matters and measures to be strengthened:</p> <ol style="list-style-type: none"> 1. Continue to require directors and independent directors to participate in director continuing education courses. 2. It is expected to establish a sustainable development committee and complete the sustainability report next year. 				

Note 1: Regardless of whether the operation status is checked "Yes" or "No", it should be stated in the summary description column.

(4) If the company has established a remuneration committee, it shall disclose its composition, duties and operation:

1. Salary and Remuneration Committee Member Information

separate (Note 1)	Qualifications Name	Professional Qualifications	Independence situation	The number of members of the remuneration committee of other publicly issued companies
Independent director (convener)	Chang,Wen-Thong	Please refer to page 8~9 for director information.		1
Independent director	Lu,Hong-Sheng			-
Independent director	Chen, Jyh-Cheng			-
Independent director	Chen Yi Liang (new)			1
Independent director	Shih, Pen-Li (Resigned)			-

2. Information on the operation of the Salary and Remuneration Committee

(1) The company's salary and compensation committee has 4 members.

(2) The term of office of the current committee members: from June 26, 2023 to June 25, 2026, The Salary and Remuneration Committee has met twice (A) in the recent year, once in the fourth term and once in the fifth term. Member qualifications and attendance are as follows: :

Title	Name	Actual number of (column) seats (B)	Entrusted Attendance	Actual attendance rate (%)	Note
convener	Chang,Wen-Thong	2	0	100	
member	Lu,Hong-Sheng	2	0	100	
member	Chen, Jyh-Cheng	2	0	100	
member	Chen Yi Liang	1	0	100	new
member	Shih, Pen-Li	1	0	100	Resigned

Other matters to be recorded :

1. If the board of directors does not adopt or revise the suggestion of the salary and compensation committee, it shall state the date, period, content of the proposal, the result of the resolution of the board of directors, and the company's handling of the opinions of the salary and compensation committee (such as the salary approved by the board of directors is better than that of the salary and compensation committee). Suggestions should describe the differences and reasons): No such situation.
2. For the resolutions of the remuneration committee, if members have objections or reservations and there are records or written statements, the date, period, content of the proposal, opinions of all members and how to deal with the opinions of members should be stated: None situation.
3. Dates, content of proposals, results of resolutions, and the company's handling of the opinions of the Salary and Compensation Committee in 2023 and until the publication date of the annual report

Compensation Committee	Proposal content and follow-up processing	Resolution result	The company's handling of the opinions of the remuneration committee
2023.3.9	1. Variable compensation of senior managers in 2022 2. Directors' remuneration and manager performance targets and annual remuneration case for 2023	All members of the committee agreed to adopt	Proposal to the board of directors except chairman and Presidents Lee, Jyh-En who avoided interests, and other directors present agreed to approve
2023.11.10	Amendments to some provisions of the Company's Board of Directors Performance Evaluation Measures	All members of the committee agreed to adopt	Proposal to the board of directors except chairman and Presidents Lee, Jyh-En who avoided interests, and other directors present agreed to approve

(V) Deviation between the sustainable development practices and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof:

Assessment criteria	Corporate governance in action Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary (Note 2)	
I、Does the Company have a governance structure for promoting sustainable development and a unit that specializes (or is involved in) in sustainable development promotion? Does the Board of Directors authorize the senior management to handle and oversee relevant matters?	v		<p>1. In order to effectively promote sustainable development, the company and employee representatives jointly form a sustainable development committee, and appoint the top manager of the human resources department as the management representative.</p> <p>2. Divided by Promise Technology. The company's corporate responsibility code of conduct clearly stipulates the responsibilities of directors, managers and all employees, and also implements the company's corporate responsibility code of conduct and corporate culture promotion and related assessment rewards and punishments during new employee education and training and inform the managing directors of the government's sustainable development courses in a timely manner so that they can obtain the latest regulations through the courses.</p> <p>3. Announce relevant reward and punishment deeds and lists in a timely manner.</p> <p>4. At the same time, it will also use the quarterly staff meeting, citing actual cases to timely publicize the matters that should be paid attention to in the code of practice for sustainable development.</p>	Compliant with the rationale and practices of "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."
II、Does the Company conduct risk assessment for environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 3)	v		<p>Promise Technology. As a member of the global market, we adhere to sustainable management, fulfill our corporate social responsibilities, and actively comply with the requirements of the "Electronic Industry Code of Conduct" on labor, health and safety, environmental protection, and business ethics. In 2018, we Passed the third-party audit and verification of OEM international manufacturers. We will continue to improve and create the greatest benefits for the company's employees, shareholders and stakeholders.</p> <p>In order to implement our commitment, the company's social responsibility policy is as follows</p> <p>(1) Comply with legal requirements and emphasize honest management;</p> <p>(2) Implement transparent information and respect intellectual</p>	Compliant with the rationale and practices of "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."

Assessment criteria	Corporate governance in action Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary (Note 2)	
			<p>property rights;</p> <p>(3) Actively participate in community activities, enhance social culture and care for the disadvantaged;</p> <p>(4) Prohibit the use of child labor and practice humane treatment;</p> <p>(5) Advocating freedom of employment and prohibiting undue discrimination;</p> <p>(6) Improve salary and welfare, train employees' skills;</p> <p>(7) Establish a communication mechanism to reduce environmental pollution;</p> <p>(8) Occupational safety hazard prevention and promotion of healthy workplace.</p> <p>Please refer to our website https://www.promise.com/tw/IR/Company/CSR</p>	
<p>III 、Environmental issues</p> <p>(1) Does the Company have an appropriate environmental management system established in accordance with its industrial character?</p> <p>(2) Is the Company dedicated to enhancing energy efficiency and using recycled materials with low impact on the environment?</p> <p>(3) Does the Company assess the potential risks and possibilities of climate changes to the Company now and in the future, and take measures to respond to climate related issues?</p> <p>(4) Does the Company record the greenhouse gas emissions, water consumption and total weight of waste produced in the past two years, and formulate policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption or other waste management?</p>	v		<p>(1) In addition to formulating relevant environmental management systems in accordance with ISO-14000 and 140641 standards, the company also cooperates with customer requirements to make products comply with REACH (Registration, Evaluation, Authorization and Restriction of Chemicals)—EU chemical registration, evaluation, authorization , Restriction Act, RoHS (Restriction of the use of certain hazardous substances in electrical and electronic equipment)—Restriction of the use of hazardous substances in electrical and electronic equipment, WEEE (Waste Electrical and Electronic Equipment Directive)—Waste Electrical and Electronic Equipment Directive, Erp (Eco Design Requirement for Energy-related Products) — EU energy-related product ecological design requirements, product material selection, product design and production process and product recycling, all comply with relevant regulations, avoid the use of raw materials with harmful chemical components Possibility to minimize environmental pollution.</p> <p>(2) According to the ISO-14000 and 14064 standards, the company sets annual electricity consumption and water resource utilization efficiency targets according to the ISO-14000 and 14064 standards, and also promotes green product design and recycling of raw material packaging boxes to ensure that the operation process will</p>	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”

Assessment criteria	Corporate governance in action Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary (Note 2)	
			<p>have no impact on the environment minimized.</p> <p>(3) Strategies, methods, objectives, etc. for greenhouse gas management:</p> <ol style="list-style-type: none"> 1. Promise Technology. All products comply with ISO14001, WEEE, RoHS and REACH specifications, and also promise to plan and increase the use of recycled materials as carefully as possible, and are committed to promoting green product design and manufacturing, greenhouse gas inventory and reduction, and implementation and execution of energy saving and carbon reduction , waste management and recycling. 2. Enterprise greenhouse gas emission reduction target: Since the emission source mainly comes from the electricity demanded by air conditioners and office lighting, we will cooperate with the management and publicity of the factory affairs system to reduce unnecessary waste, install water-saving devices and internal publicity to implement water conservation Measures, with the goal of reducing the amount by more than 1% per year. Reduce unnecessary waste. Compared with 2022, greenhouse gas emissions in 2023 will decrease significantly by 9.06%. Compared with 2022, the total water consumption in 2023 will decrease significantly by 12.6%. 3. Budget and plan for reduction of corporate greenhouse gas emissions: <ol style="list-style-type: none"> (i) Promote electronic signature process to reduce paper usage. (ii) Manage power demand, turn off lighting and air conditioning in unoccupied areas. (iii) Control the air-conditioning equipment, and flexibly adjust the opening of the ice water host according to the actual room temperature in the factory and the production. (iv) Plan to gradually replace the LED lighting system by area. (v) Update high-energy-consuming air-conditioning 	

Assessment criteria	Corporate governance in action Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary (Note 2)	
			<p>equipment in different areas to improve energy efficiency and reduce losses.</p> <p>(vi) Replacing old power systems and lines to reduce energy consumption.</p> <p>4. The carbon reduction effect brought to customers or consumers by the company's products or services: continuous green production, committed to energy saving and carbon reduction in the production process, in line with the green commitment to customers and the environment.</p> <p>(4) Since 2011, the company has established a greenhouse gas emission inventory promotion organization to build greenhouse gas emission inventory management data to promote greenhouse gas emission inventory related operations. In December 2011, it obtained the ISO 14604 third-party certification certified, From 2012 to 2022, self-declaration and inspection will be adopted, and the main results of the current inspection are as follows:</p> <p>In 2022, Category 1 (direct emissions) is 23.01 metric tons of carbon dioxide equivalent, Category 2 (indirect emissions) is 1054.26 metric tons of carbon dioxide equivalent, and the intensity is 1.1352 metric tons of CO₂e/million yuan; the total water consumption is 5,110 metric tons; the total waste volume is 26.478 metric tons . (26.388 metric tons of non-toxic general industrial waste, 0.09 metric tons of toxic Class E industrial waste)</p> <p>In 2023, Category 1 (direct emissions) is 21.22 metric tons of carbon dioxide equivalent, Category 2 (indirect emissions) is 958.42 metric tons of carbon dioxide equivalent, and the intensity is 1.6746 metric tons of CO₂e/million yuan; the total water consumption is 4,466 metric tons; the total waste volume is 18.404 metric tons . (18.354 metric tons of non-toxic general industrial waste, 0.05 metric tons of toxic Class E industrial waste).</p>	
IV 、 Social issues (1) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on	v		(1) The company formulates sustainable development standards and handles them in accordance with relevant laws and international human rights conventions. Provide employees with a safe and healthy working environment, and regularly implement safety drills and employee health checks for employees.	Compliant with the rationale and practices of “Sustainable Development Best Practice Principles for TWSE/TPEx Listed

Assessment criteria	Corporate governance in action Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary (Note 2)	
<p>human rights?</p> <p>(2) Does the Company formulate and implement reasonable employee benefits measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect the results of operating performance in employee compensation?</p> <p>(3) Does the Company provide employee with a safe and healthy work environment, and provide safety and health education to employees regularly?</p> <p>(4) Does the Company have an effective career capacity development training program established for the employees?</p> <p>(5) With respect to the issues related to products and services, such as customer health and safety, customer privacy, marketing and labeling, does the Company conform to the relevant regulations and international standards and establish the relevant rights protection policies and complaint procedures for the consumers or customers?</p> <p>(6) Does the Company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation?</p>			<p>(2) The company will provide reasonable salary according to the performance appraisal of employees. In addition, the salary and salary committee will make recommendations on the salary of senior managers with reference to the standards of the industry and related industries, and the board of directors will approve it. The ratio of male and female supervisors in the company is the proportion of female supervisors in management positions: 23%</p> <p>(3) Provide employees with a safe and healthy working environment, and implement regular safety drills and physical health checks for employees, and have medical staff on site to provide care and health consultation. The number of occupational accidents is 0; the ratio of occupational accidents is 0.</p> <p>(4) The personnel unit arranges and requires employees to spend 20 hours of advanced training each year in order to increase professional skills and effectively improve career capabilities.</p> <p>(5) The marketing and labeling of products and services must comply with relevant laws and regulations and the code of conduct for the electronics industry.</p> <p>(6) The company has a code of conduct for suppliers and outsourcers, requiring suppliers to abide by laws and regulations, emphasizing honest management, respecting intellectual property rights, actively participating in community activities, establishing a communication mechanism, reducing environmental pollution, improving social culture, and caring for vulnerable occupational safety hazards prevention, promoting healthy workplaces and more. In addition, the supplier evaluation plan is scheduled every year and implemented according to the plan.</p>	Companies.”
V、Does the Company use internationally accepted standards or guidelines for preparation of reports as reference in preparing the corporate sustainability report and other reports disclosing non-financial information of the Company? Have such reports been assured, verified or certified by a third party?		v	The corporate governance section of the company's website and public information observatory discloses the company's relevant measures and guidelines, and also discloses the company's fulfillment of social responsibilities on the company's web page, which further promotes the implementation of corporate citizenship responsibilities.	The sustainable development report has not yet been compiled, but relevant companies will disclose relevant information in a timely manner when they fulfill their corporate social responsibilities.
VI、In the event that the Company has established sustainable development practice principles in accordance with the “Sustainable Development Best Practice Principles for				

Assessment criteria	Corporate governance in action Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary (Note 2)	
TWSE/TPEX Listed Companies”, please describe the differences between the implementation and the established principles : The Company has established sustainable development practice principles, which conform to the rationale and practices of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.”				
VII 、 Other information useful to the understanding of the promotion of sustainable development :				
<div>(1) Environmental protection:</div> <div>1. Comply with government environmental regulations</div> <div>2. Under the condition of ensuring the quality of the company's products, product design and production are oriented towards the use of low-pollution and recycled raw materials.</div> <div>3. All products comply with RoHS, WEEE, ISO14001 and REACH regulations, and reduce the use of harmful substances such as lead, cadmium, bromine and halogens.</div> <div>4. All printed circuit boards used in its products are halogen-free and used in NPG150 of x30 products. Promise Technology. is also committed to planning the increased use of recycled materials as carefully as possible.</div> <div>5. Based on the commitment to environmental technology, Promise Technology. is gradually changing its mode of responding to environmental issues. We use power in a more economical way and work with partners and customers to make the best use of resources and avoid waste.</div> <div>6. Commitment to transformation of environmental protection technology to meet environmental challenges, through the sustainable use of electricity, and cooperation with partners and customers to strengthen the control of resources and waste.</div> <div>(2) Social contribution, service, public welfare :</div> <div>1. The company abides by relevant domestic labor laws and regulations and respects international labor human rights principles, implements non-discriminatory treatment employment policies and protects the legitimate rights and interests of employees.</div> <div>2. Provide a safe and healthy working environment for employees, and implement regular safety and health education.</div> <div>3. The company upholds the spirit of taking from the society, giving back to the society and caring for the people, and continues to hold public welfare activities to respond to emergency relief and care for vulnerable groups.</div> <div>4. Encourage employees to voluntarily participate in social welfare related activities.</div> <div>(3) Consumer Rights and Interests : Promise Technology's enterprise products are backed by the industry's best three-year full system warranty and enjoy comprehensive global support. 24/7 PROMISE eSupport website support, with optional 24-hour telephone and email support services, providing experienced professional support personnel, free software updates and online support download page. In addition, Promise Technology. provides a number of service plans to further enrich the service, while significantly reducing downtime (failure occurs).</div> <div>(4) Safety and hygiene : The company provides necessary safety and health education and disaster prevention training measures according to the work performed by employees to ensure the working environment and personal safety of employees. Please refer to the following descriptions of the working environment and personal safety protection measures for employees.</div>				

Note 1: If you ticked "Yes" for the operation status, please explain the important policies, strategies, measures and implementation status adopted; if you ticked "No" for the operation status, please explain the reasons and explain the relevant policies, strategies and plan of measures.

Note 2: If the company has prepared a sustainable development report, the operation status can be replaced by indicating the method of consulting the sustainable development report and the index page.

Note 3: The principle of materiality refers to issues related to environment, society and corporate governance that have a significant impact on company investors and other stakeholders.

Work environment and employee personal safety protection measures

1. Occupational Accident Prevention Program

In order to reduce occupational accidents, the company draws up an annual occupational accident prevention plan every year, and then formulates a detailed implementation plan based on the content of the occupational accident prevention plan, and the business unit will implement it according to the plan schedule and content, and then discover through the audit system. In case of lack of implementation, revise the occupational accident prevention plan at the safety and health committee or labor-management meeting every three months. In the year, according to the resolutions of the safety and health committee, formulate the occupational accident prevention plan for the next year, then implement, review, review, and revise the plan, etc., and continuously reduce the hazard risk of the business unit year by year through PDCA methods, and achieve zero. Disaster ultimate goal.

2. Independent inspection and mechanical equipment inspection

When employees face different working environments, processes, operations and operations, they may cause physical injuries due to factors such as unsafe operations, equipment or management. For this reason, the company actively promotes independent inspections, hoping to use Promoted by this measure, potential hazards are discovered, and efforts are made to improve and effectively control them.

The company's independent inspection items include: motor vehicles, exhaust devices for soldering operations, fire-fighting facilities, and escape and refuge equipment.

Mechanical equipment inspection items include: freight elevators, elevators, etc.

3. Safe and comfortable working environment

Smoking/alcohol abuse is strictly prohibited in the workplace, and the air-conditioning system in the entire factory area is strictly prohibited. The safety of the environment is ensured through the following inspections:

(1) Entrust a professional company to conduct public security inspections in accordance with the building public security inspection visa and declaration regulations.

(2) In accordance with the provisions of the Fire Protection Act, outsource fire inspections every year.

(3) In accordance with the implementation measures for the measurement of the labor working environment, outsource carbon dioxide (CO₂), noise, illuminance and other inspections every six months.

4. Education and training

The company conducts safety and health education and training for new employees, and then provides necessary education and training and disaster prevention training according to the work the employees are engaged in: fire training, evacuation drills, etc. to ensure the safety of the working environment.

5. Radiation protection management

In order to ensure that the operators of the heavy metal element analyzer are not exposed to radiation hazards, regular equipment inspections are actually carried out, and staff are required to wear radiation badges, accept radiation work health checks and participate in radiation training courses, and pass badge meter readings and health check results, to truly grasp the radiation dose received by the operators and the health status of the personnel, and to avoid the damage to personnel and the environment caused by equipment abnormalities.

6. Access control security

(1) A strict access control monitoring system is installed day and night.

(2) Sign a contract with a security company to maintain the safety of the factory area.

7. Insurance and medical care

Apply for labor insurance (including occupational accidents), health insurance, and other insurance companies to provide employees and their families with accident insurance, accident medical insurance, and cancer insurance.

8. Health care and management

In accordance with the "Labor Health Protection Rules", health checks are carried out for general operations and special hazardous operations. The inspection items are mainly in accordance with the regulations. The inspection results of special hazardous operations are graded and managed to help individuals pay attention to their health status and implement healthy living habits.

9. Work environment protection measures

ISO 14001 management system, formulating "environmental policy" to promote continuous improvement of environmental performance, each unit reviews major environmental considerations, matters that do not comply with regulations, etc., use objectives and plan management to prioritize improvement; while lower risks use operation control methods To be controlled, after good operation and improvement, obvious results and control have been obtained, and regular audits are conducted by third-party certification agencies every year to ensure the effectiveness of the management system.

10. Develop a sustainable environment

Cooperate with customers' requirements and comply with RoHS, REACH, WEEE, Erp and other directives. The company established a green product promotion committee to actively promote green production and procurement and was recognized by customers.

11. Promote clean first production technology

The company actively makes full and effective use of resources to reduce waste and reduce production costs. In addition to improving manufacturing processes and operation management to increase recycling and reuse, reduce waste generation. On the other hand, develop and select lead-free process to reduce environmental pollution and implement employee health protection.

(VI) Climate-Related Information of TWSE/TPEX Listed Company

1. Implementation of Climate-Related Information

Item	Item Implementation status (Note 1)
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>1. Governance of climate-related risks and opportunities</p> <p>The board of directors is Promise's top climate change supervisory unit. It plans to establish a sustainability committee this year and regularly report climate change-related management status and operational execution performance to the board of directors. The Sustainability Committee is Promise's top climate change management and execution unit. The Sustainability Committee conducts annual climate change risk and opportunity identification, formulates response strategies and sets goals for financial and strategically significant risk opportunities. The Green Manufacturing Committee under the Sustainability Committee is responsible for promoting the implementation of climate change-related action plans.</p>
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>2. Strategy</p> <p>Promise's short, medium and long-term definitions and major climate-related risks:</p> <p>A. Short-term (1 ~ 3 years): (Entity) Increase the severity of extreme climate events.</p> <p>B. Mid-term (3 ~ 6 years): (Transformation) Strengthen emission reporting obligations, (Transformation) increase in the price of greenhouse gas emissions, (Transformation) products and services are replaced by low-carbon technologies, (Transformation) increase in raw material costs, (Transformation) Entity increases the severity of extreme weather events, (transformation) increases concerns and negative feedback from stakeholders.</p> <p>C. Long-term (7 ~ 10 years): (Transformation) products and services are replaced by low-carbon technologies, (Transformation) raw material costs increase, (physical) the severity of extreme weather events increases.</p>
3. Describe the financial impact of extreme weather events and transformative actions.	<p>3. Promise identifies significant climate-related financial risks and opportunities through four steps:</p> <p>a. Summary: Climate-related risks and opportunities that the technology industry may face</p> <p>b. Convergence: Evaluate risk opportunities projects related to Promise Information based on product service types, climate change in operating locations, development trends in operating and sales market regulations, and climate change strategies of major customers.</p> <p>c. Materiality analysis: Senior management determines the risk score based on the probability of occurrence of climate-related risk opportunity events and the impact of the event on Promise Information</p> <p>d. Strategic response: Evaluate and develop relevant response strategies (including major investments or expenditures).</p>

<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>The formulation of "Risk Management Policies and Procedures" also includes climate-related risks. Through risk identification, risk analysis and evaluation, risk response, risk supervision and management, risk reporting and disclosure and other management processes, each operating authority and responsible unit shall be based on short and medium-term management processes. Conduct risk identification on long-term goals and business responsibilities, analyze and evaluate the probability of risk events, and propose risk response improvement plans based on the assessed risk appetite level. All relevant execution processes and their results should be recorded, reviewed and reviewed through appropriate mechanisms. reporting to effectively moderate risks.</p> <ul style="list-style-type: none"> ● Climate risk management and promotion unit The Company is supervised by the Audit Committee, and the Risk Management Working Group implements the identification, analysis, evaluation, control and other management processes of the Group's operational risks in accordance with the "Risk Management Policies and Procedures". It also integrates climate risks into the risk management structure, conducts risk identification and assessment in accordance with procedures, and formulates response policies and strategies, which are then implemented by all responsible units and report the implementation results to the board of directors. ● Climate risk identification (Risk Identification) (Risk Identification) The company uses a questionnaire survey method based on past experience and information, and considers climate risk factors, key concerns of stakeholders, etc. as the basis for risk identification. The scope of climate risk assessment mainly covers Taiwan and its subsidiaries, which account for more than 90% of revenue in 2023. The types of identification include physical risks such as abnormal weather, natural disasters, and water crisis, and transition risks such as legal, goodwill, and market supply chains. ● Climate Risk Assessment (Risk Assessment) Based on the climate risk appetite approved by the climate management unit, the cost-effectiveness of risk response, possibility and impact reduction and other factors, an appropriate risk response plan will be selected to achieve a balance between achieving goals and cost-effectiveness. ● Climate Risk Response (Risk Response) (Risk Response) The risk management working group regularly reports climate risk management-related information and implementation status to senior management and the board of directors every year, and follows up on improvement matters, response measures and strategic goals.
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	<ul style="list-style-type: none"> ● Climate risk monitoring and management (Risk Monitoring) The risk management working group regularly reports climate risk management-related information and implementation status to senior management and the board of directors every year, and follows up on improvement matters, response measures and strategic goals. ● Risk reporting and disclosure (Risk Report) The implementation process and results of the risk management team should be recorded, reviewed and reported through appropriate mechanisms. Information related to climate risk management should be disclosed on the company's website or public information observatory, provided for reference by external stakeholders, and continuously updated. ● Risk reporting and disclosure (Risk Report) The implementation process and results of the risk management team should be recorded, reviewed and reported through appropriate mechanisms. Information related to climate risk management should be disclosed on the company's website or public information observatory, provided for reference by external stakeholders, and continuously updated.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The questionnaire method is used to assess climate change risks, so it is not applicable.

6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.

In line with the country's 2050 net-zero carbon emission path, and the Financial Supervisory Commission released the "Sustainable Development Roadmap for Listed OTC Companies", the company identifies climate change risks and opportunities, assesses the impact of climate-related risks on operations and finance, and plans accordingly Relevant management climate adjustment measures, promote various energy conservation, carbon reduction and environmentally friendly actions, introduce international management standards related to climate environment, and invest manpower, material resources and funds in stages according to the content of the transformation plan, in order to move towards the goal of a green supply system.

Transformation plan	Plan content	action items	indicator	Target
Physical risks	Protect against fire/flood damage	Strengthen the normal operation of factory facilities	Complete regular maintenance of relevant factory facilities	Reduce the risk of operational disruption and financial impact
	earthquake explosion	Buy product insurance	Complete insurance of all registered assets	Reduce property damage
Transition risks	Energy saving	Follow ISO 14001:2018 management procedures	energy intensity	The annual electricity and water saving rate decreases by 1% compared with the previous year.
	Carbon reduction	Follow ISO 14064:2018 management procedures	Carbon emission intensity	Annual carbon emissions are reduced by 1% compared with the previous year (Scope 1 plus Scope 2)
	circular production economy	By promoting sustainable consumption and production, improving resource use efficiency and value-added waste treatment goals	All products comply with the 3R principles - Reduce, Recycle and Reuse	Four goals: low hazard, extended product life, energy saving, easy recycling
	climate change adaptability			Launch relevant plans under the climate change adaptation plan

7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	not applicable
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	<p>Since 2011, the company has established a greenhouse gas emissions inventory promotion organization, established greenhouse gas emissions inventory management data, and promoted greenhouse gas emissions inventory-related operations. In December 2011, it obtained ISO 14604 third-party certification, and in 2012 Self-declaration inspections will be adopted from 2012 to 2023.</p> <p>Our company is a company with a paid-in capital of less than 5 billion yuan. We cooperate with the Financial Supervisory Commission to promote the "Sustainable Development Roadmap for Listed OTC Companies" and disclose greenhouse gas inventory and assurance information in stages. Individual companies (i.e. parent companies) should disclose greenhouse gas inventory and assurance information in the third stage. Greenhouse gas inventory is applicable (that is, the inventory is completed in 2026 and the verification is completed in 2028); the consolidated reporting subsidiary should complete the inventory in 2027 and the verification in 2029.</p>
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below)	As below 1-1 and 1-2

1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse gas inventory information

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

In 2022, Category 1 (direct emissions) is 23.01 metric tons of carbon dioxide equivalent, Category 2 (indirect emissions) is 1054.26 metric tons of carbon dioxide equivalent, and the intensity is 1.1352 metric tons of CO₂e/million yuan; the total water consumption is 5,110 metric tons; the total waste volume is 26.478 metric tons. (Non-toxic general industrial waste 26.388 metric tons, toxic Class E industrial waste 0.09 metric tons).

In 2023, Category 1 (direct emissions) is 21.22 metric tons of carbon dioxide equivalent, Category 2 (indirect emissions) is 958.42 metric tons of carbon dioxide equivalent, and the intensity is 1.6746 metric tons of CO₂e/million yuan; the total water consumption is 4,466 metric tons; the total waste volume is 18.404 metric tons. (18.354 metric tons of non-toxic general industrial waste, 0.05 metric tons of toxic Class E industrial waste).

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO). Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least

the data calculated in terms of revenue (NT\$ 1 million) shall be disclosed.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

The company has not prepared a sustainability report, and complete and confident information will be disclosed on the Public Information Observatory, and complete confident information will be disclosed in the next annual report.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that "Complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it shall note that "Complete assurance information will be disclosed on the Market Observation Post System (MOPS)," and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEX.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website. °

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets

Since 2011, the company has established a greenhouse gas emissions inventory promotion organization, established greenhouse gas emissions inventory management data, and promoted greenhouse gas emissions inventory-related operations. In December 2011, it obtained ISO 14604 third-party certification, and in 2012 Self-declaration inspections will be adopted from 2023 to 2023.

Since the emission source mainly comes from the electricity required for air conditioning and office lighting, we must cooperate with the factory system management, control and promotion to reduce unnecessary waste, install water-saving devices and implement internal promotion and implementation of water-saving measures to reduce the annual electricity/water consumption. /The goal is to reduce waste by more than 1%. Reduce unnecessary waste and meet the standards in recent years.

Compared with 2022, greenhouse gas emissions in 2023 will decrease significantly by 9.06%.

Compared with 2022, the total water consumption in 2023 will decrease significantly by 12.6%.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, a company with capital of NT\$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024. If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

(VII) The company's performance of honest management and measures taken :

The state of the company's performance in the area of ethical corporate management, any deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such deviation

Assessment criteria	Status of implementation			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
<p>I 、 With business integrity policy and action plan in place</p> <p>(1) Are the Company's guidelines on corporate conduct and ethics provided in internal policies and disclosed publicly? Have the Board of Directors and the senior management team demonstrated their commitments to implement the policies?</p> <p>(2) Has the Company established an evaluation mechanism for the risk of dishonesty behaviors? Does the Company regularly analyze and evaluate business activities with a higher risk of dishonesty in the business scope, and formulate a plan to prevent dishonesty behaviors, which at least covers Paragraph 2 of Article 7 in the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?"</p> <p>(3) Does the Company establish procedures, behavioral guidelines, disciplinary actions and complaint systems in action plans against unethical conduct? Are the plans implemented thoroughly and reviewed and modified regularly?</p>	v		<p>(1) The board of directors has formulated the code of integrity management in accordance with relevant regulations, and instructed the personnel and administrative unit to plan and implement it.</p> <p>(2) In accordance with the second specification of Article 7 of the "Code of Integrity Management of Listed OTC Companies", promulgate the principle of handling gifts from manufacturers, and in accordance with the principles of handling gifts from manufacturers, any amount exceeding NT\$2,000 must be submitted to the company within one week. The audit supervisor registers, and the audit supervisor sorts out and reports to the general manager.</p> <p>(3) Formulate integrity management operating procedures and behavior guidelines, and publicize precautions during staff meetings or newcomer training, set up a report mailbox integrity@tw.promise.com, and accept it by a special person. In 2023, there were no reported incidents.</p>	Compliant with the rationale and practices of "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."
<p>II 、 Realization of business integrity</p> <p>(1) Does the Company evaluate the integrity of all counterparts it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?</p> <p>(2) Has the Company set up dedicated unit in charge of promotion and execution of the company's corporate conduct and ethics, and report to the Board about any operation policies, and plans and supervision on honesty and integrity and prevention of dishonesty on a regular basis (at least once a year)?</p> <p>(3) Does the Company have any policy that prevents conflict of interest, and channels that facilitate the report of conflicting interests?</p> <p>(4) Has the Company established effective accounting and internal</p>	v		<p>(1) In the annex to the contract, the supplier is required to issue a letter of commitment for honest transactions.</p> <p>(2) The personnel administration unit is responsible for handling it, and publicizes the relevant regulations at the staff meeting.</p> <p>(3) The personnel administration unit has started planning and formulating relevant policies, and a special section for interested parties has been set up on the company's website, and a special person is responsible for handling appeal cases.</p> <p>(4) It has been stipulated in the internal audit plan.</p> <p>(5) Propagate relevant laws and regulations at the staff meeting, and assign special personnel to participate in the laws and regulations publicity meeting held by the competent authority, a total of 7 shifts, 9 person times, and 12 hours of training to implement the laws and regulations.</p>	Compliant with the rationale and practices of "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."

Assessment criteria	Status of implementation			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
control systems for the implementation of policies, prepared audit plans according to the evaluation result of dishonesty risks, and audit such execution and compliance, or hire external auditors to audit such execution and compliance? (5) Does the Company organize internal or external training on a regular basis to maintain business integrity?				
III、Reporting of misconduct (1) Does the Company provide a whistleblower and reward system for employees to report misconduct? Does the Company assign dedicated personnel to investigate the reported misconducts? (2) Has the Company developed any standard investigation procedures for reported misconduct, defined follow-up actions to be taken following the completion of the investigation, or had confidentiality systems in place? (3) Has the Company provided proper whistleblower protection?	v		(1) It is proposed that the personnel administrative unit formulate the relevant reporting and reward system specifications for compliance. (2) Formulate investigation standard operating procedures and confidentiality mechanisms for accepting reported matters. (3) Formulate measures to protect the personal information of the whistleblower to prevent the parties from being improperly dealt with.	Compliant with the rationale and practices of "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."
IV、Increasing disclosure of information Does the Company have the contents of corporate management and its implementation disclosed on the website and MOPS?	v		The "Integrity Management Code" and "Integrity Management Operation Procedures and Behavior Guidelines" established by the company are disclosed on the company's website and information observatory, and relevant regulations are publicized when employees report to work and quarterly.	Compliant with the rationale and practices of "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."
V、If the Company has established business integrity policies in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies," please describe its current practices and any deviations from the Best Practice Principles : None				
VI、Other information relevant to understanding the Company's business integrity (e.g., reviews of business integrity principles) : The company has established operating procedures and behavior guidelines for honest management, and has revised the company's relevant codes in accordance with the latest laws and regulations. In order to work together with cooperative suppliers or contractors to improve sustainable development, in addition to providing the company's sustainable development policy and related guidelines for reference and requiring cooperative suppliers or contractors to agree to sign back and follow the Responsible Business Alliance Code of Conduct (RBA) And international labor certification (SA-8000) related standards to establish corporate social responsibility, and encourage suppliers or contractors to participate in the company's related public welfare activities.				

(7) If the company has formulated corporate governance codes and related regulations, how to disclose and inquire.

1. Relevant regulations of the company
 - i. Articles of Incorporation
 - ii. Rules of Procedure for Shareholders Meetings
 - iii. Director Election Method
 - iv. Rules of Procedure of the Board of Directors
 - v. Procedures for acquiring or disposing of assets
 - vi. Endorsement Guarantee Operating Procedures
 - vii. Procedures for lending funds to others
 - viii. Internal major information processing procedures
 - ix. Corporate Governance Code
 - x. Code of Conduct with Integrity
 - xi. Code of Practice for Sustainable Development
 - xii. Code of Ethical Conduct
 - xiii. Integrity Management Operation Procedures and Behavior Guidelines
2. Preventive measures to prevent insider trading: The company invites directors and managers to sign up for the legal compliance promotion meeting for insider equity transactions conducted by the competent authority every year, and also handles "internal material information processing" for managers and employees. "Operating Procedures" and related laws and regulations, new directors, managers and employees should provide relevant information on education and publicity in a timely manner after taking office.
On October 13, 2023, the company will publicize the relevant regulations and precautions for insider trading.

Date	Course Title	object	promotional content	Hours
2023/10/13	Prevent insider trading	Directors and all employees	1. Analysis of Insider Trading Regulations 2. Frequently asked questions about insider trading supervision and practice 3. Internal control and insider trading prevention and discussion of common deficiencies	3

Inform all directors of the following matters and call attention to the relevant regulations:

- (i) Publicity Manual for Independent Director Regulations
- (ii) Listed companies and their directors, supervisors, and major shareholders should pay attention to securities market regulations

3. Query method :

<https://www.promise.com/tw/IR/Company/Importment>

<https://www.promise.com/tw/IR/Company/Prevent-Insider-Trading>

(8) Other important information enabling better understanding of the Company's corporate governance implementation: None

The relevant rules and regulations of the company have been disclosed on the company's website, and the directors and employees have been advised on the laws and regulations that should be noted from time to time.

(9) Implementation of the internal control system :

(1) Statement of Declaration of Internal Control : Annex II ◦

(2) Certified public accountants commissioned to conduct internal audit and the audit report : None ◦

(10) Where the punishments received by the Company and the internal personnel thereof in accordance with laws or imposed by the Company on the internal personnel thereof violating the requirements of the internal control system in the most recent year up to the publication date of this annual report may lead to a material effect on shareholders' equity or stock price, such punishments, material deficiencies and improvements shall be specified : None.

(11) Major resolutions of shareholders' meetings and the Board of Directors in the most recent year up to the publication date of this annual report :

1. Shareholders' meetings :

The company's 2022 general meeting of shareholders will be held on June 23, 2022 in the Edison Hall of Science and Technology Living Hall, No. 1 Industrial East 2nd Road, Hsinchu Science Park. The resolutions passed and implemented by shareholders attending the meeting are as follows:

pass the motion	Execution situation
2022 Annual Business Report and Financial Statements	Voted and approved as proposed
2022 Loss Appropriation Proposal	Voted and approved as proposed
Amendments to some provisions of the Company's "Procedures for Acquisition or Disposal of Assets"	Voted and approved as proposed
The company's private placement securities issuance case	Voted and approved as proposed, and the board of directors resolved on May 10, 2024 that the unraised portion will no longer be processed.
The Company's Issuance of New Shares Restricting Employee Rights	Voted and approved as proposed and declared effective on August 9, 2023, has not yet been issued.
The twelfth director election	Complete the election and complete the change registration on 2023/6/30
The Company's 12th Board of Directors Dissolution Case	Voted and approved as proposed

2. Board of Directors :

The company has held 7 board meetings in 2023 and as of the date of publication of the annual report. The important resolutions are summarized as follows :

Term	Date of meeting	Major resolution
11-16	2023/3/9	<ol style="list-style-type: none"> 1. The company issued a statement of internal control system 2. The company's 2022 individual financial statements and consolidated financial statements 3. The company's 2022 annual loss compensation plan 4. The company's 2022 annual business report 5. Budget 2023 6. Determine the date, time, and place of the 2023 general meeting of shareholders, the period for closing the transfer of ownership, the content of the proposal, and the period for the proposal of the content of the proposal 7. 2023 Annual Directors' Remuneration, Managers' Performance Targets and Annual Remuneration Proposal 8. Proposal for extension of credit line

11-17	2023/5/8	<ol style="list-style-type: none"> 1. The company's financial report for the first quarter of 2023 2. The company's private placement of securities issuance 3. The company's issuance of new shares restricting employees' rights 4. The company's twelfth issuance of employee stock option certificates 5. Accept the list of candidates for the twelfth session of directors (including independent directors) 6. The 12th session of directors' non-compete dismissal case 7. The case of dismissal of the manager of the company through competition 8. Appointment of Corporate Governance Officer 9. Bank credit case
12-1	2023/6/26	<ol style="list-style-type: none"> 1. Election of the twelfth chairman of the company. 2. Appointment of the Fourth Audit Committee and the Fifth Salary and Remuneration Committee.
12-2	2023/8/10	<ol style="list-style-type: none"> 1. Financial report for the second quarter of 2023. 2. Amendments to the 2023 Employee Stock Option Certificate Measures and Amendments to the 2023 Measures to Restrict Employee Rights and New Shares. 3. Bank credit line extension case.
12-2	2023/8/10	<ol style="list-style-type: none"> 1. The company's financial report for the second quarter of 2022 2. Appointment of audit supervisor 3. Establishment of a mainland subsidiary 4. The company's greenhouse gas information inventory and verification planning schedule 5. Proposal on changing the name and revising the Code of Practice for Corporate Social Responsibility 6. Bank credit case
12-3	2023/11/10	<ol style="list-style-type: none"> 1. 2024 audit plan 2. The company's financial report for the third quarter of 2023 3. The company plans to evaluate the independence and competency of the certified accountants based on the Audit Quality Indicators (AQIs). 4. The company's non-confidential services in 2024 - transfer pricing related report preparation services 5. Amendments to some provisions of the Company's "Board of Directors Performance Evaluation Methods" 6. Bank credit line extension case.
12-4	2024/3/14	<ol style="list-style-type: none"> 1. The company issues a statement on internal control system 2. The company's 2023 individual financial statements and consolidated financial statements 3. The company's 2023 loss appropriation case 4. The company's 2023 annual business report 5. Amendment to the Company's Board of Directors Procedures 6. Amendment to the Articles of Association of the Audit Committee 7. 2024 Budget 8. Determine the date, time, location, closure period, content of proposals, and proposal period for the 2024 regular shareholders' meeting. 9. Confirmation of directors' remuneration and senior managers' remuneration in 2023 10. Directors' remuneration and manager performance targets and annual remuneration case for 2024 11. Bank credit line extension case
12-5	2024/5/10	<ol style="list-style-type: none"> 1. The Company's Financial Report for the First Quarter of 2024 2. Cancel the company's 2023 private placement securities case 3. The company's private placement securities issuance case 4. Amendment to the Company's Subsidiary Management Measures 5. Bank credit line extension case

(12) Directors' dissenting opinions on major resolutions made by the Board of Directors in the most recent year up to the publication date of this annual report, which have been on

record or stated in written statements : None

- (13) Summary of resignations and dismissals of related company personnel (including chairman, presidents, accounting supervisors, financial supervisors, internal audit supervisors and R&D supervisors, etc.) in the most recent year and as of the date of publication of the annual report :

Summary table of resignation and dismissal of relevant persons in the company

Title	Name	Arrival date	Dismissal date	Reason for resignation or dismissal
CFO	Lin,Tung-Hsu	2015.1.5	2023.3.10	resign

- (14) The Company obtains relevant licenses designated by the competent authority for personnel related to financial information transparency : None

IV 、 Information on fees for certified public accountants :

Accountant Public Expenses Information Grading Table

Unit: In thousands of New Taiwan Dollars

Name of CPA Firm	Name of CPA	CPA Auditing Period	Audit fee	Non-audit fees	Total	Remark
Deloitte Touche Tohmatsu Limited	Lin, Hsin-Tung	2023.01.01~2023.12.31	4,020	583	4,063	Non-audit public expenses are mainly transfer pricing inspection public expenses and audit advance expenses.
	Tsai,Mei-Chen					

(1) If the accounting firm is changed and the audit public fee paid in the replacement year is reduced compared with the audit public fee of the previous year of replacement, the amount of audit public fee before and after the replacement and the reason shall be disclosed: none.

(2) Where the audit public fee is reduced by more than 10% compared with the previous year, the amount, proportion and reason for the reduction in the audit public fee shall be disclosed: None.

V 、 Information for changing CPA :

Information for changing CPA

(1) Ex-CPA

Date of change			
Reason and description for the change	To cope with the internal transfer within the financial statement accounting firm		
Description is that the appointer or CPA terminates or refuse appointment.	Participants	CPA	Appointer
	Circumstance		
	Voluntarily terminate appointment	Not applicable	Not applicable
	Appointment is no longer accepted (continued)	Not applicable	Not applicable
If issued any audit report with other than an unqualified opinion during the preceding two years, the opinion and the reason:	None		
Any differences in opinions with the issuers	Have		Accounting principle or practice
			Disclosure of financial report
			Audit scope or steps
			Others
	None	V	
	Description: Not applicable		
Other disclosures (Matters that shall be disclosed provided from Item 1-4 to 1-7, paragraph 6, Article 10 of these Guidelines)	Not applicable		

(2) Succeeding CPA

Name of CPA firm	
Name of CPA	
Date of appointment	
Inquired with such accountant about the accounting treatment method of a specific transaction or the applicable accounting principle and his/her possible opinion on the financial report before appointment	
Written opinion of the successor certified public accountant in connection with any discrepancy of opinion between him/her and the former CPA	None

(3) Reply letter from former CPA on matters provided in item 1 and matter No. 3 in item 2, paragraph 6, Article 10 of these Guidelines: None.

- VI、The Company's Chairman, Presidents or managers responsible for financial or accounting operations who assumed positions in an office of the CPA who certified the financial statements or in any of its affiliates in the most recent year：None。
- VII、Any transfer of equity interests and pledge of or change in equity interests of directors, managers, or shareholders with a stake of more than 10 percent in the most recent year up to the publication date of this annual report：

(1) Transfer of equity by a director, manager or major shareholder

Promise Technology, Inc.

Changes in equity of directors, supervisors, managers, and shareholders holding more than 10% of the shares

Unit: common stock

Title Name	Title Name	2023		As of April 23	
		Change in Shareholding Increase (decrease) on Pledged Shares	Change in Shareholding Increase (decrease) on Pledged Shares	Change in Shareholding Increase (decrease) on Pledged Shares	Change in Shareholding Increase (decrease) on Pledged Shares
Chairman	Legal representative of Qixiang Co., Ltd.: Lee, Jyh-En	0	0	0	0
Director	Legal representative of Tsu Fung Investment Corporation: Ho, Jhi-Wu	0	0	0	0
Director	Legal representative of Syntec Technology Co., Ltd.: Chirstine Huang	0	0	0	0
Independent Director	Chang, Wen-Thong	0	0	0	0
Independent Director	Lu, Hong-Sheng	0	0	0	0
Independent Director	Chen, Jyh-Cheng	0	0	0	0
Independent Director	Chen Yi Liang	0	0	0	0
Presidents	Lee, Jyh-En	0	0	0	0
CIO and R&D director	Lin, Yu-Tsung	0	0	0	0
Assistant Manager	YU, JIN-HAO	0	0	0	0
Assistant Manager	KAU, SHUN-CHANG	0	0	0	0
Assistant Manager	WEI, DENG-LIANG	0	0	0	0
Assistant Manager	MAI, KUN-CHUNG	0	0	0	0
Financial Supervisor	Chen Ro-Han	0	0	0	0
Accounting Supervisor	HSIAO, HSIANG-YUN	0	0	0	0

Note: The counterparts of shareholding transfers and shareholding pledges are not related parties.

(2) Information of equity transfer: Not applicable

(3) Information of equity pledge: Not applicable

VIII. Information on the shareholders with the top 10 shareholding ratios, and their relatives are related to each other or within the spouse or second parent :

Information on the relationship between the shareholders with the top 10 shareholding ratios

April 23, 2024

NAME (Note 1)	HOLD SHARES		SHARES HELD BY SPOUSE AND MINOR CHILDREN		HOLDING SHARES IN THE NAME OF OTHERS		THE NAMES AND RELATIONSHIPS OF THE TOP 10 SHAREHOLDERS WHO ARE RELATED TO EACH OTHER OR ARE WITHIN THE LIMITS OF SPOUSES AND SECOND PARENTS (Note 3)		NOTE
	shares	Share holdi ng ratio	shares	Share holding ratio	shares	Share holding ratio	NAME	relationship	
Representative of Qixiang Co., Ltd. : Lee,Jyh-En	7,142,873	7.71	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
Representative of Syntec Technology Co., Ltd. : TSAI,YU-KENG	2,741,860	2.96	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
Representative of Tsu Fung In-vestment Cor-poration : Ho, Jhi-Wu	2,609,479	2.82	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
WU,CHIN-HO	2,074,301	2.24	549,011	0.59	-	-	-	-	
CHIU, TSAI-HUI	962,000	1.04	-	-	-	-	-	-	
Representative of J&C KAN TRADING CO., LTD.: GANLAI,JUNG-YU	962,000	1.04	-	-	-	-	-	-	
	-	-	-	-	-	-	KAN,CHIN-TI	mother and child	
Representative of Sunplus Venture Capital Co., Ltd.: HUANG,CHOU-CHIE H:HUANG,CHOU-C HIEH	962,000	1.04	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	
KAN,CHIN-TI	957,000	1.03	-	-	-	-	GANLAI,JUNG -YU	mother and child	
LIN,CHUN-SUNG	702,695	0.76	-	-	-	-	-	-	
SAM	602,585	0.65	-	-	-	-	-	-	

Note 1: All the top ten shareholders should be listed, and the names of legal person shareholders and representatives should be listed separately for those who are legal person shareholders.

Note 2: The calculation of the shareholding ratio refers to the calculation of the shareholding ratio in the name of oneself, spouse, minor children or in the name of others.

Note 3: The shareholders listed above include legal persons and natural persons, and the relationship between them should be disclosed in accordance with the provisions of the issuer's financial reporting standards.

IX. The number of shares held by the company, its directors, supervisors, managers, and enterprises directly or indirectly controlled by the company in the same reinvested enterprise shall be combined to calculate the comprehensive shareholding ratio :

December 31, 2023

Unit: thousand shares; %

Invest in business (Note)	The company invests		Investments of directors, supervisors, managers, and directly or indirectly controlled enterprises		Comprehensive investment	
	shares	Shareholding ratio	shares	Shareholding ratio	shares	Shareholding ratio
Joding Investment Corp.	7,374	100%	-	-	7,374	100%
PTJ	2	100%	-	-	2	100%

Note: It is a long-term investment made by the company using the equity method.

Fund raising

I. Capital and Shares :

(1) Sources of capital :

Unit: Share; NT\$

Date	Issuing price	Authorized capital		Paid-in capital		Note		
		Shares held	Amount	Shares held	Amount	Sources of capital	Using property other than cash to offset the share capital	OTHER
1999.12	10	30,000,000	300,000,000	30,000,000	300,000,000	cash capital increase NT\$101,000,000	None	1998.03.30(87)-06264 letter approved, and , 1999.10.30(88) 93455 letter approved for public offering
2000.8	10	80,000,000	800,000,000	42,750,000	427,500,000	Turn surplus into capital increase NT\$127,500,000	None	2000.07.29(89)Taiwan financial certificate (1)65985 Approved declaration takes effect
2001.12	10	80,000,000	800,000,000	64,470,000	644,700,000	Turn surplus into capital increase NT\$217,200,000	None	2001.9.27(90)Taiwan financial certificate (1)160010 Approved declaration takes effect
2002.11	10	140,000,000	1,400,000,000	84,087,500	840,875,000	Turn surplus into capital increase NT\$196,175,000	None	2002.10.25Taiwan financial certificate (1)0910157041 Approved declaration takes effect
2003.7	10	140,000,000	1,400,000,000	104,043,000	1,040,430,000	Turn surplus into capital increase NT\$199,555,000	None	2003.07.30Taiwan financial certificate (1)0920129701 Declaration becomes effective
2004.6	10	250,000,000	2,500,000,000	118,466,160	1,184,661,600	Turn surplus into capital increase NT\$144,231,600	None	2004.06.30Taiwan financial certificate (1)0930128720 Declaration becomes effective
2004.9	10	250,000,000	2,500,000,000	118,702,160	1,187,021,600	2004Q3 ESOP NT\$2,360,000	None	2004.10.22 SIPA No.93000239342
2004.12	10	250,000,000	2,500,000,000	119,268,160	1,192,681,600	2004Q4 ESOP NT\$5,660,000	None	2005.1.27 SIPA No.0940001510
2005.3	10	250,000,000	2,500,000,000	119,410,160	1,194,101,600	2005Q1 ESOP NT\$1,420,00	None	2005.4.27 SIPA No.0940009834
2005.6	10	250,000,000	2,500,000,000	119,463,160	1,194,631,600	2005Q2 ESOP NT\$530,000	None	2005.7.27 SIPA No.0940019267
2005.9	10	250,000,000	2,500,000,000	133,713,278	1,337,132,780	Turn surplus into capital increase NT\$142,501,180	None	Financial-Supervisory-Securities-I No.0940131548 Declaration becomes effective
2005.9	10	250,000,000	2,500,000,000	134,171,278	1,341,712,780	2005Q3 ESOP NT\$4,580,000	None	2005.10.21 SIPA No.0940028180
2005.12	10	250,000,000	2,500,000,000	134,460,274	1,344,602,740	2005Q4 ESOP NT\$2,889,960	None	95.1.25 SIPA No.0950001424
2006.3	10	250,000,000	2,500,000,000	134,506,274	1,345,062,740	2006Q1 ESOP NT\$460,000	None	2006.4.27 SIPA No.0950009470

2006.10	10	250,000,000	2,500,000,000	135,526,324	1,355,263,240	Turn surplus into capital increase NT\$10,200,500	None	Financial-Supervisory-Securities-I No.0950134183 Declaration becomes effective
2006.10	10	250,000,000	2,500,000,000	135,597,324	1,355,973,240	2006Q3 ESOP NT\$710,000	None	2006.10.23 SIPA No.0950027429
2007.2	10	250,000,000	2,500,000,000	134,597,324	1,345,973,240	Treasury stock cancellation NT\$10,000,000	None	2007.02.07 SIPA No.0960003902
2007.3	10	250,000,000	2,500,000,000	135,517,324	1,355,173,240	2006Q4 ESOP NT\$9,200,000	None	2007.03.03 SIPA No.0960004620
2007.6	10	250,000,000	2,500,000,000	135,609,324	1,356,093,240	2007Q1ESOP920,000 元	None	2007.06.04 SIPA No.0960014047
2007.9	10	250,000,000	2,500,000,000	136,095,324	1,360,953,240	2007Q2 ESOP NT\$4,860,000	None	2007.09.13 SIPA No.0960024098
2007.12	10	250,000,000	2,500,000,000	136,567,324	1,365,673,240	2007Q3 ESOP NT\$4,720,000	None	2007.12.12 SIPA No.0960032883
2008.3	10	250,000,000	2,500,000,000	136,679,324	1,366,793,240	2007Q4 ESOP NT\$1,120,000	None	2008.03.20 SIPA No.0970006642
2008.7	10	250,000,000	2,500,000,000	137,287,324	1,372,873,240	2008Q1 ESOP NT\$6,080,000	None	2008.07.07 SIPA No.0970017360
2008.9	10	250,000,000	2,500,000,000	137,328,324	1,373,283,240	2008Q2 ESOP410,000	None	2008.09.08 SIPA No.0970024783
2008.10	10	250,000,000	2,500,000,000	139,430,464	1,394,304,640	Turn surplus into capital increase NT\$21,021,400	None	Financial-Supervisory-Securities-I No.0970038317 Declaration becomes effective
2008.12	10	250,000,000	2,500,000,000	139,446,464	1,394,464,640	2008Q3ESOP160,000	None	2008.12.25 SIPA No.0970036265
2009.3	10	250,000,000	2,500,000,000	134,446,464	1,344,464,640	Treasury stock cancellation50,000,000	None	2009.03.17 SIPA No.0980006361
2009.4	10	250,000,000	2,500,000,000	134,486,464	1,344,864,640	2009Q1ESOP400,000	None	2009.04.13 SIPA No.0980008899
2009.8	10	250,000,000	2,500,000,000	142,549,375	1,425,493,750	Turn surplus into capital increase NT\$80,629,110	None	Financial-Supervisory-Securities issue No. 0980032256 Declaration becomes effective
2010.2	10	250,000,000	2,500,000,000	143,630,375	1,436,303,750	2009Q4ESOP10,810,000	None	2010.2.12 SIPA No.0990004292
2010.8	10	250,000,000	2,500,000,000	144,348,375	1,443,483,750	2010Q1ESOP7,180,000	None	2010.7.9 SIPA No.0990019661
2010.9	10	250,000,000	2,500,000,000	147,870,784	1,478,707,840	Capital reserve transferred to capital increase NT\$35,224,090	None	Financial-Supervisory-Securities issue No. 0990039871Declaration becomes effective
2010.10	10	250,000,000	2,500,000,000	148,090,784	1,480,907,840	2010Q3 ESOP NT\$2,200,000	None	2010.11.15 SIPA No. 0990033954
2011.02	10	250,000,000	2,500,000,000	149,667,784	1,496,677,840	2010Q4 ESOP NT\$15,770,000	None	2011.02.23 SIPA No. 1000005022
2011.05	10	250,000,000	2,500,000,000	150,390,784	1,503,907,840	2011Q1 ESOP NT\$7,230,000	None	2011.05.13 SIPA No.1000013367
2011.09	10	250,000,000	2,500,000,000	150,874,784	1,508,747,840	2011Q2 ESOP NT\$4,840,000	None	2011.09.13 SIPA No.1000027156
2012.03	10	250,000,000	2,500,000,000	150,935,784	1,509,357,840	2012Q1 ESOP NT\$610,000	None	2012.03.27 SIPA No.10201108818
2012.08	10	250,000,000	2,500,000,000	151,068,784	1,510,687,840	2012Q2 ESOP NT\$1,330,000	None	2012.08.23 SIPA No.1010026180
2012.10	10	250,000,000	2,500,000,000	151,348,784	1,513,487,840	2012Q3 ESOP NT\$2,800,000	None	2012.10.31 SIPA No.1010033965
102.04	10	250,000,000	2,500,000,000	147,861,784	1,478,617,840	Treasury stock cancellation NT\$34,870,000	None	102.04.09 SIPA No.1020010025
102.11	10	250,000,000	2,500,000,000	150,326,717	1,503,267,170	102Q3 ESOP NT\$11,420,000 and CB NT\$ 13,229,330	None	102.11.26 SIPA No.1020036096
103.03	10	250,000,000	2,500,000,000	159,269,213	1,592,692,130	102Q4 ESOP3,080,000 and CB NT\$86,344,960	None	103.03.26 SIPA No.1030008507
103.06	10	250,000,000	2,500,000,000	159,309,213	1,593,092,130	103Q1 ESOP NT\$400,000	None	103.06.25 SIPA No.1030018237
103.08	10	250,000,000	2,500,000,000	159,321,213	1,593,212,130	103Q2 ESOP NT\$120,000	None	103.08.20 SIPA No.1030024230

103.11	10	250,000,000	2,500,000,000	160,249,213	1,602,492,130	103Q3 ESOP NT\$9,280,000	None	103.11.25 SIPA No.1030034655
104.03	10	250,000,000	2,500,000,000	160,989,213	1,609,892,130	104Q1 ESOP NT\$7,400,000	None	104.03.18 SIPA No.1040007140
104.08	10	250,000,000	2,500,000,000	161,942,213	1,619,422,130	104Q2 ESOP NT\$6,470,000	None	104.08.21 SIPA No.1040024308
104.11	10	250,000,000	2,500,000,000	162,068,213	1,620,682,130	104Q3 ESOP NT\$1,260,000	None	104.11.23 SIPA No.1040033844
105.03	10	250,000,000	2,500,000,000	162,120,213	1,621,202,130	104Q4 ESOP NT\$520,000	None	105.03.11 SIPA No.1050006204
105.05	10	250,000,000	2,500,000,000	162,172,213	1,621,722,130	105Q1 ESOP NT\$520,000	None	105.06.07 SIPA No.1050015316
105.11	10	250,000,000	2,500,000,000	162,305,213	1,623,052,130	105Q3 ESOP NT\$1,330,000	None	105.11.17 SIPA No.1050031997
2017.11	10	250,000,000	2,500,000,000	162,409,213	1,624,092,130	2017Q3ESOP NT\$1,040,000	None	2017.11.23 SIPA No.1060032030
2017.12	10	250,000,000	2,500,000,000	161,409,213	1,614,092,130	Treasury stock cancellation10,000,000 元	None	2017.12.28 SIPA No.1061002866
2020.8	10	250,000,000	2,500,000,000	84,238,808	842,388,080	Capital reduction to make up for losses, write-off NT\$771,704,050	None	2020.7.29 Financial-Supervisory-Securities issue No. 1090350298
2020.9	10	250,000,000	2,500,000,000	88,086,808	880,868,080	2020-I private placement NT\$38,480,000	None	2020.10.08 SIPA No.1090028474
2021.6	10	250,000,000	2,500,000,000	89,328,808	893,288,080	2020-II private placement NT\$12,420,000	None	2021.06.09 SIPA No.1100016400
2022.4	10	250,000,000	2,500,000,000	92,678,680	926,786,680	2021-I private placement NT\$33,498,600	None	2022.04.29 SIPA No.1110012985

Types of shares	Authorized capital			Note
	Outstanding	Unissued shares	Total	
Registered common shares	92,678,668	157,321,332	250,000,000	Listed companies' stocks:84,238,808 Shares

Information relevant to the aggregate reporting policy: None.

2. The composition of Shareholders :

April 23, 2024.

Unit: Share

Shareholder Structure Qty	Government institutions	Financial institutions	Other institutions	Foreign institutions and foreign individuals	Natural persons	Total
Number of persons	0	2	170	57	41,759	41,988
Qty of shareholding	0	2,667	14,736,910	2,344,825	75,594,266	92,678,668
Percentage	0.00%	0.00%	15.90%	2.53%	81.57%	100.00%

3. Equity distribution :

(1) Common share :

April 23, 2024.

Level of holding	No. of shareholders	Qty of shareholding	Percentage %
1-999	31,162	3,096,307	3.34
1,000-5,000	8,200	16,708,404	18.02
5,001-10,000	1,455	10,416,076	11.24
10,001-15,000	437	5,282,440	5.70
15,001-20,000	209	3,671,571	3.96
20,001-30,000	210	5,307,438	5.73
30,001-40,000	96	3,345,597	3.61
40,001-50,000	41	1,864,474	2.01
50,001-100,000	99	6,976,337	7.53
100,001-200,000	37	4,947,090	5.34
200,001-400,000	22	6,338,681	6.84
400,001-600,000	10	5,007,460	5.40
600,001-800,000	2	1,305,280	1.41
800,001-1,000,000	4	3,843,000	4.15
1,000,001 and more	4	14,568,513	15.72
Total	41,988	92,678,668	100.00

(2) Preferred stocks: None.

4. List of major shareholders :

April 23, 2024.

Shareholding Major shareholder	Qty of shareholding	Shareholding percentage %
Qixiang Co., Ltd.	7,142,873	7.71
Syntec Technology Co., Ltd.	2,741,860	2.96
Tsu Fung In-vestment Cor-poration	2,609,479	2.82
WU,CHIN-HO	2,074,301	2.24
CHIU, TSAI-HUI	962,000	1.04
J&C KAN TRADING CO., LTD.	962,000	1.04
Sunplus Venture Capital Co., Ltd.	962,000	1.04
KAN, CHIN-TI	957,000	1.03
LIN, CHUN-SUNG	702,695	0.76
SAM	602,585	0.65

5. Information on market price, net worth, earnings, and dividend per share :

Item \ Year		2022	2023	As of March 31, 2024
Market price per share (Note 1)	Highest	15.7	16.65	14.80
	Lowest	9.88	9.88	12.15
	Average	12.08	11.89	13.55
Net worth per share (Note 2)	Before distribution	9.41	7.92	7.9
	Before distribution	9.41	Note 9	-
EPS	Weighted average shares (thousand shares)	92,679	92,679	92,679
	EPS (Note 3)	0.03	(1.55)	(0.19)
Dividend per share	Cash dividend		-	-
	Stock dividend	From retained earnings	-	-
		Shares obtained from capitalization of surplus	-	-
	Accumulated unpaid dividend (Note 4)		-	-
Analysis of ROI	Price/Earnings ratio (Note 5)		-	-
	Price/Dividend ratio (Note 6)		-	-
	Cash dividend yield (Note 7)		-	-

Note 1: List out the high and low market price of common shares in each year and the average market price of these years by trading value and trading volume.

Note 2: The data shall be based on the number of outstanding shares as of the end of the year and the distribution under the resolution of the Board of Directors or the shareholders' meeting in the following year.

Note 3: In case of adjustment of price due to the release of stock dividend, show the EPS before and after dilution.

Note 4: if the conditions for the issuance of equity securities require that the dividend not being distributed in current period could be carried forward to the year in which The Company has profit, disclose the accumulated and retained dividend in current period.

Note 5: Price/earnings ratio = Yearly closing price per share/Earnings per share.

Note 6: Price/Dividend ratio = Yearly average closing price /Cash dividend per share.

Note 7: Cash dividend yield rate = Cash dividend per share/ Yearly average closing price.

Note 8: Net worth per share and earnings per share should be based on auditor-reviewed data as at the latest quarter before the publication date of this annual report. For all other fields, calculations should be based on data as at the end of their respective years.

Note 9: The 2022 annual loss compensation proposal is yet to be resolved by the shareholders' meeting.

6. Dividend policy and its implementation :

(1) Dividend policy stipulated in Articles of Incorporation :

The company operates a high-tech business and is in the growth stage of the enterprise life cycle. In order to match the overall environment and the characteristics of industrial growth, and consider the funding needs of the future capital expenditure budget, in order to achieve the company's sustainable operation, pursue the long-term interests of shareholders and stabilize operating performance. Target, the company's dividend policy, the distribution of surplus can be cash dividends or stock dividends, of which cash dividends should not be less than 10% of the total dividends, and the board of directors plans to allocate no less than 60% of the annual profit The amount of dividend distribution, the amount of this dividend distribution depends on

the actual operating conditions of the year, and the capital budget planning for the next year is considered, and the optimal dividend policy is decided by the shareholders' meeting.

(2) Implementation status: Although there will be profits in 2022, there will still be accumulated losses, so there will be no dividend distribution.

7. The impact of the proposed gratuitous allotment of shares at this shareholders' meeting on the company's operating performance and earnings per share: Not applicable.

8. Remuneration to employees/directors :

i. The ratio or range of employee remuneration and director remuneration stated in the company's articles of association:

According to the company's articles of association, the company's annual pre-tax net profit before deducting employee remuneration and director's remuneration should allocate no less than 5% as employee remuneration and no more than 3% as director's remuneration. However, if the company still has accumulated losses (including adjustments to the amount of undistributed earnings), it shall reserve the compensation amount in advance, and then allocate employee remuneration and director remuneration in proportion to the preceding paragraph.

ii. The basis for the estimation of the amount of remuneration for employees, directors and supervisors in the current period, the basis for calculating the number of shares of employee remuneration based on stock distribution, and the accounting treatment when the actual distribution amount is different from the estimated amount:

(1) Estimated basis: Based on the amount that may be issued in accordance with the laws, regulations, and past experience, the net profit after tax (the amount of employee remuneration and directors and supervisors' remuneration has been deducted) and make up for losses over the years, deduct statutory reserves, and And the balance after withdrawing or reversing the special surplus reserve is calculated according to the above ratio.

(2) Accounting treatment when there is a difference: after the end of the year, if there is a major change in the distribution amount resolved by the board of directors before the financial report is released, the change will adjust the original annual expenses. If the amount still changes after the financial report is released, It shall be treated according to changes in accounting estimates, and shall be adjusted and recorded in the next year. If the board of directors decides to adopt stock distribution as employee remuneration, the number of shares is determined by dividing the amount of the resolution remuneration by the fair value of the stock. The fair value of the stock refers to the closing price of the day before the resolution of the board of directors as the basis for calculation.

iii. The proposed distribution of employee remuneration and other information approved by the board of directors: No employee remuneration and director remuneration paid this year.

(1) If there is any discrepancy between the amount of employee remuneration distributed in cash or stock and the remuneration of directors and supervisors and the annual estimated amount of recognized expenses, the difference, reason and handling situation shall be disclosed: not applicable

(2) The amount of employee remuneration proposed to be distributed by stock and its proportion to the total after-tax net profit in the current individual or individual financial report and the total amount of employee remuneration: Not applicable.

(3) Calculated earnings per share after considering the proposed distribution of employee remuneration and remuneration of directors and supervisors: Not applicableiv.

iv. The actual distribution of the remuneration of employees, directors and supervisors in

the previous year (including the number of shares distributed, the amount and the stock price), if there is any difference from the remuneration of recognized employees, directors and supervisors, the difference, the reason and the handling situation shall be stated : No difference as explained below

Unit : NT\$

	2021			
	Shareholders' meeting resolution actually distributes	The original board of directors approved the proposed allotment	difference number	Reason for difference
Distribution situation :				
Employee bonuses	0	0	0	-
Director remuneration	0	0	0	-

- II. The situation of the company repurchasing the company's shares : None °
- III. Corporate bond handling status : None °
- IV. Special stock processing status : None °
- V. Status of Overseas Depositary Receipts : None °
- VI. Handling of employee stock option certificates : Shown on the next page. °
- VII. Handling of new shares with restrictions on employee rights : None °
- VIII. Mergers and acquisitions or the issuance of new shares by the shares of the other company : None °
- IX. Status of implementation of capital allocation plans. : None °

(1) The company's employee stock option certificates that have not yet expired shall disclose the status of the handling as of the date of publication of the annual report and the impact on shareholders' rights and interests :

Types of employee stock option certificates	IX ESOP		X ESOP
Declaration effective date and total number of units	2015.9.10 Unit :6,000		2017.5.23 Unit :5,000
Issue (processing) date	2015.12.9	2016.09.09	2017.6.12
number of units issued	Unit :3,900	Unit :2,100	Unit :5,000
number of units still available	Unit : 12,434		
The ratio of the number of issued subscription shares to the total number of issued shares (%)	4.21	2.27	5.39
Subscription Duration	10 Years		10 Years
Performance method	Issuance of new shares		
Restricted subscription period and ratio (%)	The granting period of stock option certificates expires in 2, 3, and 4 years, and the proportion of exercisable stock options (cumulative) is 30%, 60%, and 100%.		The granting period of stock option certificates expires for 2 years, and the proportion of exercisable stock options (cumulative) is 100%
Number of shares acquired (thousand shares)	0	0	0
Executed subscription amount (thousand yuan)	0	0	0
Number of unexecuted subscriptions (thousand shares)	420	228	428
Subscription price per share for unexecuted subscribers (yuan)	32.0	30.5	24.4
The ratio of the number of unexecuted subscriptions to the total number of issued shares (%)	0.45	0.25	0.46
Impact on Shareholders' Equity	Although the rights and interests of the original shareholders have been diluted, the purpose of the issuance is to attract and retain the talents needed by the company, and it has the function of motivating and enhancing the solidarity of employees. Looking forward to the future, employees can be retained and motivated to jointly create the interests of shareholders and the company. Shareholders will benefit from this .		

Note 1: The handling of employee stock option certificates includes the public offering and private placement employee stock option certificates that are being processed. The public offering employee stock option certificates that are being processed refer to those that have already come into force by the Association; the private placement employee stock option certificates that are being processed refer to those that have been approved by the resolution of the shareholders' meeting.

Note 2: The Company's twelfth employee stock option certificate, which was declared effective by the Securities and Futures Bureau of the Financial Supervisory Commission on August 9, 2023, will be performed by issuing 4,500,000 new shares, which has not been issued as of the date of printing of the annual report.

(2) Accumulated until the date of publication of the annual report, the managers who obtained the employee stock option certificate and the names, acquisition and subscription status of the top ten employees who obtained the stock option certificate and the number of shares that can be subscribed.

IX ESOP : (Issue period 2015/12/09~2025/12/08)

	Title	Name	Obtain the number of subscriptions	The ratio of the number of subscriptions obtained to the total number of issued shares	It has been executed				Not performed			
					Number of subscriptions	Warrant price	Subscription amount	The ratio of the number of subscriptions to the total number of issued shares	Number of subscriptions	Warrant price	Subscription amount	The ratio of the number of subscriptions to the total number of issued shares
manager	Presidents	Lee, Jyh-En	126,296	0.14%	0	0	0	0%	126,296	32.0	4,041,472	0.14%
	CIO and R&D director	Lin, Yu-Tsung										
	Assistant Manager	YU, JIN-HAO										
	Assistant Manager	KAU, SHUEN-CHANG										
	Assistant Manager	WEI, DENG-LIANG										
	Assistant Manager	MAI, KUN-CHUNG										
	Financial Supervisor	Chen Ro-Han										
	Accounting Supervisor	HSIAO, HSIANG-YUN										
staff	Subsidiary Staff	HO, CHING	84,543	0.09%	0	0	0	0%	84,543	32.0	2,705,376	0.09%
	Subsidiary Staff	LI, SHIH-YI										
	Subsidiary Staff	Sophie Sun										
	Manager	Huang Chengyi										
	Manager	Yu Wanyu										
	Senior Assistant Manager	Yang Mindun										
	Senior Assistant Manager	Lin Xinping										
	Assistant manager	Lin Wenwen										
	Assistant manager	Du Zhiqian										
	Assistant manager	Lai Fangqing										

IX-1 ESOP : (Issue period 2016/09/09~2026/09/08)

	Title	Name	Obtain the number of subscriptions	The ratio of the number of subscriptions obtained to the total number of issued shares	It has been executed				Not performed			
					Number of subscriptions	Warrant price	Subscription amount	The ratio of the number of subscriptions to the total number of issued shares	Number of subscriptions	Warrant price	Subscription amount	The ratio of the number of subscriptions to the total number of issued shares
manager	Presidents	Lee, Jyh-En	154,478	0.17%	0	0	0	0%	154,478	30.50	2,132,774	0.17%
	CIO and R&D director	Lin,Yu-Tsung										
	Assistant Manager	YU,JIN-HAO										
	Assistant Manager	KAU,SHUN-CHANG										
	Assistant Manager	WEI,DENG-LIANG										
	Assistant Manager	MAI,KUN-CHUNG										
	Financial Supervisor	Chen Ro-Han										
	Accounting Supervisor	HSIAO,HSIANG-YUN										
staff	manager	Tsai,Teng-Yu	69,927	0.08%	0	0	0	0%	69,927	30.50	2,132,774	0.08%
	manager	Huang Chengyi										
	manager	Wang Zheren										
	manager	Tsai longtan										
	Senior Assistant Manager	Lin Xinping										
	Senior Assistant Manager	Wang Zhenzhou										
	Assistant manager	Hsu,Chien-Chung										
	Assistant manager	Cheng Yunmin										
	Technical Assistant Manager,	Lee Pi-yao										
	Senior Engineer	Gao Binxin										

X ESOP : (Issue period 2017/06/12~2027/06/11)

	Title	Name	Obtain the number of subscriptions	The ratio of the number of subscriptions obtained to the total number of issued shares	It has been executed				Not performed			
					Number of subscriptions	Warrant price	Subscription amount	The ratio of the number of subscriptions to the total number of issued shares	Number of subscriptions	Warrant price	Subscription amount	The ratio of the number of subscriptions to the total number of issued shares
manager	Presidents	Lee, Jyh-En	196,956	0.21%	0	0	0	0%	196,956	24.40	4,796,845	0.21%
	CIO and R&D director	Lin,Yu-Tsung										
	Assistant Manager	YU,JIN-HAO										
	Assistant Manager	KAO,SHUN-CHANG										
	Assistant Manager	WEI,DENG-LIANG										
	Assistant Manager	MAI,KUN-CHUNG										
	Financial Supervisor	Chen Ro-Han										
	Accounting Supervisor	HSIAO,HSIANG-YUN										
staff	Subsidiary Staff	Ushio Koida	132,557	0.14%	0	0	0	0%	132,557	24.40	3,234,391	0.14%
	Subsidiary	Mark Pennings										
	Subsidiary	Muneo Kobayashi										
	manager	Tsai,Teng-Yu										
	Subsidiary Staff	ZHANG,LEI										
	Subsidiary Staff	LI,SHIH-YI										
	Subsidiary Staff	HSIEH,YU-FEI										
	Subsidiary Staff	Thanh Ngo										
	Subsidiary Staff	Phu G (Kevin) Huynh										
	Manager	Yu Wanyu										

(3) Restricting employees' rights and handling of new shares : The company applied for the issuance of 1,500,000 new shares with restricted employee rights. The application was made effective by the Securities and Futures Bureau of the Financial Supervisory Commission on August 9, 2023. As of the printing date of the annual report, it has not yet been issued.

Operation Overview

I. Business content :

(1) Business Scope :

1. Business content:

The main business contents of the company are classified as follows :

- (i) Cloud and IT data center solutions
- (ii) Digital multimedia editing
- (iii) Products related to digital security monitoring, computer and telephone integration technology
- (iv) OBM/ODM/Solution industrial storage solutions

2. 2022 Operating ratio :

In recent years, the company has transformed from a hardware manufacturer to a solution provider, providing relative solutions for customers' operations or technologies. On the one hand, it accumulates industrial knowledge and provides customers with more appropriate suggestions; on the other hand, it strengthens customer loyalty, demonstrates the company's high value-added market positioning, and accumulates more competitive advantages for future challenges to well-known foreign storage manufacturers.

5-1 : Classification of product

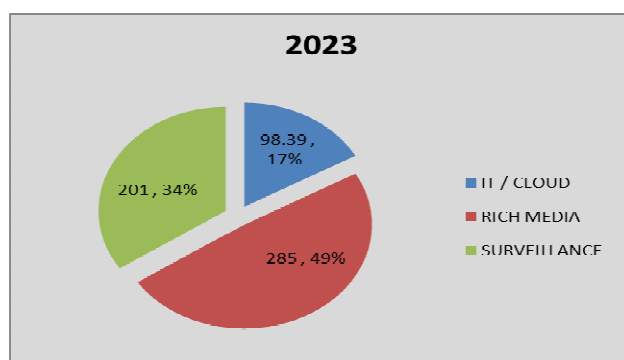
Unit: NT\$ million

product name	sales	Operating ratio%
system	\$531	90.77
other	54	9.23
total	\$585	100.00

Note: Others are mainly income from sales of hard disks, engineering services, sales of spare parts, etc., and sales returns and discounts.

5-2 : 2023 Solutions

Unit: NT\$ million



3. The company's current products :

(i) Cloud and IT data center solutions :

Cloud-based solutions provide the most resilient architecture for many industries. Significant benefits include: on-demand scalability, high availability and elasticity for a wide range of uses. Thanks to high-performance computing, more applications can be implemented through virtualization, such as software-defined storage (SDS), software-defined networking (SDN), and so on. More and more companies are looking for a cloud storage platform that is suitable for their software-defined architecture. Promise provides a full range of solutions from IaaS to SaaS to help customers easily build exclusive cloud services.

Promise provides a complete cloud solution from IaaS to SaaS, which is easy to deploy and manage. Promise's IaaS series includes high-density server storage series and cloud storage platform. Promise's SaaS series includes the FileCruiser Enterprise File Sync and Share (EFSS) solution, which allows users to enjoy the convenience of mobile access, but the actual management authority is under the control of the IT department. Users can manage the entire system, including software and hardware configurations, eliminating the security concerns of sharing confidential information in public services, suitable for small and medium-sized enterprises (SMEs), education markets and other environments. Promise solutions can help users maximize the benefits of the cloud.

Promise's storage solution solves the problems of enterprise data protection and archiving, achieving effective management, storage, protection and rapid access to data. Proximity provides enterprise-level VTrak storage solutions for critical IT application environments that require sequential access to high performance and high bandwidth, while the Vess R2000 series is suitable for small and medium-sized enterprises (SMB) IT environments.

Promise storage solutions not only have excellent performance, but also run stably to ensure uninterrupted services. For example, VTrak x30 series solutions are dual-controller Active-Active design with fault-tolerant migration function, providing enterprises with a "no single point of failure" storage environment.

(ii) Digital Media Clipping :

Due to the recent maturity of NAND flash technology and the popularity of NVMe high-speed storage devices, tower-type network storage platforms have the opportunity to increase data throughput. In recent years, with the rise of Internet multimedia creators, Internet celebrity Youtuber is becoming more and more prosperous, and the business volume of multimedia editing in small studios has increased, and there are certain requirements for data access speed. In order to provide the best performance, Promise began to optimize the performance of the tower network storage platform, with the current highest speed NVMe device, to improve the limitation of the insufficient speed of traditional hard drives, and further meet the application and market demand.

With the rapid growth of the RichMedia field, the demand for access speed and capacity expansion has increased significantly, and the network storage platform must find a cost-effective method to achieve a balance between performance and capacity. VTrak N1008 series is a tower-type high-speed hybrid network storage platform with 10G network speed, NVMe read speed exceeding 3000MB, high-speed and capacity disk hybrid mode, and a cost-effective way to provide capacity and speed.

With the vigorous development of high-definition movies, 3D movies, and high-definition digital TVs, the digital multimedia industry relies on more efficient workstations or server-level computers in the production and broadcast of movies and special effects, with high-speed, large-bandwidth, large-scale large capacity storage space for high-quality broadcasting, non-linear editing, digital special effects, computer animation, digital audio editing, etc.

Promise provides storage solutions designed for creative professionals, such as: Pegasus32 provides SSD or HDD solutions with storage configurations up to 112TB. These mobile storage solutions can be shipped in a dolly. More importantly, users will have the speed and performance needed to capture this type of content.

Breaking through technical limitations, PegasusPro has created a fusion system with both Thunderbolt™ 3 DAS and NAS functions, which greatly improves the workflow efficiency of digital media collaboration. PegasusPro is the first system in the industry that can break through the two different data storage formats of DAS and NAS, and quickly convert files and transfer data between them, which not only saves a lot of time, but also improves its performance uniquely. In addition, the built-in Intel® eighth-generation Core™ processor creates unparalleled system performance. Team members can not only connect to PegasusPro through the Thunderbolt™ transmission interface for 4K or 8K video production, but also share their work with other members through the 10G NAS transmission interface. This is the first world premiere, Thunderbolt™ 3 DAS and network The storage device with NAS coexistence interface, users can directly convert the data in the storage system without using other transfer media under different host interfaces, and backup or edit audio and video at a Thunderbolt 3 transmission speed of up to 2800MB/s Large files, sometimes through network protocols, allow other users to share files. Launched two models with different numbers and capacities of hard disks, providing a variety of choices °

(iii) Digital Security Monitoring :

The security monitoring industry is gradually moving toward digitization, IP and high-quality images, and high-quality storage also means that the required storage space doubles, and at the same time, the data damage caused by a single hard disk failure is greater when using a large-capacity hard disk. . The Vess

series products launched by Promise Information for the digital security monitoring market provide multiple sets of iSCSI ports, and RAID 0, 1, 3, 5, 6, 10, 30, 50, 60 and other disk array protection levels, and The overall storage space can be increased by expanding the JBOD expansion cabinet. In addition, digital security surveillance requires uninterrupted and uninterrupted video quality.

The Vess A-Class NVR video surveillance solution and Vess external storage product series are specially designed for video surveillance, providing fast, stable, and optimized image storage performance, effectively solving the challenges faced when deploying a surveillance environment, and can be expanded to cope with long-term needs data storage requirements.

Promise's video surveillance solution has passed the certification of many world-class security surveillance VMS professional manufacturers, and can be closely integrated with the world's top surveillance system solution suppliers, reflecting a higher degree of software and hardware integration and compatibility.

Promise has been cultivating the digital security monitoring market for many years. It has cooperated with many well-known digital monitoring software and hardware manufacturers at home and abroad and completed certification. Its excellent quality has won praise from the market.

(iv) OBM/OEM/Solution storage solution :

Promise's ODM storage software and hardware solutions provide complete and fast-introduction solutions for customer market or system integration product needs, accelerating the development and market entry time of customers or manufacturers' products. Promise's ODM solutions can provide computing cores, customized drivers and user interfaces for cloud storage, storage devices (Storage), storage servers and network storage devices (NAS) products, allowing ODM customers or manufacturers to improve their products function and added value. Promise provides high-reliability and high-efficiency storage software and hardware solutions to Promise's global ODM partners.

4. New products planned to be developed :

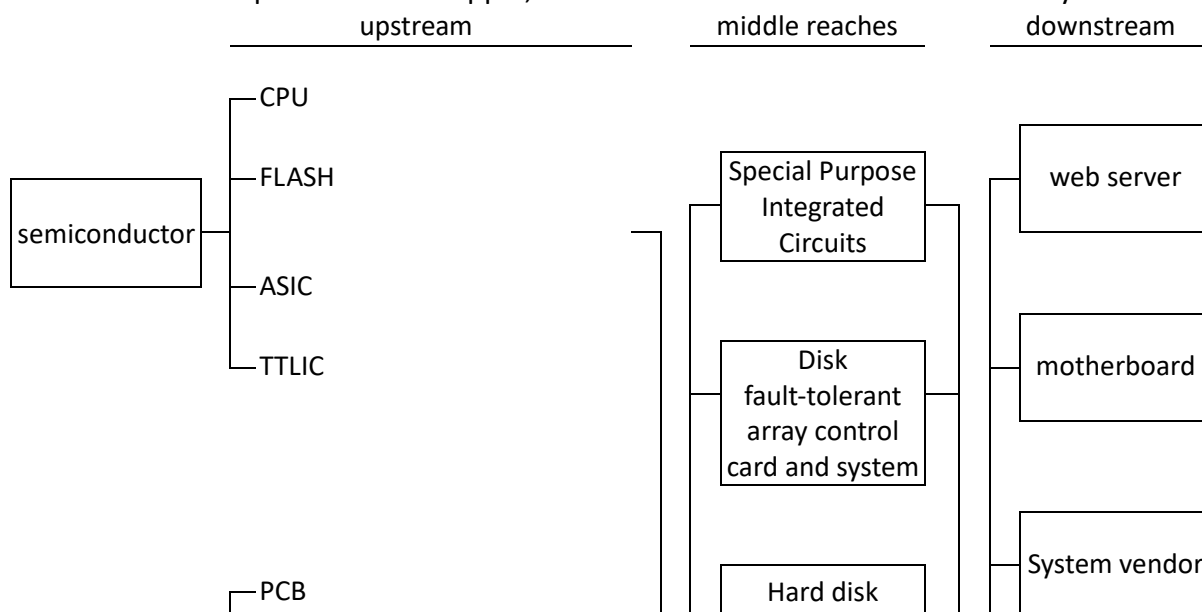
- (i) External Small Fast Multimedia Storage Device. (Pegasus M4)
- (ii)Enhanced communication security monitoring cloud storage integration platform.(Vess A8120 SNMP v3.0 、SmartBoost)
- (iii)The second generation Ultra-high-speed caching hybrid network storage platform. (VTrak N1008 N1616)

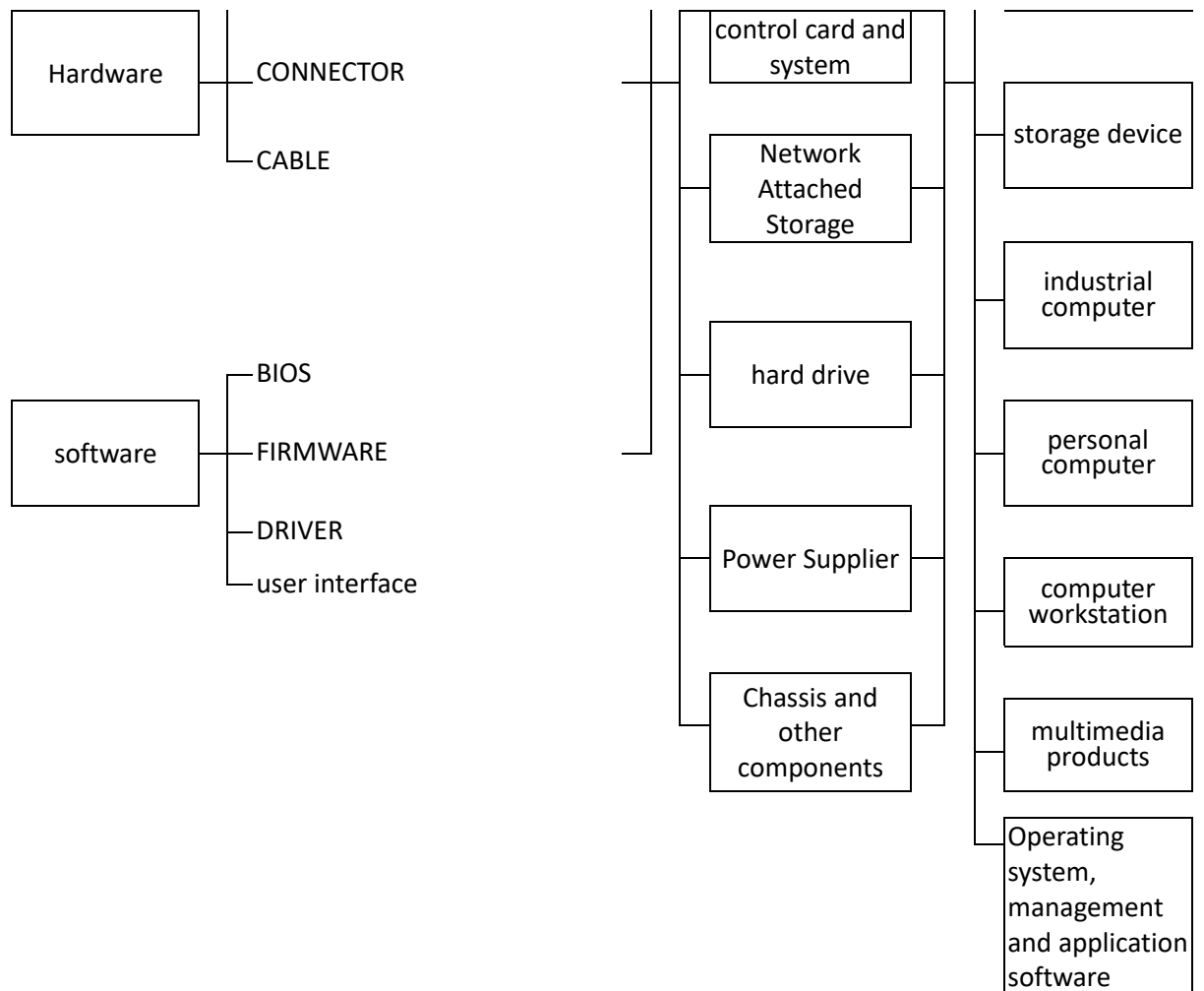
(2) Industry Overview :

1. Current status and development of the industry :

The hard disk application-based storage industry (Disk Storage System) is growing rapidly with various factors such as the acceleration of global informationization, the maturity of the Internet driving the rapid growth of electronic data, and the popularization of data reliability/ preservation /security concepts. Growth, the storage industry can be divided into four areas: (A) storage components/chips, (B) storage systems/subsystems, (C) storage management and (D) integration consulting services.

2. The relationship between the upper, middle and lower reaches of the industry :





3. Various development trends of products :

A. Popularization of the concept and application of storage security :

In the past, disk arrays and real-time backups were often associated with high unit prices and high maintenance costs. However, with the evolution of information technology and interfaces, new interfaces such as SAS (Serial-attached SCSI) not only have high performance and high reliability, but are also backward compatible with interfaces such as SATA for personal applications, and the evolution of semiconductor and hard disk technology has made High-speed and large-scale access are no longer unattainable. At present, not only enterprises and large-scale public utilities require a large amount of information, but even personal audio-visual, images, and leisure and entertainment also require high-speed, large-scale, stable, and safe storage. Therefore, Promise Information is in Provide cloud providers with advanced, reliable, high-performance, and cost-effective storage solutions to meet the needs of public and private cloud architectures.

B. Outsourcing (including R&D and production) trends of major global manufacturers :

In the past, the concentration of the storage industry was extremely high, and it was concentrated in large European and American manufacturers. The industrial division of labor was not as good as that of the personal computer (PC; Personal Computer) industry. In addition to reliability, the demand for high cost performance is becoming more and more obvious. On the supply side, the excellent manufacturing/management capabilities and ODM-based R&D capabilities of Asian manufacturers or even Taiwanese manufacturers are highly recognized. This trend will make international storage manufacturers Focus on high-end and high-value-added market segments, seek long-term cooperative partners through strategic alliances, and outsource R&D and manufacturing to realize the benefits of vertical integration.

4. Various competitive situations of products :

A. High barriers to entry - long-term accumulation of customer trust and technical level :

From customer transaction information, important corporate information of large-scale plant operation records, to personal entertainment and family records, the current trend of electronic and digitalization of all kinds of information has never stopped. Moreover, the risks and losses of data loss are increasing day by day, so the preservation of electronic data is one of the important indicators of the current competitiveness of enterprises. The rapid transmission and access of data not only requires speed, but also requires high security. It requires a large amount of investment in technology research and development, as well as the accumulation of customer trust for a long time. The formation of barriers to entry is not only the investment of funds, but also Long-term operation and investment.

B. Long product life cycle :

Information storage devices are mostly used in medium and large hosts and workstations. They belong to enterprise-level applications and require a high investment. They are different from consumer products, and system replacement involves huge hidden costs and risks. Considered projects even include downtime, data re-backup, and migration. Risk of transfer and operation termination, etc. The use of information storage equipment usually takes five years, spare parts at least two years, and product service and technical support for up to seven years. The product life cycle is much longer than that of general personal information products.

C. The global market is highly concentrated, and all of them are American and Japanese manufacturers

The sales of information storage equipment are still closely related to the sales of servers, and are also positively related to the capital expenditure of enterprises. They are often used in aerospace, national defense, large-scale public utility projects, and huge data processing in factories. When manufacturers choose to purchase, in addition to considering long-term trust, they must also consider compatibility and stability with servers and network systems, compatibility with hard disks, and the safety, quality and reliability of each manufacturer's system products. (Reliabilities), etc. Considering that the project is professional and complex, it cannot be determined by a single price factor. Therefore, 80% of the market is concentrated in the top ten information manufacturers such as the United States and Japan, and industrial capabilities also dominate the industry concentration. However, with the rise of cloud storage in the future, users only care about the stability and security of service providers, and there will not be too many brand myths. It will have the opportunity to break the oligopoly of US and Japanese manufacturers, and allow other storage equipment manufacturers to catch up. Opportunity.

(3) Technology and R&D Overview :

1. R&D and Investment Overview :

R&D costs and expenses in 2023: NT\$129,678,000.

R&D costs and expenses as of March 31, 2024: NT\$27,843,000.

Promise Technology invests in cultivating talents and developing its own technology, adheres to the core purpose of meeting customer needs with innovation, and strives for excellence.

In addition, it also strengthens the research and development of storage technology optimization with major partners, and continues to sponsor famous academic institutions and research institutions to engage in storage technology research and development to promote innovation and advanced technology. The company has always paid attention to the inheritance of R&D technology and experience. Since its establishment, it has been continuously committed to quality improvement and technological innovation. In recent years, it has actively invested in R&D equipment and cultivated and recruited R&D talents. The R&D team has rich qualifications and good product planning. and research and development capabilities. Proud to be a company specialized in research and development, constantly seek the possibility of improving its storage solutions, and continue to invest to provide customers with the best experience.

2. Successfully developed technologies and products in the most recent year :

(i) PegeasusPro cloud application

- It has a storage system with privacy and high performance requirements, and can easily expand storage capacity up or down according to the continuous changes of organizational needs.
- Combined with the cloud system to effectively eliminate the initial hardware cost configuration of enterprises or individuals, many public cloud systems also provide automatic backup mechanisms to ensure data security.
- Through the hybrid cloud storage system design to achieve infrequently accessed cloud storage and frequently used local storage, optimize storage costs to reduce overall expenses and maintain performance.
- Currently, in addition to supporting the world's top three public cloud providers, including Azure, AWS, and Google Cloud, there is also Wasabi localized for Japan. Other cloud systems will continue to expand in the future.
- The functions of the existing design include synchronization, backup and archiving. Easily complete cloud version control, and has the ability to restore.

(ii) VTrak N1616 :

- VTrak N1616 With the rapid growth of the RichMeida field, the demand for access speed and capacity expansion has increased significantly. The network storage platform must find a cost-effective method to achieve the balance between performance and capacity. VTrak N1616 series is a rack-mounted high-speed hybrid network storage platform with 10G network speed, NVMe read speed exceeding 6000MB, high-speed and capacity disk hybrid mode, and a cost-effective way to provide capacity and speed requirements. In addition, the function of integrating with external clouds is also planned, including AWS with the highest market share, etc.
- The characteristics of this product, the optimized shared storage device specially designed for post-production workflow and team sharing - suitable for collaborative workflow functions on Adobe Premiere Pro, Final Cut Pro X,

Autodesk Flame and other software; performance - VTrak N1616 with TierBoost: Up to 6GB/3GB read/write throughput, selectable from 8 x 10G Base-T, 8 x 10G SFP+ or 4 x 25G SFP28; TierBoost - use automatic or manual configuration options to classify digital assets for efficient use over the network. The most frequently used files are kept at the fastest level; Ease of Use - Data management and multimedia team access through an intuitive and simple user interface. Create simple and low-cost shared storage devices; data protection - the powerful PROMISE RAID technology is known for its stability and high performance, and it can be easily backed up to shared storage devices and the cloud.

(iii) Vess A8120 product :

- Vess A8120 can assume three roles in the monitoring network architecture: management server, recording server or IVA (Intelligent Video Analysis) server. Vess A8120 can execute the user's preferred recording software and store the recorded video data in Vess A8120 or PROMISE storage hardware for later playback.
- The Vess A8120 features a rack-mounted 1U hardware specification with a dual-CPU platform design. GPU can be installed as an option, which is suitable for intelligent image analysis services such as face recognition, object detection, and image tracking. An external PROMISE storage device (Vess R3600) can achieve a transfer rate of up to 1000 Mbit per second. Storage server with multiple deployment options: management server/recording server/IVA (Intelligent Video Analysis) server. Join hands with top VMS manufacturers to create the perfect cornerstone of the monitoring ecosystem. Focus on network security vigilance and strict security testing. Strictly abide by the security specifications such as Secure SDCL and Open Source Security, and comply with NDAA factory specifications. 24-hour PROMISE eSupport website support and telephone support are available. PROMISE SmartBoost™ delivers robust, error-free performance in video recording applications °
- This product is specially designed for large-scale business use with high computing performance. Because of its powerful computing power, it can be used as the management host of the entire open monitoring network and also as the main server for image intelligence analysis. The management host acting as an open monitoring network can use SNMPv3 to improve the security of network management and avoid the threats of network monitoring and information forgery. In the development of SNMP v3 for the communication security of WebPAM Pro, the network management integration interface of the Vess A open monitoring cloud storage integration platform, communication security depends on the master-slave architecture (Client-Sever) managed through the network. With the identification of the identity of the information source and the identification of information integrity, and the exchange of information through encrypted channels, it can resist information security threats such as information tampering, forgery, and leakage. This part needs to establish that both communication parties can rely on the same encryption and identity authentication protocol in order to comply with the security framework specification of SNMP v3.

(iv) Vess A8600 product

- The main feature of the Vess A8600 product is the combination of performance and expandable on-premises storage capacity, suitable for video

surveillance and data-intensive workloads of large enterprises. Designed for video recording and Intelligent Video Analysis (IVA) applications. Hardware options include PCI slots for additional Intel Xeon CPUs (dual CPU option); alternatively, GPU cards can be used for image analysis or other processor-intensive applications.

- PROMISE's patented SmartBoost™ technology ensures robust high-performance storage for video recording without missing frames; proven in thousands of large-scale deployments worldwide.
- Simplify management and reduce complexity: Simplify daily surveillance network management operations, integrate video recorders and storage servers, and provide a comprehensive video surveillance solution that combines VMS software and external storage devices. Plus, integrate features with today's hottest VMS providers.
- The system is easy to set up, manage and maintain, greatly reducing the burden on IT personnel who are already overwhelmed. Once all the settings are in place, active management is rarely required, and for most VMS platforms, a special plug-in program designed for a specific VMS is used to monitor storage system status directly through the VMS user interface. The management software supports SNMPv2 and SNMP v3 for enhanced security.
- Reduced power consumption and environmentally friendly technologies: Promise is committed to creating energy-efficient products and reducing hazardous waste in the manufacturing process. The new Vess A8600 continues this practice by combining hot-swappable power supply modules and green design concepts (GreenBoost™ technology) with hardware engineering to reduce power consumption, noise and heat output.

(4) Long-term and short-term business development plans

1.Short-term development :

- A. Strengthen the brand image of "PROMISE", enhance the popularity of the international market, actively expand the market share, and establish the image of a professional manufacturer.
- B. Strengthen the global logistics system centered on America, Europe and Asia to achieve effective supply and after-sales service, and to grasp the market dynamics in real time.
- C. Organizational transformation, building a flexible and fast efficient organization, fully understanding the supply and demand information of suppliers and customers, shortening the R&D and marketing decision-making process to achieve the best benefits.
- D. Under the principle of prudent finance, make full use of capital market tools to create shareholder value.

2.Long-term development :

- A. Expand and strengthen the global sales and full-service network, increase market share, brand awareness and market recognition.
- B. Actively develop international manufacturers through brand awareness in a gradual manner, so as to strengthen the function of global logistics, effectively improve efficiency, and strengthen global competitiveness.
- C. Actively and quickly strengthen the training of international marketing and logistics management, so as to serve as the basis for operation.

- D. Balance each business group and product line, and pursue the balanced growth of the company's overall revenue by taking advantage of the off-peak season characteristics of different regions and product lines.
- E. Form strategic alliances with customers, construct comprehensive technology integration and solutions, lay out technical and marketing entry barriers, and grasp the trend of outsourcing of global storage manufacturers.
- F. Utilize the open and efficient capital market to extend the strategy of industry competition and cooperation or industry alliances.

II. Market and production and sales overview :

(1) Market analysis: :

1. The sales area of the company's main products :

Unit NT\$ thousand

Year area		2022		2022	
		net sales	%	net sales	%
export	Asia	\$313,600	53.65	\$441,152	49.56
	America	129,096	22.09	146,507	16.46
	Europe	86,869	14.86	94,479	10.61
	other	8,820	1.51	16,623	1.87
	Subtotal	\$538,385	92.11	\$698,761	78.50
Domestic sales		46,137	7.89	191,373	21.50
total		\$584,522	100.00	\$890,134	100.00

2. market share :

Promise can provide a complete product line for a small number of manufacturers in the world, including system, personal and SOHO storage products, etc. Because the company has successfully transformed system products to the higher-end application market, according to professional industry reports, some products can even enter the global leading group. It has a more positive impact on Promise's global market share.

3. The future supply and demand situation and growth of the market :

- (i) The storage demand of the multimedia industry, digitization and the high penetration rate of the Internet will rapidly increase the amount of information storage:

With the advent of 5G, the digital development of smart cities, the prevalence of the Internet and e-commerce, the amount of data that enterprises need to store is increasing. Therefore, the proportion of data related to enterprises is quite large, but in the future, enterprises will also face the needs of Internet of Vehicles, remote applications, etc., and the growth of data volume in the future will be even more astonishing.

- (ii) Cloud computing changes the relationship between service providers and users in the future, and also affects the type of information storage in the future.

From the perspective of the current overall industrial environment, cloud computing and the current ferment of Big Data massive data computing applications have matured at the technical level.

With the trend of cloud computing, service providers provide large-scale computing power, build large-scale computer rooms, a large amount of storage, and provide various software applications, allowing users to use computing power comparable to supercomputers and the latest application software at any time, but at the same time they do not know the server. Location, or the location of data, is expected to make high-level computing and large amounts of reliable storage within reach. The massive centralization of information storage will make a large number of storage products with high performance/cost ratio and high

reliability be used.

- (iii) The era of digital surveillance is coming, Promise provides a more secure and reliable large-capacity storage solution

The security surveillance system has gone digital. In addition to the improved resolution and functions of surveillance cameras, the storage medium has also evolved from video tapes to hard disk storage. With the improvement of video resolution, it also means that the capacity of the matching storage device needs to have higher capacity, data protection function and scalability. Therefore, more and more surveillance systems are built to use storage systems with disk array functions.

For security monitoring applications, we provide complete SAS/SATA RAID storage equipment products, including large-scale surveillance storage with an installation scale exceeding tens of thousands of cameras, rack-mounted RAID storage systems with SAN and DAS applications; 16 to 256 cameras For medium-scale storage construction, there is a rack-mounted RAID storage system and an internal PCIe RAID controller card used in conjunction with the monitoring host; and NAS and DAS storage products for monitoring structures with less than 16 pieces. Whether it is a system integrator or installer of various sizes, they can find ideal storage solutions in PROMOTION, presenting the best video data protection for security surveillance.

4. competitive niche :

- (i) Successful shaping of brand image :

Since its establishment, Promise has been adhering to the spirit of technological innovation, focusing on the storage industry, and developing storage products that meet the application trends of various times. Based on the high quality of its products, the company has been affirmed by customers, and promotes marketing work from time to time. The management of the brand image gradually promotes Promise Information's "PROMISE" brand to all over the world. Since the company is actively committed to the layout of overseas channels, combined with the resources of local partners, it has established a high reputation with high-quality, high-function, fast and perfect after-sales service and innovative technology. In recent years, it has been praised and praised by professional magazines and media at home and abroad. Obtained the certification of internationally renowned manufacturers, making the product market development effect outstanding, and won the favor of many well-known domestic and foreign manufacturers of computer systems, hard disks and motherboards, which shows that the company's brand image and product standards have been deeply recognized by the outside world. It will help to further develop other markets, and will also have a positive impact on its performance.

- (ii) Professional and experienced R&D team :

The company's talents and management team are professional senior managers with an international outlook compared with peers in the industry. They focus on the storage field and have always paid

attention to the research and development of innovative technologies. Over the years, they have accumulated considerable experience in storage technology. The pulse of the trend can be grasped effectively and immediately, and the R&D talents cultivated can also continuously develop new products leading the industry, creating business opportunities and profits for the company, and making the company's products occupy a leading position in the market. From the perspective of the manpower and funds invested by the company in R&D work, the company has a strong R&D team, the R&D team has self-cultivated talents, high stability, no risk of faults in related R&D technologies, and the overall quality of employees is neat, and the international division of R&D is carried out. In this way, the most advanced storage technology is presented to customers in the best cost-effective way, so in the rapidly changing information industry, the company can always maintain a high competitive niche.

(iii) Excellent quality and technical ability :

Promise has been a R&D-oriented company since its establishment, with more than 47% of R&D talents. Continuous investment in R&D manpower is expected to maintain technological leadership in the storage field. Promise focuses on the research and development of the storage field, and is applied to various storage products and vertical application fields. Promise's field-proven storage devices ensure that users' precious data is meticulously protected. In addition to the company's high market competitiveness in the research and development of new products, the stability of product quality, function and compatibility are also the proud achievements of the company's products in the global competitive market with a high market share. . In view of the fact that the competitiveness of the high-tech industry stems from long-term innovation and development capabilities and consistent quality requirements, it is not only the consensus of all employees of the company, but since the introduction of the ISO 9001 quality system, the international quality concept has been working tirelessly in the company It has been fully implemented in every work process and has become a Green Partner of a major Japanese manufacturer. And passed the third-party audit verification of OEM international manufacturers.

(iv) Complete marketing and service network :

In order to structure its global logistics management model and sales strategy of deepening the market, the company reinvested and established marketing bases in America, Europe, Japan and mainland China, and sold products through well-known distributors in order to get close to the market and quickly grasp the market Real-time information, and provide rapid and perfect after-sales service and technical support nearby, so that the company's products can be marketed in the Americas, Europe, the Middle East and the Asia-Pacific region, increasing its market competitiveness .

(v) Implemented competitive awareness :

The company's management team has always had sufficient competition awareness, so it is able to grasp market opportunities and establish operating policies in the rapidly changing market; in addition, the crisis awareness and countermeasures triggered by competition awareness are deeply rooted in the company's organization , to ensure the company's stable operation and sustainable development, and enhance the company's competitiveness.

5. Favorable and Unfavorable Factors and Countermeasures of Development Prospect :

A. Favorable factors :

(i) Grasp the development trend of information and communication:

Mastering data means mastering future business opportunities, including the Internet of Things, mobile communications, cloud computing, massive data, and communities. Promise chooses cloud computing and massive data as the key to future growth, and will cooperate with other companies in response to these high-growth market demands. Partners, develop corresponding solutions to grasp this business opportunity.

(ii) Strong and leading R&D technology capabilities and excellent product quality :

Promise conducts strategic R&D manpower planning globally, with R&D teams located in the United States, Taiwan and China. Teams from all over the world can jointly develop VessRAID products, Pegasus series products and Vtrak series products, and can also carry out customized development according to the needs of partners.

(iii) OBM/ODM Marketing Strategy of Own Brand :

Since its establishment, the company has been focusing on the research and development of high-tech and high-value-added products, and has been marketing the world under its own "PROMISE" brand. It is a leading brand in the RAID disk fault-tolerant array market and has an outstanding reputation. A model of high-end products in the same industry. In recent years, the company has continued to use the advantages of its own brand marketing in the past to develop a new series of SAS products with a new belt interface, and gradually expand the OBM/ODM OEM market, balance the dual operation mode of brand and OEM, and pursue the company's sustainable operation.

(iv) Complete marketing network and all-round sales service and technical support :

In order to get closer to the market, grasp the market dynamics, and provide customers with the best sales, after-sales service and technical support, the company has been committed to integrating

international marketing channels in recent years. In addition to coordinating domestic and foreign business and marketing strategies through the Taiwan parent company, Also reinvested and established marketing bases in America, Europe, Japan and mainland China, responsible for marketing, technology and after-sales service in the local market, and provided information services of the latest global products through the Internet to strengthen interaction with customers , Provide global consistent after-sales service and quality assurance to enhance customer confidence. Therefore, the attitude of continuously providing diversified and comprehensive services to customers is the key factor for the stable growth of the company's performance °

(v) Complete deployment of relevant surrounding industrial systems :

The main technology and research and development of the storage industry are more than those in the United States. The hard disk factories are located in the United States and Japan, and information electronics is a huge and complex industry. The division of labor system, the upstream, middle and downstream industries cooperate very closely, the supply is stable and the price is very competitive, and has accumulated considerable production technology and experience, and has cultivated many excellent research and development design talents. This complete industrial system, In addition to ensuring that there is no shortage of raw materials and stable supply, it is also possible to obtain the required raw materials at a lower price, giving manufacturers a relative competitive advantage. This surrounding industry is complete and closely coordinated, which will be the best basis for the company's continuous industrial growth and success.

B. Unfavorable factors and countermeasures :

(i) The products are mainly exported, and are subject to higher exchange risk.

Countermeasures: The company has a dedicated department to regularly assess the risk of the company's exposure to foreign exchange, and conduct foreign exchange risk hedging in accordance with the company's method of acquiring and disposing of assets, and because the company's exchange strategy includes (A) actively deploying Foreign currency positions other than the U.S. dollar, including the euro, can establish currency positions such as the yen or renminbi in the long-term to disperse risks. (B) Under the principle of prudent internal control, Yuanhui pre-sells foreign currency with dynamic hedging within the principle of hedging to reduce position risk. (C) Try to use the same currency when importing and selling goods, so that they can offset each other to reduce the net foreign exchange position.

(ii) Intense competition in the market :

In recent years, due to the rapid development of the information electronics industry and the emergence of market demand, more companies have rushed to invest in the research and development of

similar products, and use low-price strategies to attack and defend the market. Coupled with the rise of new marketing channels, customers have become more concerned about supply capacity, The requirements for delivery guarantee and quality are increasing day by day, so that price demands alone can no longer meet customer needs. However, as products become more mature and competitors' technologies gradually improve, the differences in future products will gradually narrow. Therefore, if you cannot Leading the market in terms of technology or product launch speed, the trend of product price and profit decline will be inevitable, and there may even be a crisis of being eliminated.

Countermeasures:

- a. Actively expand the R&D team to enhance R&D strength, ensure the first opportunity of product launch, and strengthen quality control operations, establish a brand image of high-quality products, and clearly differentiate the market from low-priced products.
 - b. Committed to developing high value-added products and strengthening marketing services to enhance the market competitiveness of products, and to market products internationally with its own brand to establish the strength of long-term operation. In addition, strive to improve the efficiency of production and sales coordination, and effectively control operating costs to increase operating profits.
 - c. Establish a clear market position, actively develop new products based on existing technology and research and development capabilities, lead the industry and enter the market early, so as to obtain higher profits in the initial stage of product launch.
 - d. Combining customer needs, internal R&D capabilities, and partners' technologies or products, provide customers with complete solutions for the next three years, and deepen customers' trust and loyalty to Qiaoding.
 - e. Committed to the process reform within the organization, including the simplification of the work process and the rationalization of the process flow, and actively cultivate human resources to establish a flexible organizational structure with a high degree of adaptability.
 - f. Constantly review the progress of the business plan, adjust the direction of strategic development, truly grasp the trend of industrial development, and effectively counter the fierce competition in the market by focusing on the soundness of technology, products, and markets at the same time °
- (iii) Short product life cycle: Inventory risks arising from faster updates.

Countermeasures :

- a.Focus on developing the added value of storage application software, regularly update its functions and improve the practicability of the human-machine interface, prolong the product life cycle, and save the huge cost of mold development caused by the continuous introduction of new hardware products.
- b. Immediate response to production and sales coordination.
- c.Strengthen the management of production management, material management, warehouse management and global logistics.

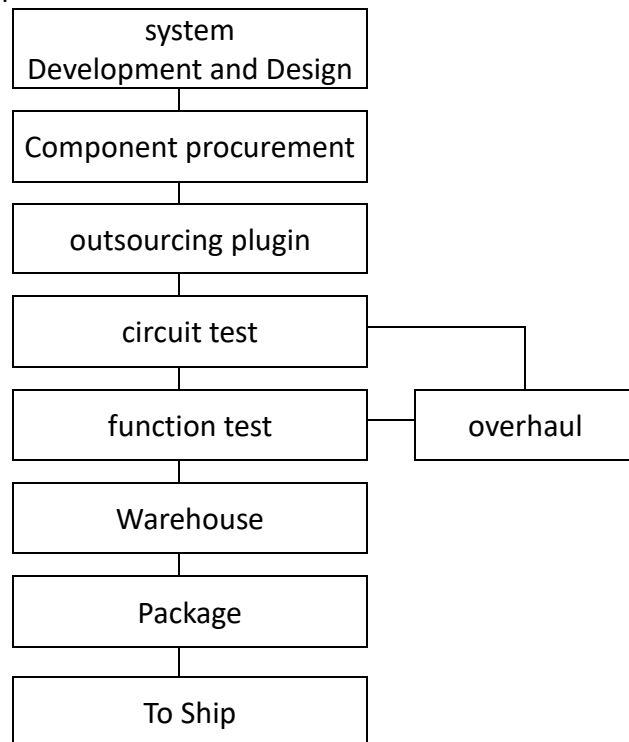
d.Immediate response and handling of possible excess inventory products.

(2) Important uses and production processes of main products :

1. Important uses of main products :

main products	Applicable level	use
<p>Solutions for the Multimedia Storage Market</p> <p>VTrak A-Class series</p> <p>Pegasus series</p> <p>SANLink series</p> <p>VTrak Ex30RAID subsystem</p>	<p>Optimized for multimedia workflows, enabling single and multiple users to access, edit, share and distribute 4K video</p> <p>Ideal for filmmakers, photographers, graphic designers and other multimedia professionals, especially for field work where speed is important and crews are billed by the hour</p>	<p>The Pegasus32 is a mobile solution designed for personal desktop or classroom use, with powerful features and Thunderbolt 3 speeds. Connect to Thunderbolt™ 3-enabled hosts at 40Gbps, or 10Gbps to USB 3.2 Gen 2-enabled hosts.</p> <p>Pegasus 32 can be accessed by single or multiple users. The VTrak E/D5000 series can also be used as a multi-position locker in the classroom, providing more stable performance and NAS/SAN collaboration.</p> <p>Pegasus32 provides SSD or HDD solutions with storage configurations up to 112TB. These mobile storage solutions can be shipped in a dolly. What's more, you'll have the speed and performance you need to capture this type of content.</p> <p>With the gradual adoption of HD and 4/8K shooting for animation, special effects and slow-motion replay motion videos, the processing bandwidth of the studio has also been greatly impacted in terms of time and delivery capabilities.</p> <p>The Pegasus3 PC Edition series combines lightning-fast speed with advanced RAID protection to keep your data safe and secure.</p> <p>SANLink3 N1 is a compact, bus-powered NBase-T adapter that utilizes Thunderbolt™ 3 technology to connect to Ethernet infrastructure at 1, 2.5, 5 or 10Gb/s speeds.</p> <p>The VTrak A3800 shared storage device is designed for simultaneous collaboration of multiple users on 4K editing, which can improve bandwidth performance.</p>
<p>Surveillance Storage Market</p> <p>Solutions</p> <p>VESS series products</p>	<p>Designed for video surveillance, an open monitoring storage solution, suitable for banks/ Education/public agency/city surveillance/retail/casino...etc.</p>	<p>Provides fast, stable, and optimized image storage performance, effectively solving the challenges faced when deploying a surveillance environment, and can be expanded to meet long-term data storage needs. It can perform video playback, real-time viewing and archiving functions with optimal performance, providing stable access and continuous recording without frame loss.</p> <p>Open monitoring platform products introduce groundbreaking fan, hard disk hot swap, simple and clear light indication, and OPAS (One-Plug-Auto-Service) maintenance into the monitoring platform from the viewpoint of easy maintenance, and introduce Qiaoding enterprise-level high-end Reliable RAID protects the security of video data, and integrates the hardware and software required by the monitoring system platform, such as dry contacts and graphics processing.</p>

2. Production process of main products :



(3) Supply status of main raw materials:

Main raw material name	The name of the main supplier	Availability
hard drive	AFASTOR CORPORATION 、 Transcend Information Inc.	The manufacturers listed on the left have long-term cooperation with our company, and our company regularly reviews their supply quality and delivery status.
integrated circuit	SYNNEX TECHNOLOGY INTERNATIONAL CORPORATION 、WT MICROELECTRONICS CO., LTD.	
Mechanism	USMETAL TECHNOLOGY CO., LTD. 、WEY JIUN ENTERPRISE CO.,LTD.	
motherboard	ASROCK RACK INCORPORATION	
A printed circuit board	FIRST HI-TEC ENTERPRISE CO., LTD.	
power supply unit	Chicony Power Technology Co., Ltd.	
memory module	Innodisk Corporation	

(4) The name of the customer who accounted for more than 10% of the total purchase (sales) in any of the last two years, and the amount and proportion of the purchase (sales) and the reason for the increase or decrease: :

1. Purchase customer list: (by code name)

Unit: NT\$ thousand

2022				2023				As of 2024 Q1			
Name	Amount	Ratio of net purchases in the whole year (%)	Relationship with Issuer	Name	Amount	Ratio of net purchases in the whole year (%)	Relationship with Issuer	Name	Amount	Ratio to net purchases for the year ending the previous quarter (%)	Relationship with Issuer
A customer	103,289	21	-	A customer	102,010	34	-	A customer	14,046	25	-
C customer	57,776	12	-	E customer	37,465	12	-	E customer	10,972	19	-
D customer	57,577	11		B customer	34,204	11	-	B customer	5,410	9	-
B customer	54,411	11	-	D customer	26,843	9	-	D customer	4,853	8	
E customer	47,771	10	-	C customer	6,132	2	-	C customer	3,330	6	-
other	170,875	35		other	96,684	32		other	19,124	33	
Net Purchase	491,701	100		Net Purchase	303,339	100		Net Purchase	57,735	100	

Reason for change : There is no major change in the main manufacturers of purchases.

Note 1: List the name of the supplier whose total purchase amount exceeds 10% in the last two years, as well as the purchase amount and proportion, but if the name of the supplier cannot be disclosed due to the contract or the transaction object is an individual and not a related party, it can be coded .

2. List of sales customers: (by code name)

Unit: NT\$ thousand

2022				2023				As of 2024 Q1			
Name	Amount	Ratio of annual net sales (%)	Relationship with Issuer	Name	Amount	Ratio of annual net sales (%)	Relationship with Issuer	Name	Amount	Accounts for the ratio of net sales to the previous quarter of the current year (%)	Relationship with Issuer
A customer	108,499	12	None	C customer	71,483	12	None	D customer	20,848	15	None
B customer	98,233	11	None	D customer	44,317	8	None	B customer	12,370	9	None
C customer	70,751	8	None	B customer	34,513	6	None	A customer	11,978	9	None
D customer	43,716	5	None	A customer	28,210	5	None	C customer	6,587	5	None
other	568,936	64	None	other	405,998	69	None	other	88,638	63	None
net sales	890,134	100		net sales	584,522	100		net sales	140,422	100	
Reason for change : None °											

Note 1: List the name of the customer whose total sales amount exceeds 10% in the last two years, as well as the sales amount and proportion, but if the name of the customer cannot be disclosed due to the contract or the transaction partner is an individual and not a related party, it can be coded

(5) Production volume in the last two years :

Unit: piece/piece/set; NT\$ thousand

years sales value Major Products	2023			2022		
	production capacity	Yield	output value	production capacity	Yield	output value
system	128,402	128,402	394,144	245,307	245,307	537,821
total	128,402	128,402	394,144	245,307	245,307	537,821

Note: Others are mainly spare parts and raw materials.

(6) Sales volume in the last two years :

Unit: piece/piece/set; NT\$ thousand

years sales value Major Products	2023				2022			
	Domestic sales		export		Domestic sales		export	
	Yield	output value	Yield	output value	Yield	output value	Yield	output value
system	4,924	\$43,838	31,265	\$486,560	18,536	\$137,551	30,034	\$630,454
other	606	2,299	27,368	51,825	9,062	53,822	67,963	68,307
total	5,530	\$46,137	58,633	\$538,385	27,598	\$191,372	97,997	\$698,761

Note: Domestic sales refer to sales to Taiwan; others mainly refer to engineering services, maintenance income, sales of spare parts, etc., and sales returns and discounts. °

- III. Employed employees: the number of employed employees, average service years, average age and distribution ratio of educational background in the last two years and as of the publication date of the annual report :

Year		2022	2023	As of March 31, 2024
Number of employees	direct personnel	11	11	11
	indirect personnel	121	116	115
	total	132	127	126
Average age		47.29	47.66	47.80
Average years of service		11.33	11.70	12.02
Educational Distribution Ratio	PhD	0.00%	0.00%	0.00%
	master	28.03%	30.71%	30.95%
	junior college	59.85%	57.48%	57.14%
	high school	9.85%	9.45%	9.52%
	below high school	2.27%	2.36%	2.38%

IV. Environmental Expenditure Information :

- (1) In the most recent year and as of the date of publication of the annual report, the total amount of losses and disposals due to environmental pollution, future countermeasures and possible expenditures: In the production process of the company, the product manufacturing part is outsourced, and the company is only engaged in testing And packaging operations, there is no waste water, sewage, waste gas, noise and other pollution phenomena, so there is no concern about environmental pollution.
- (2) All products of Promise Information comply with the Restriction of Hazardous Substances Directive (RoHS), Waste Electrical and Electronic Equipment Directive (WEEE), International Organization for Standardization (ISO) 14001 and Chemical Registration, Evaluation, Authorization and Restriction Regulations (REACH), etc. specification. In addition, the use of harmful materials such as lead, cadmium, bromine, and halogen elements is also reduced in the manufacturing process of all products. Switch to NPG150 in x30 product. Promise also promises to prudently increase the use of environmentally friendly materials.

V. Labor relations :

- (1) Current important labor-management agreement and its implementation:

1. employee benefits

- (i) Set up an employee welfare committee to provide various employee welfare measures
Domestic and foreign travel activities/family day/recreational activities for the whole company

New Year Gift Voucher/Birthday Gift Voucher
maternity allowance
Wedding and funeral subsidies
Discounts from authorized stores
Community Activities Subsidy
Banquet

(ii) Other employee benefits

Group life insurance, medical insurance, accident insurance and cancer insurance
Consolation and assistance in emergencies
Annual bonus/performance bonus/employee stock option certificate
New physical examination/employee regular health examination
Departmental banquet
Education and training subsidies

a. manager training situation :

Title	Name	Study date	Course Title	Training hours
CEO	Lee, Jyh-En	2023/10/13	2023 Insider Trading Prevention Promotion Conference	3
		2023/11/22	2023 Legal Compliance Information Conference on Insider Equity Transactions	3
Finance Director and Corporate Governance Officer	Chen Ro-Han	2023/6/2	2023 Taishin Net Zero Power Summit Forum	3
		2023/10/13	2023 Insider Trading Prevention Promotion Conference	3
		2023/11/22	2023 Legal Compliance Information Conference on Insider Equity Transactions	3
Accounting Supervisor	Hsiao, Hsiang-Yun	2023/7/13~7/14	Continuing training courses for accounting executives of issuers, securities firms and stock exchanges	12
Accounting agent	KU, PEI-CHIN	2023/12/18~12/19	Continuing training courses for accounting executives of issuers, securities firms and stock exchanges	12
Audit supervisor	Hsu, Wei-Lun	2023/7/19	Reading, analysis and application of financial statements	6
		2023/10/16	Business contract management and audit services	6
Acting Audit Supervisor	Chu, Hui-Ling	2023/04/24	How internal auditors use digital forensics to protect and investigate business secrets	6
		2023/5/26	Internet technology development trends and new thinking of internal auditors	6

b. Staff training situation :

The results of the company's 2023 education and training are as follows :

course project	Number of shifts	total number of people	total hours	Total cost (NT\$ thousand)
Professional Training	25	44	159	39
management skills	0	0	0	
general education	6	56	222	
language study	0	0	0	
new recruit training	5	6	36	
Environmental Issues	3	3	17	
sum	39	109	434	

c. Education and training related to integrity management education and training

course project	Number of shifts	total number of people	total hours
How internal auditors use digital forensics to protect and investigate business secrets	1	1	6
Internet technology development trends and new thinking of internal auditors	1	1	6
Registration practices related to company law	1	1	3
Seminar on analysis of the latest tax and legal trends in cross-border intangible assets transactions	1	1	3
Business contract management and audit services	1	1	6
Insider Trading Prevention Promotion Conference	1	2	6
Propaganda on Legal Compliance for Insider Equity Transactions	1	2	6
sum	7	9	36

2. retirement system

The company's retirement system is handled in accordance with the laws and regulations stipulated in the "Labor Standards Act" and "Labor Pension Act". The applicable regulations are those who started working after July 1, 2005 (inclusive), and the new system is fully applicable. Those who worked before July 1, 2005 (exclusive), may choose the pension system of the "Labor Pension Act" or the "Labor Standards Act" within five years from July 1, 2005 according to their actual needs; Employees who have not yet made an election by the expiration date will continue to be subject to the pension provisions of the "Labor Standards Act" from the effective date.

An employee who falls under any of the following circumstances may apply for retirement:

- (i) Those who have served for more than 15 years (inclusive) and are over 55 years old.
- (ii) Those who have served for 25 years (inclusive) or more.
- (iii) Those who have served for more than 10 years (inclusive) and are over 60 years old.

Pension grant standard :

- (i) The old system: the pension provisions of the Labor Standards Act are applicable, and the employee pension is calculated based on the years of service and the average regular salary of the six months before retirement.
- (ii) New system: The provisions of the Labor Pension Act are applicable, and the employer contributes 6% of the insured salary to the employee's retirement reserve account on a monthly basis.

Employee retirement situation in the past three years :

Year	number of retirees	Retirement conditions apply
2021	0	-
2022	0	-
2023	3	Those who have worked for more than 15 years (inclusive) and are over 55 years old Those who have worked for more than 25 years (inclusive)

3. Other important agreements:

- (i) The company has relevant plans and measures for personnel appointment, vacation, training, assessment, promotion, and retirement for many years. There is no major dispute, and the relationship between employees is good.
- (ii) Employees will be given 3.5 days of special leave after half a year of employment, and 8 days after one year of employment.

- (iii) Giving five days of unpaid sick leave a year so that employees can rest at ease when they are sick.
- (iv) Regularly hold employee health checks at the hospital, and track abnormalities with the hospital to help employees pay attention to their own health.
- (v) Pay attention to the harmonious relationship between employees and their families, not only provide employee accident, hospitalization and cancer insurance in terms of group insurance, but also expand the insurance premiums for their family members to be borne by the company, and encourage colleagues at year-end banquets and travel activities. The former is completely free for those who bring their family members to participate, and the latter provides a certain amount of subsidies from the company or the Welfare Committee, which is well received by employees.
- (vi) The company employs legal personnel, and employees can also obtain consulting services if they have any legal questions.
- (vii) Before the implementation of the Gender/Gender Equality in Work Act, the company had already provided paternity leave for male colleagues; all employee applications for childcare were approved, and the right to work was reserved for them; the company had a breastfeeding room for female employees.
- (viii) According to the company's profit situation, employees are paid in accordance with the company's articles of association and individual performance, so that employees can fully share the operating results.
- (ix) The company regularly holds employee meetings to share company operating information, release important management regulations, welfare matters, and listen to colleagues' opinions. Both the management and employees have full communication opportunities.
- (x) The internal atmosphere of the company is harmonious. The company attaches great importance to the exchange of opinions between employees and supervisors on relevant issues, and publishes and implements the most appropriate plan based on this, so as to protect the rights and interests of both employees and the company and create a win-win situation.

(2) Losses due to labor disputes in the last three years:

The company has always regarded employees as the most valuable assets and attaches great importance to the future development of employees. Therefore, labor and capital have always maintained harmony, and the company has not suffered losses due to labor disputes.

VI. Information Security Management:

Information Security Management: Information Security Policy and Specific Management Plan

1. Purpose: To maintain information security, ensure the confidentiality, integrity and availability of information assets, and improve the quality of information services, this policy is formulated.

2. Policy: The company's information security policy is to "maintain the confidentiality, integrity, usability and legality of company information, to avoid human error, sabotage and natural disasters, resulting in information and assets being improperly used, leaked, tampering, damage, disappearance, etc., affecting the company's operations and causing damage to the company's rights and interests."

The main principles to follow are:

(1) Governance of information security: control risks, strengthen prevention, and strengthen information security framework.

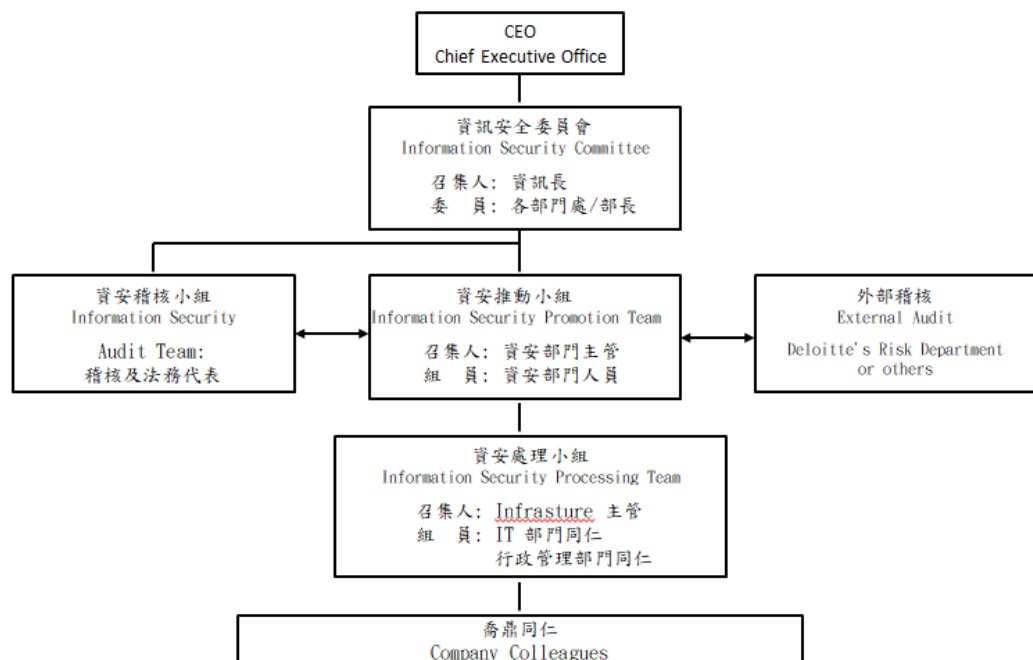
Formulate a complete management system, strengthen education and training, information security infrastructure design and protection technology. Ensure system availability of information, limit rights management and access management, and reduce external threats.

(2) Compliance with laws and regulations: establish a compliance mechanism and review/revise it at any time to meet regulatory requirements.

Establish a compliance mechanism, review and revise relevant operating specifications from time to time to meet information security standards.

3. Scope: This operation guide is applicable to the facilities and data management procedures of all information assets within the company.

4. Organization, roles and responsibilities



5. Division of powers and responsibilities:

5.1 CEO: the person in charge of all decision-making in the company

5.2 Information Security Committee: It is the highest decision-making unit for all information security related matters.

5.3 The information security implementation team is an important bridge for coordination, responsible for promoting various information security management operations, and implementing management decisions.

5.4 The information security processing group is responsible for the daily information security management affairs.

5.5 The information security audit team is responsible for auditing the operation of information security management.

6. Content:

6.1 Information Security Committee:

Review and supervision of information security policy.

Assignment and coordination of information security work.

Review and supervision of information security incidents.

Review, audit and issue information security policy.

Hold a management level review meeting to understand the effectiveness of information security implementation and related information security issues. It will be held when there are major changes.

6.2 Information security promotion group:

Coordination of division of powers and responsibilities for cross-departmental information security matters.

Coordinated research on information security technologies, methods and procedures to be adopted.

Coordination and discussion of information security plans and information security matters.

Planning, implementing, auditing and improving the operation of the information security management system.

Supervise the daily operation of information security affairs and assist each team to implement the resolutions of the information security committee.

Assist in audit operations and report audit results and related recommendations to the Information Security Committee once a year.

Assist and supervise the revision of information security policies and regulations.

Supervise and compile business continuity plans and drill records.

6.3 Information security audit team:

Plan the annual internal audit operation, and determine the scope and method of audit.

Formulate relevant audit plans and operating procedures, and carry out relevant audit operations at least once a year.

6.4 Information Security Processing Team:

Establishment and evaluation of information security policies, plans, measures and technical specifications.

Implement risk management mechanism, including risk assessment and risk treatment.

Research and develop, coordinate, teach and assist in the implementation of security control mechanisms and measures.

Compile the business continuity plan and its drill records.

When problems or doubts are found during the establishment and implementation of the information security management system, experts in related fields can be consulted.

Handle information security incident notification and record management.

Determine the impact scope of information security incidents and conduct damage assessment.

Identify causes of information security incidents and analyze trends.

Implement information security-related monitoring tools and provide related monitoring reports.

Execute the tasks or projects assigned by the Information Security Committee.

Plan and implement annual information security education and training and track the results.

6.5 Company colleagues:

Comply with the information security policies and regulations and ensure that the business is in compliance with the regulations to maintain information security.

Ensure that manufacturers understand the company's information security policies and norms, and attach a confidentiality agreement to the contract. Proactively report information security incidents.

The safety procedures within the scope of their duties should be strictly implemented.

7. Information security control measures:

7.1 System Availability:

Use monitoring software to implement monitoring system and network availability status, and provide abnormal alarm mechanism.

Data off-site backup system to ensure that complete information can be restored, and regular drills for disaster occurrence and system restoration procedures.

Data remote backup system to ensure integrity. System and hardware update planning and implementation to ensure system availability.

7.2 Rights management:

The setting and management of personnel accounts and permissions, accounts, passwords and permissions should be kept and used responsibly and replaced regularly.

Regularly check the inventory account and the authority to use the necessary business.

Computer room access authority management.

7.3 External threats:

Personal computers should install anti-virus software and regularly confirm the update of the virus code.

Mail protection, import sandbox (Sandbox) analysis function, audit and encrypt and import into detection mail and attachment security, block malicious programs.

7.4 Confidentiality agreement:

All employees of the company, subcontractors and their third parties must sign a confidentiality statement, ensuring that those who use the company's information to provide information services or perform related information services have the responsibility and obligation to protect the information assets they obtain or use the company .

8. 2022 implementation situation:

8.1 Regarding network security, cooperate with telecommunications manufacturers to upgrade the network defense system and strengthen intrusion prevention services.

8.2 Regarding the security enhancement of host equipment, introduce vulnerability

scanning software, upgrade anti-virus hosts, and implement vulnerability scanning and reinforcement for important host equipment.

8.3 Regarding email security issues, build email gateways, strengthen email systems, email protection, email archiving management and audit encryption, and introduce advanced sandbox (Sandbox) analysis functions to send emails to a system environment with limited network and resources. Carry out real-time dynamic analysis, detect the security of letters and attached files, and block malicious programs.

9. Information security incidents:

On the afternoon of Friday in February 2023, the company's accounting staff reported that files in some paths of the File server could not be opened. The IT staff checked and found that the files were encrypted. The IT staff immediately disconnected the File server and all personnel in the financial department were connected to the computer network. Conduct offline virus scans on the computer equipment of the host and financial staff. After confirming that there are no virus problems, we ask the manufacturer to support setting up XDR (XDR will collect data from multiple protection layers, including email, endpoints, servers, cloud workloads and networks. data and automatically perform cross-correlation analysis to detect threats faster) and restore the network connection. Check encrypted files and directories. It was found that the files in two directories were encrypted, and the files were restored from the previous day's backup. Fortunately, all files were restored and no file data was lost.

At present, the company is in addition to strengthening cooperation with information security companies and installing anti-virus software on equipment. For the email part, the security of email links has been strengthened. In the gateway part of the email, the real-time scanning and audit function has been strengthened to prevent phishing and fraudulent emails and reduce risks.

10. Information security audit records in 2023:

2024.01 Information operation review.

2024.01 Electronic computer work cycle.

2023.04 Control operation audit of information security inspection.

2023.02 ISO 9001:2015 External Audit.

11. Education and promotion of employee information security

For company colleagues: Update and announce the "Information Security Rules" to employees at any time.

New colleagues: explain and sign the "Consent to Use the Enterprise Information System" and the "Employee Confidentiality Agreement".

(1) Describe the information security risk management framework, information security policies, specific management plans, and resources invested in information security management, etc.

(2) List the losses suffered due to major information security incidents in the most recent year and as of the date of publication of the annual report, the possible impacts and countermeasures. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated.

VII. important contract : None °

Financial Position

I. Condensed balance sheets and comprehensive income statements covering the last 5 years :

i. Condensed Balance Sheet :

(1) Condensed Balance Sheet (consolidated)

Unit: NT\$ thousand , the earnings per share are in NT\$

Item \ Year		Financial information covering the last 5 years					As of March 31, 2024 Financial Information
		2019	2020	2021	2022	2023	
Current assets		\$1,444,601	\$1,191,895	\$1,065,773	\$939,008	\$891,174	\$866,521
Property, Plant and Equipment		140,045	130,787	113,173	104,975	98,449	96,381
Intangible assets		1,367	656	9,788	21,631	17,672	17,332
Other assets		16,363	18,884	4,657	3,251	3,544	3,525
Total assets		1,898,524	1,566,230	1,399,418	1,274,074	1,188,635	1,164,042
Current liabilities	Before dividend	854,342	582,542	485,188	312,477	375,404	347,175
	After dividend	854,342	582,542	485,188	312,477	Note 1	Note 1
Non-Current liabilities		181,748	168,323	110,515	88,955	78,898	80,900
Total liabilities	Before dividend	1,036,090	750,865	595,703	401,432	454,302	428,074
	After dividend	1,036,090	750,865	595,703	401,432	Note 1	Note 1
Attributable to the shareholder's equity of the parent company		856,289	813,062	802,888	871,736	733,627	735,284
Share capital		1,614,092	880,868	893,288	926,787	926,787	926,787
capital reserve		93,390	94,949	92,729	89,195	86,971	86,971
Retained earnings	Before dividend	(772,183)	(64,265)	(58,197)	(45,910)	(181,330)	(188,072)
	After dividend	(772,183)	(64,265)	(58,197)	(45,910)	Note 1	Note 1
Other equity		(79,010)	(98,490)	(124,932)	(98,336)	(98,801)	(90,401)
Treasury Stock		0	0	0	0	0	0
Non-Controlling Interest		6,145	2,303	827	906	706	683
Total equity	Before dividend	862,434	815,365	803,715	872,642	734,333	735,968
	After dividend	862,434	815,365	803,715	872,642	Note 1	Note 1

Note 1: The loss compensation for this year is yet to be resolved by the shareholders' meeting.

(2) Condensed Balance Sheet (individual)

Unit: NT\$ thousand · the earnings per share are in NT\$

Year Item		Financial information covering the last 5 years				
		2019	2020	2021	2022	2023
Current assets		\$755,002	\$645,151	\$847,201	\$731,981	\$744,306
Property, Plant and Equipment		128,271	125,011	110,122	102,299	95,440
Intangible assets		1,302	620	618	1,196	2,307
Other assets		13,396	16,166	2,669	2,131	2,320
Total assets		1,834,948	1,571,760	1,389,628	1,251,919	1,180,475
Current liabilities	Before dividend	808,390	619,077	487,073	292,024	370,981
	After dividend	808,390	619,077	487,073	292,024	Note 1
Non-Current liabilities		170,269	139,621	99,667	88,159	75,867
Total liabilities	Before dividend	978,659	758,698	586,740	380,183	446,848
	After dividend	978,659	758,698	586,740	380,183	Note 1
Share capital		1,614,092	880,868	893,288	926,787	926,787
capital reserve		93,390	94,949	92,729	89,195	86,971
Retained earnings	Before dividend	(772,183)	(64,265)	(58,197)	(45,910)	(181,330)
	After dividend	(771,704)	(59,376)	(53,044)	(43,664)	Note 1
Other equity		(79,010)	(98,490)	(124,932)	(98,336)	(98,801)
Treasury Stock		0	0	0	0	0
Total equity	Before dividend	856,289	813,062	802,888	871,736	733,627
	After dividend	856,289	813,062	802,888	871,736	Note 1

Note 1: The loss compensation for this year is yet to be resolved by the shareholders' meeting.

ii. Condensed (consolidated) income statement :

(1) Condensed Comprehensive Income Statement (consolidated)

Unit: thousands of NT dollars; EPS in NT\$

Year Item	Financial information covering the last 5 years					As of March 31, 2024 Financial Information
	2019	2020	2021	2022	2023	
Revenue	\$1,245,515	\$963,405	\$948,602	\$890,134	\$584,522	\$140,422
Gross profit	378,697	307,953	344,025	323,032	202,277	56,393
Operating income (loss)	(281,816)	(154,756)	(4,839)	(14,366)	(122,527)	(15,337)
Non-Operating Income and Expenses	(25,142)	118,994	12,448	19,787	(18,732)	9,263
Pre-Tax Income (loss)	(306,958)	(35,762)	7,609	5,421	(141,259)	(6,074)
Continuing department net income - current (Loss)	(326,970)	(47,715)	451	2,807	(143,406)	(6,777)
Loss from the discontinued department	-	-	-	-	-	-
Net Income - current (Loss)	(326,970)	(47,715)	451	2,807	(143,406)	(6,777)
Other current comprehensive income (loss) (net after tax)	(29,172)	(21,331)	(27,190)	31,002	5,075	8,412
Total current comprehensive income or loss	(356,142)	(69,046)	(26,739)	33,809	(138,331)	1,635
Net income attributable to the shareholder's equity of the parent company	(326,583)	(58,487)	444	2,890	(143,198)	(6,742)
Net income attributable to the non-controlling equity	(387)	10,772	7	(83)	(208)	(35)
Comprehensive profit and loss attributable to the shareholder's equity of the parent company	(355,553)	(84,341)	(25,263)	33,730	(138,131)	1,658
Comprehensive profit and loss attributable to the non-controlling equity	(589)	15,295	(1,476)	79	(200)	(23)
EPS (Note)	(3.88)	(0.69)	0.01	0.03	(1.55)	(0.07)

(2) Condensed Comprehensive Income Statement (individual)

Unit: thousands of NT dollars; EPS in NT\$

Year Item	Financial information covering the last 5 years				
	2019	2020	2021	2022	2023
Revenue	\$873,510	\$713,355	\$759,747	\$799,779	\$513,984
Gross profit	184,349	162,094	215,205	231,241	149,211
Operating income (loss)	(157,854)	(104,116)	12,038	12,093	(68,990)
Non-Operating Income and Expenses	(168,708)	52,233	(9,507)	(9,203)	(74,190)
Pre-Tax Income (loss)	(326,562)	(51,883)	2,531	2,890	(143,180)
Continuing department net income - current (Loss)	(326,583)	(51,883)	2,531	2,890	(143,180)
Loss from the discontinued department	-	-	-	-	-
Net Income - current (Loss)	(326,583)	(58,487)	444	2,890	(143,198)
Other current comprehensive income (loss) (net after tax)	(28,970)	(25,854)	(25,707)	30,840	5,067
Total current comprehensive income or loss	(355,553)	(84,341)	(25,263)	33,730	(138,131)
EPS (Note)	(3.88)	(0.69)	0.01	0.03	(1.55)

iii. Names and audit opinions of CPAs in the latest five years :

Year	Name of CPA	Auditing opinions
2019	Yeh,Tung-Hui 、Chen,Ming-Hui	unqualified opinion
2020	Yeh,Tung-Hui 、Tsai,Mei-Chen	unqualified opinion
2021	Yeh,Tung-Hui 、Tsai,Mei-Chen	unqualified opinion
2022	Lin,Hsin-Tung 、Tsai,Mei-Chen	unqualified opinion
2023	Lin,Hsin-Tung 、Tsai,Mei-Chen	unqualified opinion

II. Financial analysis covering the most recent 5 years :

(1) Financial analysis (consolidated)

Analysis items		Year	Financial analysis in the latest five years					As of March 31, 2024
			2019	2020	2021	2022	2023	
Financial structure (%)	Debt to asset ratio		54.57	47.94	42.57	31.51	38.22	36.77
	Ratio of long-term capital to property, plant and equipment		741.22	750.37	807.09	915.16	825.33	846.83
Debt servicing capability %	Current ratio		169.09	204.60	219.66	300.50	237.39	249.59
	Quick ratio		78.90	102.64	124.66	155.87	121.12	127.32
	Interest Coverage ratio		0.00	0.00	206.59	216.63	0.00	0.00
Operating efficiency	A/R turnover rate (times)		5.32	6.46	7.09	7.36	7.90	9.29
	Average collection days		69	57	51	50	46	39
	Inventory turnover rate (times)		1.55	1.33	1.45	1.33	0.91	0.83
	Payable turnover ratio (times)		3.90	4.15	6.16	5.52	5.09	5.42
	Average days in sales		236	274	252	274	401	442
	Property, plant and equipment turnover ratio (times)		7.56	7.11	7.78	8.16	5.75	5.77
	Total assets turnover (times)		0.61	0.56	0.64	0.67	0.47	0.48
Profitability	Return on assets (%)		(15.68)	(2.25)	0.42	0.49	(11.25)	(0.46)
	Return on equity (%)		(31.69)	(5.72)	0.06	0.34	(17.87)	(0.92)
	Pre-tax income to paid-up capital (%)		(19.02)	(4.06)	0.85	0.58	(15.24)	(0.66)
	Net profit margin (%)		(26.25)	(4.95)	0.05	0.32	(24.53)	(4.83)
	Earnings per share (NT\$)(Note)		(3.88)	(0.69)	0.01	0.03	(1.55)	(0.07)
Cash flow	Cash flow ratio (%)		0.00	0.00	4.83	7.18	0.00	0.00
	Cash flow adequacy ratio (%)		44.02	32.45	21.85	52.70	38.06	93.99
	Cash reinvestment ratio (%)		0.00	0.00	2.32	2.44	0.00	0.00
Leverage ratios	Operating leverage ratios		0.00	0.00	0.00	0.00	0.00	0.00
	Financial leverage ratios		0.96	0.93	0.40	0.75	0.95	0.90

Please explain the reasons for the changes in the financial ratios in the last two years. (If the change of increase or decrease does not reach 20%, the analysis can be exempted)

The changes in various financial ratios are mainly due to the decline in turnover. In addition to the following explanations, please refer to the review and analysis of financial conditions and operating results.

1. The increase in the ratio of liabilities to assets and the decrease in the current ratio and quick ratio: mainly due to the increase in borrowings due to operational planning needs.
2. Interest coverage ratio decreased: interest coverage was 0 due to pre-tax net loss.
3. The inventory turnover rate (times) decreased and the average sales days increased: mainly due to the decline in turnover and the decrease in the cost of goods sold.
4. Decrease in turnover rate of real estate, plant and equipment (times) and total asset turnover rate (times): due to decline in turnover.
5. Return on assets (%), return on equity (%), pre-tax net income to paid-in capital ratio (%), net profit rate (%), and earnings per share (yuan) decreased: mainly due to decline in turnover, due to reduced profits.
6. Decrease in cash flow ratio (%) and cash reinvestment ratio (%): This is mainly due to the decline in sales resulting in net cash outflows from operating activities.
7. Decrease in cash flow adequacy ratio (%): Mainly due to the decrease in net cash inflow from operating activities in the past five years.
8. Increase in financial leverage: Mainly due to the decline in sales resulting in an increase in net operating losses.

(2) Financial analysis (parent company only)

<div>Year</div> <div>Analysis items</div>		Financial analysis in the latest five years				
		2019	2020	2021	2022	2023
Financial structure (%)	Debt to asset ratio	53.33	48.27	42.22	30.37	37.85
	Ratio of long-term capital to property, plant and equipment	800.30	762.08	819.60	938.32	848.17
Debt servicing capability %	Current ratio	93.40	104.21	173.94	250.66	200.63
	Quick ratio	42.59	50.93	88.73	113.78	96.12
	Interest Coverage ratio	0.00	0.00	1.38	1.65	0.00
Operating efficiency	A/R turnover rate (times)	8.23	10.53	9.85	10.28	8.51
	Average collection days	44	35	37	36	43
	Inventory turnover rate (times)	1.85	1.55	1.51	1.43	0.95
	Payable turnover ratio (times)	3.4	3.48	5.27	5.54	4.87
	Average days in sales	197	235	242	255	384
	Property, plant and equipment turnover ratio (times)	6.76	5.63	6.46	7.53	5.20
	Total assets turnover (times)	0.45	0.42	0.51	0.61	0.42
Profitability	Return on assets (%)	(16.47)	(2.93)	0.39	0.49	(11.39)
	Return on equity (%)	(31.65)	(7.01)	0.05	0.35	(17.84)
	Pre-tax income to paid-up capital (%)	(20.23)	(5.89)	0.28	0.31	(15.45)
	Net profit margin (%)	(37.39)	(8.20)	0.06	0.36	(27.86)
	Earnings per share (NT\$)(Note)	(3.88)	(0.69)	0.01	0.03	(1.55)
Cash flow	Cash flow ratio (%)	2.88	0	0	8.79	0
	Cash flow adequacy ratio (%)	55.56	74.09	8.98	22.74	24.54
	Cash reinvestment ratio (%)	2.15	0.00	0.00	2.56	0
Leverage ratios	Operating leverage ratios	0	0	18.56	20.05	0
	Financial leverage ratios	0.94	0.91	2.23	1.59	0.92

Please explain the reasons for the changes in the financial ratios in the last two years. (If the change of increase or decrease does not reach 20%, the analysis can be exempted)

The changes in various financial ratios are mainly due to the decline in turnover. In addition to the following explanations, please refer to the review and analysis of financial conditions and operating results.

1. Increase in the ratio of liabilities to assets: Mainly due to the increase in borrowings due to operational planning needs.
2. Interest coverage ratio decreases: Interest coverage is 0 due to pre-tax net loss.
3. The inventory turnover rate (times) decreased and the average sales days increased: mainly due to the decline in turnover and the decrease in the cost of goods sold.
4. Decrease in turnover rate of real estate, plant and equipment (times) and total asset turnover rate (times): due to decline in turnover.
5. Return on assets (%), return on equity (%), pre-tax net income to paid-in capital ratio (%), net profit rate (%), and earnings per share (yuan) decreased: mainly due to decline in turnover , due to reduced profits.
6. Decrease in cash flow ratio (%) and cash reinvestment ratio (%): This is mainly due to the decline in sales resulting in net cash outflows from operating activities.
7. Reduction in operating leverage: operating leverage is 0 due to operating losses.
8. Decrease in financial leverage: Mainly due to operating losses due to decline in turnover.

1. Financial structure

(1) Debt to asset ratio = $\text{Current liabilities} / \text{Total assets}$ °

(2) The ratio of long-term capital to property, plant and equipment = $(\text{total equities} + \text{non-current liabilities}) / \text{net amount of property, plant and equipment}$.

2. Debt servicing capability

(1) Current ratio = $\text{Current assets} / \text{Current liabilities}$ °

(2) Quick ratio = $(\text{Current assets} - \text{inventory-prepayments}) / \text{Current liabilities}$ °

(3) Interest Coverage ratio = $\text{net profit before interest and tax} / \text{interest expenses for the current period}$.

3. Operating efficiency

(1) Receivables turnover (including accounts receivable and notes receivable from business activities) = $\text{net sales} / \text{average receivables balance (including accounts receivable and notes receivable from business activities)}$.

(2) Average collection days = $365 / \text{Receivables turnover}$.

(3) Inventory turnover = $\text{Cost of goods sold} / \text{Average inventory amount}$

(4) Payables turnover (including accounts payable and notes payable for business activities) = $\text{cost of sales} / \text{average payables balance (including accounts payable and notes payable for business activities)}$.

(5) Average days in sales = $365 / \text{Inventory turnover}$

(6) Property, plant and equipment turnover ratio = $\text{net sales} / \text{average net property, plant and equipment balance}$.

(7) Total assets turnover = $\text{Net sales} / \text{Average total assets}$.

4. Profitability

(1) Return on assets = $[\text{Net Income or Loss} + \text{Interest expense} \times (1 - \text{tax rate})] / \text{Average total assets}$

(2) Return on equity = $\text{after tax net profit} / \text{average total equity}$

(3) Net profit margin = $\text{after tax net profit} / \text{net sales}$.

(4) Earnings per share = $(\text{attributable to the shareholder's profit and loss of the parent company}) - \text{Preferred dividends} / \text{Weighted average number of shares issued (Note 4)}$

5. Cash flow

(1) Cash flow ratio = $\text{Cash flow from operating activities} / \text{Current liabilities}$ °

(2) Cash flow adequacy ratio = $\text{net cash flow from operating activities in the latest five years} / (\text{capital expenditure inventory} + \text{increase} + \text{cash dividends}) \text{ in the latest five years}$.

(3) Cash flow reinvestment ratio = $(\text{Cash flow from operating activities} - \text{Cash dividends}) / (\text{Property, Plant and Equipment} + \text{long term investments} + \text{Other non-current assets} + \text{working capital})$. (Note 5)

6. Leverage ratios :

(1) Operating leverage ratios = $(\text{net operating revenues} - \text{variable operating costs and expenses}) / \text{operating income}$. (Note 6)

(2) Financial leverage ratios = $\text{operating income} / (\text{operating income} - \text{interest expense})$.

III. The Audit Committee' Review Report on the financial statement of the most recent year:

Promise Technology, Inc.

Audit Committee audits the report

2023 financial statements (January 1, 2023 to December 31, 2023) of Promise Technology, Inc. are prepared by the board of directors and audited by Lin, Hsin-Tung and Tsai, Mei-Chen of CPAs, Deloitte Touche Tohmatsu Limited, Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this review report for your consideration.

Submit to

2024 Annual Meeting of Shareholders, Promise Technology, Inc.

Promise Technology, Inc.
Chairman of the Audit Committee: Lu, Hong-Sheng

March 14, 2024

IV. Financial report in the most recent year : Please refer to Annex II .

V. The Company's financial statement for the most recent fiscal year, certified by a CPA : Please refer to Annex III.

VI. If the Company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report, the annual report shall explain how said difficulties will affect the Company's financial situation : None.

A review and analysis of the Company's financial status and operating results, and risk management

I. The Company's financial status :

Unit: NT\$ thousand

Item \ Year	2023	2022	Variation	
			Amount	%
Current assets	\$891,174	\$939,008	(\$47,834)	(5)
Property, Plant and Equipment	98,449	104,975	(6,526)	(6)
Intangible assets	17,672	21,631	(3,959)	(18)
Other assets	3,544	3,251	293	9
Total assets	1,188,635	1,274,074	(85,439)	(7)
Current liabilities	375,404	312,477	62,927	20.1
Non-Current liabilities	78,898	88,955	(10,057)	(11)
Current liabilities	454,302	401,432	52,870	13
Share capital	926,787	926,787	0	0
capital reserve	86,971	89,195	(2,224)	(2)
retained earnings	(181,330)	(45,910)	(135,420)	295
Total equity	734,333	872,642	(138,309)	(16)
The main reasons for the major changes in assets, liabilities and equity in the past two years and their impacts:				
1. Current liabilities: The increase is mainly due to the increase in borrowings due to operational planning needs.				
2. Retained earnings: The increase was mainly due to annual net loss.				

II. The Company's financial performance :

Unit: NT\$ thousand

Item \ Year	2023	2022	Increase (decrease) amount	Variation ratio %
Revenue	584,522	890,134	(\$305,612)	(34)
Operating cost	382,245	567,102	(184,857)	(33)
Gross profit	202,277	323,032	(120,755)	(37)
Operating expenses	324,804	337,398	(12,594)	(4)
Other gains and expenses, net	(122,527)	(14,366)	(108,161)	753
net operating loss	(18,732)	19,787	(38,519)	(195)
Non-Operating Income and Expenses	(141,259)	5,421	(146,680)	(2,706)
Pre-Tax Income (loss)	2,147	2,614	(467)	(18)
Income tax expense	(143,406)	2,807	(146,213)	(5,209)
Net profit for the year	584,522	890,134	(\$305,612)	(34)
1. Explanation for the analysis of increase or decrease: (if the change of increase or decrease does not reach 20%, the analysis can be exempted)				
(1) Changes in net operating income, operating costs, operating gross profit, net operating loss, net profit (loss) before tax, and net profit (loss) for the year are mainly due to the decline in sales.				
(2) The changes in non-operating income and expenses are mainly due to the fact that the investment in related companies is expected to complete the liquidation process in the first half of 2013, so impairment losses are set aside.				
2. Expected sales volume and basis for the next year: No financial forecast has been prepared, so it is not applicable.				
3. The possible impact of the company's future financial business and the response plan: Handle private equity cases,				

obtain funds and repay bank loans, enrich working capital, actively develop new customers, accelerate the research and development of new products and launch new products to increase revenue and reduce expenses.

III. Cash flow :

(1) Liquidity analysis for the last two years

Item \ Year	2023	2022	Increase (decrease) ratio (%)
Cash flow ratio (%)	0	7.18	(100.00)
Cash flow adequacy ratio (%)	38.06	52.7	(27.78)
Cash reinvestment ratio (%)	0	2.44	(100.00)
<p>Explanation of the Analysis of Changes in the Ratio of Increase and Decrease :</p> <p>Decreases in cash flow ratio (%) and cash reinvestment ratio (%): Mainly due to decline in turnover resulting in net cash outflow from operating activities.</p> <p>Decrease in cash flow adequacy ratio (%): Mainly due to the decrease in net cash inflow from operating activities in the past five years.</p>			

(2) Cash liquidity analysis for the coming year

Unit: NT\$ thousand

Cash balance at the beginning of the year	Estimated annual net cash flow from operating activities	Estimated annual net cash flow from investment and wealth management activities	Estimated cash surplus (deficiency) amount + -	Remedial measures for projected cash shortfalls	
				investment plan	financial plan
401,652	0	-30,000	371,652	N.A.	N.A.
<p>Analysis of cash flow changes in this (2024) year</p> <p>On the premise of maintaining a stable cash flow, the company will adjust and control related cash expenditures on a rolling basis based on the cash balance on the account and the cash flow of operating activities/investment activities, and measure the global economic situation, so as to maintain sufficient positions cash and cash equivalents.</p> <p>Reviewing the company's cash flow in 2024 is still stable.</p> <p>Business activities: the company intends to strive to achieve the goal of equal profit and loss</p> <p>Investment activities: It is only an investment in replacement of old and new.</p> <p>Financing activities: In response to the capital turnover required for operations.</p>					

IV. The effect upon financial operations of any major capital expenditures during the most recent fiscal year: None.

V. The Company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year :

(1) The reinvestments in the most recent year are all related to the industry (information storage), and are not used for non-industry investments.

Name	Profit or loss reason	Improvement plan
PTU	OEM customers previously placed orders early due to material shortages, resulting in	1. The Taiwan head office is responsible for the overall planning and uses Taiwan as the

PTE	inventory. Due to the poor global economic environment, the overall market momentum is still slowing down, and the order status remains conservative.	main shipping base to support the shipments of each subsidiary. 2. Reduce scale and reduce unnecessary expenses to effectively control expenses. 3. Actively reduce inventory, not only for finished products, but also for any semi-finished products or raw materials, and try to find appropriate channels to sell them.
PNC		
PTC		
PTJ	Stable revenue and well-controlled operating expenses	-

(2) Investment plan for the coming year : None °

VI. Analysis and Evaluation of Risk Matters :

(1) The impact of interest rate, exchange rate changes, and inflation on the company's profit and loss and future response measures :

1. The impact of the latest annual interest rate changes on the company's profit and loss and future response measures :

2023	Unit NT\$ thousand
Net interest income (expenses) (A)	(127)
Revenue(B)	584,522
Operating profit (loss) (C)	(122,527)
(A)/(B)	(0.02)%
(A)/(C)	0.10%

At present, most of the company's bank loan interest rate conditions are calculated based on the market lending rate. If the calculation is based on the cash flow changes of floating rate assets and liabilities on the balance sheet date, if the interest rate increases/decreases by 0.5%, the capital cost of the merged company It will increase or decrease accordingly, and the net loss before tax in 2023 will decrease/increase by NT\$239,000. In order to avoid the impact of interest rate changes, we will regularly evaluate the bank loan interest rate according to the situation, and at the same time obtain the market average interest rate, and closely contact with the bank to strive for the best loan interest rate.

2. The impact of exchange rate changes on the company's profit and loss and future response measures :

2022	Unit NT\$ thousand
exchange gain (loss) (A)	3,168
Revenue(B)	584,522
Operating profit (loss) (C)	(122,527)
(A)/(B)	0.54%
(A)/(C)	(2.59)%

The company is mainly affected by fluctuations in the US dollar exchange rate. The relevant foreign currency exchange rate risk is mainly calculated for USD monetary items on the balance sheet date. When the New Taiwan dollar

appreciates/depreciates by 1% against the US dollar, the company's net profit before tax in 2023 will increase/decrease by NT\$1,789,000. In order to avoid the impact of exchange rate changes, the financial department of the company maintains close contact with the foreign exchange departments of financial institutions, collects relevant information on exchange rate changes at any time, fully grasps international exchange rate trends and changes, and actively responds to the impact of exchange rate fluctuations. Adjust foreign currency positions in due course. In the future, we will continue to pay close attention to the trend of foreign currencies, and make good use of relevant exchange rate hedging tools (forward exchange transactions and exchange rate options and other hedging tools) to reduce the risk of future exchange rate changes on operations.

3. The impact of inflation changes on the company's profit and loss and future response measures :

The company has not been significantly affected by inflation in recent years, and the company's quotations to customers and suppliers are mostly adjusted by the market, and pay close attention to inflation, and adjust the inventory of raw materials appropriately. In order to reduce the impact of inflation on the company, and sign a purchase contract with the cooperative manufacturer for the main raw materials, the impact on the company's profit and loss is limited.

(2) Policies for engaging in high-risk, high-leverage investments, lending funds to others, endorsement guarantees, and derivatives transactions, the main reasons for profit or loss, and future countermeasures :

1. The company has not engaged in high-risk, high-leverage investments in the most recent year.
2. Fund loan to others: None.
3. Endorsement guarantee: None.
4. Derivatives trading: None.

The company engages in derivative commodity transactions mainly to avoid market risks caused by fluctuations in exchange rates and interest rates, not for arbitrage and speculation purposes. It follows the relevant laws and regulations promulgated by the competent authority, generally accepted accounting principles, and strictly abides by the company's "Procedures for Acquisition or Disposal of Assets". In the future, the company will engage in derivative commodity transactions for the purpose of hedging risks, and will not engage in profit-oriented operations to avoid heavy losses caused by misjudgment or human factors.

(3) Research and development work to be carried out in the future, and further expenditures expected for research and development :

The 2024 research and development plan and estimated reinvestment funds are as follows:

		Unit: NT\$ thousand
R&D project name	R&D plan current progress	Expected reinvestment
Desktop high-speed and large-capacity multimedia storage device	Pegasus R12 100 %	71,643
Monitoring and storage platform that supports artificial intelligence recognition function	A8120 及 A6600P 、Vess A8600	

Monitoring cloud storage integration platform to strengthen communication security	N1616 100%	
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Note: The above research and development plan funds account for about 60% of the total research and development funds in 2024.

- (4) Financial impacts and response measures in the event of changes in important domestic and foreign policies and regulations : None.
- (5) Financial impacts and response measures in the event of changes in technology(including cyber security risks)and the industry :
In recent years, the amount of enterprise data has grown explosively, and the IT department is facing the dilemma of insufficient manpower (and budget). Data access must not only be fast but also convenient. As a result, many enterprises are gradually moving towards virtualization to improve data center efficiency. This is because the "one application/one server" construction model of the traditional data center will cause problems such as too many physical servers and low overall utilization rate, and will also increase costs. For this reason, Promise's storage system has passed various virtualization software verifications, including VMware vSphere, Citrix XenServer, Microsoft Hyper-V and DataCore SANsymphony-V. As the number and applications of virtual machines continue to increase, the infrastructure structure of the cloud and data centers will have a different look in the future, and storage solutions with high transmission rates, or 10GbE iSCSI products with more cost-effective costs, will play a role. It plays an important role and will continue to launch products.
- (6) Impacts on crisis management and response measures in the event of changes in the corporate image:
Since its establishment, the company has been focusing on the research and development of products with high technical level and high added value, and has been marketing the world with its own "PROMISE" brand. The corporate image has maintained a high-quality, high-efficiency, and high-stability image since its establishment. , has transformed into a storage solution manufacturer in recent years, from a hardware manufacturer to a software and firmware manufacturer. With a brand new logo and a brand new Prometheus, it has faced different challenges and achieved brand new success.
In recent years, the company has also attached great importance to the company's crisis handling/management capabilities. At present, there is a set of mechanisms for crisis events that affect the company's finances, business, internal management or sustainable operations caused by external or internal factors. Set up a crisis response team. The team's response commander is assumed by the Presidents, and the heads of each business unit are concurrently responsible for each task group depending on the business and expertise under their jurisdiction. A highly flexible organization is formed on the fly to quickly formulate handling procedures for various crises and effectively spread crises. Control plans, establish real-time impact assessments and smooth channels for information, so as to protect the company's long-term good image and ensure the company's sustainable operating system.
- (7) Expected benefits and possible risks associated with mergers and acquisitions, and responsive measures: None.
- (8) Expected benefits and possible risks with regard to any plant expansion, and response measures: None.
- (9) Risks associated with any consolidation of purchasing or sales operations, and response measures : In view of the fact that major customers are mainly concentrated in North America and Europe, in addition to maintaining old customer relationships, the

company is also actively expanding ODM customers and customers in other regions, such as China, Japan and other regions, to disperse the risk of concentrated sales.

(10) Effect upon and risk to the Company in the event that a major quantity of shares belonging to a director or a shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and response measures:None.

(11) Effect upon and risk to the Company associated with any change in governance personnel or top management, and response measures: None.

(12) Litigation and non-contentious matters : None.

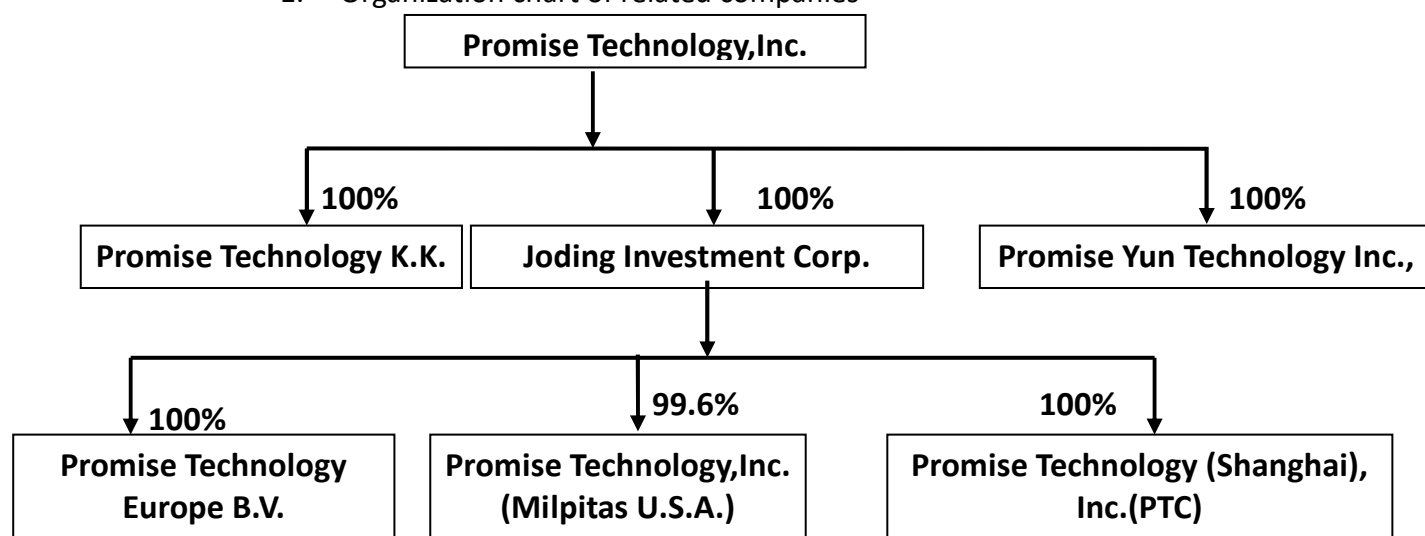
It shall list the major litigation, non-litigation or administrative disputes of the company and the company's directors, supervisors, general manager, principals in charge, major shareholders holding more than 10% of the shares, and affiliated companies that have been adjudicated or are still pending. If the outcome of a litigation event may have a significant impact on shareholders' rights or securities prices, the facts in dispute, the amount of the subject matter, the date of commencement of the litigation, the main parties involved in the litigation, and the handling of the case up to the date of publication of the annual report shall be disclosed.

(13) Other major risks and response measures :

VII. Other important matters : None.

Other items deserving special mention.

- I. Information about related companies :
 - i. Affiliated business merger business report :
 1. Organization chart of related companies :



2. Basic information of each affiliated enterprise :

Unit: NT\$ thousand

Company Name	Date of establishment	address	Paid-in capital	Main business or production items
Joding Investment Corporation	2001/04/26	4 th Floor, P.O. Box 2804, George Town, Grand Cayman, Cayman Islands.	299,452	General Investment
Promise Technology, Inc. (Milpitas U.S.A)	1988/12/19	39889 Eureka Drive, Newark, CA 94560, USA	271,562	Sales of high-performance controllers for computer storage devices and fast storage devices for computers
Promise Technology Europe B.V.	1994/03/07	Science Park Eindhoven 5228 5692 EL Son The Netherlands	10,774	Sales of high-performance controllers for computer storage devices and fast storage devices for computers
Promise Technology (Shanghai), Inc.(PTC)	2002/10/24	Rm 508, Leader Tower, 1189 Wu Ding West Road, Jing An District, Shanghai 200042, China	71,280	Develop and produce computer application software, sell self-produced products, and provide technical consultation
Promise Technology K.K.	2009/07/21	3rd Floor, Muramatsu Building, No. 8-5, Hongo 3-chome, Bunkyo-ku, Tokyo	9,016	Sales of high-performance controllers for computer storage devices and fast storage devices for computers

Promise Yun Technology Inc.,	2023/3/13	Room 301, South, 3rd Floor, Building 1, No. 24, Jiafeng Road, China (Shanghai) Pilot Free Trade Zone	26,038	Development and production of computer application software, sales of self-produced products, and provision of technical advice
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3. Presumed to have control and subordination of the same shareholder information : None.
4. The industries covered by the business operations of the overall related enterprises:
The businesses operated by the company and its affiliated companies include research and development, manufacturing, and sales of the company's products, design of related integrated circuits, and general investment.
5. Information on the directors, supervisors and general managers of each affiliated enterprise:

Company Name	Title	name or representative	hold shares	
			Number of shares (thousand shares) or number of units (thousands)	Shareholding ratio
Joding Investment Corporation	DIRECTOR	LEE, JYH-EN	7,374	100%
Promise Technology, Inc. (Milpitas U.S.A)	DIRECTOR	Chi-Chen Chang	48,596	99.6%
Promise Technology Europe B.V.	MANAGEMENT /DIRECTOR	Jyh-En Lee	130	100%
PTC	legal representative	Jyh-En Lee	-	100%
Promise Technology K.K.	Representative Director	Lee, Jyh-En	2	100%
Promise Yun Technology Inc.,	Chairman	Lee, Jyh-En	-	100%

6. Overview of the operations of each related enterprise :

December 31, 2022

Unit: NT\$ thousand

Name	capital amount	total assets	total liabilities	net worth	operating income	Operating profit (loss)	Current after-tax profit (loss)	EPS (after tax)
Joding Investment Corporation	299,452	262,879	0	262,879	0	(233)	(81,789)	N/A
Promise Technology, Inc. (Milpitas U.S.A)	271,562	183,573	10,420	173,152	128,321	(29,383)	(51,987)	N/A
Promise Technology Europe B.V.	10,774	33,586	12,449	21,137	87,439	(13,624)	(13,759)	N/A
PTC	71,280	64,519	994	63,525	17,569	(15,959)	(15,689)	N/A

Promise Technology K.K.	9,016	34,594	8,948	25,646	126,145	5,912	4,513	N/A
Promise Yun Technology Inc.,	26,038	97,956	80,541	17,415	38,336	(8,593)	(8,661)	N/A

ii. Consolidated financial statements of affiliated companies :

Affiliated Enterprise Consolidated Financial Statement

The company's 2023 years (from January 1 to December 31, 2023) should be included in the preparation of the consolidated financial reports of affiliated companies and According to International Financial Reporting Standards No.10, the companies that should be included in the preparation of the parent-subsidary consolidated financial report are the same, and the relevant information that should be disclosed in the parent-subsidary consolidated financial report has been disclosed in the parent-subsidary consolidated financial report disclosed above, and will not be prepared separately Consolidated financial reports of affiliated companies.

Hereby declare

Company Name : Promise Technology, Inc.

Chairman : Lee, Jyh-En

March 14, 2024

iii. Affiliate Relationship Report: Not Applicable.

- II. Handling of privately placed securities in the most recent year and up to the date of publication of the annual report: detailed instructions on the next page
- III. Information about holding or disposing of the company's stocks by subsidiaries in the most recent year and as of the publication date of the annual report : None.
- IV. Other necessary supplementary explanations : None.

Events that caused significant influence on shareholders' equity or stock price pursuant to Subparagraph III, Paragraph II, Article 36 of the Securities and Exchanges Act in the most recent year to the date this report was printed : None

Private Equity Securities

ITEM	2020-I private placement (Note1) Release date: September 30, 2020	2020-II private placement(Note1) Release date: June 5, 2021	2021-I private placement(Note1) Release date: April 20, 2021
Types (Note2)	common stock		
Date and amount approved by the shareholders' meeting (Note3)	According to the resolution of the company's shareholders' meeting on June 24, 2020, it is estimated that the total number of issued shares will not exceed 25,000 thousand shares (recognized based on the number of shares calculated based on the current stock price before the capital reduction, and if there is a capital reduction, it must be adjusted according to the capital reduction ratio) If it is within the common stock quota, it shall be handled once or in installments (no more than three times) within one year from the date of the resolution of the ordinary shareholders' meeting.		According to the resolution of the company's shareholders' meeting on July 8, 2021, it is expected to be processed within the quota of ordinary shares that are expected to not exceed the total number of issued shares of 5,209,000 shares, and it will be processed once or in installments within one year from the date of the resolution of the ordinary shareholders' meeting (not exceeding three times).
Basis and Reasonability of Price Setting	1. The price of this private placement shall not be lower than the stock price obtained by calculating the simple arithmetic average of the closing prices of common stocks one, three, or five business days before the pricing date, deducting the ex-rights and dividends of gratuitous allotment of shares, and adding back the right to reverse capital reduction, or The simple arithmetic average of the closing prices of common stocks in the 30 business days prior to the pricing date minus the ex-rights of gratuitous allotment of shares and dividends, and adding back the stock price after capital reduction and anti-exclusivity rights is determined. It should be reasonable for the private placement price to authorize the board of directors to determine the price based on the circumstances of the specific person in the future within the range not lower than the resolution of the shareholders' meeting. 2. According to the above pricing method, September 18, 2020 is taken as the pricing date, and the reference price of NT\$12.99 on the previous business day and the average price of NT\$12.65 in the 30 business days before the pricing date are selected, whichever is higher is the current price. Private placement reference price, and set the actual private placement price NT\$10.40, which is 80.06% of the reference price.	1. The price of this private placement shall not be lower than the stock price obtained by calculating the simple arithmetic average of the closing prices of common stocks one, three, or five business days before the pricing date, deducting the ex-rights and dividends of gratuitous allotment of shares, and adding back the right to reverse capital reduction, or The simple arithmetic average of the closing prices of common stocks in the 30 business days prior to the pricing date minus the ex-rights of gratuitous allotment of shares and dividends, and adding back the stock price after capital reduction and anti-exclusivity rights is determined. It should be reasonable for the private placement price to authorize the board of directors to determine the price based on the circumstances of the specific person in the future within the range not lower than the resolution of the shareholders' meeting. 2. According to the above pricing method, we take May 27, 2021 as the pricing date, choose the reference price of NT\$14.99 in the first five business days and the average price of NT\$15.09 in the 30 business days before the pricing date, whichever is higher is the private placement Reference price, and set the actual private placement price of NT\$12.08, which is 80.05% of the reference price.	1. The price of this private placement shall not be lower than the stock price obtained by calculating the simple arithmetic average of the closing prices of common stocks one, three, or five business days before the pricing date, deducting the ex-rights and dividends of gratuitous allotment of shares, and adding back the right to reverse capital reduction, or The simple arithmetic average of the closing prices of common stocks in the 30 business days prior to the pricing date minus the ex-rights of gratuitous allotment of shares and dividends, and adding back the stock price after capital reduction and anti-exclusivity rights is determined. It should be reasonable for the private placement price to authorize the board of directors to determine the price based on the circumstances of the specific person in the future within the range not lower than the resolution of the shareholders' meeting. 2. According to the above pricing method, April 7, 2022 is used as the pricing date, and the reference price of NT\$12.80 on the previous business day and the average price of NT\$13.06 in the 30 business days before the pricing date are selected, whichever is higher is the reference price for this private placement Price, and set the actual private placement price of NT\$10.45, which is 80.02% of the reference price.
Specific person selection method (Note4)	Specific persons shall be selected in accordance with Article 43-6, Item 1 of the Securities and Exchange Act and relevant orders. The selection of applicants is limited to specific persons who meet the requirements of the competent authority.		

Necessary reasons for private placement	Compared with public offerings, the regulation that securities in private placements cannot be freely transferred within three years will better ensure the long-term cooperative relationship between the company and strategic investment partners, and evaluate the timeliness of fundraising. Therefore, public offerings are not used but private placements are proposed. issue of common stock.														
Payment completion date	September 29, 2020					June 4, 2021					April 21, 2022				
Applicant information	Private placement object (Note5)	Qualifications (Note6)	Subscription quantity	Relationship with the company	Participate in the company's business situation	Private placement object (Note5)	Qualifications (Note6)	Subscription quantity	Relationship with the company	Participate in the company's business situation	Private placement object (Note5)	Qualifications (Note6)	Subscription quantity	Relationship with the company	Participate in the company's business situation
	Qixiang Co., Ltd.	Subparagraph 3, Paragraph 1, Article 43-6 of the Securities Exchange Law	962,000	Corporate director	Corporate director of the company	Syntec Technology Co., Ltd.	Subparagraph 2, Paragraph 1, Article 43-6 of the Securities Exchange Law	828,000	None	None	Qixiang Co., Ltd.	Subparagraph 3, Paragraph 1, Article 43-6 of the Securities Exchange Law	479,000	Corporate director	Corporate director of the company
	Sunplus Venture Capital Co., Ltd.	Subparagraph 2, Paragraph 1, Article 43-6 of the Securities Exchange Law	962,000	None	None	Lee,Li-Mei		414,000	None	None	Syntec Technology Co., Ltd.	Subparagraph 2, Paragraph 1, Article 43-6 of the Securities Exchange Law	1,913,860	None	None
	J&C KAN TRADING CO., LTD.		962,000	None	None						KAN,CHIN-TI		957,000	None	None
	CHIU,TSAI-HUI		962,000	None	None										
Actual subscription (or conversion) price (Note7)	NT\$10.40 per share					NT\$12.08 per share					NT\$10.45 per share				
The difference between the actual subscription (or conversion) price and the	The actual subscription price is NT\$10.40 per share, which is 80.06% of the reference price of NT\$12.99					The actual subscription price is NT\$12.08 per share, which is 80.05% of the reference price of NT\$15.09					The actual subscription price is NT\$10.45 per share, which is 80.02% of the reference price of NT\$13.06				

reference price (Note7)			
The impact of handling private equity on shareholders' equity (for example: resulting in increased accumulated losses...)	Raise funds by means of cash capital increase and private placement of ordinary shares. The funds obtained are used to repay bank loans to reduce interest expenses and improve the financial structure, which is positively beneficial to shareholders' rights and interests.		
Use of private equity funds and plan implementation progress	1. The total amount of this project is NT\$40,019,200, and the purpose is to repay bank loans. 2. The full payment for the shares will be received on September 29, 2020, and the repayment will be completed on October 6, 2020.	1. The total amount of this project is NT\$15,003,360, and the purpose is to repay bank loans. 2. The full payment for the shares will be received on June 5, 2021, and the bank loan will be repaid on June 9, 2021.	1. The total amount of this project is NT\$35,006,037, and the purpose is to repay bank loans. 2. The full payment for the shares will be received on April 21, 2022, and the bank loan will be repaid on April 25, 2022.
Benefits of private placements	The amount obtained from this private placement is used to repay bank loans. Based on the company's current average loan interest rate of 1.54%, it can save interest expenses of about NT\$616,000 per year, and the benefits are reasonable.	The amount obtained from this private placement is used to repay bank loans. Based on the company's current average loan interest rate of 1.54%, it can save interest expenses of about NT\$231,000 per year, and the benefits are reasonable.	The amount obtained from this private placement is used to repay bank loans. Based on the company's current average loan interest rate of 1.55%, it can save interest expenses of about NT\$543,000 per year, and the benefits are reasonable.

Note1 : The number of columns is adjusted depending on the actual number of transactions. If there are privately placed securities that are processed in batches, they should be listed separately.

Note2 : The series includes ordinary shares, special shares, converted special shares, special shares with warrants, common corporate bonds, convertible corporate bonds, corporate bonds with warrants, overseas convertible corporate bonds, overseas depositary receipts and employee stock warrants, etc.

Note3 : For privately placed corporate bonds that do not require approval by the shareholders' meeting, the date and amount approved by the board of directors should be filled in.

Note4 : For private placement cases in progress, if the applicant has been negotiated, the name of the applicant and the relationship with the company shall be listed.

Note5 : The number of columns depends on the actual number adjustment.

Note6 : Fill in Subparagraph 1, Subparagraph 2, or Subparagraph 3 of Paragraph 1, Article 43-6 of the Securities and Exchange Act.

Note7 : The actual subscription (or conversion) price refers to the subscription (or conversion) price set when the private placement of securities is actually issued ◦

PROMISE TWCHNOLOGY,INC

Statement of Declaration of Internal Control

Date : March 14, 2024

Based on the self-assessment findings, Promise Technology, Inc. states the following with regard to its internal control system during 2023 :

- I 、 The Company understands that the establishment, implementation and maintenance of an internal control system are the responsibility of the Board of Directors and managers of the Company. The Company already established such system. The purpose of the system is to reasonably ensure that the effectiveness and efficiency of operations (including profits, performance, and protecting the security of assets), reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws are achieved.
- II 、 Any internal control system has its inherent limitations. No matter how well an internal control system is designed, it can only provide reasonable assurance regarding the achievement of the above three objectives. Moreover, the effectiveness of an internal control system may be altered as a result of changes in the environment and circumstances. However, a self-monitor mechanism is installed in the internal control system of the Company. The Company will make corrections once the deficiencies are identified.
- III 、 The Company judges the effectiveness of the design and implementation of internal control based on the criteria for the effectiveness of internal control system provided in “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as “Regulations”). The criteria for the effectiveness of internal control adopted by the Regulations divide internal control system into five elements based on the process of management control: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communications, 5. Monitoring activities. Each of the elements in turn contains certain audit items, Please refer to the Regulations for aforementioned items.
- IV 、 The Company has adopted the aforementioned judgment items to evaluate the effectiveness of the design and implementation of internal control system.
- V 、 Based on the findings of such evaluation, the Company believes that, as of December 31, 2023, an effective internal control system (that includes the supervision and management of the subsidiaries) has been maintained to provide reasonable assurance over the effectiveness and efficiency of the Company’s operations, the reliability, timeliness and transparency of reporting, and compliance with relevant rules and applicable laws and regulations.
- VI 、 The Statement of Declaration will be the main part of the annual report and prospectus of the Company and publicly disclosed. If the aforementioned disclosed content contains misrepresentation or nondisclosure, the Company is subject to the liability of Article 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII 、 The Statement of Declaration was unanimously approved by the Board on March 14, 2024, in the presence of 7 directors.

PROMISE TWCHNOLOGY,INC

Chairman and Presidents : Lee, Jyh-En

Accountant audit report

Promise Technology ,Inc. Publicity:

Check opinion

Promise Technology ,Inc. individual balance sheet for 2023 and December 31, 2022, and the individual comprehensive income statement, individual statement of equity changes, and individual cash flow for 2023 and January 1, 2022 to December 31 Statements and notes to individual financial statements (including a summary of major accounting policies) have been reviewed by our accountant.

According to the opinion of the accountant, the above-mentioned individual financial statements are prepared in accordance with the financial reporting standards of securities issuers in all material aspects, which are sufficient to express the individual financial status of Promise Information Co., Ltd. in 2023 and December 31, 2022, and Standalone Financial Performance and Standalone Cash Flow for 2023 and January 1 to December 31, 2022.

Basis of Audit Opinion

The accounting department performs the audit work in accordance with the accounting audit and certification financial statement rules and auditing standards. The accountant's responsibilities under these standards will be further explained in the section of the accountant's responsibility for checking individual financial statements. The personnel of the accounting firm affiliated to the independence standard have maintained detached independence from Promise Information Co., Ltd. in accordance with the code of professional ethics for accountants, and have performed other responsibilities under the code. The accountant believes that sufficient and appropriate audit evidence has been obtained as a basis for expressing an audit opinion.

Key check items

The key audit items refer to the most important items in the audit of the 2023 individual financial statements of Promise Information Co., Ltd. based on the professional judgment of the accountant. These matters have been addressed in the process of checking the overall financial statements of the individual and forming an audit opinion, and the accountants do not express opinions on these matters independently. °

The key items for verification of the 2022 individual financial statements of Promise Technology ,Inc. are described as follows :

revenue recognition

1. The sales revenue of Promise Technology ,Inc. is significant. Please refer to Notes 4 and 19 for details.Promise Technology ,Inc. main revenue comes from the sale of storage system equipment, including assisting customers in providing relative solutions in terms of operation or technology. The sales area includes Taiwan, Europe, China and the United States.
2. For customers whose sales in this year have grown significantly compared with the previous year, the accountant lists the risk of recognizing revenue without actual shipment as a key inspection item for this year.
3. The accountant considers the revenue recognition policy of Promise Technology,Inc. evaluates the suitability of revenue recognition, verifies the effectiveness of the internal control of the shipping and accounting procedures; selects samples and inspects the original order and shipping order of the customer , Freight company pick-up records or export declarations and sales invoices and other sales revenue related vouchers and cash collection or later collection to verify the existence and real occurrence of sales, and check whether there is any abnormality between the sales object and the collection object situation.

Responsibilities of management and governing units for individual financial statements

The responsibility of the management is to prepare individual financial statements that are properly expressed in accordance with the Financial Reporting Standards of Securities Issuers, and to maintain necessary internal controls related to the preparation of individual financial statements to ensure that there are no material errors in individual financial statements that are caused by fraud or errors. Misrepresentation.

When preparing individual financial statements, the responsibility of the management also includes evaluating the ability of Promise Technology ,Inc. to continue operating, the disclosure of related matters, and the adoption of the accounting basis for continuing operation, unless the management intends to liquidate Promise Information Co., Ltd. or Suspension of business, or there is no practical alternative to liquidation or suspension of business.

The governance units (including the audit committee) of Promise Technology ,Inc. are responsible for supervising the financial reporting process.

Responsibilities of Accountants to Check Individual Financial Statements

The purpose of the accountant's audit of individual financial statements is to obtain reasonable confidence as to whether there are any material misrepresentations resulting from fraud or error in the overall financial statements of an individual, and to issue an audit report. Reasonable certainty means a high degree of confidence, but there is no guarantee that the review work performed in accordance with auditing standards will be able to detect material misrepresentations in the individual financial statements.

Misrepresentation may result from fraud or error. Misrepresentation of individual amounts or aggregate amounts is considered material if it can reasonably be expected to affect the economic decisions of individual users of financial statements.

The accountant uses professional judgment and professional skepticism when auditing in accordance with the auditing standards. The accountant also performs the following tasks:

1. Identify and assess the risk of material misrepresentation of individual financial statements due to fraud or error; design and implement appropriate countermeasures for the assessed risks; and obtain sufficient and appropriate audit evidence as the basis for audit opinions. Because fraud may involve collusion, forgery, willful omissions, misrepresentations, or the override of internal controls, the risk of undetected material misrepresentation resulting from fraud is higher than that resulting from error.
2. Obtain the necessary understanding of the internal control related to the audit in order to design an appropriate audit program under the circumstances, but the purpose is not to express an opinion on the effectiveness of Promise Technology, Inc.'s internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and relevant disclosures made.
4. Based on the audit evidence obtained, draw conclusions on the appropriateness of the management's adoption of the going-concern accounting basis and whether there are major uncertainties in events or conditions that may cast significant doubt on Promise Technology, Inc.'s ability to continue operating. If the accountant believes that there are major uncertainties in such events or situations, he must remind the individual financial statement users to pay attention to the relevant disclosures in the individual financial statements in the audit report, or revise the audit opinion when the disclosures are inappropriate. The accountant's conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause Promise Technology, Inc. to no longer have the ability to continue operating.
5. Assess the overall presentation, structure and content of individual financial statements (including relevant notes), and whether individual financial statements are appropriate to express relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence for the financial information of the individual constituents within Promise Technology, Inc. to express an opinion on the individual financial statements. The accountant is responsible for the guidance, supervision and execution of the audit case, and is responsible for forming the audit opinion of Promise Technology, Inc.

Matters communicated by the accountant with the governing unit, including the planned scope and time of the audit, as well as major audit

findings (including significant deficiencies in internal control identified during the audit).

The accountant also provides the governance unit with the statement that the personnel of the accounting firm that is subject to independence regulations have complied with the statement of independence in the code of professional ethics for accountants, and communicates with the governance unit all relationships that may be considered to affect the independence of the accountant and other matters. matters (including relevant protective measures).

From the matters communicated with the management unit, the accountant decided the key audit items for Promise Technology, Inc.'s 2023 annual individual financial statement audit. The accountant states these matters in the audit report, unless the law does not allow public disclosure of specific matters, or in extremely rare circumstances, the accountant decides not to communicate specific matters in the audit report, because the negative effects of such communication can be reasonably expected. The impact outweighs the public interest promoted.

Deloitte Touche Tohmatsu Limited

Accountant LIN,HSIN-TUNG

Accountant TSAI,MEI-CHEN

FSC Approval Number
No:110348898

FSC Approval Number
No:1010028123

March 14, 2024

Promise Technology ,Inc.
Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ thousand

codes	Assets	December 31,2023		December 31,2022		codes	Liabilities and equity	December 31,2023		December 31,2022	
		amount	%	amount	%			amount	%	amount	%
	current assets						Current liabilities				
1100	Cash and cash equivalents (Notes 4, 6 and 27)	\$ 288,845	24	\$ 275,485	22	2100	Short-term borrowings (Notes 4, 15 and 27)	\$ 247,000	21	\$ 159,000	12
1136	Financial assets measured at amortized cost - current (Notes 4,7,27 and 29)	1,376	-	1,373	-	2170	Accounts payable (Notes 4 and 27)	64,580	5	85,208	7
1170	Net accounts receivable (Notes 4,8,19 and 27)	21,193	2	24,579	2	2220	Amount due to related parties, (Notes 4 ,27 and 28)	21,321	2	-	-
1180	Net accounts receivable (Notes 4,8,19 and 27)	45,011	4	30,050	2	2280	Lease liabilities - current (Notes 4, 12 and 27)	9,242	1	12,864	1
1210	Other receivables from related parties (Notes 4,27and 28)	163	-	778	-	2399	Long-term loans due within one year (Notes 4,15 and 27)	<u>28,838</u>	<u>2</u>	<u>34,952</u>	<u>3</u>
130X	Inventories (Notes 4, 5 and 9)	376,699	32	388,553	31		Expenses payable and other current liabilities	<u>370,981</u>	<u>31</u>	<u>292,024</u>	<u>23</u>
1479	Prepayments and other current assets (Notes 4 and 14)	<u>11,019</u>	<u>1</u>	<u>11,163</u>	<u>1</u>	21XX	Non-current liabilities				
11XX	Total Current Assets	<u>744,306</u>	<u>63</u>	<u>731,981</u>	<u>58</u>	2570	Deferred tax liabilities (Notes 4 and 21)	16,004	2	18,473	2
	Non-current assets					2580	Lease liabilities - non-current (Notes 4 ,12 and 27)	24,939	2	30,456	2
1550	Investments using the equity method (Notes 4 and 10)	285,871	24	352,047	28	2640	Net defined benefit liabilities - non-current (Notes 4 and 17)	<u>34,924</u>	<u>3</u>	<u>39,230</u>	<u>3</u>
1600	Property, plant and equipment (Notes 4 , 11and 29)	95,440	8	102,299	8	25XX	Total non-current liabilities	<u>75,867</u>	<u>7</u>	<u>88,159</u>	<u>7</u>
1755	Right-of-use assets (Notes 4 and 12)	32,822	3	42,387	4	2XXX	total liabilities	<u>446,848</u>	<u>38</u>	<u>380,183</u>	<u>30</u>
1780	Intangible assets (Notes 4 and 13)	2,307	-	1,196	-		Equity (Notes 4, 18 and 23)				
1840	Deferred tax assets (Notes 4 and 21)	17,409	2	19,878	2		share capital				
1990	Other non-current assets (Notes 4 and 14)	<u>2,320</u>	<u>-</u>	<u>2,131</u>	<u>-</u>	3110	common stock capital	926,787	78	926,787	74
15XX	Other non-current assets	<u>436,169</u>	<u>37</u>	<u>519,938</u>	<u>42</u>	3200	capital reserve	86,971	7	89,195	7
						3350	accumulated loss				
							pending loss	(181,330)	(15)	(45,910)	(3)
							Other interests				
						3410	Conversion of financial statements of foreign operating institutions	(68,586)	(6)	(68,121)	(6)
						3420	Unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive income	(<u>30,215</u>)	(<u>2</u>)	(<u>30,215</u>)	(<u>2</u>)
						3XXX	total equity	<u>733,627</u>	<u>62</u>	<u>871,736</u>	<u>70</u>
1XXX	total assets	<u>\$ 1,180,475</u>	<u>100</u>	<u>\$ 1,251,919</u>	<u>100</u>		Total liabilities and equity	<u>\$ 1,180,475</u>	<u>100</u>	<u>\$ 1,251,919</u>	<u>100</u>

The attached notes form part of this individual financial report.

Chairman: Lee,Jyh-En

President: Lee,Jyh-En

Accounting Supervisor: Hsiao, Hsiang Yun

Promise Technology ,Inc.
Individual Comprehensive Income Statement
1 January to 31 December 2023 and 2022

Unit: NT\$ thousand ,
the earnings per share are in NT\$

C o d e		2023		2022	
		Amount	%	Amount	%
	operating income (Notes 4, 19 and 28)				
4100	Sales income	\$ 511,412	100	\$ 795,789	100
4600	Labor service income	<u>2,572</u>	-	<u>3,990</u>	-
4000	operating income total	513,984	100	799,779	100
	Operating costs (Notes 9, 20 and 28)				
5110	Operating Gross Profit	<u>364,773</u>	<u>71</u>	<u>568,538</u>	<u>71</u>
	Operating income (Notes 4, 19 and 28)				
5900	Sales income	149,211	29	231,241	29
5920	Unrealized benefits with subsidiaries	(<u>5,812</u>)	(<u>1</u>)	(<u>1,362</u>)	(<u>1</u>)
5950	Realized Operating Gross Profit	<u>143,399</u>	<u>28</u>	<u>229,879</u>	<u>28</u>
	Operating expenses (Notes 20 and 28)				
6100	Marketing expenses	46,336	9	50,078	6
6200	Management expenses	56,326	11	59,964	8
6300	R & D expenses	<u>109,727</u>	<u>21</u>	<u>107,744</u>	<u>13</u>
6000	Total operating expenses	<u>212,389</u>	<u>41</u>	<u>217,786</u>	<u>27</u>
6900	operating net profit	(<u>68,990</u>)	(<u>13</u>)	<u>12,093</u>	<u>1</u>
	Non-operating income and expenses (Notes 4, 20 and 28)				
7100	Interest income	5,226	1	1,146	-
7010	Other income	9,605	2	13,739	2
7020	Other interests and losses	6	-	(3,154)	-
7050	Financial costs	(5,828)	(1)	(4,474)	(1)
7070	Share of losses of subsidiaries and affiliated enterprises using the equity method	(85,937)	(17)	(31,157)	(4)
7230	Foreign currency exchange net gain (loss)	<u>2,738</u>	-	<u>14,697</u>	<u>2</u>
7000	Non-operating income and expenses Total	(<u>74,190</u>)	(<u>15</u>)	(<u>9,203</u>)	(<u>1</u>)

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codes		2023		2022	
		金	額 %	金	額 %
7900	Net Profit Before Taxes	(\$	143,180)	(28)	\$ 2,890 -
7950	Income tax expenses (Notes 4 and 21)		<u>18</u>	<u>-</u>	<u>-</u>
8200	Net profit for the year	(<u>143,198</u>)	(<u>28</u>)	<u>2,890</u> -
	Other comprehensive(profit) loss				
8310	Items not reclassified to profit or loss :				
8311	defined benefit plan Measured amount (Notes 4 and 17))		5,532	1	4,244 1
8360	Items that may be subsequently reclassified to profit or loss :				
8361	Exchange difference in the conversion of financial statements of foreign operating institutions (Notes 4 and 18)	(<u>465</u>)	<u>-</u>	<u>26,596</u> <u>3</u>
8300	Other comprehensive gains and losses for the year (net of tax)		<u>5,067</u>	<u>1</u>	<u>30,840</u> <u>4</u>
8500	Total comprehensive (profit) loss for the year	(\$	<u>138,131</u>)	(<u>27</u>)	\$ <u>33,730</u> <u>4</u>
	Earnings per share (Note 22)				
9710	Basic	(\$	<u>1.55</u>)		\$ <u>0.03</u>
9810	Diluted	(\$	<u>1.55</u>)		\$ <u>0.03</u>

The attached notes form part of this individual financial report.

Chairman: Lee,Jyh-En President: Lee,Jyh-En Accounting Supervisor: Hsiao, Hsiang Yun

Promise Technology ,Inc.
Individual Equity Change Statement
1 January to 31 December 2023 and 2022

Unit: Unless otherwise specified,
in thousands of NT dollars

code		common stock capital		capital reserve	accumulated loss	other equity		total equity
		Number of shares (thousand shares)	Amount			Exchange differences in the translation of financial statements of foreign operating institutions	Unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive income and losses	
A1	January 1, 2022 balance	89,329	\$ 893,288	\$ 92,729	(\$ 58,197)	(\$ 94,717)	(\$ 30,215)	\$ 802,888
C3	Overdue cash dividends not received	-	-	112	-	-	-	112
C11	Capital reserves make up for losses	-	-	(5,153)	5,153	-	-	-
E1	cash capital increase	3,350	33,499	1,507	-	-	-	35,006
D1	2022 net profit	-	-	-	2,890	-	-	2,890
D3	Other Comprehensive (Profit) Loss in 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,244</u>	<u>26,596</u>	<u>-</u>	<u>30,840</u>
Z1	December 31, 2022 balance	92,679	926,787	89,195	(45,910)	(68,121)	(30,215)	871,736
C3	Overdue cash dividends not received	-	-	22	-	-	-	22
C11	Capital reserves make up for losses	-	-	(2,246)	2,246	-	-	-
D1	2022 net profit(lose)	-	-	-	(143,198)	-	-	(143,198)
D3	Other Comprehensive (Profit) Loss in 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,532</u>	(<u>465</u>)	<u>-</u>	<u>5,067</u>
Z1	December 31, 2023 balance	<u>92,679</u>	<u>\$ 926,787</u>	<u>\$ 86,971</u>	(<u>\$ 181,330</u>)	(<u>\$ 68,586</u>)	(<u>\$ 30,215</u>)	<u>\$ 733,627</u>

The attached notes form part of this individual financial report.

Chairman: Lee,Jyh-En

President: Lee,Jyh-En

Accounting Supervisor: Hsiao, Hsiang Yun

Promise Technology ,Inc.
Individual Cash Flow Statement
1 January to 31 December 2023 and 2022

Unit: NT\$ thousand

<u>c o d e s</u>		<u>2023</u>	<u>2022</u>
	Cash Flow from Operating Activities		
A10000	Net profit before tax for the year	(\$ 143,180)	\$ 2,890
A20000	Adjustment items: :		
A20100	Depreciation expense	25,221	27,046
A20200	Amortization fee	739	464
A20900	Financial costs	5,828	4,474
A21200	interest income	(5,226)	(1,146)
A22300	Share of loss of affiliated enterprises recognized using equity method	85,937	31,157
A22500	Disposal of property, plant and equipment losses	1	-
A22600	Property, plant and equipment transfer expenses	3	-
A22700	Intangible assets transfer expenses	64	-
A23700	Inventory depreciation and sluggish loss	10,027	3,490
A24000	Unrealized benefits between affiliated companies	5,812	1,362
A24100	Net (profit) loss on foreign currency exchange	(3,202)	(18,908)
A29900	lease modification benefit	(9)	(576)
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivable	2,755	59,015
A31160	Receivables from related parties	(15,775)	(12,191)
A31190	Other receivables from related parties	613	58
A31200	Inventory	(1,587)	7,955
A31240	Prepayments and other current assets	626	(344)
A32150	accounts payable	(19,770)	(34,350)
A32190	Other payables - related parties	21,321	-
A32200	refund liability	1,109	-
A32230	Expenses payable and other current liabilities	(7,630)	(45,663)
A32240	Net defined benefit liability	<u>1,226</u>	<u>1,013</u>
A33000	Net cash inflows (outflows) from operations	(35,097)	25,746
A33500	income tax paid	(<u>412</u>)	(<u>80</u>)
AAAA	Net cash inflows (outflows) from operating activities	(<u>35,509</u>)	<u>25,666</u>

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<u>c o d e s</u>		<u>2023</u>	<u>2022</u>
	Cash flow from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	(\$ 3)	(\$ 2)
B01800	Obtain long-term equity investment using equity method	(26,038)	-
B02700	Acquisition of real estate, plant and equipment	(1,507)	(1,585)
B02800	Disposal of price of real estate, plant and equipment	63	-
B03700	Deposit margin and others	77	549
B04500	Acquisition of intangible assets	(1,520)	(808)
B07500	interest charged	<u>4,439</u>	<u>1,114</u>
BBBB	Net cash flow (outflow) from investing activities	(<u>24,489</u>)	(<u>732</u>)
	Cash Flow from Financing Activities		
C00100	short-term borrowing	550,900	418,000
C00200	Repayment of short-term loans	(462,900)	(502,600)
C01700	repayment of long-term loans	-	(29,500)
C04020	Lease liability principal repayments	(12,706)	(13,231)
C04600	cash capital increase	-	35,006
C05600	interest paid	(5,782)	(4,478)
C09900	Overdue unclaimed cash dividends transferred to capital reserve	<u>22</u>	<u>112</u>
CCCC	Net cash outflow from financing activities	<u>69,534</u>	(<u>96,691</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>3,824</u>	<u>18,168</u>
EEEE	Net (decrease) increase in cash and cash equivalents	13,360	(53,589)
E00100	Cash and equivalent cash balance at the end of the year	<u>275,485</u>	<u>329,074</u>
E00200	Cash and equivalent cash balance at the end of the year	<u>\$ 288,845</u>	<u>\$ 275,485</u>

The attached notes form part of this individual financial report.

Chairman:Lee,Jyh-En President: Lee,Jyh-En Accounting Supervisor: Hsiao, Hsiang Yun

Promise Technology ,Inc.

Individual Financial Statement Notes

1 January to 31 December 2023 and 2022

(Unless otherwise specified, the amount is in thousands of NT dollars)

I、Company History

Promise Technology, Inc. (hereinafter referred to as the company) was established in Hsinchu Science and Technology Industrial Park on February 27, 1980, and started business on May 7, 1991 after obtaining the Park Business Registration Certificate. The company's main business is wired and wireless communication machinery and equipment manufacturing, research and development, production, manufacturing, and sales of computer storage equipment high-performance control cards and systems, computer high-performance network and graphics systems, multimedia software and hardware kits and systems, Products related to computer and telephone integration technology, as well as the management, consulting, consultation, technology transfer and other businesses of the aforementioned products, and related import and export trade business.

The company's shares have been listed and traded on the Taiwan Stock Exchange since December 18, 2002.

This individual financial report is expressed in New Taiwan dollars, the company's functional currency.

II、Dates and procedures for passing financial reports

This individual financial report was approved and issued by the board of directors on March 14, 2024.

III、Applicability of newly issued and revised standards and interpretations use

- (1) For the first time, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) (hereinafter referred to as "IFRSs")

The application of the revised IFRSs approved and issued by the Financial Supervisory Commission will not cause major changes in the company's accounting policies

- (2) Applicable IFRS approved by the FSC in 2024

Newly issued/amended/revised standards and interpretations	Effective date of IASB announcement (Note 1)
Amendment to IFRS 16 "Lease Liabilities in Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of liabilities as current or non-current"	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with contractual terms"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	January 1, 2024 (Note 3)

Note 1 : Unless otherwise stated, the above newly released/amended/revised standards or interpretations are effective for the annual reporting period starting after the respective date.

Note 2 : The seller and lessee should retroactively apply the amendments to IFRS 16 to sale and leaseback transactions entered into after the initial application of IFRS 16.

Note 3 : Exemption from certain disclosure requirements when this amendment is applied for the first time.

As of the date of issuance of this individual financial report, the Company assesses that amendments to other standards and interpretations will not have a significant impact on the financial position and financial performance.

(3) The IASB has issued but not yet approved by the Financial Supervisory Commission and issued effective IFRS

<u>Newly issued/amended/revised standards and interpretations</u>	<u>Effective date of IASB announcement (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Asset Sale or Contribution between Investors and Their Affiliates or Joint Ventures"	Undecided
Amendments to IFRS 16 "Lease Liability in Sale and Leaseback"	January 1, 2023
IFRS 17 "Contracts of Insurance"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IAS 21 "Lack of Convertibility"	January 1, 2025 (Note 2)

Note 1 : Unless otherwise specified, the above-mentioned newly issued/amended/revised standards or interpretations are effective for the annual reporting period starting after the respective dates.

Note 2 : Applicable to annual reporting periods starting after January 1, 2025. When the amendment is first applied, the impact will be recognized in retained earnings on the first application date. When the merged company uses non-functional currency as the currency of expression, the impact amount will be adjusted to the exchange difference of foreign operating institutions under equity on the first application date.

As of the date of issuance of this individual financial report, the Company continues to evaluate the impact of amendments to other standards and interpretations on its financial position and financial performance. The relevant impact will be disclosed when the assessment is completed.

IV 、 Summary of major accounting policies

(1) Compliance statement

This individual financial report is prepared in accordance with the Financial Reporting Standards for Securities Issuers.

(2) Basis of preparation

Except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of project assets, this individual financial report is prepared on a historical cost basis.

Fair value measurement is divided into levels 1 to 3 according to the degree of observability and importance of relevant input values:

1. Level 1 input value: refers to the quoted price (unadjusted) in an active market for the same asset or liability that can be obtained on the measurement date.
2. Level 2 input value: Refers to the observable input value of an asset or liability, directly (that is, price) or indirectly (that is, derived from price) other than quotations at level 1.
3. Level 3 inputs: Refers to unobservable inputs of assets or liabilities.

When the company prepares individual financial reports, it adopts the equity method for investment subsidiaries and affiliated companies. In order to make the current year profit and loss, other comprehensive profit and loss and equity in this individual financial report the same as the current year profit and loss, other comprehensive profit and loss and equity attributable to the company's owners in the company's consolidated financial report, certain accounting treatment differences between the individual basis and the consolidated basis are adjusted "Investments using the equity method" and "shares of profits and losses of subsidiaries and affiliates recognized using the equity method" and related equity items.

(3) Criteria for distinguishing current and non-current assets and liabilities

Current assets include:

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (but excluding those subject to restrictions on exchange or settlement of liabilities more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due to be settled within 12 months after the balance sheet date, and
3. Liabilities that cannot unconditionally defer the settlement period to at least 12 months after the balance sheet date.

Those that are not the above-mentioned current assets or current liabilities are classified as non-current assets or non-current liabilities. °

(4) Foreign currency

When the company prepares individual financial reports, transactions in currencies other than the company's functional currency (foreign

currency) shall be converted into functional currency records at the exchange rate on the transaction day.

Monetary items denominated in foreign currencies are translated at the closing exchange rates on each balance sheet date. Exchange differences arising from delivery of monetary items or conversion of monetary items are recognized in profit or loss in the year in which they occur.

Foreign currency non-monetary items measured by fair value are translated at the exchange rate on the day when the fair value is determined, and the resulting exchange difference is listed as current profit or loss. However, if the change in fair value is recognized in other comprehensive profit or loss, the resulting exchange difference is listed as in other comprehensive income.

Non-monetary items in foreign currencies measured by historical cost are converted at the exchange rate on the transaction date and will not be re-converted.

When preparing individual financial reports, the assets and liabilities of the company's foreign operating institutions (including subsidiaries and affiliated companies operating in countries or using currencies different from the company's) are converted into New Taiwan Dollars at the exchange rate on each balance sheet date. Income and expense items are translated at the average exchange rate for the year, and the resulting exchange differences are listed in other comprehensive income.

(5) Inventory

Inventories include raw materials, finished goods and work in progress. Inventories are measured at the lower of cost and net realizable value, and the comparison between cost and net realizable value is based on individual items except for inventories of the same category. Net realizable value is the estimated selling price under normal circumstances less the estimated cost to complete the project and the estimated cost to complete the sale. The calculation of inventory cost adopts the weighted average method.

(6) Investing in subsidiaries

The company adopts the equity method to deal with the investment in subsidiaries.

Subsidiaries refer to entities over which the Company has control.

Under the equity method, the original investment is recognized at cost, and the book value after acquisition will increase or decrease with the company's share of subsidiary profits and losses, other comprehensive profits and losses, and profit distribution. In addition, changes in the Company's entitlement to other interests in subsidiaries are recognized in proportion to the shareholding.

When the company's change in the ownership interest of the subsidiary does not result in the loss of control, it is treated as an equity transaction. The difference between the carrying amount of

the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the company's share of losses on a subsidiary is equal to or exceeds its equity in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that are essentially part of the company's net investment in the subsidiary), The company continues to recognize losses based on its shareholding ratio.

When the Company assesses impairment, it considers the cash-generating unit as a whole based on the financial report and compares its recoverable amount with its carrying amount. If the recoverable amount of the asset subsequently increases, the reversal of the impairment loss will be recognized as profit, but the carrying amount of the asset after the impairment loss is reversed shall not exceed the amount of the asset that would have been provided if no impairment loss had been recognized. Present the carrying amount after amortization. Impairment losses attributable to goodwill may not be reversed in subsequent periods.

Unrealized gains and losses from downstream transactions between the company and its subsidiaries are eliminated in individual financial reports. The profits and losses arising from the counter-current and side-stream transactions between the Company and its subsidiaries are recognized in individual financial reports only to the extent that they are not related to the Company's interest in the subsidiaries.

(7) Investing in affiliated companies

Affiliated enterprises refer to enterprises that have significant influence on the company, but are not subsidiaries or joint ventures.

The company adopts the equity method for investing in affiliated enterprises.

Under the equity method, investments in affiliated enterprises are initially recognized at cost, and the carrying amount after acquisition increases or decreases with the company's share of the affiliated enterprise's profits and losses and other comprehensive profits and losses and profit distribution. In addition, changes in the equity of related enterprises are recognized based on the shareholding ratio.

The amount by which the acquisition cost exceeds the company's share of the net fair value of the identifiable assets and liabilities of the associated enterprise on the date of acquisition is classified as goodwill. This goodwill is included in the carrying amount of the investment and cannot be amortized; The amount by which the share of the net fair value of the identifiable assets and liabilities of the associated enterprise exceeds the acquisition cost is recorded as profit or loss for the current period.

When an affiliated enterprise issues new shares, if the company fails to subscribe according to the shareholding ratio, resulting in a change in the shareholding ratio and an increase or decrease in the net equity value of the investment, the increase or decrease will be

adjusted to the capital reserve - the equity method is used to recognize the related party Changes in the net equity value of enterprises and joint ventures and investments using the equity method. However, if the ownership interest in an affiliated enterprise is reduced due to failure to subscribe or acquire according to the shareholding ratio, the amount recognized in other comprehensive profits and losses related to the affiliated enterprise will be reclassified according to the reduction ratio, and the basis of its accounting treatment is the same as that of the affiliated enterprise. If the basis that must be followed to directly dispose of relevant assets or liabilities is the same; if the adjustment in the preceding paragraph should be debited to capital reserve, and the capital reserve balance generated by investments using the equity method is insufficient, the difference shall be debited to retained earnings.

When the company's share of losses to an affiliated enterprise is equal to or exceeds its equity in the affiliated enterprise (including the carrying amount of the investment in the affiliated enterprise under the equity method and other long-term interests that are essentially part of the company's net investment in the affiliated enterprise) , the recognition of further losses will cease. The Company recognizes additional losses and liabilities only to the extent that it has incurred legal obligations, constructive obligations or has made payments on behalf of related enterprises.

When assessing impairment, the company treats the entire carrying amount of the investment (including goodwill) as a single asset, compares the recoverable amount with the carrying amount, and performs impairment testing. The recognized impairment loss is not allocated to the investment book. any asset that is an integral part of the amount, including goodwill. Any reversal of impairment losses is recognized to the extent that the recoverable amount of the investment subsequently increases.

The company ceases to use the equity method from the date when its investment ceases to be an associated enterprise. Its retained interests in the original associated enterprise are measured at fair value. The difference between the fair value and the disposal price and the carrying amount of the investment on the date when it ceases to use the equity method, Included in current profit and loss. In addition, the accounting treatment basis for all amounts recognized in other comprehensive profits and losses related to the related enterprise is the same as the basis that the related enterprise must follow if it directly disposes the relevant assets or liabilities. If an investment in an associated enterprise becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associated enterprise, the Company will continue to use the equity method without remeasurement of the retained equity. Profit and loss arising from counter-current, downstream and side-stream transactions between the Company and its affiliated

enterprises shall be recognized in individual financial reports only to the extent that they have nothing to do with the Company's interest in the affiliated enterprise.

(8) Real estate, plant and equipment

Real estate, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

The depreciation of the company's research and development and production equipment is based on the depreciation method, and the rest is depreciated on a straight-line basis within the service life, and each major part is depreciated separately. The company reviews the estimated useful life, salvage value and depreciation method at least at the end of each year, and postpones the impact of changes in applicable accounting estimates.

When real estate, plant and equipment are delisted, the difference between the net disposal price and the book value of the asset is recognized in profit or loss.

(9) Intangible assets

1. Obtained separately

Intangible assets with a limited useful life acquired separately are initially measured at cost, and subsequently are measured at the cost minus accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis within the useful life. The company reviews the estimated useful life, residual value and amortization method at least at the end of each year, and postpones the impact of changes in applicable accounting estimates. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

2. Internally Generated - Research and Development Expenditures

Research expenditures are recognized as expenses when incurred. When all of the following conditions are met, the Company will begin to recognize the intangible assets at the stage of internal planning development :

- (a) the technical feasibility of completing the intangible asset has been achieved, which will make the intangible asset available for use or sale;
- (b) intends to complete the intangible asset and use or sell it;
- (c) the ability to use or sell the intangible asset;
- (d) the intangible assets will generate very likely future economic benefits;
- (e) have sufficient technical, financial and other resources to complete the development and use or sell the intangible asset; and
- (f) Expenditures attributable to the stage of development of the intangible asset can be reliably measured. °

The cost of internally generated intangible assets is recognized as the sum of expenditures incurred since the date when the above conditions are met for the first time, and the subsequent measurement method is the same as that of intangible assets acquired separately.

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When intangible assets are delisted, the difference between the net disposal price and the book amount of the asset is recognized in the current profit and loss.

(10) Impairment of real property, plant and equipment, right-of-use assets and intangible assets

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets may have been impaired. If any indication of impairment exists, the asset's recoverable amount is estimated. If 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. Common assets are allocated to individual cash-generating units on a reasonable and consistent basis.

For intangible assets with undetermined service life and not yet available for use, impairment tests shall be conducted at least annually and when there are signs of impairment.

The recoverable amount is the higher of the fair value less cost of sale and value in use. If the recoverable amount of an individual asset or cash-generating unit is lower than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, but the increased carrying amount shall not exceed that of the asset or cash-generating unit if no impairment was recognized in the previous year. The carrying amount (less amortization or depreciation) determined at the time of the loss. The reversal of the impairment loss is recognized in profit or loss.

(11) Financial instruments

Financial assets and financial liabilities are recognized on the Individual Balance Sheet when the Company becomes a party to the contract terms of the instrument. When initially recognizing financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

The customary transactions of financial assets are recognized and excluded by accounting on the transaction date.

(a) Types of measurement

The types of financial assets held by the company are financial assets measured at fair value through other comprehensive profit and loss and financial assets measured at amortized cost °

A. Financial assets measured at amortized cost

If the company's investment in financial assets meets the following two conditions at the same time, it will be classified as financial assets measured at cost after amortization :

- a. Holding under a business model whose purpose is to hold financial assets to receive contractual cash flows; and
- b. The terms of the contract give rise to cash flows on specific dates that are solely payments of principal and interest on the outstanding principal amount.

Financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable and other current assets measured at amortized cost) are, after original recognition, the total carrying amount determined using the effective interest method less Any foreign exchange gain or loss is recognized in profit or loss, in addition to the amortized cost measurement of any impairment loss.

Interest income is calculated by multiplying the effective interest rate by the total book value of financial assets.

Equivalent cash includes highly liquid time deposits within 3 months from the date of acquisition, which can be converted into fixed cash at any time and have little risk of value change, and are used to meet short-term cash commitments °

B. Investment in equity instruments measured at fair value through other comprehensive income

At the time of original recognition, the company may make an irrevocable choice to designate equity instrument investments that are not held for trading and that are not recognized as contingent consideration by the acquirer of the enterprise to be measured at fair value through other comprehensive profits and losses.

Investments in equity instruments measured at fair value through other comprehensive profit or loss are measured at fair value, and subsequent changes in fair value are presented in other comprehensive profit or loss and accumulated in other equity. When the investment is

disposed of, the accumulated profit or loss is directly transferred to retained earnings and is not reclassified as profit or loss.

Dividends on investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Company's right to receive payments is established, unless the dividends clearly represent a recovery of part of the cost of the investment. °

(b) Impairment of financial assets

The company evaluates the impairment loss of financial assets (including accounts receivable) measured at amortized cost based on expected credit losses on each balance sheet date.

Accounts receivable are recognized as allowance losses based on expected credit losses during the duration. For other financial assets, first assess whether the credit risk has increased significantly since the original recognition. If there is no significant increase, the provision loss will be recognized as the 12-month expected credit loss. If there has been a significant increase, it will be recognized as the expected credit loss during the duration Allow for losses.

The expected credit loss is the weighted average credit loss with the risk of default as the weight. The 12-month expected credit loss represents the expected credit loss arising from possible default events of the financial instrument within 12 months after the reporting date, and the expected credit loss during the duration represents the expected credit loss arising from all possible default events of the financial instrument during the expected duration.

Impairment losses on all financial assets are reduced by reducing their carrying amounts through the allowance account.

(c) Declassification of financial assets

The Company delists financial assets only when the contractual rights to the cash flows from the financial assets lapse, or when the financial assets have been transferred and almost all the risks and rewards of ownership of the assets have been transferred to other enterprises.

When a financial asset measured at amortized cost is delisted as a whole, the difference between its carrying amount and the consideration received is recognized in profit or loss. When an investment in a debt instrument at fair value through other comprehensive profit or loss is derecognized as a whole, the difference between its carrying amount and the sum of the consideration received plus any cumulative gain or loss that has been recognized in

other comprehensive profit or loss is recognized in profit or loss. When an equity instrument investment measured at fair value through other comprehensive income is delisted as a whole, the accumulated gain or loss is transferred directly to retained earnings and is not reclassified as profit or loss.

2. Equity instruments

The debt and equity instruments issued by the company are classified as financial liabilities or equity according to the substance of the contract agreement and the definition of financial liabilities and equity instruments.

The equity instruments issued by the Company are recognized at the amount obtained after deducting the direct issuance costs.

The recaptured equity instruments of the company itself are recognized and deducted under the equity item, and the book value is calculated based on the weighted average of the stock types. The purchase, sale, issue or cancellation of the Company's own equity instruments are not recognized in profit or loss.

3. Financial liabilities

(a) Subsequent measurement

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

(b) Declassification of financial liabilities

When delisting a financial liability, the difference between its carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(12) Revenue recognition

After the company identifies the performance obligations in the customer contract, it allocates the transaction price to each performance obligation, and recognizes revenue when each performance obligation is satisfied.

For contracts where the time interval between the transfer of goods and the receipt of consideration is within one year, the transaction price shall not be adjusted for its significant financial components.

1. Revenue from merchandise sales

The revenue from sales of goods comes from the sales of electronic equipment products. The sales of electronic equipment products are mainly recognized when the customer obtains control over the promised assets, that is, when the goods are delivered to the designated place and meet the performance obligations, and bear the risk of obsolescence of the goods. The company recognizes the income at this point and accounts receivable.

When processing without materials, the control of the ownership of the processed products has not been transferred, so revenue is not recognized when the materials are removed.

2. Service income

Labor income comes from technical services. The technical services and extended warranty services provided by the company are recognized when the labor services are provided.

(13) Lease

The company assesses whether the contract is (or includes) a lease on the date of establishment of the contract.

The company is the lessee

Except for leases of low-value underlying assets and short-term leases for which the recognition exemption applies, the lease payments are recognized as expenses on a straight-line basis during the lease term, and other leases are recognized as right-of-use assets and lease liabilities on the lease inception date.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability), and subsequently measured at the cost less accumulated depreciation and accumulated impairment losses, and the remeasured amount of the lease liability is adjusted. The right-of-use asset is expressed separately on the Individual Balance Sheet.

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the expiry of the useful life or the expiry of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of lease payments (including fixed payments). If the implied interest rate of the lease is easy to determine, the lease payment shall be discounted using the interest rate. If this rate is not readily determined, the lessee incremental borrowing rate is used.

Subsequently, lease liabilities are measured on an amortized cost basis using the effective interest method, and interest expenses are amortized during the lease period. If changes in the lease period or the index or rate used to determine the lease payment lead to changes in future lease payments, the company will re-measure the lease liability and adjust the right-of-use asset accordingly. However, if the book value of the right-of-use asset has been reduced to zero, then The remaining remeasured amount is recognized in profit or loss. The lease liability is expressed separately on the Individual Balance Sheet.

(14) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are included as part of the cost of the asset until substantially all activities necessary to bring the asset to its intended state for use or sale have been completed.

(15) Government grants

Government grants can only be recognized when it is reasonably certain that the company will comply with the conditions attached to the government grant and will receive the grant.

Government grants related to income are recognized in other income on a systematic basis during the period in which the related costs they are intended to compensate are recognized as expenses by the Company.

If the government subsidy is used to compensate for the expenses or losses incurred, or is for the purpose of providing immediate financial support to the company and has no future related costs, it will be recognized in profit or loss during the period in which it can be received.

(16) Employee benefits

1. Short-term employee benefits

Liabilities related to short-term employee benefits are measured at undiscounted amounts expected to be paid in exchange for employee services.

2. Post-employment benefits

The pension of the definite appropriation retirement plan is recognized as an expense during the service period of the employee.

The defined benefit cost (including service cost, net interest and remeasurement amount) of the defined benefit retirement plan is actuarially calculated using the projected unit benefit method. Service costs (including current service costs) and net interest on net defined benefit liabilities are recognized as employee benefit expenses when incurred. The remeasurement amount (including actuarial profit or loss and return on project assets after deducting interest) is recognized in other comprehensive profit or loss and included in retained earnings when it occurs, and will not be reclassified to profit or loss in subsequent periods.

The net defined benefit liability is the shortfall in contributions from defined benefit retirement plans.

(17) Share-Based Payment Agreement

Employee stock options are recognized as expenses on a straight-line basis during the vesting period based on the fair value of the equity instrument on the grant date and the best estimated quantity expected to be acquired, and at the same time adjust the capital reserve - employee stock options. If it is immediately vested on the grant date, it shall be fully recognized as an expense on the grant date.

The company revises the estimated number of employee stock options expected to be acquired on each balance sheet date. If there is a revision to the original estimated quantity, the impact amount is recognized as profit or loss, so that the accumulated expenses reflect the revised estimate, and the capital reserve-employee stock option is adjusted accordingly.

(18) Income tax

Income tax expense is the sum of current income tax and deferred income tax.

1. Current income tax

Income tax is levied on the undistributed earnings calculated in accordance with the provisions of the Income Tax Law of the People's Republic of my country, which is recognized in the year of resolution of the shareholders' meeting.

The adjustment of the income tax payable in the previous year shall be included in the income tax of the current year.

2. Deferred income tax

The deferred income tax is calculated based on the temporary difference between the carrying amount of assets and liabilities on the books and the tax basis for calculating taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized when there is likely to be taxable income for deductible temporary differences, loss deduction or purchase of machinery and equipment, research The income tax deduction arising from expenditures such as development and personnel training shall be recognized when used.

The taxable temporary difference related to the investment in subsidiaries and affiliated enterprises is not recognized because the company can control the timing of the reversal of the temporary difference, and it is very likely that the temporary difference will not reverse in the foreseeable future. List deferred tax liabilities.

The carrying amount of deferred income tax assets is reviewed on each balance sheet date, and the carrying amount is reduced for those assets that are no longer likely to have sufficient taxable income to recover all or part of the assets. Those that have not been recognized as deferred income tax assets are also re-examined on each balance sheet date, and for those that are likely to generate taxable income in the future to recover all or part of the assets, the book amount is increased.

Deferred income tax assets and liabilities are measured at the tax rate of the year when the expected liability is settled or the asset is realized. The tax rate is based on the tax rate and tax law that have been enacted or substantively enacted on the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences arising from the way the company expects to recover or pay off the carrying amount of its assets and liabilities at the balance sheet date.

3. Current and deferred income tax

Current and deferred income taxes are recognized in profit or loss, but current and deferred income taxes related to items recognized in other comprehensive profit or loss or directly included in equity are recognized in other comprehensive profit or loss or directly included in equity, respectively.

V、Major sources of uncertainty in major accounting judgments, estimates and assumptions

When the company adopts accounting policies, the management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors for those that are not easy to obtain relevant information from other sources. Actual results may differ from estimates.

When developing significant accounting estimates, the company will take into account the possible impact of relevant government policies and regulations on cash flow estimates, growth rates, discount rates, profitability and other relevant major accounting estimates. Management will continue to review Estimates and underlying assumptions.

The main sources of uncertainty in estimates and assumptions
impairment of inventories

The net realizable value of inventories is the estimated selling price in the normal course of business less the estimated costs to be invested to completion and the estimated costs to complete the sale, which are based on current market conditions and historical sales of similar products Based on experience assessment, changes in market conditions may significantly affect the results of these estimates.

VI、Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and working capital	\$ 391	\$ 367
Bank Check and Demand Deposit	160,174	213,698
equivalent to cash		
Bank fixed deposit	<u>128,280</u>	<u>61,420</u>
	<u>\$288,845</u>	<u>\$275,485</u>

The market interest rate range of bank deposits on the balance sheet date is as follows :

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bank deposit	0.001%~5.480%	0.001%~4.450%

VII、Financial assets measured at amortized cost

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Flow</u>		
Pledged time deposit	<u>\$ 1,376</u>	<u>\$ 1,373</u>

(1) For information on the pledge of financial assets measured at cost after amortization, please refer to Note XXIX.

(2) As of December 31, 2022 and 2023, the time deposit interest rates ranged from 1.575% to 1.015% and 1.325% respectively .

VIII 、Accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Accounts receivable</u>		
Measure gross carrying amount at amortized cost	\$ 21,193	\$ 24,579
Less: Allowance for losses	<u>-</u>	<u>-</u>
	<u>\$ 21,193</u>	<u>\$ 24,579</u>

The company's average credit period for commodity sales is 30 to 60 days per month, and accounts receivable are not interest-bearing. The Company uses other publicly available financial information and historical transaction records to rate clients. The company continuously monitors the credit risk of credit risk and the credit rating of the counterparty, and manages the risk of credit risk through the reviewed and approved credit limit of the counterparty.

The company does not hold any collateral for accounts receivable, but in order to reduce the main credit risk, it has purchased a credit guarantee insurance contract, only for accounts receivable that are not included in the credit guarantee insurance contract, and individually recognizes that it cannot be recovered The amount is set aside as an allowance for losses.

The company recognizes the allowance loss of accounts receivable according to the expected credit loss during the duration. The expected credit loss during the duration is based on the consideration of the past default record of the customer group not included in the credit guarantee insurance contract, the current financial situation and the economic situation of the industry. As the company's credit loss historical experience shows that there is no significant difference in the loss patterns of these customer groups, the expected credit loss rate is only determined by the number of days overdue accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the company cannot reasonably expect the recoverable amount, for example, the counterparty is in liquidation or the debt is overdue for more than 360 days, the company will write off the relevant accounts receivable directly, but will continue to recover Recovering activities, the amount recovered as a result of the recourse is recognized in profit or loss.

The company measures the allowance loss of accounts receivable as follows :

December 31, 2023

	<u>No overdue</u>	<u>Overdue 1~60 Days</u>	<u>Overdue 61~120 Days</u>	<u>Overdue Over 181 Days</u>	<u>total</u>
total book amount	\$ 14,174	\$ 7,019	\$ -	\$ -	\$ 21,193

Allowance for losses (expected credit losses during the lifetime)	-	-	-	-	-
amortized cost	<u>\$ 14,174</u>	<u>\$ 7,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,193</u>

December 31, 2022

	No overdue	Overdue 1~60 Days	Overdue 61~120 Days	Overdue Over 181 Days	total
total book amount	\$ 22,925	\$ 904	\$ -	\$ 750	\$ 24,579
Allowance for losses (expected credit losses during the lifetime)	-	-	-	-	-
amortized cost	<u>\$ 22,925</u>	<u>\$ 904</u>	<u>\$ -</u>	<u>\$ 750</u>	<u>\$ 24,579</u>

Changes in the allowance for losses on accounts receivable are as follows :

	2023	2022
Balance at the beginning of the year and at the end of the year	<u>\$ -</u>	<u>\$ -</u>

IX、Inventory

	December 31, 2023	December 31, 2022
finished product	\$ 84,731	\$ 82,522
WIP	12,991	15,764
raw material	<u>278,977</u>	<u>290,267</u>
	<u>\$376,699</u>	<u>\$388,553</u>

The components of operating costs related to inventory in 2023 and 2022 are as follows :

	2023	2022
Operating cost	<u>\$364,773</u>	<u>\$568,538</u>
Inventory depreciation and sluggish loss	<u>\$ 10,027</u>	<u>\$ 3,490</u>

X、Investments using the equity method

	December 31, 2023	December 31, 2022
Investment subsidiary	<u>\$285,871</u>	<u>\$352,047</u>
(1) Investing in subsidiaries		
	December 31, 2023	December 31, 2022
Joding Investment Corp.	\$243,016	\$329,270
Promise Technology K.K. (PTJ)	25,646	22,777
Promise Yun Technology Inc. (PNC)	<u>17,209</u>	<u>-</u>
	<u>\$285,871</u>	<u>\$352,047</u>

Subsidiary name	Ownership Interest and Voting Rights Percentage	
	December 31, 2023	December 31, 2022
Joding Investment Corp.	100%	100%
PTJ	100%	100%
PNC	100%	-

The profit and loss and other comprehensive profit and loss shares of subsidiaries adopting the equity method in 2022 and 2021 are recognized based on the financial reports of each subsidiary audited by accountants for the same period.

The company passed the resolution of the board of directors on August 12, 2022, and established PNC in April 2023. The company holds 100% of the voting rights in PNC, so it is classified as a subsidiary.

XI 、 Property, plant and equipment

	building	R & D equipment	Wealth making equipment	Production equipment	Lease Improvement	total
<u>COST</u>						
January 1, 2023 balance	\$ 158,857	\$ 17,833	\$ 3,379	\$ 15,256	\$ 12,263	\$ 207,588
increase	305	756	-	813	-	1,874
dispose	(43)	(7,604)	(1,743)	(11,452)	-	(20,842)
rearrange	-	2,818	53	403	-	3,274
December 31, 2023 balance	<u>\$ 159,119</u>	<u>\$ 13,803</u>	<u>\$ 1,689</u>	<u>\$ 5,020</u>	<u>\$ 12,263</u>	<u>\$ 191,894</u>
<u>accumulated depreciation</u>						
January 1, 2023 balance	\$ 67,117	\$ 13,783	\$ 2,044	\$ 14,421	\$ 7,924	\$ 105,289
Depreciation expense	4,229	3,628	671	973	2,579	12,080
dispose	(43)	(7,602)	(1,681)	(11,452)	-	(20,778)
rearrange	-	(240)	(19)	122	-	(137)
December 31, 2023 balance	<u>\$ 71,303</u>	<u>\$ 9,569</u>	<u>\$ 1,015</u>	<u>\$ 4,064</u>	<u>\$ 10,503</u>	<u>\$ 96,454</u>
December 31, 2023 net	<u>\$ 87,816</u>	<u>\$ 4,234</u>	<u>\$ 674</u>	<u>\$ 956</u>	<u>\$ 1,760</u>	<u>\$ 95,440</u>
<u>COST</u>						
January 1, 2022 balance	\$ 158,857	\$ 21,477	\$ 6,481	\$ 19,956	\$ 17,417	\$ 224,188
increase	-	1,281	195	63	46	1,585
dispose	-	(8,076)	(3,986)	(4,568)	(5,200)	(21,830)
rearrange	-	3,151	689	(195)	-	3,645
December 31, 2022 balance	<u>\$ 158,857</u>	<u>\$ 17,833</u>	<u>\$ 3,379</u>	<u>\$ 15,256</u>	<u>\$ 12,263</u>	<u>\$ 207,588</u>
<u>accumulated depreciation</u>						
January 1, 2022 balance	\$ 62,937	\$ 18,214	\$ 5,007	\$ 17,725	\$ 10,183	\$ 114,066
Depreciation expense	4,180	3,661	1,023	1,522	2,941	13,327
dispose	-	(8,076)	(3,986)	(4,568)	(5,200)	(21,830)
rearrange	-	(16)	-	(258)	-	(274)
December 31, 2022 balance	<u>\$ 67,117</u>	<u>\$ 13,783</u>	<u>\$ 2,044</u>	<u>\$ 14,421</u>	<u>\$ 7,924</u>	<u>\$ 105,289</u>
December 31, 2022 net	<u>\$ 91,740</u>	<u>\$ 4,050</u>	<u>\$ 1,335</u>	<u>\$ 835</u>	<u>\$ 4,339</u>	<u>\$ 102,299</u>

Since there is no sign of impairment in 2023 and 2022, the Company has not conducted an impairment assessment.

Depreciation expenses are accrued according to the following useful years:

Buildings

The main building of the factory	51 years
Mechanical and electrical engineering	2~11 years
R & D equipment	2~3 years
Wealth making equipment	3~5 years
Production equipment	3 years
Lease Improvement	4~11 years

Please refer to Note XXIX for the amount of real estate, plant and equipment pledged by the Company as security for the loan.

XII、Rental agreement

(1) Right-of-use assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Carrying amount of right-of-use asset		
land	\$ 21,839	\$ 22,614
building	<u>10,983</u>	<u>19,773</u>
	<u>\$ 32,822</u>	<u>\$ 42,387</u>
	<u>112年度</u>	<u>111年度</u>
Addition of right-of-use assets	<u>\$ 3,742</u>	<u>\$ 22,235</u>
Depreciation expense on right-of-use assets		
land	\$ 775	\$ 775
building	<u>12,366</u>	<u>12,944</u>
	<u>\$ 13,141</u>	<u>\$ 13,719</u>

(2) Lease liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Carrying amount of the lease liability		
Flow	<u>\$ 9,242</u>	<u>\$ 12,864</u>
non-flow	<u>\$ 24,939</u>	<u>\$ 30,456</u>

The discount rate range for lease liabilities is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
land	2.50%	2.50%
building	2.50%	2.50%

(3) Important leasing activities and terms

The company leases land from the Hsinchu Science Industrial Park of the Ministry of Science and Technology as a factory building, and the lease period is 2001 to 2052 years. According to the land

lease agreement in the park, the lessor may adjust the amount of rent at any time according to the announced land price of the base where the factory is located or the adjustment of the rent rate of state-owned land approved by the Executive Yuan; There is no preferential purchase right.

(4) Other leasing information

	2023	2022
short-term rental fee	<u>\$ 406</u>	<u>\$ 153</u>
Low-value asset rental expenses	<u>\$ 277</u>	<u>\$ 306</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 253</u>	<u>\$ 5</u>
Total cash (outflows) from leases	<u>(\$ 14,577)</u>	<u>(\$ 14,929)</u>

The company chooses to apply the recognition exemption to parking spaces and warehouses that qualify for short-term leases, and photocopiers, water dispensers, and cloud host leases that qualify for low-value asset leases, and does not recognize the relevant right-of-use assets and lease liabilities for these leases.

XIV 、 intangible assets

	intangible assets	computer software	Research and Development Technology	total
<u>cost</u>				
January 1, 2023 balance	\$ 418,047	\$ 1,089	\$ 42,399	\$ 461,535
obtained separately	1,292	558	-	1,850
dispose	(260)	(90)	-	(350)
December 31, 2023 balance	<u>\$ 419,079</u>	<u>\$ 1,557</u>	<u>\$ 42,399</u>	<u>\$ 463,035</u>
<u>Accumulated amortization and impairment</u>				
January 1, 2023 balance	\$ 417,595	\$ 345	\$ 42,399	\$ 460,339
Amortization fee	325	414	-	739
dispose	(260)	(90)	-	(350)
December 31, 2023 balance	<u>\$ 417,660</u>	<u>\$ 669</u>	<u>\$ 42,399</u>	<u>\$ 460,728</u>
December 31, 2023 net	<u>\$ 1,419</u>	<u>\$ 888</u>	<u>\$ -</u>	<u>\$ 2,307</u>
<u>cost</u>				
January 1, 2022 balance	\$ 417,781	\$ 696	\$ 42,399	\$ 460,876
obtained separately	266	776	-	1,042
dispose	-	(383)	-	(383)
December 31, 2022 balance	<u>\$ 418,047</u>	<u>\$ 1,089</u>	<u>\$ 42,399</u>	<u>\$ 461,535</u>

Accumulated
amortization and
impairment

January 1, 2022 balance	\$ 417,413	\$ 446	\$ 42,399	\$ 460,258
Amortization fee	182	282	-	464
dispose	-	(383)	-	(383)
December 31, 2022 balance	<u>\$ 417,595</u>	<u>\$ 345</u>	<u>\$ 42,399</u>	<u>\$ 460,339</u>
December 31, 2022 net	<u>\$ 452</u>	<u>\$ 744</u>	<u>\$ -</u>	<u>\$ 1,196</u>

Amortization fee is accrued on a straight-line basis over the following useful years :

technical rights	2 to 13 years
computer software	3 to 5 years
R & D technology	3 to 5 years

XIV 、 other assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>flow</u>		
Prepayments	\$ 7,283	\$ 7,058
Tax refund receivable	2,215	3,863
Current income tax assets	531	137
other	<u>990</u>	<u>105</u>
	<u>\$ 11,019</u>	<u>\$ 11,163</u>
<u>non-flow</u>		
Refundable deposits	\$ 820	\$ 894
Prepaid intangible assets	263	-
other	<u>1,237</u>	<u>1,237</u>
	<u>\$ 2,320</u>	<u>\$ 2,131</u>

XVI 、 Borrowings

(1) Short-term loans

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>unsecured borrowing</u>		
— Line of credit borrowing	<u>\$247,000</u>	<u>\$159,000</u>

The range of interest rates for short-term loans on the balance sheet date is as follows :

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Short-term loans	2.16%~2.51%	1.93%~2.18%

XVII 、 other liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
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flow

Other payables		
Bonus payable	\$ 15,839	\$ 14,649
Equipment payment payable	367	-
Payable in lieu of unpaid leave	-	3,713
other	<u>9,283</u>	<u>14,723</u>
	<u>25,489</u>	<u>33,085</u>
Other liabilities		
Collection of funds	1,272	1,282
Refund liability	1,109	-
Contract liabilities - advance		
payment	615	123
Temporary payment collection	<u>353</u>	<u>462</u>
	<u>3,349</u>	<u>1,867</u>
	<u>\$ 28,838</u>	<u>\$ 34,952</u>

XVII、Post-employment benefit plan

(1) Determine the allocation plan

The company applies the pension system of the "Labor Pension Act", which is a defined contribution retirement plan managed by the government. 6% of the employee's monthly salary is allocated to the individual account of the Labor Insurance Bureau.

(2) Defined benefit plan

The pension system handled by the company in accordance with my country's "Labor Standards Law" is a defined benefit retirement plan managed by the government. The payment of employee pensions is calculated based on the years of service and the average salary of the six months before the approved retirement date. The company allocates pensions based on 2% of the total monthly salary of employees, and submits it to the Labor Retirement Reserve Supervision Committee to deposit it in the special account of the Bank of Taiwan in the name of the committee. Before the end of the year, if the estimated balance in the special account is not enough to pay within the next year For workers who are expected to meet the retirement conditions, the difference will be allocated in one lump sum before the end of March of the following year. The special account is entrusted to the Labor Fund Utilization Bureau of the Ministry of Labor to manage, and the company has no right to influence the investment management strategy.

The defined benefit plan amounts included in the Individual Balance Sheet are listed below: :

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Determining the Present Value of Benefit Obligations	\$ 42,274	\$ 48,738
Fair value of project assets	(<u>7,350</u>)	(<u>9,508</u>)
Net defined benefit liability	<u>\$ 34,924</u>	<u>\$ 39,230</u>

The changes in net defined benefit liabilities are as follows :

	Determining the Present Value of B e n e f i t O b l i g a t i o n s	Determining the Present Value of B e n e f i t O b l i g a t i o n s	Net defined benefit liability
January 1, 2021	<u>\$ 50,709</u>	<u>(\$ 8,248)</u>	<u>\$ 42,461</u>
service cost			
current service cost	1,426	-	1,426
Interest expense			
(income)	<u>279</u>	<u>(47)</u>	<u>232</u>
Recognized in profit or loss	<u>1,705</u>	<u>(47)</u>	<u>1,658</u>
remeasurement			
Return on project assets			
(except for the amount			
included in net interest)	-	(623)	(623)

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	Determining the Present Value of B e n e f i t O b l i g a t i o n s	Determining the Present Value of B e n e f i t O b l i g a t i o n s	Net defined benefit liability
Actuarial benefits – changes in financial assumptions	(\$ 3,147)	\$ -	(\$ 3,147)
Actuarial benefits – experience adjustment	(474)	-	(474)
Recognized in other comprehensive profit or loss	(3,621)	(623)	(4,244)
Employer's contribution	-	(645)	(645)
welfare payments	(55)	55	-
December 31, 2022	<u>48,738</u>	<u>(9,508)</u>	<u>39,230</u>
service costs			
Current service cost	1,404	-	1,404
Interest expense (income)	<u>609</u>	<u>(123)</u>	<u>486</u>
Recognized in profit or loss	<u>2,013</u>	<u>(123)</u>	<u>1,890</u>
remeasurement number			
Return on plan assets (excluding amounts included in net interest)	-	(24)	(24)
Actuarial benefits – experience adjustment	(5,508)	-	(5,508)
Recognized in other comprehensive profit or loss	(5,508)	(24)	(5,532)
Employer's contribution	-	(664)	(664)
welfare payments	(2,969)	2,969	-
December 31, 2023	<u>\$ 42,274</u>	<u>(\$ 7,350)</u>	<u>\$ 34,924</u>

The company is exposed to the following risks due to the pension system of the "Labor Standards Act":

1. Investment risk: The Labor Fund Utilization Bureau of the Ministry of Labor invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits through self-use and entrusted operation methods, but the company's planned assets may be allocated The amount is calculated based on the local bank's 2-year fixed deposit interest rate.

2. Interest rate risk: The decline in the interest rate of government bonds will increase the present value of defined benefit obligations, but the debt investment return on project assets will also increase accordingly, and the impact of the two on net defined benefit liabilities will have a partial offset effect.

3. Salary risk: The calculation of the present value of the defined benefit obligation refers to the future salary of the plan members. An increase in plan member salaries will therefore increase the present value of the defined benefit obligation.

The present value of the company's defined benefit obligations is calculated by a qualified actuary, and the major assumptions on the measurement date are as follows :

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount Rate	1.25%	1.25%
Salary Expected Increase Rate	5.00%	5.00%

If there are reasonably possible changes in major actuarial assumptions, and all other assumptions remain unchanged, the amount that will increase (decrease) the present value of the defined benefit obligation is as follows :

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount Rate		
Increase 0.25%	<u>(\$ 1,212)</u>	<u>(\$ 1,423)</u>
Reduce 0.25%	<u>\$ 1,261</u>	<u>\$ 1,481</u>
Salary Expected Increase Rate		
Increase 1%	<u>\$ 5,117</u>	<u>\$ 6,085</u>
Reduce 1%	<u>(\$ 4,455)</u>	<u>(\$ 5,301)</u>

Since the actuarial assumptions may be related to each other, the possibility of only a single assumption changing is unlikely, so the above sensitivity analysis may not reflect the actual changes in the present value of the defined benefit obligations.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Expected amount allocated within 1 year	<u>\$ 663</u>	<u>\$ 647</u>
Determining the average benefit obligation due period	11.6 years	12.5 years

XVIII 、 equity

(1) Common stock capital

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Rated number of shares (thousand shares)	<u>250,000</u>	<u>250,000</u>
Rated share capital	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>
Number of issued and fully paid shares (thousand shares)	<u>92,679</u>	<u>92,679</u>
Issued share capital	<u>\$ 926,787</u>	<u>\$ 926,787</u>

(2) Capital reserves

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>may be used to cover losses,</u>		
<u>issue cash or capitalize (a)</u>		
stock issue premium	\$ -	\$ 1,507
Overdue cash dividends	22	112
Share Issue Premium - Lapsed/Vested Option	1,983	627
<u>not for any purpose</u>		
employee stock options	<u>84,966</u>	<u>86,949</u>
	<u>\$ 86,971</u>	<u>\$ 89,195</u>

- a. This kind of capital reserve can be used to make up for losses, and can also be used to distribute cash or allocate capital when the company has no losses. However, when capital is allocated, it is limited to a certain percentage of paid-in capital every year.

Changes in the capital reserve balance are as follows:

	stock issue premium	employee stock options	Share Issue Premium - Lapsed/Vested Option	other	total
Balance as of January 1, 2022	\$ 2,584	\$ 87,576	\$ 2,484	\$ 85	\$ 92,729
Cash capital increase	1,507	-	-	-	1,507
Capital reserves to cover losses	(2,584)	-	(2,484)	(85)	(5,153)
Cancellation of expired stock options	-	(627)	627	-	-
Overdue cash dividends	-	-	-	112	112
Balance as of December 31, 2022	1,507	86,949	627	112	89,195
Capital reserves to cover losses	(1,507)	-	(627)	(112)	(2,246)
Cancellation of expired stock options	-	(1,983)	1,983	-	-
Overdue cash dividends	-	-	-	22	22
Balance as of December 31, 2023	<u>\$ -</u>	<u>\$ 84,966</u>	<u>\$ 1,983</u>	<u>\$ 22</u>	<u>\$ 86,971</u>

(3) Retained earnings and dividend policy

According to the surplus distribution policy stipulated in the articles of association of the company, if there is net profit after tax for the current period in the annual final accounts, it shall be distributed in the following order:

1. Make up for losses (including adjusting the amount of undistributed surplus).
2. Allocate 10% of the statutory reserve, except when the statutory reserve has reached the total capital of the company;
3. Appropriate or reverse the special surplus reserve according to laws and regulations.
4. The distribution of the remaining surplus and the cumulative undistributed surplus of the previous year (including adjustments to the amount of undistributed surplus) and the adjusted amount of undistributed surplus for the current year shall be determined

by the board of directors and shall be resolved by the shareholders' meeting. Pursuant to Article 240, Paragraph 5 of the Company Law, the Company authorizes the Board of Directors to distribute dividends and bonuses or as stipulated in Article 241, Paragraph 1 of the Company Law, with more than two-thirds of the directors present and a resolution passed by more than half of the directors present. All or part of the statutory surplus reserve and capital reserve shall be distributed in cash and reported to the shareholders' meeting.

Please refer to Note 20 (7) Employee Remuneration and Director Remuneration for the employee and director remuneration distribution policy stipulated in the company's articles of association.

In order to adapt to the overall environment and industry growth characteristics, and to consider the funding needs of future capital expenditure budgets, in order to achieve the company's sustainable operations, pursue the long-term interests of shareholders, and stabilize operating performance, the company's dividend policy is to distribute surplus in cash. It shall be dividends or stock dividends, of which cash dividends shall not be less than 10% of the total dividends. The amount of this dividend shall be determined according to the actual operating conditions of the current period and the capital budget plan for the next year shall be taken into consideration, and the shareholders' meeting shall decide on the most appropriate dividend policy.

The statutory reserve shall be appropriated until the balance reaches the total paid-in share capital of the company. Statutory public reserves may be used to make up for losses. When the company has no losses, the portion of the statutory reserve that exceeds 25% of the total paid-in share capital may not only be appropriated as share capital, but may also be distributed in cash.

The company held regular shareholders' meetings on June 26, 2023 and June 23, 2022, and passed resolutions to make up for losses in 2022 and 2011 as follows :

	2022	2021
Capital reserves make up for losses	<u>\$ 2,246</u>	<u>\$ 5,153</u>

The company's board of directors meeting on March 14, 2024 proposed to make up for the loss in 2023 as follows :

	2023
Capital reserves make up for losses	<u>\$ 2,005</u>

The proposal on making up for losses in 2023 is yet to be resolved at the general meeting of shareholders expected to be held on June 21, 2024.

(4) Other equity items

1. Exchange difference in translation of financial statements of foreign operating institutions

	2023	2022
initial balance	(\$ 68,121)	(\$ 94,717)
Produced in the current year		
Conversion difference for foreign operating organizations	(<u>465</u>)	<u>26,596</u>
year-end balance	(<u>\$ 68,586</u>)	(<u>\$ 68,121</u>)

2. Unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive income and losses

	2023	2022
Balance at the beginning and end of the year	(<u>\$ 30,215</u>)	(<u>\$ 30,215</u>)

XIX、operating income

	2023	2022
Client contract revenue		
Commodity sales income	\$511,412	\$795,789
Technical service income	<u>2,572</u>	<u>3,990</u>
	<u>\$513,984</u>	<u>\$799,779</u>

(1) Contract balance

	December 31, 2023	December 31, 2022	January 1, 2022
Net accounts receivable (Note 8)	\$ 21,193	\$ 24,579	\$ 83,467
Receivables from related parties (Note 28)	<u>45,011</u>	<u>30,050</u>	<u>17,454</u>
	<u>\$ 66,204</u>	<u>\$ 54,629</u>	<u>\$ 100,921</u>
contract liabilities			
Contract Liabilities -Advance Receipts (Other Current Liabilities)(Note 16)	<u>\$ 615</u>	<u>\$ 123</u>	<u>\$ 39,973</u>

Contract liabilities mainly arise from the difference between the time when the sales of goods meet the performance obligations and the time when customers pay.

(二) Breakdown of customer contract revenue

Regional distinction	2023	2022
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Asia	\$284,450	\$391,705
America	102,091	116,268
Europe	72,486	83,810
Taiwan (the location of our company)	46,137	191,373
other	<u>8,820</u>	<u>16,623</u>
	<u>\$513,984</u>	<u>\$799,779</u>
XX、Continuing business unit net profit		
(1) interest income		
	<u>2023</u>	<u>2022</u>
interest income		
Bank savings	\$ 5,216	\$ 1,140
Deposit calculation	<u>10</u>	<u>6</u>
	<u>\$ 5,226</u>	<u>\$ 1,146</u>
(2) Other income		
	<u>2023</u>	<u>2022</u>
Government grant income		
(Note 24)	\$ 101	\$ 129
other	<u>9,504</u>	<u>13,610</u>
	<u>\$ 9,605</u>	<u>\$ 13,739</u>
(3) Other benefits and losses		
	<u>2023</u>	<u>2022</u>
Lease Modification Benefit	\$ 9	\$ -
compensation	-	(3,139)
other	(<u>3</u>)	(<u>15</u>)
	<u>\$ 6</u>	(<u>\$ 3,154</u>)
(4) Financial costs		
	<u>2023</u>	<u>2022</u>
Bank loan interest	\$ 4,893	\$ 3,240
Interest on the lease liability	<u>935</u>	<u>1,234</u>
	<u>\$ 5,828</u>	<u>\$ 4,474</u>
(5) Depreciation and amortization		
	<u>2023</u>	<u>2022</u>
Property, Plant and Equipment	\$ 12,080	\$ 13,327
right-of-use assets	13,141	13,719
intangible assets	<u>739</u>	<u>464</u>
	<u>\$ 25,960</u>	<u>\$ 27,510</u>

	<u>2023</u>	<u>2022</u>
Summary of depreciation expense by function		
Operating cost	\$ 6,985	\$ 6,322
Operating expenses	<u>18,236</u>	<u>20,724</u>
	<u>\$ 25,221</u>	<u>\$ 27,046</u>

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	2023	2022
Amortization expenses		
summarized by function		
Management costs	\$ 302	\$ 160
R& D costs	<u>437</u>	<u>304</u>
	<u>\$ 739</u>	<u>\$ 464</u>
(6) Employee benefits		
	2023	2022
Post-employment benefits		
Confirm the		
appropriation plan	\$ 7,197	\$ 7,343
Defined benefit plans		
(Note 17)	<u>1,890</u>	<u>1,658</u>
	9,087	9,001
Other employee benefits	<u>181,232</u>	<u>185,308</u>
	<u>\$190,319</u>	<u>\$194,309</u>
Summary by function		
Operating cost	\$ 40,393	\$ 38,445
Operating expenses	<u>149,926</u>	<u>155,864</u>
	<u>\$190,319</u>	<u>\$194,309</u>
(7) Employee Remuneration and Directors' Remuneration		
<p>The company allocates employee remuneration and director remuneration at a rate of no less than 5% and no more than 3% of the pre-tax profit before deducting the distribution of employee and director remuneration in the current year.</p> <p>Both 2023 and 2022 are accumulated losses, so employee remuneration and director remuneration have not been estimated.</p> <p>If there is still a change in the amount after the annual individual financial report is released, it will be treated as a change in accounting estimate, and it will be adjusted and recorded in the next year.</p> <p>For information on employee remuneration and director remuneration for the company's 2023 and 2022 board resolutions, please visit the "Public Information Observatory" of the Taiwan Stock Exchange.</p>		
(8) Foreign currency exchange gains (losses)		
	2023	2022
Total foreign currency		
exchange benefit	\$ 20,899	\$ 30,853
Total foreign exchange losses	(<u>18,161</u>)	(<u>16,156</u>)
net gain (loss)	<u>\$ 2,738</u>	<u>\$ 14,697</u>

XXI、Income tax

(1) Income tax recognized in profit or loss

The main components of income tax expenses are as follows :

	<u>2023</u>	<u>2022</u>
current income tax		
Producer of the year	\$ <u>18</u>	\$ <u>-</u>
Income tax expense recognized in profit or loss	\$ <u>18</u>	\$ <u>-</u>

The adjustment of accounting income and income tax expense is as follows :

	<u>2023</u>	<u>2022</u>
Net profit before tax of continuing business units	(<u>\$143,180</u>)	\$ <u>2,890</u>
Income tax calculated on the net profit before tax according to the statutory tax rate	(\$ 28,636)	\$ 578
Non-deductible expense losses	17,187	6,231
Unrecognized temporary differences	(544)	(10,522)
Unrecognized loss write-off	11,993	3,713
other	<u>18</u>	<u>-</u>
Income tax expense recognized in profit or loss	\$ <u>18</u>	\$ <u>-</u>

(2) Current income tax assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current income tax assets		
Tax refund receivable	\$ <u>531</u>	\$ <u>137</u>

(3) Deferred income tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows :

2023

	<u>Year-beginning balance</u>	<u>recognized in profit or loss</u>	<u>Year-end balance</u>
<u>Deferred tax assets</u>			
temporary difference			
Allowance for loss of inventory	\$ 4,996	\$ 3,168	\$ 8,164
loss deductions	<u>14,882</u>	(<u>5,637</u>)	<u>9,245</u>
	<u>\$ 19,878</u>	(<u>\$ 2,469</u>)	<u>\$ 17,409</u>

Deferred tax liabilities
temporary difference

Foreign currency exchange benefits	<u>\$ 18,473</u>	<u>(\$ 2,469)</u>	<u>\$ 16,004</u>
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2022

	Year-beginning balance	recognized in profit or loss	Year-end balance
<u>Deferred tax assets</u>			
temporary difference			
Allowance for loss of inventory	\$ 4,344	\$ 652	\$ 4,996
loss deductions	<u>11,753</u>	<u>3,129</u>	<u>14,882</u>
	<u>\$ 16,097</u>	<u>\$ 3,781</u>	<u>\$ 19,878</u>
<u>Deferred tax liabilities</u>			
temporary difference			
Foreign currency exchange benefits	<u>\$ 14,692</u>	<u>\$ 3,781</u>	<u>\$ 18,473</u>

- (4) Deductible temporary differences and unused tax deductions for deferred income tax assets not recognized in the balance sheet

	December 31, 2023	December 31, 2022
loss deductions		
Due in 2026	\$ 9,142	\$ 9,142
Due in 2027	50,402	50,402
Due in 2028	50,935	50,935
Due in 2029	44,877	44,877
Due in 2030	20,166	20,166
Due in 2032	2,942	3,713
Due in 2033	<u>11,993</u>	<u>-</u>
	<u>\$190,457</u>	<u>\$179,235</u>

- (5) Income tax verification situation

The company's income tax declaration cases as of 2011 have been approved by the tax collection agency.

XXII 、 Earnings(loss) per share

	Unit: NT\$ per share	
	2023	2022
Basic and diluted earnings (loss) per share	<u>(\$ 1.55)</u>	<u>\$ 0.03</u>

The net (loss) profit and the weighted average number of common shares used to calculate earnings per share (loss) are as follows:

Net (loss)profit for the year

2023	2022
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Net profit used to calculate basic and diluted earnings per share	(<u>\$143,198</u>)	<u>\$ 2,890</u>
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number of shares

Unit: thousand shares

	2023	2022
Weighted average number of common shares used to calculate basic and diluted earnings per share	<u>92,679</u>	<u>91,660</u>

The company's outstanding employee stock options are potential ordinary shares. However, the net loss after tax in 2023 and the execution price are higher than the average market price of the shares in 2022, which has an anti-dilution effect. Therefore, the employee stock options are not included in the calculation of diluted earnings per share.

XXIII、Share-Based Payment Agreement

(1) The company's employee stock option plan

On June 12, 2017 (hereinafter referred to as the 2017 stock option plan), September 9, 2016 (hereinafter referred to as the 2016 stock option plan) and December 9, 2015 (hereinafter referred to as the 2015 stock option plan) 2-time stock option plan) approved by the Financial Supervisory and Management Commission to issue employee stock option certificates of 5,000 units, 2,100 units and 3,900 units. The total number of new ordinary shares required to issue due to the implementation of this stock option certificate is 5,000 thousand shares and 2,100 units respectively thousand shares and 3,900 thousand shares. Certificate holders can exercise a certain proportion of the granted stock option certificates from the date of 2 years after the issuance, and the duration of the stock option certificates is 10 years, 10 years and 10 years respectively. After the stock option is issued, if there is a change in equity or a capital reduction not due to the cancellation of treasury stock, it will be adjusted according to the employee stock option certificate issuance and share subscription method of the merged company.

The information of the above share option plan is summarized as follows :

	<u>2017 Stock Option Plan</u>		<u>2016 Stock Option Plan</u>		<u>2015-2 stock Option Plan</u>	
	u n i t	W e i g h t e d a v e r a g e e x e r c i s e p r i c e (yuan/share)	u n i t	W e i g h t e d a v e r a g e e x e r c i s e p r i c e (yuan/share)	u n i t	W e i g h t e d a v e r a g e e x e r c i s e p r i c e (yuan/share)
<u>2022</u>						
Year-beginning balance	687	\$ 24.5	397	\$ 30.7	535	\$ 32.2
Expires this year	(<u>88</u>)	24.4	(<u>36</u>)	30.5	(<u>28</u>)	32.0
Year-end balance	<u>599</u>	24.4	<u>361</u>	30.5	<u>507</u>	32.0
Executable at the end of the year	<u>599</u>	24.4	<u>361</u>	30.5	<u>507</u>	32.0
<u>2022</u>						

Year-beginning balance	599	\$	24.4	361	\$	30.5	507	\$	32.0
Expires this year	(171)		24.4	(134)		30.5	(87)		32.0
Year-end balance	<u>428</u>		24.4	<u>227</u>		30.5	<u>420</u>		32.0
Executable at the end of the year	<u>428</u>		24.4	<u>227</u>		30.5	<u>420</u>		32.0

There are no employee stock options in 2023 and 2022.

As of the balance sheet date, the relevant information on outstanding employee stock options is as follows:

	December 31, 2023	December 31, 2022
Execution price range (dollar)	\$24.4~\$32.0	\$24.4~\$32.0
Weighted average remaining contract term (years)	2.70 years	3.74 years

The employee stock options granted by the company in 2017 are evaluated using a three-item tree model. The parameters used in the evaluation model are as follows :

Giving day share price	\$ 12.95
exercise price	\$ 12.95
expected volatility	29.15%
expected duration	7.45 years
expected dividend rate	1.5%
risk free rate	1.1183%
Fair value of stock options	\$ 3.227

The employee stock options granted by the company in 2016 are evaluated using a three-item tree model. The parameters used in the evaluation model are as follows :

Giving day share price	\$ 16.20
exercise price	\$ 16.20
expected volatility	43.63%
expected duration	6.69 year
expected dividend rate	1.50%
risk free rate	0.7744%
Fair value of stock options	\$ 5.872

The employee stock options granted by the company in 2015-2 are evaluated using a three-item tree model. The parameters used in the evaluation model are as follows :

Giving day share price	\$ 17.35
exercise price	\$ 17.35
expected volatility	45.25%
expected duration	5.94 years
expected dividend rate	1.5%
risk free rate	1.2513%
Fair value of stock options	\$ 7.1316

The expected volatility is the standard deviation of the average annual return rate of the company's stock price in the past year. The company assumes that employees will exercise stock options when the stock price after the expiration of the vested period is higher than the exercise price.

The company's 2023 and 2022 employee stock option recognition remuneration costs are all NT\$0 .

XXIV 、 government subsidy

In 2010, the company applied to the Ministry of Labor for the "Ministry of Labor's Occupational Safety and Health Administration to Promote Small and Medium-sized Enterprises On-Site Health Service Subsidy Program". For labor insurance with less than 199 people, the company will subsidize the cost of each special on-site service, or subsidize the full-time employment of nursing staff For the monthly salary, the company recognizes NT\$101 thousand and NT\$129 thousand in 2023 and 2022, respectively.

XXV 、 Non-cash transactions

Except as disclosed in other notes, the merged company will conduct the following non-cash transaction investment and financing activities in 2023 and 2022:

In 2023 and 2022, the consolidated company will be reclassified as real estate, plant and equipment with book value of inventories of 3,414 thousand and 3,919 thousand respectively, see Note 11. °

XXVI 、 Capital Risk Management

The company conducts capital management to ensure that it can maximize shareholder returns by optimizing the balance of debt and equity before continuing to operate. There has been no material change in the Company's overall strategy.

The capital structure of the company is composed of the company's equity (namely share capital, capital reserve, retained earnings and other equity items).

The Company is not subject to other external capital requirements.

The main management of the company re-examines the capital structure every year, and the content of the review includes consideration of the cost of various types of capital and related risks. Based on the recommendations of the main management, the company will balance the overall capital structure by paying dividends, buying back shares, and issuing new bonds or repaying old debts.

XXVII 、 Financial tool

Note1 : The balance includes cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), deposits and financial assets

measured by amortized cost after amortization Financial assets measured at cost.

Note 2: The balance includes short-term borrowings (including those due within one year), accounts payable (including related parties) and other payables, which are measured at cost after amortization °

(2) Financial Risk Management Objectives and Policies

The company's main financial instruments include debt instrument investments, accounts receivable, accounts payable, borrowings and lease liabilities.

a. Market risk

The main financial risks borne by the Company due to its operating activities are the risk of changes in foreign currency exchange rates (see (a) below) and the risk of interest rate changes (see (b) below).

The main financial risks borne by the Company due to its operating activities are the risk of changes in foreign currency exchange rates (see (a) below) and the risk of interest rate changes (see (b) below).

(a) currency risk

The company is engaged in foreign currency- denominated sales and purchase transactions, which exposes the company to risk of exchange rate fluctuations. Approximately 98% of the Company's sales are denominated in non-functional currency, and approximately 78% of cost amounts are denominated in non-functional currency °

For the carrying amount of monetary assets and monetary liabilities denominated in non-functional currency on the balance sheet date, please refer to Note XXX.

Sensitivity Analysis

The company is mainly affected by fluctuations in the exchange rate of the US dollar. Sensitivity analysis on foreign currency exchange rate risk is mainly calculated for USD monetary items on the balance sheet date. When the NT dollar appreciates/depreciates by 1% against the US dollar, the company's net profit before tax in 2022 and 2021 will increase/decrease by NT\$1,627 thousand and NT\$751 thousand, respectively.

(b) Interest rate risk

Because the company holds both fixed and floating rate financial assets and liabilities, there is risk of interest rate exposure.

The carrying amounts of the financial assets and financial liabilities of the company subject to interest rate exposure on the balance sheet date are as follows :

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fair value interest rate risk		
-monetary assets	\$129,656	\$ 62,793
- Financial liabilities	64,181	93,320
Cash flow interest rate risk		
-monetary assets	160,129	213,653
- Financial liabilities	217,000	109,000

Sensitivity Analysis

The sensitivity analysis of interest rate risk is based on the cash flow changes of floating rate assets and liabilities on the balance sheet date. If the interest rate increases/decreases by 0.5%, the net profit before tax in 2023 and 2022 will decrease/increase by 284 thousand and 523 thousand respectively.

b. Credit risk

Credit risk refers to the risk that the counterparty of the transaction defaults on the contractual obligations and causes the company's financial loss. As of the balance sheet date, the company's maximum credit risk exposure that may result in financial losses due to the counterparty's failure to perform its obligations or the company's provision of financial guarantees mainly comes from the book value of financial assets recognized on the Individual Balance Sheet.

The objects of accounts receivable cover many customers, scattered in different industries and geographical regions. The company continuously evaluates the financial status of accounts receivable customers. In order to reduce the main credit risk, the company has purchased credit guarantee insurance contracts or paid in advance by customers.

c. liquidity risk

The company manages and maintains sufficient cash and equivalent cash to support operations and mitigate the impact of cash flow fluctuations. The management of the company supervises the use of bank financing lines and ensures compliance with the terms of the loan contract.

Bank loans are an important source of liquidity for the company. As of December 31, 2023 and 2022, the company's unused short-term bank financing line is NT\$189,058 thousand and NT\$277,065 thousand respectively, and the unused long-term bank financing line is NT\$ 0.

(1) Liquidity and interest rate risk table for non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared on the basis of the undiscounted cash flows (including principal and estimated interest) of financial liabilities based on the earliest date on which the Company may be required to repay. Therefore, the bank loans that the company can be required to repay immediately are listed in the earliest period in the table below, regardless of the probability of the bank's immediate execution of the right; the maturity analysis of other non-derivative financial liabilities is prepared according to the agreed repayment date.

December 31, 2023

	Demand immediate payment or less than 3 months	3 months to 1 year	1 to 5 years	over 5 years	total
non-derivative financial liabilities					
floating rate instruments	\$ 185,000	\$ 32,000	\$ -	\$ -	\$ 217,000
fixed rate instruments	30,000	-	-	-	30,000
accounts payable	59,850	4,730	-	-	64,580
Other payables - related parties	21,321	-	-	-	21,321
Lease liability	3,243	6,720	7,070	26,385	43,418
Equipment payment payable	367	-	-	-	367
	<u>\$ 299,781</u>	<u>\$ 43,450</u>	<u>\$ 7,070</u>	<u>\$ 26,385</u>	<u>\$ 376,686</u>

Further information on the maturity analysis of the above financial liabilities is as follows :

	less than 1 year	1 to 5 years	5to10 years	10 to 15 years	15 to 20 years	over 20 years
lease liability	<u>\$ 9,963</u>	<u>\$ 7,070</u>	<u>\$ 5,695</u>	<u>\$ 5,695</u>	<u>\$ 5,695</u>	<u>\$ 9,300</u>

XXVIII、Related Party Transactions

Except as disclosed in other notes, the transactions between the company and related parties are as follows.

(1) The name of the related party and its relationship

Related person name	Relationship with the company
PTJ	Subsidiary
Promise Yun Technology Inc. (PNC)	Subsidiary
Promise Technology Europe B.V. (PTE)	Sub-subsubsidiary
Promise Technology, Inc. (U.S.A.) (PTU)	Sub-subsubsidiary
Promise Technology (Shanghai), Inc., (PTC)	Sub-subsubsidiary
Syntec Technology Co., Ltd. (Syntec)	Other related persons (note)

Note : Syntec Company has been a director of the company since June 26, 2023 °

(2) operating income

Account items	Related Person Category/Name	2023	2022
operating income	Subsidiary		
	PTJ	\$ 107,242	\$ 80,816
	PNC	29,748	-
	Sub-subsidiary		
	PTU	101,212	111,796
	PTE	72,633	80,920
	PTC	4,282	103,104
	Other related persons	6	-
		<u>\$ 315,123</u>	<u>\$ 376,636</u>

The price of the company's sales to related parties is determined by the group's internal transfer and valuation. The average collection period is about 120 days from the point of departure, but it can also request money from related parties depending on the company's capital needs.

(3) Outside income

Account items	Related Person Category/Name	2023	2022
Professional	Subsidiary		
Services Revenue	PTJ	\$ 1,220	\$ 819
	Sub-subsidiary		
	PTU	7,504	7,156
	PTE	-	4,887
		<u>\$ 8,724</u>	<u>\$ 12,862</u>

(4) Purchase

<u>Related Person Category/Name</u>	<u>2023</u>	<u>2022</u>
Sub-subsidiary		
PTU	\$ 104	\$ 1,858
PTE	-	26
	<u>\$ 104</u>	<u>\$ 1,884</u>

The company's purchase price from related parties is determined according to the local market conditions, and the payment terms are equivalent to those of non-related parties.

(5) Receivables from related parties

<u>Account items</u>	<u>Related Person Category</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable from related parties	Subsidiary		
	PNC	\$ 29,503	\$ -
	PTJ	6,040	4,767
	Sub-subsidiary		
	PTE	9,156	7,183
	PTU	300	3,819
	PTC	12	14,281
		<u>\$ 45,011</u>	<u>\$ 30,050</u>
Other receivables from related parties	Subsidiary		
	PTJ	\$ -	\$ 5
	Sub-subsidiary		
	PTE	85	5
	PTC	77	6
	PTU	1	762
		<u>\$ 163</u>	<u>\$ 778</u>

There is no guarantee for the receivables from related parties. Because of the control over related parties, there is no risk of impairment of the receivables from related parties, so bad debt expenses are not provided.

Other receivables from related parties are advances on behalf of subsidiaries.

(6) Amounts payable to related parties (excluding loans from related parties)

<u>Account items</u>	<u>Related Person Category</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Amount payable to related parties	Subsidiary		
	PNC	<u>\$ 21,321</u>	<u>\$ -</u>

(7) Borrow from a related party

<u>Related Person Category/Name</u>	<u>2023</u>	<u>2022</u>
<u>Obtain right-of-use assets</u>		
Other related persons	<u>\$ 6,476</u>	<u>\$ -</u>

<u>Account items</u>	<u>Related Person Category</u>	<u>December 31, 2023</u>
Lease liability – current	Other related persons	<u>\$ 6,586</u>

<u>Related Person Category/Name</u>	<u>2023</u>	<u>2022</u>
<u>Interest expense</u>		
Other related persons	<u>\$ 116</u>	<u>\$ -</u>

The company leases factory buildings and parking spaces from related parties. The content of the lease is determined by agreement between the two parties. The rent is paid monthly.

(8) Transactions with other related parties

<u>Account items</u>	<u>Related Person Category</u>	<u>2023</u>	<u>2022</u>
Operating expenses	Other related persons	<u>\$ 1,350</u>	<u>\$ -</u>
Manufacturing costs	Other related persons	<u>\$ 273</u>	<u>\$ -</u>

The company's operating expenses mainly include research and development expenses, office water and electricity expenses and management expenses, which are based on the conditions agreed by both parties. There are no other suitable transaction partners for comparison.

The company's manufacturing expenses mainly include office water, electricity and management fees, amortization service costs.

(9) Salary of main management

	<u>2023</u>	<u>2022</u>
short-term employee benefits	\$ 29,739	\$ 14,399
Post-employment benefits	822	216
severance benefits	<u>552</u>	<u>-</u>
	<u>\$ 31,113</u>	<u>\$ 14,615</u>

The remuneration of directors and other key management personnel is determined by the remuneration committee based on individual performance and market conditions.

XXIX、Pledged assets

The following assets have been provided as collateral for short-term borrowings, customs duties, and land lease guarantees for the Science and Industry Park Authority :

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>PTT</u>		
building	\$ 87,816	\$ 91,740
Pledged time deposits (accounted for as financial assets measured at amortized cost - current)	<u>1,376</u>	<u>1,373</u>
	<u>\$ 89,192</u>	<u>\$ 93,113</u>

XXX、Information on Foreign Currency Assets and Liabilities with Significant Impacts

The following information is summarized and expressed in terms of foreign currencies other than the company's functional currency, and the disclosed exchange rates refer to the exchange rates converted from these foreign currencies to the functional currency. Assets and liabilities denominated in foreign currencies with significant impact are as follows :

December 31, 2023

	<u>foreign currency</u>	<u>exchange rate</u>	<u>carrying amount</u>
foreign currency assets			
<u>monetary item</u>			
USD	\$ 6,626	30.705 (USD : NTD)	\$ 203,451
CNY	11,650	4.327 (CNY : NTD)	50,410
EUR	639	33.98 (EUR : NTD)	21,713
JPY	128,421	0.2172 (JPY : NTD)	<u>27,893</u>
			<u>\$ 303,467</u>
<u>non-monetary items</u>			
Subsidiaries and affiliates using the equity method			
USD	7,915	30.705 (USD : NTD)	\$ 243,016
JPY	118,076	0.2172 (JPY : NTD)	25,646
CNY	3,977	4.327 (CNY : NTD)	<u>17,209</u>
			<u>\$ 285,871</u>
foreign currency assets			
<u>monetary item</u>			
USD	1,327	30.705 (USD : NTD)	<u>\$ 40,746</u>

December 31, 2022

	foreign currency	exchange rate	carrying amount
foreign currency assets			
<u>monetary item</u>			
USD	\$ 4,271	30.71 (USD : NTD)	\$ 131,162
CNY	7,465	4.408 (CNY : NTD)	32,906
EUR	2,816	32.72 (EUR : NTD)	92,140
JPY	80,771	0.2324 (JPY : NTD)	<u>18,771</u>
			<u>\$ 274,979</u>
<u>non-monetary items</u>			
Subsidiaries and affiliates using the equity method			
USD	10,722	30.71 (USD : NTD)	\$ 329,270
JPY	98,008	0.2324 (JPY : NTD)	<u>22,777</u>
			<u>\$ 352,047</u>

foreign currency
assets

monetary item

USD	1,824	30.71 (USD : NTD)	<u>\$ 56,015</u>
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The unrealized exchange (gains) of foreign currencies with significant impacts are as follows :

	2023	Net Exchange (Loss)	2022	Net Exchange (Loss)
foreign currency	exchange rate	Gain	exchange rate	Gain
USD	30.705 (USD : NTD)	\$ 835	30.71 (USD : NTD)	\$ 10,844
EUR	33.98 (EUR : NTD)	3,363	32.72 (EUR : NTD)	5,263
CNY	4.327 (CNY : NTD)	(929)	4.408 (CNY : NTD)	2,643
JPY	0.2172 (JPY : NTD)	(67)	0.2324 (JPY : NTD)	119
AUD	20.98 (AUD : NTD)	-	20.83 (AUD : NTD)	39
		<u>\$ 3,202</u>		<u>\$ 18,908</u>

XXXI、Notes Disclosure

(1) Significant transactions and (2) Relevant information on reinvested businesses: :

- 1.Loans of funds to others: None.
- 2.Endorsement for others: None.
- 3.Securities held at the end of the period (excluding investment in subsidiaries, affiliated companies and joint ventures) : Schedule I.
- 4.Accumulative purchase or sale of the same securities amounted to NT\$300 million or more than 20% of the paid-in capital: None.
- 5.The amount of real estate acquired is NT\$300 million or more than 20% of the paid-in capital: None.
- 6.The amount of disposal of real estate amounted to NT\$300 million or more than 20% of the paid-in capital: None.

7. The amount of goods purchased and sold with related parties reaches NT\$100 million or more than 20% of the paid-in capital : Schedule II.
8. Receivables from related parties amount to NT\$100 million or more than 20% of the paid-in capital : None.
9. Engaging in derivatives transactions: None.
10. Invested company information (excluding china invested companies) : Schedule III.

(3) China investment information :

1. The name of the invested company in China, main business items, paid-in capital, investment method, capital remittance, shareholding ratio, investment profit and loss, book value of investment at the end of the period, repatriated investment profit and loss, and investment limit in the mainland region: Please refer to Schedule IV.
2. The following major transactions with china investee companies directly or indirectly through the third region, including their prices, payment terms, unrealized gains and losses, and other relevant information that are helpful for understanding the impact of china investment on financial statements: Please refer to Schedule V.

(4) Major shareholder information :

Major shareholder Name	shares	
	Number of shares held	Number of shares held
Qixiang Co., Ltd.	7,142,873	7.70%

Note 1: The main shareholder information in this table is calculated by CHEP on the last business day at the end of the quarter, and the shareholders hold more than 5% of the common shares and special shares of the company that have completed the delivery of no physical registration (including treasury shares) material. The share capital recorded in the company's financial report and the actual number of shares delivered without physical registration may be different or different due to the different basis of preparation and calculation.

Note 2: If the above-mentioned information is that the shareholder transfers the holdings to the trust, it is disclosed by the individual account of the trustor who opened the trust account opened by the trustee. As for insider equity declarations for shareholders who hold more than 10% of the shares in accordance with the Securities and Exchange Act, their shareholding includes their own shares plus the shares they have delivered to the trust and have the right to use the trust property, etc. For information on insider equity declarations, please refer to public information Observatory.

Promise Technology ,Inc.
Securities held at the end of the period
2023

Schedule I

Unit: Unless otherwise specified,
in thousands of NT dollars

holding company	Types of Securities	Securities name	Relationship with Securities Issuers	account subject	end of period				Remark
					number of shares (thousand shares)	b o o k a m o u n t	Sharehold ing ratio	Fair value	
Joding Investment Corp.	stock	Symply, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	59	-	special stock	-	Note 1
	stock	Global Channel Resources Inc	—	Financial assets at fair value through other comprehensive income - non-current	500	-	special stock	-	Note 1
PTU	stock	Symply, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	26	-	special stock	-	Note 1

Note 1: Listed at fair value.

Note 2: At the end of December 2022, the securities listed above did not provide guarantees, pledged loans or other restricted users as agreed.

Promise Technology ,Inc.

The amount of goods purchased and sold with related parties reaches NT\$100 million or more than 20% of the paid-in capital

2023

Schedule II

Unit: Unless otherwise specified,
in thousands of NT dollars

Purchase and sales company	Transaction object name	relation	transaction situation				Trading conditions are different from normal trading Circumstances and reasons (Note)		Notes receivable (payment), accounts		Remark
			Purchase and sales	Amount	Ratio of total import (sales) (%)	credit period	unit price	credit period	balance	Ratio to total bills receivable (payment) and accounts (%)	
PTT	PTU	Subsidiary	Sales	\$107,242	21	90 days	\$ -	—	\$ 6,040	9	-
PTT	PTC	Subsidiary	Sales	101,212	20	120 days	-	—	300	-	-

Note: The price and transaction conditions of the company's sales to its subsidiaries are determined according to the economic environment of the sales area and local market conditions.

Promise Technology ,Inc.

Invested company information, location... and other related information

2023

Schedule III

Unit: Unless otherwise specified,
in thousands of NT dollars

Investment company name	Invested company name	location	Main business items	original investment amount		Holding at the end of the period			Current profit and loss of the invested company	Investment gains and losses recognized in the current period	Remark
				end of current period	end of last year	number of shares (thousand shares)	Ratio (%)	book amount			
PTT	Joding Investment Corp.	Cayman Islands	General Investment Industry	\$ 217,010	\$217,010	7,374	100.00	\$ 329,270	(\$39,608)	(\$40,970)	Subsidiary
	PTJ	Japan	Sales business	41,621	41,621	2	100.00	22,777	8,451	8,451	Subsidiary
Joding Investment Corp.	PTU	USA	Sales business	41,962	41,962	48,596	99.6	228,123	(20,864)	(23,255)	Subsidiary
	PTE	Netherlands	Sales business	24,459	24,459	130	100.00	33,909	(13,613)	(14,186)	Subsidiary
PTU	Tacis Solutions Inc.	USA	R&D and Sales business	19,967	19,967	1,800	19.3	18,339	6,580	1,274	Affiliated enterprises

Note: The investment (gains) and losses recognized in the current period have taken into account the impact of unrealized gains and losses from inter-company transactions.

Promise Technology ,Inc.
Investing in Mainland China
2023

Schedule IV

Unit: Unless otherwise specified,
in thousands of NT dollars

The name of the invested company in China	Main business items	Paid-in capital amount	investment method	The accumulative investment amount remitted from Taiwan at the beginning of the current period	Remittance or withdrawal of investment amount in the current period		At the end of the current period, the cumulative investment amount remitted from Taiwan	Invested company Current period (profit) loss	The shareholding ratio of the company's direct or indirect investment	Recognition of investment (gain) loss in the current period	Book value of investment at the end of the period	As of the current period, investment income has been repatriated
					Remittance	withdrawal						
PTC	Develop and produce computer application software, sell self-produced products and provide technical consultation	\$63,866 (USD:K 2,080)	Note 1	\$50,694 (USD:K 1,651)	\$ -	\$ -	\$50,694 (USD:K 1,651)	(\$15,689)	100%	(\$15,404) (Note 3)	\$63,525	\$39,266
PNC	Develop and produce computer application software, sell self-produced products and provide technical consultation	25,962 (CNY:K 6,000)	Note 2	4,587 (CNY:K 1,060)	-	-	4,587 (CNY:K 1,060)	(8,661)	100%	(8,667) Note 2	17,209	-

At the end of the current period, the accumulative amount of investment remitted from Taiwan to the mainland	The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs	According to the regulations of the Investment Review Committee of the Ministry of Economic Affairs, the investment limit in mainland China is 60% of the net value
\$55,281 (USD:K 2,080 、CNY:K 1,060)	\$58,564 (USD:K 1,907)	\$440,176

Note 1: The subsidiary Joding Investment Corp. invested in a mainland company on its own and the company invested in Joding Investment Corp., and then invested in a mainland company through the company. The investment has been approved by the Investment Review Committee of the Ministry of Economic Affairs, and the approved investment amount is US\$327 respectively. Thousands of dollars and US\$3,000,000. The company passed the board of directors in March 2009 and approved it by the Investment Review Committee of the Ministry of Economic Affairs in July 2009. The capital reduction was approved to repatriate US\$1,420,000. °

Note 2: The company's investment method is direct investment.

Note 3: Relevant figures in this table involving foreign currencies are converted into New Taiwan Dollars at the exchange rate on the financial reporting date.

Promise Technology ,Inc.

The following major transactions and their prices, payment terms, unrealized gains and losses,
and other relevant information that occurred directly or indirectly with the china investee company through the third region
2023

Schedule V

Unit: Unless otherwise specified,
in thousands of NT dollars

The name of the invested company in China	Transaction Type	Purchase and sale		transaction terms		Notes receivable (payment), accounts		Realized and unrealized gains and losses	Remark
		amount	%	payment terms	Comparison with general transactions	amount	%		
PTC	Sales	\$ 4,282	1%	Note	—	\$ 12	-	\$ 285	—
PNC	Sales	29,748	6%	Note	—	29,503	45%	(206)	—

Note: The price of the sales between the company's parent company and the subsidiary company is determined according to the local market conditions, and
the payment period is about 120~180 days from the point of departure.

Annex III

Accountant audit report

Promise Technology ,Inc. Publicity:

Check opinion

The consolidated balance sheet of Promise Technology, Inc.. and its subsidiary (Promise Group) on December 31, 2023 and 2022, and the consolidated comprehensive income statement from January 1 to December 31, 2023 and 2022, The consolidated statement of changes in equity, the consolidated cash flow statement, and the notes to the consolidated financial statements (including a summary of major accounting policies) have been audited by our accountant.

According to the opinion of the accountant, the above-mentioned consolidated financial statements have been prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretation Announcements approved and issued by the Financial Supervisory Commission. It is sufficient to express the consolidated financial position of Promise Group on December 31, 2023 and 2022, and the consolidated financial performance and consolidated cash flow from January 1 to December 31, 2023 and 2022.

Basis of Audit Opinion

The accounting department performs the audit work in accordance with the accounting audit and certification financial statement rules and auditing standards. The accountant's responsibilities under these standards will be further explained in the accountant's responsibilities for reviewing the consolidated financial statements. The personnel of the accounting firm affiliated to the independence standard have maintained detached independence from Promise Group in accordance with the code of professional ethics for accountants, and have performed other responsibilities under the code. The accountant believes that sufficient and appropriate audit evidence has been obtained as a basis for expressing an audit opinion.

Key check items

Key audit items refer to the most important items in the audit of Promise Group's 2023 consolidated financial statements based on the professional judgment of the accountants. These matters have been addressed in the process of checking the consolidated financial statements as a whole and forming audit opinions, and the accountants do not express independent opinions on these matters.

The key audit items of Promise Information Group's 2023 consolidated financial statements are described as follows:

revenue recognition

1. Promise Information Group's sales revenue is significant, please refer to Notes 4 and 20 for details. Promise Information Group's main revenue comes from the sale of storage system equipment, including assisting customers in providing relative solutions in terms of operation or technology. The sales area includes Taiwan, Europe, mainland China and the United States.

2. For customers whose sales in this year have grown significantly compared with the previous year, the accountant lists the risk of recognizing revenue without actual shipment as a key inspection item for this year.

3. The accountant considers the revenue recognition policy of Promise Information Group, evaluates the suitability of revenue recognition, verifies the effectiveness of the internal control of the shipping and accounting procedures; selects samples and inspects the original order, shipping order, and freight of the customer. The company's delivery records or export declarations and sales invoices and other relevant sales receipts and cash collections or subsequent collections are used to verify the existence and real occurrence of sales, and to check whether there is any abnormal situation between the sales object and the recipient.

something else

Promise Technology, Inc. has prepared the individual financial statements for 2023 and 2022, and the audit report issued by our accountant with unqualified opinions is on file for reference.

Responsibilities of management and governing units for the consolidated financial statements

The responsibility of the management is to prepare consolidated financial statements that are reasonably expressed in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations approved and issued by the Financial Supervisory Commission, and to maintain and consolidate financial statements. Necessary internal control related to the preparation of statements to ensure that there is no material misrepresentation in the consolidated financial statements due to fraud or error.

When preparing the consolidated financial statements, the responsibility of the management also includes assessing the ability of the Promise Group to continue operating, the disclosure of related matters, and the adoption of the going-concern accounting basis, unless the management intends to liquidate the Promise Group or cease operations, or There is no practical alternative to liquidation or closure.

The governance units (including the Audit Committee) of Promise Information Group are responsible for supervising the financial reporting process.

Responsibilities of Accountants to Check Consolidated Financial Statements

The purpose of the accountant's review of the consolidated financial statements is to obtain reasonable assurance as to whether there is any material misrepresentation in the consolidated financial statements as a whole

resulting from fraud or error, and to issue a review report. Reasonable certainty is a high degree of certainty, but there is no guarantee that the audit work performed in accordance with the auditing standards will be able to detect material misrepresentations in the consolidated financial statements. Misrepresentation may result from fraud or error. Misrepresentation of individual amounts or aggregated amounts is considered material if it can reasonably be expected to affect economic decisions made by users of the consolidated financial statements.

When auditing in accordance with the auditing standards, the accountants use professional judgment and professional skepticism. The accountant also performs the following tasks:

1. Identify and assess the risk of material misrepresentation of the consolidated financial statements due to fraud or error; design and implement appropriate countermeasures for the assessed risks; and obtain sufficient and appropriate audit evidence as the basis for audit opinions. Because fraud may involve collusion, forgery, willful omissions, misrepresentations, or the override of internal controls, the risk of undetected material misrepresentation resulting from fraud is higher than that resulting from error.

2. Obtain the necessary understanding of the internal control related to the audit in order to design the appropriate audit procedures under the circumstances, but the purpose is not to express opinions on the effectiveness of the internal control of Promise Information Group.

3. Assess the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and relevant disclosures made.

4. Based on the audit evidence obtained, draw conclusions on the appropriateness of the management's adoption of the going-concern accounting basis, and whether there are major uncertainties in events or circumstances that may cast significant doubt on Promise Information Group's ability to continue operating. If the accountant believes that there are major uncertainties in such events or situations, he must remind the users of the consolidated financial statements in the audit report to pay attention to the relevant disclosures in the consolidated financial statements, or revise the audit opinion when such disclosures are inappropriate. The accountant's conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause Promise Information Group to no longer have the ability to continue to operate.

5. Assess the overall expression, structure and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements are appropriate to express relevant transactions and events.

6. Obtain sufficient and appropriate audit evidence for the financial information of the constituent entities within the Promise Information Group to express an opinion on the consolidated financial statements. The accountant is responsible for the guidance, supervision and implementation of the group audit case, and is responsible for forming the group audit opinion.

Matters communicated by the accountant with the governing unit, including the planned scope and time of the audit, as well as major audit findings (including significant deficiencies in internal control identified during the audit).

The accountant also provides the governance unit with the statement that the personnel of the accounting firm that is subject to independence regulations have complied with the statement of independence in the code of professional ethics for accountants, and communicates with the governance unit all relationships that may be considered to affect the independence of the accountant and other matters. matters (including relevant protective measures).

From the matters communicated with the governance unit, the accountant decided the key audit items for the audit of Promise Information Group's 2023 consolidated financial statements. The accountant states these matters in the audit report, unless the law does not allow public disclosure of specific matters, or in extremely rare circumstances, the accountant decides not to communicate specific matters in the audit report, because the negative effects of such communication can be reasonably expected. The impact outweighs the public interest promoted.

Deloitte Touche Tohmatsu Limited

Accountant Lin,Hsin-Tung

Accountant Tsai,Mei-Chen

FSC Approval Number
No:110348898

FSC Approval Number
No:1010028123

March 14, 2024

Promise Technology, Inc. and Subsidiaries
consolidated balance sheet
December 31, 2023 and 2022

Unit: NT\$ thousand

c o d e s	Assets	December 31,2023		December 31,2022		c o d e s	Liabilities and equity	December 31,2023		December 31,2022	
		amount	%	amount	%			amount	%	amount	%
	Current Assets						Current liabilities				
1100	Cash and cash equivalents (notes 4 、 6 、 and 20)	\$ 401,652	34	\$ 392,092	31	2100	Short-term borrowings (Notes 4, 16 and 28)	\$ 247,000	21	\$ 159,000	13
1136	Financial assets measured at amortized cost - current (Notes 4, 7, 28 and 30)	6,113	-	1,373	-	2170	Accounts payable (Notes 4 and 28)	64,806	5	85,367	7
1170	Net accounts receivable (Notes 4, 8, 20 and 28)	53,051	4	94,953	7	2230	Current income tax liabilities (Notes 4 and 22)	837	-	2,086	-
130X	Inventories (Notes 4, 5 and 9)	411,679	35	428,423	34	2280	Lease liabilities - current (Notes 4, 13. and 28)	13,503	1	16,399	1
1479	Prepayments and other current assets (Note 4, 15 and 29)	<u>18,679</u>	<u>2</u>	<u>22,167</u>	<u>2</u>	2399	Expenses payable and other current liabilities (Note 4, 17 and 28)	<u>49,258</u>	<u>4</u>	<u>49,625</u>	<u>4</u>
11XX	Total Current Assets	<u>891,174</u>	<u>75</u>	<u>939,008</u>	<u>74</u>	21XX	Total current liabilities	<u>375,404</u>	<u>31</u>	<u>312,477</u>	<u>25</u>
	Non-current assets						Non-current liabilities				
1550	Investments using the equity method (Notes 4 and 11)	-	-	18,339	1	2570	Deferred tax liabilities (Notes 4 and 22)	16,004	1	18,473	1
1600	Property, plant and equipment (Notes 4, 12 and 30)	98,449	8	104,975	8	2580	Lease liabilities - non-current (Notes 4, 13 and 28)	27,970	3	31,252	3
1755	Right-of-use assets (Notes 4 and 13)	40,332	3	47,040	4	2640	Net defined benefit liabilities - non-current (notes 4 and 18)	<u>34,924</u>	<u>3</u>	<u>39,230</u>	<u>3</u>
1780	Intangible assets (Notes 4, 14 and 29)	17,672	2	21,631	2	25XX	Total non-current liabilities	<u>78,898</u>	<u>7</u>	<u>88,955</u>	<u>7</u>
1840	Deferred tax assets (Notes 4 and 22)	137,464	12	139,830	11	2XXX	Total liabilities	<u>454,302</u>	<u>38</u>	<u>401,432</u>	<u>32</u>
1990	Other non-current assets (Notes 4 and 15)						Equity attributable to the owner of the company (Note 4.19 and 24)				
15XX	Right-of-use assets (Notes 4 and 13)	<u>3,544</u>	<u>-</u>	<u>3,251</u>	<u>-</u>		share capital				
	Total non-current assets	<u>297,461</u>	<u>25</u>	<u>335,066</u>	<u>26</u>	3110	common stock capital	926,787	78	926,787	73
						3200	capital reserve	86,971	7	89,195	7
							accumulated loss				
						3350	pending loss	(181,330)	(15)	(45,910)	(4)
							Other interests				
						3410	Exchange difference on translation of financial statements of foreign operating institutions	(68,586)	(6)	(68,121)	(5)
						3420	Unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive income	(<u>30,215</u>)	(<u>2</u>)	(<u>30,215</u>)	(<u>3</u>)
						31XX	Total owner's equity of the company	733,627	62	871,736	68
						36XX	Non-controlling interests (Note 19)	<u>706</u>	<u>-</u>	<u>906</u>	<u>-</u>
						3XXX	total equity	<u>734,333</u>	<u>62</u>	<u>872,642</u>	<u>68</u>
1XXX	total assets	<u>\$ 1,188,635</u>	<u>100</u>	<u>\$ 1,274,074</u>	<u>100</u>		Liabilities and Equity Total	<u>\$ 1,188,635</u>	<u>100</u>	<u>\$ 1,274,074</u>	<u>100</u>

The attached notes form part of this individual financial report.

Chairman: Lee,Jyh-En

President: Lee,Jyh-En

Accounting Supervisor: Hsiao, Hsiang Yun

Promise Technology, Inc. and Subsidiaries
Consolidated statement of comprehensive income
1 January to 31 December 2023 and 2022

Unit: NT\$ thousand ,
the earnings per share are in NT\$

c o d e s		2023		2022	
		amount	%	amount	%
	Operating income (Notes 4 and 20)				
4100	sales revenue	\$ 582,050	100	\$ 886,144	100
4600	Labor income	<u>2,472</u>	<u>-</u>	<u>3,990</u>	<u>-</u>
4000	Total Operating income	584,522	100	890,134	100
5110	Operating costs (Notes 9, 21 and 29)	<u>382,245</u>	<u>65</u>	<u>567,102</u>	<u>64</u>
5950	operating profit	<u>202,277</u>	<u>35</u>	<u>323,032</u>	<u>36</u>
	Operating expenses (Notes 21 and 29)				
6100	promotional expenses	118,880	21	128,931	15
6200	management costs	76,246	13	84,158	9
6300	R & D costs	129,678	22	124,307	14
6450	Expected credit impairment losses (Note 8)	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>
6000	Total operating expenses	<u>324,804</u>	<u>56</u>	<u>337,398</u>	<u>38</u>
6900	net operating loss	(<u>122,527</u>)	(<u>21</u>)	(<u>14,366</u>)	(<u>2</u>)
	non-operating income and expenses(Notes 21 and 29)				
7100	interest income	6,003	1	1,588	-
7010	Other income	1,411	-	9,621	1
7020	Other gains and losses	(25,590)	(4)	(3,156)	-
7050	Financial costs	(6,130)	(1)	(4,719)	(1)
7060	Share of profit (loss) of affiliated enterprises recognized using the equity method (Note 11)	2,406	-	1,274	-
7230	Net foreign currency exchange gain (loss)	<u>3,168</u>	<u>1</u>	<u>15,179</u>	<u>2</u>
7000	Total non-operating income and expenses	(<u>18,732</u>)	(<u>3</u>)	<u>19,787</u>	<u>2</u>

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c o d e s		2023		2022	
		amount	%	amount	%
7900	Net Profit Before Taxes	(\$ 141,259)	(24)	\$ 5,421	-
7950	Income tax expenses (Notes 4 and 22)	2,147	1	2,614	-
8200	Net profit for the year	(143,406)	(25)	2,807	-
	Other comprehensive (profit) loss(Notes 4 and 19)				
8310	Items not reclassified to profit or loss				
8311	defined benefit plan Measured amount (Notes 4 and 18)	5,532	1	4,244	1
8360	Items that may be reclassified to profit or loss in the future				
8361	Exchange difference in the conversion of fi-nancial statements of foreign operating in-stitutions	(457)	-	26,758	3
8300	Other comprehensive gains and losses for the year (net of tax)	5,075	1	31,002	4
8500	Total comprehensive (profit) loss for the year	(\$ 138,331)	(24)	\$ 33,809	4
	Net profit (loss) attributable to :				
8610	The owner of the company	(\$ 143,198)	(25)	\$ 2,890	-
8620	non-controlling interest	(208)	-	(83)	-
8600		(\$ 143,406)	(25)	\$ 2,807	-
	Total comprehensive (profit) loss attributable to :				
8710	The owner of the company	(\$ 138,131)	(24)	\$ 33,730	4
8720	non-controlling interest	(200)	-	79	-
8700		(\$ 138,331)	(24)	\$ 33,809	4
	Earnings per share (Note 23)				
9710	Basic	(\$ 1.55)		\$ 0.03	
9810	Diluted	(\$ 1.55)		\$ 0.03	

The attached notes form part of this individual financial report.

Chairman: Lee,Jyh-En President: Lee,Jyh-En Accounting Supervisor: Hsiao, Hsiang Yun

Promise Technology, Inc. and Subsidiaries
Consolidated Statement of Changes in Equity
1 January to 31 December 2023 and 2022

Unit: Unless otherwise specified,
in thousands of NT dollars

		Equity attributable to the owner of the company									
		common stock capital				other equity			Total	non-controlling equity	total equity
codes		Number of shares (thousand shares)	amount	capital	reserve	accumulated loss pending loss	Exchange difference on translation of financial statements of foreign operating institutions	Unrealized valuation gains and losses Unrealized valuation gains and losses on financial assets measured at fair value through other compreh- ensive income			
A1	January 1, 2022 balance	89,329	\$ 893,288	\$	92,729	(\$ 58,197)	(\$ 94,717)	(\$ 30,215)	\$ 802,888	\$ 827	\$ 803,715
C3	Overdue cash dividends not received	-	-		112	-	-	-	112	-	112
C11	Capital reserves make up for losses	-	-	(5,153)	5,153	-	-	-	-	-
E1	cash capital increase	3,350	33,499		1,507	-	-	-	35,006	-	35,006
D1	2022 net profit	-	-		-	2,890	-	-	2,890	(83)	2,807
D3	Other Comprehensive (Profit) Loss in 2022	-	-	-	-	4,244	26,596	-	30,840	162	31,002
Z1	December 31, 2022 balance	92,679	926,787		89,195	(45,910)	(68,121)	(30,215)	871,736	906	872,642
C3	Overdue cash dividends not received	-	-		22	-	-	-	22	-	22
C11	Capital reserves make up for losses	-	-	(2,246)	2,246	-	-	-	-	-
D1	2022 net profit	-	-		-	(143,198)	-	-	(143,198)	(208)	(143,406)
D3	Other Comprehensive (Profit) Loss in 2023	-	-	-	-	5,532	(465)	-	5,067	8	5,075
Z1	December 31, 2023 balance	92,679	\$ 926,787	\$	86,971	(\$ 181,330)	(\$ 68,586)	(\$ 30,215)	\$ 733,627	\$ 706	\$ 734,333

The attached notes form part of this individual financial report.

Chairman: Lee,Jyh-En

President: Lee,Jyh-En

Accounting Supervisor: Hsiao, Hsiang Yun

Promise Technology, Inc. and Subsidiaries
Consolidated Cash Flow Statement
1 January to 31 December 2023 and 2022

Unit: NT\$ thousand

c o d e s		2023	2022
	Cash Flow from Operating Activities		
A10000	Net profit before tax for the year	(\$ 141,259)	\$ 5,421
A20000	Adjustment items:		
A20100	Depreciation expense	35,298	37,236
A20200	Amortization fee	5,879	5,449
A20300	Expected credit impairment losses	-	2
A20900	Financial costs	6,130	4,719
A21200	interest income	(6,003)	(1,588)
A22300	The share of related enterprise (profit) losses recognized using the equity method	(2,406)	(1,274)
A22500	Disposal of property, plant and equipment losses	1	10
A22600	Inventory depreciation and sluggish loss (recovery benefit)	3	-
A22700	Net benefit from foreign currency exchange	64	-
A23500	Government Grant Loan Forgiveness Income	21,068	-
A23700	lease modification benefit	10,405	3,456
A24100	Changes in operating assets and liabilities	(5,459)	(3,310)
A29900	Accounts receivable	-	(3,701)
A29900	Other receivables - related parties	(9)	(771)
A30000	Inventory		
A31150	Prepayments and other current assets	40,983	52,138
A31200	accounts payable	1,475	(15,450)
A31240	Other payables - related parties	823	(4,755)
A32150	Expenses payable and other current liabilities	(19,704)	(34,351)
A32200	Net defined benefit liability	1,109	-
A32230	Net cash inflow from operations	(1,834)	(20,981)
A32240	income tax paid	<u>1,226</u>	<u>1,013</u>
A33000	Net cash inflow from operating activities	(52,210)	23,263
A33500	Cash Flow from Operating Activities	(<u>3,664</u>)	(<u>820</u>)
AAAA	Net profit before tax for the year	(<u>55,874</u>)	<u>22,443</u>

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<u>c o d e s</u>		<u>2023</u>	<u>2022</u>
	Cash flow from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	(\$ 4,740)	(\$ 2)
B02700	Acquisition of real estate, plant and equipment	(2,321)	(2,523)
B02800	Disposal of property, plant and equipment	113	-
B03700	Deposit margin and others	(27)	1,417
B04500	Acquisition of intangible assets	(1,520)	(808)
B07500	interest charged	<u>5,216</u>	<u>1,556</u>
BBBB	Net cash flow (outflow) from investing activities	(<u>3,279</u>)	(<u>360</u>)
	Cash Flow from Financing Activities		
C00100	short-term borrowing	550,900	418,000
C00200	Repayment of short-term loans	(462,900)	(502,600)
C01700	repayment of long-term loans	-	(33,536)
C04020	Lease liability principal repayments	(17,851)	(18,364)
C04600	cash capital increase	-	35,006
C05600	interest paid	(6,083)	(4,815)
C09900	Overdue unclaimed cash dividends transferred to capital reserve	<u>22</u>	<u>112</u>
CCCC	Net cash outflow from financing activities	<u>64,088</u>	(<u>106,197</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>4,625</u>	<u>18,366</u>
EEEE	Cash and equivalent cash balance at the beginning of the year	9,560	(65,748)
E00100	Cash and equivalent cash balance at the beginning of the year	<u>392,092</u>	<u>457,840</u>
E00200	Cash and equivalent cash balance at the end of the year	<u>\$ 401,652</u>	<u>\$ 392,092</u>

The attached notes form part of this individual financial report.

Chairman: Lee,Jyh-En President: Lee,Jyh-En Accounting Supervisor: Hsiao, Hsiang Yun

Promise Technology, Inc. and Subsidiaries
Notes to consolidated financial statements

1 January to 31 December 2023 and 2022

(Unless otherwise specified, the amount is in thousands of NT dollars)

I、Company History

Promise Technology, Inc. (hereinafter referred to as the company) was established in Hsinchu Science and Technology Industrial Park on February 27, 1980, and started business on May 7, 1991 after obtaining the Park Business Registration Certificate. The company's main business is wired and wireless communication machinery and equipment manufacturing, research and development, production, manufacturing, and sales of computer storage equipment high-performance control cards and systems, computer high-performance network and graphics systems, multimedia software and hardware kits and systems, Products related to computer and telephone integration technology, as well as the management, consulting, consultation, technology transfer and other businesses of the aforementioned products, and related import and export trade business.

The company's shares have been listed and traded on the Taiwan Stock Exchange since December 18, 2002.

This individual financial report is expressed in New Taiwan dollars, the company's functional currency.

II、Dates and procedures for passing financial reports

This consolidated financial report was approved by the Board of Directors on March 14, 2024.

III、Applicability of newly issued and revised standards and interpretations use

(1) For the first time, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) (hereinafter referred to as "IFRSs")

The application of the revised IFRSs approved and issued by the Financial Supervisory Commission will not cause major changes in the accounting policies of the company and entities controlled by the company (hereinafter referred to as "the consolidated company's").

(2) Applicable IFRSs approved by the FSC in 2024

Newly issued/amended/revised standards and interpretations	Effective date of publication by the IASB (Note 1)
Amendment to IFRS 16 "Lease Liabilities in Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of liabilities as current or non-current"	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with contractual terms"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Financing	January 1, 2024 (Note 3)

Newly issued/amended/revised standards and interpretations	Effective date of publication by the IASB (Note 1)
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Arrangements"

Note 1 : Unless otherwise stated, the above newly released/amended/revised standards or interpretations are effective for the annual reporting period starting after the respective date.

Note 2 : The seller and lessee should retroactively apply the amendments to IFRS 16 to sale and leaseback transactions entered into after the initial application of IFRS 16.

Note 3 : Exemption from certain disclosure requirements when this amendment is applied for the first time.

As of the release date of this consolidated financial report, the consolidated company is still continuously assessing the impact of the amendments to the above standards and interpretations on its financial status and financial performance, and the relevant impact will be disclosed when the assessment is completed.

- (3) The IASB has issued but not yet approved by the Financial Supervisory Commission and issued effective IFRSs

Newly issued/amended/revised standards and interpretations	Effective date of publication by the IASB (Note1)
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Amendments to IFRS 10 and IAS 28 "Asset Sale or Contribution between Investors and Their Affiliates or Joint Ventures"

Undecided

IFRS 17 "Contracts of Insurance"

January 1, 2023

Amendments to IFRS 17

January 1, 2023

Amendments to "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"

January 1, 2023

Amendment to IAS 21 "Lack of Convertibility"

January 1, 2025 (Note 2)

Note 1 : Unless otherwise specified, the above-mentioned newly issued/amended/revised standards or interpretations are effective for the annual reporting period starting after the respective dates.

Note 2 : Applicable to annual reporting periods starting after January 1, 2025. When the amendment is first applied, the impact will be recognized in retained earnings on the first application date. When the merged company uses non-functional currency as the currency of expression, the impact amount will be adjusted to the exchange difference of foreign operating institutions under equity on the first application date.

As of the date of issuance of this consolidated financial report, the combined company continues to evaluate the impact of amendments to other standards and interpretations on the financial position and financial performance. The relevant impact will be disclosed when the evaluation is completed.

IV. Summary of major accounting policies

(1) Compliance statement

This consolidated financial report is prepared in accordance with the Financial Reporting Standards for Securities Issuers and the IFRSs approved and issued by the Financial Supervisory Commission.

(2) Basis of preparation

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

Fair value measurement is divided into levels 1 to 3 according to the degree of observability and importance of relevant input values:

1. Level 1 input value: refers to the quoted price (unadjusted) in an active market for the same asset or liability that can be obtained on the measurement date.
2. Level 2 input value: Refers to the observable input value of an asset or liability, directly (that is, price) or indirectly (that is, derived from price) other than quotations at level 1.
3. Level 3 inputs: Refers to unobservable inputs of assets or liabilities.

(3) Criteria for distinguishing current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (but excluding those subject to restrictions on exchange or settlement of liabilities more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due to be settled within 12 months after the balance sheet date, and
3. Liabilities that cannot unconditionally defer the settlement period to at least 12 months after the balance sheet date.

Those that are not the above-mentioned current assets or current liabilities are classified as non-current assets or non-current liabilities.

(4) Basis of consolidation

This consolidated financial report includes the financial reports of the company and entities (subsidiaries) controlled by the company. The consolidated comprehensive income statement has included the operating profit and loss of the acquired or disposed subsidiary in the current period from the date of acquisition or to the date of disposal. The subsidiaries' financial reports have been adjusted to bring their accounting policies into line with those of the consolidated company. When preparing the consolidated financial report, all transactions, account balances, income and expenses between entities have been

eliminated. The total comprehensive profit or loss of the subsidiaries is attributed to the owners of the company and non-controlling interests, even if the non-controlling interests thus become the balance of the loss.

When the change of the ownership interest of the merged company to the subsidiary does not lead to the loss of control, it is treated as an equity transaction. The carrying amounts of the combined companies and non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. The difference between the adjusted amount of the non-controlling interest and the fair value of the consideration paid or received is directly recognized as equity and attributable to the owners of the Company.

For details of subsidiaries, shareholding ratios and business items, please refer to Notes X and XXXII.

(5) Foreign currency

When each entity prepares financial reports, transactions in currencies other than the individual's functional currency (foreign currency) shall be converted into functional currency records at the exchange rate on the transaction day.

Monetary items denominated in foreign currencies are translated at the closing exchange rates on each balance sheet date. Exchange differences arising from delivery of monetary items or translation of monetary items are recognized in profit or loss in the period in which they occur.

Foreign currency non-monetary items measured by fair value are translated at the exchange rate on the day when the fair value is determined, and the resulting exchange difference is listed as current profit or loss. However, if the change in fair value is recognized in other comprehensive profit or loss, the resulting exchange difference is listed as in other comprehensive income.

Non-monetary items in foreign currencies measured by historical cost are converted at the exchange rate on the transaction date and will not be re-converted.

When preparing the consolidated financial report, the assets and liabilities of foreign operating institutions (including subsidiaries and affiliated companies operating in a country or using a currency different from that of the company) are converted into New Taiwan Dollars at the exchange rate on each balance sheet date. Income and expense items are translated at the average exchange rate for the year, and the resulting exchange differences are listed in other comprehensive profit and loss (and are attributed to the company's owners and non-controlling interests, respectively).

If the merged company disposes of all the interests in the foreign operating institution, or disposes of part of the interests in the subsidiary of the foreign operating institution but loses control, or the retained interest after disposing of the affiliated enterprises of the foreign operating institution is a financial asset, it shall be

treated in accordance with the accounting policies for financial instruments, all accumulated exchange differences attributable to the owner of the company and related to the foreign operating institution will be reclassified to profit or loss.

(6) Inventory

Inventories include raw materials, finished goods and work in progress. Inventories are measured at the lower of cost and net realizable value, and the comparison between cost and net realizable value is based on individual items except for inventories of the same category. Net realizable value is the estimated selling price under normal circumstances less the estimated cost to complete the project and the estimated cost to complete the sale. The calculation of inventory cost adopts the weighted average method.

(7) Investing in affiliated companies

Affiliated enterprises refer to enterprises that have significant influence on the merged company, but are not subsidiaries or joint ventures.

The consolidated company's investment in affiliated companies adopts the equity method.

Under the equity method, an investment in an affiliated enterprise is initially recognized at cost, and the book value after acquisition will increase or decrease with the consolidated company's share of the affiliated enterprise's profit or loss, other comprehensive profit or loss, and profit distribution. In addition, changes in the equity of related companies are recognized on a shareholding basis.

The amount that the acquisition cost exceeds the net fair value share of the identifiable assets and liabilities of the affiliated enterprise enjoyed by the consolidated company's on the acquisition date is listed as goodwill, which is included in the carrying amount of the investment and cannot be amortized; the consolidated company's acquisition The excess of the net fair value share of the identifiable assets and liabilities of the affiliated enterprise enjoyed on the day exceeds the acquisition cost as current profit or loss.

When an affiliated company issues new shares, if the consolidated company's does not subscribe in accordance with the shareholding ratio, resulting in a change in the shareholding ratio, and thus resulting in an increase or decrease in the net equity value of the investment, the increase or decrease shall be adjusted to the capital reserve - recognized using the equity method Changes in the net equity value of affiliated companies and joint ventures and investments using the equity method. However, if the ownership interest in the affiliated enterprise is reduced by not subscribing or obtaining it according to the shareholding ratio, the amount recognized in other comprehensive profit and loss related to the affiliated enterprise will be reclassified according to the reduction ratio, and the basis of accounting treatment is related to the affiliated enterprise If the basis for directly disposing of related assets or liabilities is the same; if the adjustment in the preceding paragraph

should be debited to the capital reserve, and if the balance of the capital reserve generated by the investment using the equity method is insufficient, the difference will be debited to retained earnings.

When the consolidated company's share of losses in the affiliated enterprise equals or exceeds its equity in the affiliated enterprise (including the carrying amount of the equity method investment in the affiliated enterprise and other long-term interests that are substantially part of the consolidated company's net investment in the affiliated enterprise), the recognition of further losses is discontinued. The consolidated company's recognition of additional losses and liabilities is only within the scope of statutory obligations, constructive obligations or payments made on behalf of related companies.

When the consolidated company assesses impairment, it regards the overall carrying amount of the investment (including goodwill) as a single asset and compares the recoverable amount with the carrying amount for impairment testing. The recognized impairment losses are not apportioned to the constituent investment carrying amounts part of any asset, including goodwill. Any reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of the investment.

The consolidated company ceases to adopt the equity method from the date when its investment ceases to be an affiliated enterprise, and its retained interests in the original affiliated enterprise are measured by fair value, the difference between the fair value and the disposal price and the investment book amount on the date when the equity method ceases to be adopted, included in current profit and loss. In addition, all amounts related to the affiliated enterprise recognized in other comprehensive profit or loss are accounted for on the same basis as would be required if the affiliated enterprise directly disposes of the related assets or liabilities. If an investment in an affiliate becomes an investment in a joint venture, or if an investment in a joint venture becomes an investment in an affiliate, the consolidated company's continued application of the equity method does not remeasure the retained interest.

The profits and losses arising from the upstream, downstream and sidestream transactions between the consolidated company's and affiliated companies are recognized in the consolidated financial report only to the extent that the consolidated company's interests in the affiliated companies are not related.

(8) Real estate, plant and equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

The depreciation of the company's research and development and production equipment is based on the depreciation method, and the rest is depreciated on a straight-line basis within the service life, and

each major part is depreciated separately. Promise Technology, Inc. (U.S.A.) provides depreciation using the multiple declining balance method. The remaining consolidated entities are depreciated on a straight-line basis. The consolidated company's reviews the estimated useful life, salvage value and depreciation method at least at the end of each year, and postpones the impact of changes in applicable accounting estimates.

When real estate, plant and equipment are delisted, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

(9) intangible assets

1. Obtained separately

Intangible assets with a limited useful life acquired separately are initially measured at cost, and subsequently are measured at the cost minus accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis within the useful life. The consolidated company's reviews the estimated useful life, salvage value and amortization method at least at the end of each year, and postpones the impact of changes in applicable accounting estimates. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

2. Internally Generated - Research and Development Expenditures

Research expenditures are recognized as expenses when incurred.

The consolidated company's begins to recognize intangible assets in the development stage of internal plans when all the following conditions are met :

- (a) the technical feasibility of completing the intangible asset has been achieved, which will make the intangible asset available for use or sale;
- (b) intends to complete the intangible asset and use or sell it;
- (c) the ability to use or sell the intangible asset;
- (d) the intangible assets will generate very likely future economic benefits;
- (e) have sufficient technical, financial and other resources to complete the development and use or sell the intangible asset; and
- (f) Expenditures attributable to the stage of development of the intangible asset can be reliably measured.

The cost of internally generated intangible assets is recognized as the sum of expenditures incurred since the date when the above conditions are met for the first time, and the subsequent measurement method is the same as that of intangible assets acquired separately.

3. Remove columns

When an intangible asset is delisted, the difference between the net disposal price and the book value of the asset is recognized in profit or loss for the current period.

(10) Impairment of real property, plant and equipment, right-of-use assets and intangible assets

The consolidated company's assessment at each balance sheet date is whether there are any indications that property, plant and equipment, right-of-use assets and intangible assets may have been impaired. If any indication of impairment exists, the asset's recoverable amount is estimated. When it is not possible to estimate the recoverable amount of an individual asset, The consolidated company's estimates the recoverable amount of the cash-generating unit to which the asset belongs. Common assets are allocated to individual cash-generating units on a reasonable and consistent basis.

For intangible assets with undetermined service life and not yet available for use, impairment tests shall be conducted at least annually and when there are signs of impairment.

The recoverable amount is the higher of the fair value less cost of sale and value in use. If the recoverable amount of an individual asset or cash-generating unit is lower than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, but the increased carrying amount shall not exceed that of the asset or cash-generating unit if no impairment was recognized in the previous year. The carrying amount (less amortization or depreciation) determined at the time of the loss. The reversal of the impairment loss is recognized in profit or loss.

(11) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the consolidated company's becomes a party to the contractual terms of the instrument.

When initially recognizing financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

Customary transactions of financial assets are recognized and delisted on the basis of transaction date accounting.

(a) Types of measurement

The types of financial assets held by The consolidated company's are financial assets measured at amortized cost and equity instrument investments measured at fair value through other comprehensive profit or loss.

A. Financial assets measured at amortized cost

The consolidated company's investment financial assets are classified as financial assets measured at amortized cost if both of the following two conditions are met:

- a. Holding under a business model whose purpose is to hold financial assets to receive contractual cash flows; and

- b. The terms of the contract give rise to cash flows on specific dates which are solely payments of principal and interest on the outstanding principal amount.

Financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable and other current assets measured at amortized cost) are, after original recognition, the total carrying amount determined using the effective interest method less Any foreign exchange gain or loss is recognized in profit or loss, in addition to the amortized cost measurement of any impairment loss.

Interest income is calculated by multiplying the effective interest rate by the total book value of financial assets.

Equivalent cash includes highly liquid time deposits within 3 months from the date of acquisition, which can be converted into fixed cash at any time and have little risk of value changes, which are used to meet short-term cash commitments.

B. Investments in equity instruments measured at fair value through other comprehensive income

The consolidated company's initial recognition may make an irrevocable choice to designate the investment in equity instruments that are not held for trading and recognized as contingent consideration by a business combination acquirer to be measured at fair value through other comprehensive gains and losses.

Investments in equity instruments measured at fair value through other comprehensive income are measured at fair value, and subsequent changes in fair value are presented in other comprehensive income and accumulated in other equity. When the investment is disposed of, the accumulated profit or loss is directly transferred to retained earnings and is not reclassified as profit or loss.

Dividends on investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the consolidated company's right to receive payments is established,

unless the dividends clearly represent a recovery of part of the cost of the investment.

(b) Impairment of financial assets

The consolidated company's impairment losses on financial assets (including accounts receivable) measured at amortized cost are assessed at each balance sheet date based on expected credit losses.

Accounts receivable are recognized as allowance losses based on expected credit losses during the duration. For other financial assets, first assess whether the credit risk has increased significantly since the original recognition. If there is no significant increase, the provision loss will be recognized as the 12-month expected credit loss. If there has been a significant increase, it will be recognized as the expected credit loss during the duration Allow for losses.

The expected credit loss is the weighted average credit loss with the risk of default as the weight. The 12-month expected credit loss represents the expected credit loss arising from possible default events of the financial instrument within 12 months after the reporting date, and the expected credit loss during the duration represents the expected credit loss arising from all possible default events of the financial instrument during the expected duration.

Impairment losses on all financial assets are reduced by reducing their carrying amounts through the allowance account.

(c) Declassification of financial assets

The consolidated company's declassification of financial assets is only when the contractual rights to the cash flows from the financial assets have lapsed, or when the financial assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred to another enterprise.

When a financial asset measured at amortized cost is delisted as a whole, the difference between its carrying amount and the consideration received is recognized in profit or loss. When an equity instrument investment measured at fair value through other comprehensive income is delisted as a whole, the accumulated gain or loss is transferred directly to retained earnings and is not reclassified as profit or loss.

2. Equity instruments

The debt and equity instruments issued by the consolidated company's are classified as financial liabilities or equity according to the substance of the contract agreement and the definition of financial liabilities and equity instruments.

The equity instruments issued by the consolidated company's are recognized at the amount obtained after deducting the direct issuance costs.

The equity instruments of the consolidated company's itself are recognized and deducted under the equity item, and the carrying amount is calculated based on the weighted average of the stock types. The purchase, sale, issue or cancellation of the Company's own equity instruments are not recognized in profit or loss.

3. Financial liabilities

(a) Subsequent measurement

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

(b) Declassification of financial liabilities

When delisting a financial liability, the difference between its carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(12) Revenue recognition

The consolidated company's apportions the transaction price to each performance obligation after the customer contract identifies the performance obligation, and recognizes revenue when each performance obligation is satisfied.

For contracts where the time interval between the transfer of goods and the receipt of consideration is within one year, the transaction price shall not be adjusted for its major financial components °

1. Revenue from merchandise sales

The revenue from sales of goods comes from the sales of electronic equipment products. The sales of electronic equipment products are mainly recognized when the customer obtains control over the promised assets, that is, when the goods are delivered to the designated place and meet the performance obligations, and bear the risk of obsolescence of the goods. The company recognizes the income at this point and accounts receivable.

When processing without materials, the control of the ownership of the processed products has not been transferred, so revenue is not recognized when the materials are removed.

2. Labor income

Labor income comes from technical services. The technical services and extended warranty services provided by the consolidated company are recognized when the labor services are provided.

(13) Lease

The consolidated company's assessment of whether the contract is (or contains) a lease on the contract date.

The consolidated company's is the lessee

Except for leases of low-value underlying assets to which the recognition exemption applies and lease payments for short-term leases, which are recognized as expenses on a straight-line basis over the lease term, other leases are recognized as right-of-use assets and lease liabilities on the lease inception date.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability), and subsequently measured at the cost less accumulated depreciation and accumulated impairment losses, and the remeasured amount of the lease liability is adjusted. Right-of-use assets are separately expressed in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the expiry of the useful life or the expiry of the lease term, whichever is earlier.

The lease liability is initially measured at the present value of lease payments (including fixed payments). If the implied interest rate of the lease is easy to determine, the lease payment shall be discounted using the interest rate. If this rate is not readily determined, the lessee incremental borrowing rate is used.

Subsequently, lease liabilities are measured on an amortized cost basis using the effective interest method, and interest expenses are amortized during the lease period. If there is a change in future lease payments during the lease period or in the index or rate used to determine lease payments, the consolidated company's remeasures the lease liability and adjusts the right-of-use asset accordingly, provided that the carrying amount of the right-of-use asset has been reduced to zero. The remaining remeasured amount is recognized in profit or loss. The lease liability is expressed separately in the consolidated balance sheet.

(14) Borrowing costs

Borrowing costs directly attributable to acquiring, constructing, or producing a qualifying asset are included as part of the cost of the asset until substantially all activities necessary to bring the asset to its intended state for use or sale have been completed.

(15) Government grants

Government grants are only recognized when there is reasonable confidence that the consolidated company's will comply with the conditions attached to the government grant and will receive the grant.

Government grants related to revenue are recognized in other income on a systematic basis during the period in which they are intended to compensate for the related costs recognized as expenses by the consolidated company's.

Government grants are recognized in profit or loss during the period in which they can be received if they are used to compensate

incurred costs or losses, or to provide immediate financial support to the consolidated company's with no future related costs.

(16) Employee benefits

1. Short-term employee benefits

Liabilities related to short-term employee benefits are measured at undiscounted amounts expected to be paid in exchange for employee services.

2. Post-employment benefits

The retirement benefits of the defined contribution retirement plan are recognized as expenses during the service period of the employees.

The defined benefit cost (including service cost, net interest and remeasurement amount) of the defined benefit retirement plan is actuarially calculated using the projected unit benefit method. Service costs (including current service costs) and net interest on net defined benefit liabilities are recognized as employee benefit expenses when incurred. The remeasurement amount (including actuarial profit and loss and return on project assets after deducting interest) is recognized in other comprehensive profit or loss and included in retained earnings when it occurs, and will not be reclassified to profit or loss in subsequent periods.

The net defined benefit liability is the shortfall in contributions from defined benefit retirement plans.

(17) Share-Based Payment Agreement

Employee stock options are recognized as expenses on a straight-line basis during the vesting period based on the fair value of the equity instruments on the grant date and the best estimated quantity expected to be acquired, and the capital reserve - employee stock options and non-controlling interests are adjusted at the same time. If it is immediately vested on the grant date, it shall be fully recognized as an expense on the grant date.

The consolidated company's revises the estimated number of employee stock options expected to be vested at each balance sheet date. If there is a revision to the original estimated quantity, the affected number is recognized as profit or loss, so that the accumulated expenses reflect the revised estimate, and the capital reserve - employee stock options and non-controlling interests are adjusted accordingly.

(18) Income tax

Income tax expense is the sum of current income tax and deferred income tax.

1. Current income tax

The consolidated company's determines the current income (loss) according to the regulations enacted by each income tax

reporting jurisdiction, and calculates the payable (recoverable) income tax.

The undistributed earnings surcharge calculated in accordance with the provisions of the Income Tax Law of the People's Republic of my country is recognized in the annual resolution of the shareholders' meeting.

The adjustment of the income tax payable in the previous year shall be included in the income tax of the current year.

2. Deferred income tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of assets and liabilities on the books and the tax basis for calculating taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized when there is likely to be taxable income for deductible temporary differences, loss deduction or purchase of machinery and equipment, research The income tax deduction arising from expenditures such as development and personnel training shall be recognized when used.

The taxable temporary differences related to investment subsidiaries and affiliated companies can control the timing of the reversal of the temporary differences, and the temporary differences are likely to not reverse in the foreseeable future, so the consolidated company's has not Recognition of deferred income tax liabilities.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is reduced for those assets for which it is no longer probable that sufficient taxable income will be available to recover all or part of the asset. Those that have not been recognized as deferred income tax assets are also re-examined on each balance sheet date, and for those that are likely to generate taxable income in the future to recover all or part of the assets, the book amount is increased.

Deferred income tax assets and liabilities are measured at the current tax rate of the expected liability settlement or asset realization, which is based on the tax rate and tax law that have been enacted or substantively enacted on the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences of the consolidated company's expected recovery or liquidation of the carrying amounts of its assets and liabilities at the balance sheet date.

3. Current and deferred income tax

Current and deferred income taxes are recognized in profit or loss, but current and deferred income taxes related to items recognized in other comprehensive profit or loss or directly included in equity are recognized in other comprehensive profit or loss or directly included in equity, respectively.

V、Major sources of uncertainty in major accounting judgments, estimates and assumptions

When the consolidated company's adopts accounting policies, the management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors for those that are not easy to obtain relevant information from other sources. Actual results may differ from estimates。

The consolidated company's will take the recent development of the new coronavirus pneumonia epidemic and its possible impact on the economic environment into consideration of major accounting estimates such as cash flow estimation, growth rate, discount rate, and profitability. The management will continue to review Estimates and underlying assumptions. If the revision of the estimate only affects the current period, it will be recognized in the revision period; if the revision of the accounting estimate affects both the current period and future periods, it will be recognized in the revision period and future periods.

Major Sources of Uncertainty in Estimates and Assumptions

impairment of inventories

The net realizable value of inventories is the estimated selling price in the normal course of business less the estimated costs to be invested to completion and the estimated costs to complete the sale, which are based on current market conditions and historical sales of similar products Based on experience assessment, changes in market conditions may significantly affect the results of these estimates。

VI、Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and working capital	\$ 395	\$ 371
Bank Check and Demand Deposit	272,977	330,301
equivalent to cash		
Bank fixed deposit	<u>128,280</u>	<u>61,420</u>
	<u>\$401,652</u>	<u>\$392,092</u>

The market interest rate range of bank deposits on the balance sheet date is as follows：

	December 31, 2023	December 31, 2022
Bank deposit	0.000%~5.480%	0.000%~4.450%

VII、Financial assets measured at amortized cost

	December 31, 2023	December 31, 2022
<u>Flow</u>		
Pledged time deposit	<u>\$ 6,113</u>	<u>\$ 1,373</u>

(1) For information on the pledge of financial assets measured at cost after amortization, please refer to Note XXX。

(2) As of December 31, 2023 and 2022, the time deposit interest rates ranged from 1.015% to 1.325% and 0.745% to 0.765% respectively.

VIII 、Accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Accounts receivable</u>		
Measure gross carrying		
amount at amortized cost	\$ 53,051	\$100,829
Less: Allowance for losses	<u>-</u>	(<u>5,876</u>)
	<u>\$ 53,051</u>	<u>\$ 94,953</u>

The consolidated company's average credit period for commodity sales is 30 to 60 days per month, and accounts receivable are not interest-bearing. The consolidated company's uses other publicly available financial information and historical transaction records to rate customers. The consolidated company's continuously monitors the credit risk and the credit rating of the counterparty, and manages the credit risk through the reviewed and approved credit limit of the counterparty.

The consolidated company's does not hold any collateral for accounts receivable, but in order to reduce the main credit risk, it has purchased a credit guarantee insurance contract, only for accounts receivable that are not included in the credit guarantee insurance contract, and individually recognized that they cannot be recovered The amount is set aside as an allowance for losses.

The consolidated company's recognizes an allowance loss for accounts receivable based on expected credit losses during the duration. The expected credit loss during the duration is based on the consideration of the past default record of the customer group not included in the credit guarantee insurance contract, the current financial situation and the economic situation of the industry. Since the consolidated company's credit loss historical experience shows that there is no significant difference in the loss patterns of these customer groups, the expected credit loss rate is only determined by the number of days overdue accounts receivable.

If there is evidence that the counterparty is facing severe financial difficulties and the consolidated company's cannot reasonably expect the recoverable amount, for example, the counterparty is being liquidated or the debt is overdue for more than 360 days, the consolidated company's will write off the relevant accounts receivable directly, but will still Continuing recourse activities, the amount recovered due to recourse is recognized in profit or loss.

The consolidated company's measure of allowance for accounts receivable is as follows :

December 31, 2023

	<u>No overdue</u>	<u>Overdue 1~60 Days</u>	<u>Overdue 61~120 Days</u>	<u>Overdue 121~180 Days</u>	<u>Overdue Over 181 Days</u>	<u>total</u>
total book amount	\$ 43,311	\$ 9,630	\$ -	\$ -	\$ 110	\$ 53,051
Allowance for losses (expected credit losses during the lifetime)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
amortized cost	<u>\$ 43,311</u>	<u>\$ 9,630</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 53,051</u>

December 31, 2022

	No overdue	Overdue 1~60 Days	Overdue 61~120 Days	Overdue 121~180 Days	Overdue Over 181 Days	total
total book amount	\$ 49,254	\$ 18,302	\$ 26,625	\$ 3	\$ 6,645	\$ 100,829
Allowance for losses (expected credit losses during the lifetime)	-	-	-	-	(5,876)	(5,876)
amortized cost	<u>\$ 49,254</u>	<u>\$ 18,302</u>	<u>\$ 26,625</u>	<u>\$ 3</u>	<u>\$ 769</u>	<u>\$ 94,953</u>

Changes in the allowance for losses on accounts receivable are as follows :

	2023	2022
initial balance	\$ 5,876	\$ 6,008
Add: provision for impairment losses in the current year	-	2
Less: Actual write-offs for the year	(5,968)	(720)
Foreign currency translation difference	92	586
Year-end balance	<u>\$ -</u>	<u>\$ 5,876</u>

IX、Inventory

	December 31, 2023	December 31, 2022
finished product	\$115,984	\$118,877
WIP	13,587	16,359
raw material	<u>282,108</u>	<u>293,187</u>
	<u>\$411,679</u>	<u>\$428,423</u>

The components of operating costs related to inventory in 2023 and 2022 are as follows :

	2023	2022
Operating costs	<u>\$382,245</u>	<u>\$567,102</u>
Inventory depreciation and sluggish loss (recovery benefit)	<u>\$ 10,405</u>	<u>\$ 3,456</u>

X、Subsidiary

The entities preparing this consolidated financial report are as follows:

Investment company name	Subsidiary name	business nature	Shareholding percentage		illustrate
			December 31, 2023	December 31, 2022	
PTT	Joding Investment Corp.	general investment	100%	100%	—
	Promise Technology K.K. (PTJ)	Sales	100%	100%	—
	Promise Yun Technology Inc. (PNC)	Develop and produce computer application software, sell self-produced products and provide technical consultation	100%	-	(2)
Joding Investment Corp.	Promise Technology Europe B.V. (PTE)	Sales	100%	100%	—
	Promise Technology, Inc. (U.S.A.) (PTU)	Sales	99.60%	99.60%	(1)

Promise (Shanghai), Inc., (PTC)	Technology	Develop and produce computer application software, sell self-produced products and provide technical consultation	100%	100%	—
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Remark :

1. In this consolidated financial report, the shares of PTU held by other minority shareholders are listed under non-controlling interests.
2. The company passed the resolution of the board of directors on August 12, 2022, and established PNC in April 2023. The company holds 100% of the voting rights in PNC, so it is classified as a subsidiary.

XI 、 Investments using the equity method

Invest in affiliated companies

The consolidated company's individual insignificant related company investments using the equity method are listed below :

Company Name	business nature	Principal place of business	December 31, 2023		December 31, 2022	
			amount	Sharehold ing ratio	amount	Sharehold ing ratio
Tacis Solutions Inc.	Computer software and hardware, storage technology development, consulting, service, transfer.	USA	\$ -	19.35%	\$ 18,339	19.35%

Individually insignificant affiliated enterprises

	2023	2022
The consolidated company's total net profit (loss) and consolidated net (profit) loss for the year	\$ 2,406	\$ 1,274

The profits and losses and other comprehensive profit and loss shares of affiliated enterprises using the equity method are calculated based on financial reports that have not been audited by accountants. Tacis Solutions Inc. is expected to complete the liquidation process by the end of March 2024, so the combined company has set aside an impairment loss of NT\$ 21,068,000.

XII 、 Property, plant and equipment

	building	R & D equipment	Wealth making equipment	Production equipment	Transportat ion Equipment	Lease Improve ment	total
<u>COST</u>							
January 1, 2023							
balance	\$ 158,857	\$ 25,725	\$ 35,267	\$ 15,597	\$ 60	\$ 14,880	\$ 250,386
increase	305	1,210	360	813	-	-	2,688
dispose	(43)	(12,591)	(5,189)	(11,719)	-	-	(29,542)
rearrange	-	2,895	1,248	403	-	-	4,546
net exchange difference	-	43	858	4	2	(42)	865
December 31,							
2023 balance	\$ 159,119	\$ 17,282	\$ 32,544	\$ 5,098	\$ 62	\$ 14,838	\$ 228,943
<u>accumulated depreciation</u>							
January 1, 2023							
balance	\$ 67,117	\$ 20,631	\$ 32,740	\$ 14,747	\$ 60	\$ 10,116	\$ 145,411
Depreciation	4,229	4,083	1,620	983	-	2,879	13,794

expense							
dispose	(43)	(12,540)	(5,126)	(11,719)	-	-	(29,428)
rearrange	-	(239)	(50)	122	-	-	(167)
net exchange difference	<u>-</u>	<u>59</u>	<u>862</u>	<u>4</u>	<u>2</u>	<u>(43)</u>	<u>884</u>
December 31, 2023 balance	<u>\$ 71,303</u>	<u>\$ 11,994</u>	<u>\$ 30,046</u>	<u>\$ 4,137</u>	<u>\$ 62</u>	<u>\$ 12,952</u>	<u>\$ 130,494</u>
December 31, 2023 net	<u>\$ 87,816</u>	<u>\$ 5,288</u>	<u>\$ 2,498</u>	<u>\$ 961</u>	<u>\$ -</u>	<u>\$ 1,886</u>	<u>\$ 98,449</u>

(continued on next page)

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	building	R & D equipment	Wealth making equipment	Production equipment	Transportat ion Equipment	Lease Improveme nt	total
<u>COST</u>							
January 1, 2022							
balance	\$ 158,857	\$ 115,803	\$ 70,691	\$ 31,662	\$ 648	\$ 20,445	\$ 398,106
increase	-	1,320	422	63	-	721	2,526
dispose	-	(97,718)	(39,206)	(16,262)	(606)	(6,377)	(160,169)
rearrange	-	3,324	1,007	(194)	-	-	4,137
net exchange difference	-	2,996	2,353	328	18	91	5,786
December 31, 2022 balance	<u>\$ 158,857</u>	<u>\$ 25,725</u>	<u>\$ 35,267</u>	<u>\$ 15,597</u>	<u>\$ 60</u>	<u>\$ 14,880</u>	<u>\$ 250,386</u>
<u>accumulated depreciation</u>							
January 1, 2022							
balance	\$ 62,937	\$ 111,077	\$ 67,699	\$ 29,379	\$ 630	\$ 13,211	\$ 284,933
Depreciation expense	4,180	4,373	2,016	1,552	18	3,222	15,361
dispose	-	(97,718)	(39,206)	(16,252)	(606)	(6,377)	(160,159)
rearrange	-	(16)	3	(258)	-	-	(271)
net exchange difference	-	2,915	2,228	326	18	60	5,547
December 31, 2022 balance	<u>\$ 67,117</u>	<u>\$ 20,631</u>	<u>\$ 32,740</u>	<u>\$ 14,747</u>	<u>\$ 60</u>	<u>\$ 10,116</u>	<u>\$ 145,411</u>
December 31, 2022 net	<u>\$ 91,740</u>	<u>\$ 5,094</u>	<u>\$ 2,527</u>	<u>\$ 850</u>	<u>\$ -</u>	<u>\$ 4,764</u>	<u>\$ 104,975</u>

Since there is no sign of impairment in 2023 and 2022, the Company, the consolidated company's has not conducted an impairment assessment.

Depreciation expenses are accrued according to the following useful years:

Buildings

The main building of the factory	51 years
Mechanical and electrical engineering	2~11 years
R & D equipment	2~5 years
Wealth making equipment	3~10 years
Production equipment	3~5 years
Transportation Equipment	3 years
Lease Improvement	3~11 years

Please refer to Note XXX for the amount of real estate, plant and equipment pledged by The consolidated company's as a loan guarantee.

XIII 、 Rental agreement

(1) Right-of-use assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Carrying amount of right-of-use asset		
land	\$ 21,839	\$ 22,614
building	18,481	24,162
Transportation Equipment	<u>12</u>	<u>264</u>
	<u>\$ 40,332</u>	<u>\$ 47,040</u>

	2023	2022
Addition of right-of-use assets	<u>\$ 14,931</u>	<u>\$ 28,045</u>
Depreciation expense on right-of-use assets		
land	\$ 775	\$ 775
building	20,473	20,481
Transportation Equipment	<u>256</u>	<u>619</u>
	<u>\$ 21,504</u>	<u>\$ 21,875</u>

(2) Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amount of the lease liability		
Flow	<u>\$ 13,503</u>	<u>\$ 16,399</u>
non-flow	<u>\$ 27,970</u>	<u>\$ 31,252</u>

The discount rate range for lease liabilities is as follows:

	December 31, 2023	December 31, 2022
land	2.50%	2.50%
building	2.39%~4.90%	2.39%~4.90%
Transportation Equipment	2.39%	2.39%

(3) Important leasing activities and terms

The company leases land from the Hsinchu Science Industrial Park of the Ministry of Science and Technology as a factory building, and the lease period is 2001 to 2052 years. According to the land lease agreement in the park, the lessor may adjust the amount of rent at any time according to the announced land price of the base where the factory is located or the adjustment of the rent rate of state-owned land approved by the Executive Yuan; There is no preferential purchase right.

(4) Other leasing information

	2023	2022
short-term rental fee	<u>\$ 1,000</u>	<u>\$ 607</u>
Low-value asset rental expenses	<u>\$ 292</u>	<u>\$ 313</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 275</u>	<u>\$ 193</u>
Total cash (outflows) from leases	<u>(\$ 20,588)</u>	<u>(\$ 20,980)</u>

The consolidated company's has chosen to apply the recognition exemption to short-term leases of parking spaces, warehouses, and low-value asset leases of photocopiers, water dispensers, and cloud host leases, and will not recognize the relevant right-of-use assets and lease liabilities for these leases.

XIV、 intangible assets

	intangible assets	computer software	Research and Development Technology	total
<u>cost</u>				
January 1, 2023 balance	\$ 423,243	\$ 17,034	\$ 42,399	\$ 482,676
obtained separately	1,291	558	-	1,849
Dispose	(260)	(90)	-	(350)
net exchange difference	(2)	(13)	-	(15)
December 31, 2023 balance	<u>\$ 424,272</u>	<u>\$ 17,489</u>	<u>\$ 42,399</u>	<u>\$ 484,160</u>
<u>Accumulated amortization and impairment</u>				
January 1, 2023 balance	\$ 414,639	\$ 4,007	\$ 42,399	\$ 461,045
Amortization fee	2,350	3,529	-	5,879
Dispose	(260)	(90)	-	(350)
net exchange difference	(30)	(56)	-	(86)
December 31, 2023 balance	<u>\$ 416,699</u>	<u>\$ 7,390</u>	<u>\$ 42,399</u>	<u>\$ 466,488</u>
December 31, 2022 net	<u>\$ 7,573</u>	<u>\$ 10,099</u>	<u>\$ -</u>	<u>\$ 17,672</u>
<u>cost</u>				
January 1, 2022 balance	\$ 424,840	\$ 10,018	\$ 42,399	\$ 477,257
obtained separately	266	15,581	-	15,847
dispose	(3,125)	(9,401)	-	(12,526)
net exchange difference	1,262	836	-	2,098
December 31, 2022 balance	<u>\$ 423,243</u>	<u>\$ 17,034</u>	<u>\$ 42,399</u>	<u>\$ 482,676</u>
<u>Accumulated amortization and impairment</u>				
January 1, 2022 balance	\$ 415,325	\$ 9,745	\$ 42,399	\$ 467,469
Amortization fee	2,118	3,331	-	5,449
dispose	(3,125)	(9,401)	-	(12,526)
net exchange difference	321	332	-	653
December 31, 2022 balance	<u>\$ 414,639</u>	<u>\$ 4,007</u>	<u>\$ 42,399</u>	<u>\$ 461,045</u>
December 31, 2022 net	<u>\$ 8,604</u>	<u>\$ 13,027</u>	<u>\$ -</u>	<u>\$ 21,631</u>

Amortization fee is accrued on a straight-line basis over the following useful years :

technical rights	2 to 13 years
computer software	3 to 5 years
R & D technology	3 to 5 years

XV、 other assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>flow</u>		
Business tax refund receivable	\$ 2,815	\$ 868
prepaid insurance	2,620	3,863
Residual tax credit	993	1,419
Temporary payment	665	299
Current income tax assets	144	692
other	<u>11,442</u>	<u>15,026</u>
	<u>\$ 18,679</u>	<u>\$ 22,167</u>
<u>non-flow</u>		
Refundable deposits	\$ 2,044	\$ 2,014
other	263	-
<u>flow</u>	<u>1,237</u>	<u>1,237</u>
	<u>\$ 3,544</u>	<u>\$ 3,251</u>

XVI、 Borrowings

(1) Short-term loans

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>unsecured borrowing</u>		
— Line of credit borrowing	<u>\$247,000</u>	<u>\$159,000</u>

The range of interest rates for short-term loans on the balance sheet date is as follows :

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Short-term loans	2.16%~2.51%	1.93%~2.18%

XVII、 other liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Flow</u>		
Other payables		
payable bonus	\$ 17,903	\$ 17,455
Payable Unleavened Payment	1,798	5,519
Equipment payment payable	367	-
other	<u>21,447</u>	<u>23,309</u>
	<u>41,515</u>	<u>46,283</u>
Other liabilities		
Temporary payment collection	4,411	816
Collection of funds	1,381	1,606
Refund liability	1,109	-
Contract liabilities - advance payment	<u>842</u>	<u>920</u>
	<u>7,743</u>	<u>3,342</u>
	<u>\$ 49,258</u>	<u>\$ 49,625</u>

XVIII 、 Post-employment benefit plan

(1) Determine the allocation plan

1. The company applies the pension system of the "Labor Pension Act", which is a defined contribution retirement plan managed by the government. 6% of the employee's monthly salary is allocated to the individual account of the Labor Insurance Bureau.
2. Subsidiaries in the China, the United States, Europe and other places shall also allocate and pay to relevant units in accordance with local laws and regulations.

(2) Defined benefit plan

The pension system handled by the company in accordance with my country's "Labor Standards Law" is a defined benefit retirement plan managed by the government. The payment of employee pensions is calculated based on the years of service and the average salary of the six months before the approved retirement date. The company allocates pensions based on 2% of the total monthly salary of employees, and submits it to the Labor Retirement Reserve Supervision Committee to deposit it in the special account of the Bank of Taiwan in the name of the committee. Before the end of the year, if the estimated balance in the special account is not enough to pay within the next year For workers who are expected to meet the retirement conditions, the difference will be allocated in one lump sum before the end of March of the following year. The special account is entrusted to the Labor Fund Utilization Bureau of the Ministry of Labor to manage, and the company has no right to influence the investment management strategy. °

The defined benefit plan amounts included in the Individual Balance Sheet are listed below:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Determining the Present Value of Benefit Obligations	\$ 42,274	\$ 48,738
Fair value of project assets	(<u>7,350</u>)	(<u>9,508</u>)
Net defined benefit liability	<u>\$ 34,924</u>	<u>\$ 39,230</u>

Changes in net defined benefit liabilities are as follows :

	<u>Determining the Present Value of Benefit Obligations</u>	<u>Determining the Present Value of Benefit Obligations</u>	<u>Net defined benefit liability</u>
January 1, 2022	<u>\$ 50,709</u>	(<u>\$ 8,248</u>)	<u>\$ 42,461</u>
service cost			
current service cost	1,426	-	1,426
Interest expense (income)	<u>279</u>	(<u>47</u>)	<u>232</u>
Recognized in profit or loss	<u>1,705</u>	(<u>47</u>)	<u>1,658</u>

(continued on next page)

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		Determining the Present Value of Benefit Obligations	Net defined benefit liability
remeasurement number			
Return on plan assets (in addition to the amount included in net interest)	\$ -	(\$ 623)	(\$ 623)
Actuarial benefits – changes in financial assumptions	(3,147)	-	(3,147)
Actuarial benefits – experience adjustment	(474)	-	(474)
Recognized in other comprehensive profit or loss	(3,621)	(623)	(4,244)
Employer's contribution	-	(645)	(645)
welfare payments	(55)	55	-
December 31, 2022	<u>48,738</u>	<u>(9,508)</u>	<u>39,230</u>
service cost			
current service cost	1,404	-	1,404
Interest expense (income)	<u>609</u>	<u>(123)</u>	<u>486</u>
Recognized in profit or loss	<u>2,013</u>	<u>(123)</u>	<u>1,890</u>
remeasurement number			
Return on plan assets (in addition to the amount included in net interest)	-	(24)	(24)
Actuarial benefits –experience adjustment	(5,508)	-	(5,508)
Recognized in other comprehensive profit or loss	(5,508)	(24)	(5,532)
Employer's contribution	-	(664)	(664)
welfare payments	(2,969)	2,969	-
December 31, 2023	<u>\$ 42,274</u>	<u>(\$ 7,350)</u>	<u>\$ 34,924</u>

The company in The consolidated company is exposed to the following risks due to the pension system of the "Labor Standards Act":

1. Investment risk: The Labor Fund Utilization Bureau of the Ministry of Labor invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits through self-use and entrusted operation methods, but the company's planned assets may be allocated The amount is calculated based on the local bank's 2-year fixed deposit interest rate.

2. Interest rate risk: The decline in the interest rate of government bonds will increase the present value of defined benefit obligations, but the debt investment return on project assets will also increase

accordingly, and the impact of the two on net defined benefit liabilities will have a partial offset effect.

3. Salary risk: The calculation of the present value of the defined benefit obligation refers to the future salary of the plan members. An increase in plan member salaries will therefore increase the present value of the defined benefit obligation.

The present value of the company's defined benefit obligations is calculated by a qualified actuary, and the major assumptions on the measurement date are as follows : :

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount Rate	1.25%	1.25%
Salary Expected Increase Rate	5.00%	5.00%

If there are reasonably possible changes in major actuarial assumptions, and all other assumptions remain unchanged, the amount that will increase (decrease) the present value of the defined benefit obligation is as follows :

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount Rate		
Increase 0.25%	(\$ 1,212)	(\$ 1,423)
Reduce 0.25%	<u>\$ 1,261</u>	<u>\$ 1,481</u>
Salary Expected Increase Rate		
Increase 1%	<u>\$ 5,117</u>	<u>\$ 6,085</u>
Reduce 1%	(<u>\$ 4,455</u>)	(<u>\$ 5,301</u>)

Since the actuarial assumptions may be related to each other, the possibility of only a single assumption changing is unlikely, so the above sensitivity analysis may not reflect the actual changes in the present value of the defined benefit obligations.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Expected amount allocated within 1 year	<u>\$ 663</u>	<u>\$ 647</u>
Determining the average benefit obligation due period	11.6 years	12.5 years

(1) Common stock capital

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Rated number of shares (thousand shares)	<u>250,000</u>	<u>250,000</u>
Rated share capital	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>
Number of issued and fully paid shares (thousand shares)	<u>92,679</u>	<u>92,679</u>
Issued share capital	<u>\$ 926,787</u>	<u>\$ 926,787</u>

(2) Capital reserves

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>may be used to cover losses,</u>		
<u>issue cash or capitalize (a)</u>		
stock issue premium	\$ -	\$ 1,507
Overdue cash dividends	22	112
Share Issue Premium - Lapsed/Vested Option	1,983	627
<u>not for any purpose</u>		
employee stock options	<u>84,966</u>	<u>86,949</u>
	<u>\$ 86,971</u>	<u>\$ 89,195</u>

- a. This kind of capital reserve can be used to make up for losses, and can also be used to distribute cash or allocate capital when the company has no losses. However, when capital is allocated, it is limited to a certain percentage of paid-in capital every year.

Changes in the capital reserve balance are as follows:

	stock issue premium	employee stock options	Share Issue Premium - Lapsed/Vested Option	other	total
January 1, 2022 balance	\$ 2,584	\$ 87,576	\$ 2,484	\$ 85	\$ 92,729
cash capital increase	1,507	-	-	-	1,507
Capital reserves make up for losses	(2,584)	-	(2,484)	(85)	(5,153)
Cancellation of lapsed stock warrants	-	(627)	627	-	-
Overdue cash dividends	-	-	-	112	112
December 31, 2022 balance	1,507	86,949	627	112	89,195
Capital reserves make up for losses	(1,507)	-	(627)	(112)	(2,246)
Cancellation of lapsed stock warrants	-	(1,983)	1,983	-	-
Overdue cash dividends	-	-	-	22	22
December 31, 2023 balance	<u>\$ -</u>	<u>\$ 84,966</u>	<u>\$ 1,983</u>	<u>\$ 22</u>	<u>\$ 86,971</u>

(3) Retained earnings and dividend policy

According to the surplus distribution policy stipulated in the articles of association of the company, if there is net profit after tax for the current period in the annual final accounts, it shall be distributed in the following order:

1. Make up for losses (including adjusting the amount of undistributed surplus).

2. Allocate 10% of the statutory reserve, except when the statutory reserve has reached the total capital of the company;

3. Appropriate or reverse the special surplus reserve according to laws and regulations.

4. The distribution of the remaining surplus and the cumulative undistributed surplus of the previous year (including adjustments to the amount of undistributed surplus) and the adjusted amount of

undistributed surplus for the current year shall be determined by the board of directors and shall be resolved by the shareholders' meeting. Pursuant to Article 240, Paragraph 5 of the Company Law, the Company authorizes the Board of Directors to distribute dividends and bonuses or as stipulated in Article 241, Paragraph 1 of the Company Law, with more than two-thirds of the directors present and a resolution passed by more than half of the directors present. All or part of the statutory surplus reserve and capital reserve shall be distributed in cash and reported to the shareholders' meeting. °

Please refer to Note 20 (7) Employee Remuneration and Director Remuneration for the employee and director remuneration distribution policy stipulated in the company's articles of association.

In order to match the overall environment and the characteristics of industrial growth, and consider the capital needs of the future capital expenditure budget, in order to achieve the company's sustainable operation, the pursuit of long-term interests of shareholders and the goal of stable operating performance, the company's dividend policy, the distribution of surplus can be cash Dividends or stock dividends, of which cash dividends shall not be less than 10% of the total dividends. The amount of this dividend payment depends on the actual operating conditions of the current period, and the capital budget plan for the next year is considered, and the most suitable dividend policy is determined by the shareholders meeting.

The statutory reserve shall be appropriated until its balance reaches the total paid-in share capital of the company. The statutory reserve can be used to make up for losses. When the company has no losses, the portion of the statutory reserve exceeding 25% of the total paid-in share capital may be allocated to share capital and distributed in cash.

The company held regular shareholders' meetings on June 26, 2023 and June 23, 2022, and passed resolutions to make up for losses in 2022 and 2011 as follows :

	Loss Appropriation Proposal	
	2022	2021
Capital reserves make up for losses	<u>\$ 2,246</u>	<u>\$ 5,153</u>

The company's board of directors meeting on March 14, 2024 proposed to make up for the loss in 2023 as follows:

	2023
Capital reserves make up for losses	<u>\$ 2,005</u>

The proposal on making up for losses in 2023 is yet to be resolved at the general meeting of shareholders expected to be held on June 21, 2024.

(4) Other equity items

1. Exchange difference in translation of financial statements of foreign operating institutions

	2023	2022
initial balance	<u>(\$ 68,121)</u>	<u>(\$ 94,717)</u>
Generated in the current year		
The conversion difference of foreign operating institutions	<u>(465)</u>	<u>26,596</u>
Year-end balance	<u>(\$ 68,586)</u>	<u>(\$ 68,121)</u>

2. Unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive income

	2023	2022
Balance at the beginning and end of the year	<u>(\$ 30,215)</u>	<u>(\$ 30,215)</u>

(5) Non-controlling interests

	2023	2022
initial balance	<u>\$ 906</u>	<u>\$ 827</u>
Share attributable to non-controlling interests		
Net (loss) profit for the year	<u>(208)</u>	<u>(83)</u>
Exchange difference in translation of financial statements of foreign operating institutions	<u>8</u>	<u>162</u>
Year-end balance	<u>\$ 706</u>	<u>\$ 906</u>

XX、 Operating income

	2023	2022
Client contract revenue		
Commodity sales income	<u>\$582,050</u>	<u>\$886,144</u>
Technical service income	<u>2,472</u>	<u>3,990</u>
	<u>\$584,522</u>	<u>\$890,134</u>

(1) Contract balance

	December 31, 2023	December 31, 2022	January 1,2022
Net accounts receivable (Note 8)	<u>\$ 53,051</u>	<u>\$ 94,953</u>	<u>\$ 147,012</u>
contract liabilities			
Contract Liabilities			
-Advance Receipts (Other Current Liabilities)(Note 17)	<u>\$ 842</u>	<u>\$ 920</u>	<u>\$ 1,558</u>

Contract liabilities mainly arise from the difference between the time when the sales of goods meet the performance obligations and the time when customers pay.

(2) Breakdown of customer contract revenue

<u>Regional distinction</u>	<u>2023</u>	<u>2022</u>
Asia	\$313,600	\$441,152
America	129,096	146,507
Europe	86,869	94,479
Taiwan (the location of our company)	46,137	191,373
other	<u>8,820</u>	<u>16,623</u>
	<u>\$584,522</u>	<u>\$890,134</u>

XXI、Continuing business unit net profit

(1) interest income

	<u>2023</u>	<u>2022</u>
Bank savings	\$ 5,993	\$ 1,582
Deposit calculation	<u>10</u>	<u>6</u>
	<u>\$ 6,003</u>	<u>\$ 1,588</u>

(2) Other income

	<u>2023</u>	<u>2022</u>
Government grant income (Note 25)	\$ 101	\$ 3,859
other	<u>1,310</u>	<u>5,762</u>
	<u>\$ 1,411</u>	<u>\$ 9,621</u>

(3) Other gains and losses

	<u>2023</u>	<u>2022</u>
Asset impairment losses	(\$ 21,068)	\$ -
compensation	-	(3,139)
other	<u>(4,522)</u>	<u>(17)</u>
	<u>(\$ 25,590)</u>	<u>(\$ 3,156)</u>

(4) Financial costs

	<u>2023</u>	<u>2022</u>
Bank loan interest	\$ 4,893	\$ 3,216
Interest on the lease liability	1,170	1,503
Other loan interest	<u>67</u>	<u>-</u>
	<u>\$ 6,130</u>	<u>\$ 4,719</u>

(5) Depreciation and amortization

	<u>2023</u>	<u>2022</u>
Property, Plant and Equipment	\$ 13,794	\$ 15,361
right-of-use assets	21,504	21,875
intangible assets	<u>5,879</u>	<u>5,449</u>
	<u>\$ 41,177</u>	<u>\$ 42,685</u>

Depreciation expenses summarized
by function category

Operating cost	\$ 7,000	\$ 6,358
Operating expenses	<u>28,298</u>	<u>30,878</u>
	<u>\$ 35,298</u>	<u>\$ 37,236</u>

	<u>2023</u>	<u>2022</u>
Amortization expenses summarized by function category		
Operating cost	\$ 2,025	\$ 1,950
Operating expenses	<u>3,854</u>	<u>3,499</u>
	<u>\$ 5,879</u>	<u>\$ 5,449</u>
(6) Employee benefits		
	<u>2023</u>	<u>2022</u>
Post-employment benefits		
Confirm the appropriation plan	\$ 7,860	\$ 7,922
Defined benefit plans (Note 18)	<u>1,890</u>	<u>1,658</u>
	9,750	9,580
Other employee benefits	<u>254,648</u>	<u>261,912</u>
	<u>\$264,398</u>	<u>\$271,492</u>
Summary by function		
Operating costs	\$ 40,393	\$ 38,445
Operating expenses	<u>224,005</u>	<u>233,047</u>
	<u>\$264,398</u>	<u>\$271,492</u>

(7) Employee Remuneration and Directors' Remuneration

The company allocates employee remuneration and director remuneration at a rate of no less than 5% and no more than 3% of the pre-tax profit before deducting the distribution of employee and director remuneration in the current year.

Both 2022 and 2021 are accumulated losses, so employee remuneration and director remuneration have not been estimated.

If there is any change in the amount after the date of issuance of the annual consolidated financial report, it will be treated as a change in accounting estimates and adjusted and recorded in the following year.

For information on employee remuneration and director remuneration for the company's 2023 and 2022 board resolutions, please visit the "Public Information Observatory" of the Taiwan Stock Exchange.

(8) Foreign currency exchange gains (losses)

	<u>2023</u>	<u>2022</u>
Total foreign currency exchange benefit	\$ 23,976	\$ 31,954
Total foreign exchange losses	(<u>20,808</u>)	(<u>16,775</u>)
net gain	<u>\$ 3,168</u>	<u>\$ 15,179</u>

XXII 、 Income tax

(1) Income tax recognized in profit or loss

The main components of income tax expenses are as follows:

	<u>2023</u>	<u>2022</u>
current income tax		
Producer of the year	\$ 2,117	\$ 2,522
Adjustments for previous years	<u>30</u>	<u>92</u>
Income tax expense recognized in profit or loss	<u>\$ 2,147</u>	<u>\$ 2,614</u>

The adjustment of accounting income and income tax expense is as follows :

	<u>2023</u>	<u>2022</u>
Net profit before tax of continuing business units	(<u>\$141,259</u>)	<u>\$ 5,421</u>
Income tax calculated on the net profit before tax according to the statutory tax rate	\$ 2,428	\$ 4,051
Non-deductible expense losses	(300)	(98)
Deduction of losses for the current year	-	(1,491)
Unrecognized deductible temporary differences	(29)	60
Other	<u>48</u>	<u>92</u>
Income tax expense recognized in profit or loss	<u>\$ 2,147</u>	<u>\$ 2,614</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current income tax assets		
Current income tax assets	<u>\$ 665</u>	<u>\$ 299</u>
Current income tax liabilities		
payable income tax		
Current income tax assets	<u>\$ 837</u>	<u>\$ 2,086</u>

(3) Deferred income tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows :

2023

	Year-beginning balance	recognized in profit or loss	exchange rate impact number	Year-end balance
<u>Deferred tax assets</u>				
temporary difference				
Allowance for loss				
of inventory	\$ 21,409	(\$ 11,307)	\$ 230	\$ 10,332
Unrealized				
exchange losses	2,851	1,163	-	4,014
Debt provision	23,146	(29,924)	596	(6,182)
Other	27,994	16,484	(344)	44,134
loss deductions	64,430	21,115	(379)	85,166
investment write-off	<u>\$ 139,830</u>	<u>(\$ 2,469)</u>	<u>\$ 103</u>	<u>\$ 137,464</u>
<u>Deferred tax liabilities</u>				
temporary difference				
Foreign currency				
exchange benefits	<u>\$ 18,473</u>	<u>(\$ 2,469)</u>	<u>\$ -</u>	<u>\$ 16,004</u>

2022

	Year-beginning balance	recognized in profit or loss	exchange rate impact number	Year-end balance
<u>Deferred tax assets</u>				
temporary difference				
Allowance for loss				
of inventory	\$ 20,950	(\$ 832)	\$ 1,291	\$ 21,409
Unrealized				
exchange losses	2,579	272	-	2,851
Debt provision	3,710	(4,116)	406	-
Other	15,508	5,328	2,310	23,146
loss deductions	23,570	3,129	1,295	27,994
investment write-off	58,073	-	6,357	64,430
	<u>\$ 124,390</u>	<u>\$ 3,781</u>	<u>\$ 11,659</u>	<u>\$ 139,830</u>
<u>Deferred tax liabilities</u>				
temporary difference				
Foreign currency				
exchange benefits				
Deferred tax assets	<u>\$ 14,692</u>	<u>\$ 3,781</u>	<u>\$ -</u>	<u>\$ 18,473</u>

(4) Deductible temporary differences, unused loss deduction and unused investment deduction tax that have not been recognized as deferred income tax assets in the consolidated balance sheet

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
loss deductions		
due in 2026	\$ 9,142	\$ 9,142
due in 2027	50,402	50,402
due in 2028	50,935	50,935
due in 2029	44,877	44,877
due in 2030	20,166	20,166
due in 2032	2,942	3,713
due in 2033	11,993	-
due in 2037	<u>21,491</u>	<u>16,320</u>

	<u>\$211,948</u>	<u>\$195,555</u>
investment write-off		
R & D expenditure	<u>\$ 24,680</u>	<u>\$162,530</u>

Unrecognized investment credits will gradually expire before the end of 2037 °

(5) Income tax verification situation

The company's income tax declaration cases as of 2021 have been approved by the tax collection agency.

XXIII、earnings per share

	2023	Unit: NT\$ per share 2022
Basic and Diluted EPS	(<u>\$ 1.55</u>)	<u>\$ 0.03</u>

The net income and weighted average number of ordinary shares used to calculate earnings per share are as follows :

Net profit for the year

	2023	2022
Net income used to calculate basic and diluted earnings per share	(<u>\$143,198</u>)	<u>\$ 2,890</u>

number of shares

	2023	Unit: thousand shares 2022
Weighted average number of common shares used to calculate basic and diluted earnings per share	<u>92,679</u>	<u>91,660</u>

The outstanding employee stock options of the merged company are potential ordinary shares. However, the net loss after tax in 2023 and the execution price are higher than the average market price of the shares in 2022, which has an anti-dilution effect. Therefore, the employee stock options are not included in the calculation of diluted earnings per share.

XXIV、Share-Based Payment Agreement

(1) The company's employee stock option plan

On June 12, 2017 (hereinafter referred to as the 2017 stock option plan), September 9, 2016 (hereinafter referred to as the 2016 stock option plan) and December 9, 2015 (hereinafter referred to as the 2015 stock option plan) 2-time stock option plan) approved by the Financial Supervisory and Management Commission to issue employee stock option certificates of 5,000 units, 2,100 units and 3,900 units. The total number of new ordinary shares required to issue due to the implementation of this stock option certificate is 5,000 thousand

shares and 2,100 units respectively thousand shares and 3,900 thousand shares. Certificate holders can exercise a certain proportion of the granted stock option certificates from the date of 2 years after the issuance, and the duration of the stock option certificates is 10 years, 10 years and 10 years respectively. After the stock option is issued, if there is a change in equity or a capital reduction not due to the cancellation of treasury stock, it will be adjusted according to the employee stock option certificate issuance and share subscription method of The consolidated company.

The information of the above share option plan is summarized as follows :

	2017 Stock Option Plan		2016 Stock Option Plan		2015-2 stock Option Plan	
	unit	Weighted average exercise price (yuan/share)	unit	Weighted average exercise price (yuan/share)	unit	Weighted average exercise price (yuan/share)
<u>2022</u>						
Year-beginning balance	687	\$ 24.5	397	\$ 30.7	535	\$ 32.2
Expires this year	(88)	24.4	(36)	30.5	(28)	32.0
Year-end balance	<u>599</u>	24.4	<u>361</u>	30.5	<u>507</u>	32.0
Executable at the end of the year	<u>599</u>	24.4	<u>361</u>	30.5	<u>507</u>	32.0
<u>2023</u>						
Year-beginning balance	599	\$ 24.4	361	\$ 30.5	507	\$ 32.0
Expires this year	(171)	24.4	(134)	30.5	(87)	32.0
Year-end balance	<u>428</u>	24.4	<u>227</u>	30.5	<u>420</u>	32.0
Executable at the end of the year	<u>428</u>	24.4	<u>227</u>	30.5	<u>420</u>	32.0

There are no employee stock options in 2023 and 2022.

As of the balance sheet date, the relevant information on outstanding employee stock options is as follows:

	December 31, 2023	December 31, 2022
Execution price range (NT \$)	\$24.4~\$32.0	\$24.4~\$32.0
Weighted average remaining contract term (years)	2.70 years	3.74 years

The employee stock options granted by the company in 2017 are evaluated using a three-item tree model. The parameters used in the evaluation model are as follows:

:

Giving day share price	\$ 12.95
exercise price	\$ 12.95
expected volatility	29.15%
expected duration	7.45 years
expected dividend rate	1.50%
risk free rate	1.1183%
Fair value of stock options	\$ 3.227

The employee stock options granted by the company in 2016 are evaluated using a three-item tree model. The parameters used in the evaluation model are as follows:

Giving day share price	\$ 16.20
exercise price	\$ 16.20
expected volatility	43.63%
expected duration	6.69 years
expected dividend rate	1.50%
risk free rate	0.7744%
Fair value of stock options	\$ 5.872

The employee stock options granted by the company in 2015-2 are evaluated using a three-item tree model. The parameters used in the evaluation model are as follows:

Giving day share price	\$ 17.35
exercise price	\$ 17.35
expected volatility	45.25%
expected duration	5.94 years
expected dividend rate	1.5%
risk free rate	1.2513%
Fair value of stock options	\$ 7.1316

The expected volatility is the standard deviation of the average annual return rate of the company's stock price in the past year. The consolidated company assumes that employees will exercise stock options when the stock price after the expiration of the vested period is higher than the exercise price.

The company's 2023 and 2022 employee stock option recognition remuneration costs are all NT\$0.

XXV 、 government subsidy

In 2010, the company applied to the Ministry of Labor for the "Ministry of Labor's Occupational Safety and Health Administration to Promote Small and Medium-sized Enterprises On-Site Health Service Subsidy Program". For labor insurance with less than 199 people, the company will subsidize the cost of each special on-site service, or subsidize the full-time employment of nursing staff For the monthly salary, the company recognizes NT\$101 thousand and NT\$129 thousand in 2023 and 2022, respectively.

PTU applied for partial loan forgiveness of the SBA Small Business Administration Paycheck Protection Program (SBA Paycheck Protection Program, PPP) in the U.S. Congress in accordance with the "Coronavirus Aid and Relief Economic Security Act". The combined company recognized NT\$3,701 thousand .

In 2022, according to The wage-domain allowance, referred to as WTL, PTE applied to the Dutch National Tax Administration for salary

reduction and exemption, and the consolidated company recognized NT29 thousand in 2022.

XXVI、Non-cash transactions

Except as disclosed in other notes, the consolidated company will conduct the following non-cash transaction investment and financing activities in 2023 and 2022:

In 2023 and 2022, the consolidated company will be reclassified as real estate, plant and equipment with book value of inventories of 4,716 thousand and 4,411 thousand respectively, see Note 12.

XXVII、Capital Risk Management

The consolidated company conducts capital management to ensure that each company within the group can continue to operate, and maximize shareholder returns by optimizing the balance of debt and equity. There is no material change in the overall strategy of the consolidated Company.

The capital structure of the consolidated company is composed of the equity of the consolidated company attributable to the owner of the company (ie share capital, capital reserve, retained earnings and other equity items).

Merging companies are not subject to other external capital requirements.

The main management of the consolidated company re-examines the capital structure of the group every year, and the content of the review includes consideration of the cost of various types of capital and related risks. According to the proposal of the main management, the consolidated company will balance the overall capital structure by paying dividends, issuing new shares, buying back shares, issuing new debts or repaying old debts, etc.

XXVIII、Financial tool

(1) Types of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>monetary assets</u>		
Financial assets measured at amortized cost (a)	\$466,314	\$494,333
<u>financial liabilities</u>		
Measured by amortized cost (b)	318,210	255,711

- a. The balance includes cash and cash equivalents, accounts receivable, other receivables, deposits and financial assets measured at amortized cost, etc. Financial assets measured at amortized cost.

- b. The balance includes long-term and short-term borrowings (including those due within one year), accounts payable and other payables, which are measured at cost after amortization.

(2) Financial Risk Management Objectives and Policies

The consolidated company's major financial instruments include debt investments, accounts receivable, accounts payable, borrowings and lease liabilities. The consolidated company's financial management department provides services to all business units, coordinates the operation of domestic and international financial markets, and supervises and manages the financial risks related to the operation of the merged company by analyzing the internal risk reports of the risk according to the degree and breadth of risk. Such risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

a. Market risk

The consolidated company's main financial risks borne by the consolidated company due to its operating activities are the risk of changes in foreign currency exchange rates (see (a) below) and the risk of interest rate changes (see (b) below).

The consolidated company's exposure to market risk in financial instruments and the way it manages and measures such exposure has not changed.

(a) currency risk

The consolidated company's exposure to market risk in financial instruments and the way it manages and measures such exposure has not changed.

The consolidated company's is engaged in sales and purchase transactions denominated in foreign currencies, thus exposing the consolidated company to exposure to exchange rate fluctuations. Approximately 47% of the consolidated company's sales were denominated in non-functional currency of the individual transaction group, and approximately 77% of the cost amount was denominated in non-functional currency of the individual transaction group.

The consolidated company's carrying amount of monetary assets and monetary liabilities denominated in non-functional currency on the balance sheet date (including monetary items denominated in non-functional currency that have been reversed in the consolidated financial statements), see Note XXXI °

Sensitivity Analysis

The consolidated company's is mainly affected by fluctuations in the exchange rate of the US dollar.

Sensitivity analysis on foreign currency exchange rate risk is mainly calculated for USD monetary items on the balance sheet date. When the functional currency of each entity in the group appreciates/depreciates by 1% against the US dollar, the combined company's net profit before tax in 2023 and 2022 will increase/decrease by 1,789 thousand and 863 thousand, respectively.

(b) Interest rate risk

Because the consolidated company's holds both fixed and floating rate financial assets and liabilities, there is interest rate exposure risk. °

The consolidated company's carrying amount of financial assets and financial liabilities exposed to interest rate risk on the balance sheet date is as follows :

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fair value interest rate risk		
-monetary assets	\$140,197	\$ 75,617
- Financial liabilities	71,473	97,651
Cash flow interest rate risk		
-monetary assets	264,884	303,271
- Financial liabilities	217,000	109,000

Sensitivity Analysis

The sensitivity analysis of interest rate risk is based on the cash flow changes of floating rate assets and liabilities on the balance sheet date. If the interest rate increases/decreases by 0.5%, the net profit before tax in 2023 and 2022 will decrease/increase by 239 thousand and 971 thousand respectively.

b. Credit risk

Credit risk refers to the risk that the counterparty defaults in contractual obligations and causes financial losses to the Group. As of the balance sheet date, the consolidated company's maximum credit risk exposure that may cause financial losses due to the counterparty's failure to perform its obligations or the consolidated company's provision of financial guarantees mainly comes from the book value of financial assets recognized in the consolidated balance sheet.

The objects of accounts receivable cover many customers, scattered in different industries and geographical regions. The consolidated company's continuously evaluates the financial status of accounts receivable customers. In order to mitigate major credit risks, it has purchased credit guarantee insurance contracts or paid in advance by customers.

3. liquidity risk

The consolidated company's manages and maintains sufficient cash and equivalent cash to support the group's operations and mitigate the impact of cash flow shortages. The management of the merged company supervises the use of bank financing facilities and ensures compliance with the terms of the loan contract.

Bank borrowings are an important source of liquidity for the consolidated company's. As of December 31, 2022 and 2021, the unused short-term bank financing line of the merged company is NT\$189,058 thousand and NT\$277,065 thousand respectively, and the unused long-term bank financing line is NT\$0.

(1) Liquidity and interest rate risk table for non-derivative financial liabilities

The remaining contractual maturity analysis for non-derivative financial liabilities is prepared based on the undiscounted cash flows of the financial liabilities (including principal and estimated interest) based on the earliest date on which the consolidated company's payments can be required. Therefore, the consolidated company's bank loans that can be required to be repaid immediately are listed in the earliest period in the table below, regardless of the probability of the bank's immediate execution of the right; the maturity analysis of other non-derivative financial liabilities is prepared according to the agreed repayment date.

December 31, 2023

	Demand immediate payment or less than 3 months	3 months to 1 year	1 to 5 years	over 5 years	total
<u>Non-derivative financial liabilities</u>					
Floating Rate					
Instrument	\$ 185,000	\$ 32,000	\$ -	\$ -	\$ 217,000
fixed rate instrument	30,000	-	-	-	30,000
accounts payable	60,075	4,731	-	-	64,806
lease liability	4,558	9,903	10,186	26,385	51,032
<u>Non-derivative financial liabilities</u>	<u>367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>367</u>

Further information on lease liability maturity analysis is as follows :

	less than 1 year	1 to 5 years	5to10 years	10 to 15 years	15 to 20 years	over 20 years
lease liability	<u>\$ 14,461</u>	<u>\$ 10,186</u>	<u>\$ 5,695</u>	<u>\$ 5,695</u>	<u>\$ 5,695</u>	<u>\$ 9,300</u>

December 31, 2022

	Demand immediate payment or less than 3 months	3 months to 1 year	1 to 5 years	over 5 years	total
<u>Non-derivative</u>					

<u>financial liabilities</u>					
Floating Rate					
Instrument	\$ 60,000	\$ 49,000	\$ -	\$ -	\$ 109,000
fixed rate instrument	50,000	-	-	-	50,000
accounts payable	79,456	5,911	-	-	85,367
lease liability	4,986	12,420	12,922	27,430	57,758
	<u>\$ 194,442</u>	<u>\$ 67,331</u>	<u>\$ 12,922</u>	<u>\$ 27,430</u>	<u>\$ 302,125</u>

Further information on lease liability maturity analysis is as follows :

	less than 1 year	1 to 5 years	5to10 years	10 to 15 years	15 to 20 years	over 20 years
lease liability	<u>\$ 17,406</u>	<u>\$ 12,922</u>	<u>\$ 5,695</u>	<u>\$ 5,695</u>	<u>\$ 5,695</u>	<u>\$ 10,345</u>

XXIX. Related Party Transactions

Transactions, account balances, income and expenses between the Company and its subsidiaries (related persons of the Company) are all eliminated upon consolidation, so they are not disclosed in this note. The details of transactions between the consolidated company and other related parties are as follows.

- (1) The name of the related party and its relationship

<u>Related person name</u>	<u>Relationship with the company</u>
Tacis Solutions, Inc. (Tacis)	Affiliated enterprises
Syntec Technology Co., Ltd. (Syntec)	Other related persons (note)

Note: The new generation company has been a director of the company since June 26, 2023.

- (2) operating income

<u>Account items</u>	<u>Relationship category</u>	<u>2023</u>	<u>2022</u>
sales revenue	Other related persons	<u>\$ 6</u>	<u>\$ -</u>

The consolidated consolidated company's company's price of the sale to the related party is determined by reference to market conditions and negotiated between the parties. The payment condition of the related person is 30 days of monthly settlement .

- (3) Advance payments

<u>Relationship category</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Affiliated enterprises	<u>\$ -</u>	<u>\$ 4,299</u>

- (4) Tenancy agreement

<u>Relationship category /name</u>	<u>2023</u>	<u>2022</u>
<u>Obtain right-of-use assets</u>		
Other related persons	<u>\$ 6,476</u>	<u>\$ -</u>
	<u>Relationship category</u>	<u>2023</u>
<u>Account items</u>		
Lease liability – current	Other related persons	<u>\$ 6,586</u>

Account items / name	2023	2022
<u>Interest expense</u>		
Other related persons	<u>\$ 116</u>	<u>\$ -</u>

The consolidated company leases factory buildings and parking spaces from related parties. The content of the lease is determined by agreement between the two parties, and the rent is paid monthly.

(5) Other related party transactions

Account items	Relationship category	2023	2022
Operating expenses	Affiliated enterprises	\$ 2,315	\$ 157
	Other related persons	<u>1,350</u>	<u>-</u>
		<u>\$ 3,665</u>	<u>\$ 157</u>
Manufacturing expenses	Other related persons	<u>\$ 273</u>	<u>\$ -</u>

The manufacturing expenses and operating expenses of the consolidated company mainly include research and development expenses, office water and electricity expenses, management fees and amortized service costs. They are based on the conditions agreed by both parties. There are no other suitable transaction partners for comparison.

(6) Salary of main management

	2023	2022
short term employee benefits	\$ 29,739	\$ 28,902
Post-employment benefits	822	646
severance benefits	<u>552</u>	<u>-</u>
	<u>\$ 31,113</u>	<u>\$ 29,548</u>

The remuneration of directors and other key management personnel is determined by the remuneration committee based on individual performance and market conditions.

XXX、pledged assets

The following assets have been provided as collateral for long-term and short-term borrowings, customs duties, and land lease guarantees of the Science and Industry Park Authority :

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Our company</u>		
building	\$ 87,816	\$ 91,740
Pledged time deposits (accounted for as financial assets measured at amortized cost - current)	<u>1,376</u>	<u>1,373</u>
	<u>\$ 89,192</u>	<u>\$ 93,113</u>

XXXI、Material foreign currency asset and liability information

The following information is expressed in terms of foreign currencies other than the consolidated company's individual functional currencies, and the exchange rates disclosed refer to the conversion rates of these foreign currencies into the functional currencies :

December 31, 2023

	<u>foreign currency</u>	<u>exchange rate</u>	<u>carrying amount</u>
foreign currency			
assets			
<u>monetary item</u>			
USD	\$ 6,626	30.705 (USD : NTD)	\$ 203,451
USD	527	141.3674 (USD : JPY)	16,182
CNY	11,650	4.327 (CNY : NTD)	50,410
EUR	639	33.98 (EUR : NTD)	21,713
JPY	128,421	0.2172 (JPY : NTD)	<u>27,893</u>
			<u>\$ 319,649</u>
<u>non-monetary</u>			
<u>items</u>			
Affiliated			
companies using			
the equity			
method			
USD	674	30.705 (USD : NTD)	<u>\$ 20,700</u>
foreign currency			
liabilities			
<u>monetary items</u>			
USD	1,327	30.705 (USD : NTD)	<u>\$ 40,746</u>

December 31, 2022

	<u>foreign currency</u>	<u>exchange rate</u>	<u>carrying amount</u>
foreign currency			
assets			
<u>monetary item</u>			
USD	\$ 4,271	30.71 (USD : NTD)	\$ 131,162
USD	362	132.14 (USD : JPY)	11,117
CNY	7,465	4.408 (CNY : NTD)	32,906
EUR	2,816	32.72 (EUR : NTD)	92,140
JPY	80,771	0.2324 (JPY : NTD)	<u>18,771</u>
			<u>\$ 286,096</u>
<u>non-monetary</u>			
<u>items</u>			
Affiliated			
companies using			
the equity			
method			
USD	597	30.71 (USD : NTD)	<u>\$ 18,339</u>
<u>foreign currency</u>			

liabilities			
<u>monetary items</u>			
USD	1,824	30.71 (USD : NTD)	<u>\$ 56,015</u>

The consolidated company's foreign currency exchange net profit (loss) in 2023 and 2022 is NT\$3,168 thousand and 15,179 thousand respectively. Due to the wide variety of foreign currency transactions and functional currencies of the individual group, it is impossible to calculate the major impact of foreign currencies. Disclose exchange gains and losses.

XXXII、Matters disclosed in the notes

(1) Significant transactions and (2) Relevant information on reinvested businesses:

1. Loans of funds to others: None.
2. Endorsement for others: None.
3. Securities held at the end of the period (excluding investment in subsidiaries, affiliated companies and joint ventures): Schedule I.
4. Accumulative purchase or sale of the same securities amounted to NT\$300 million or more than 20% of the paid-in capital: None.
5. The amount of real estate acquired is NT\$300 million or more than 20% of the paid-in capital: None.
6. The amount of disposal of real estate amounted to NT\$300 million or more than 20% of the paid-in capital: None.
7. The amount of goods purchased and sold with related parties reaches NT\$100 million or more than 20% of the paid-in capital: None.
8. Amounts receivable from related parties amount to NT\$100 million or more than 20% of the paid-in capital: None.
9. Engaged in derivatives trading: None.
10. Business relationships and important transactions and amounts between the parent company and its subsidiaries and between each subsidiary company: Schedule II.
11. Invested company information (excluding mainland invested companies): Schedule III.

(3) China investment information:

1. The name of the mainland invested company, main business items, paid-in capital, investment method, fund remittances, shareholding ratio, investment profits and losses, book value of investments at the end of the period, repatriated investment profits and losses, and investment limits in mainland China: please refer to Schedule 4
2. The following major transactions with mainland investee companies, directly or indirectly through third regions, as well as their prices, payment terms, unrealized gains and losses and other relevant information that are helpful in understanding the impact of mainland investments on the financial statements: please refer to Schedule 5

(4) Information on major shareholders :

Major shareholder name	shares	
	Number of shares held	Shareholding ratio
Qixiang Co., Ltd.	7,142,873	7.70%

Note 1: The main shareholder information in this table is calculated by CHEP on the last business day at the end of the quarter, and the shareholders hold more than 5% of the common shares and special shares of the company that have completed the delivery of no physical registration (including treasury shares) material. The share capital recorded in the company's financial report and the actual number of shares delivered without physical registration may be different or different due to the different basis of preparation and calculation.

Note 2: If the above-mentioned information is that the shareholder transfers the holdings to the trust, it is disclosed by the individual account of the trustor who opened the trust account opened by the trustee. As for insider equity declarations for shareholders who hold more than 10% of the shares in accordance with the Securities and Exchange Act, their shareholding includes their own shares plus the shares they have delivered to the trust and have the right to use the trust property, etc. For information on insider equity declarations, please refer to public information Observatory.

XXXIII、Department Information

The consolidated company's information provided to chief operating decision makers to allocate resources and measure departmental performance, focusing on each type of product or service delivered or provided. The consolidated company's departmental information provided to operational decision makers for review, and its measurement basis is the same as that of the financial statements.

(1) Segment revenue and operating results

The income and operating results of the consolidated company's continuing business units are analyzed according to the reporting department as follows :

	department income		department (Profit) Loss	
	2023	2022	2023	2022
Redundant Array of Independent Disks (Syetem)	\$ 530,398	\$ 768,005	\$ 203,398	\$ 291,949
other	<u>54,124</u>	<u>122,129</u>	(<u>1,121</u>)	<u>31,083</u>
Total continuing business units	<u>\$ 584,522</u>	<u>\$ 890,134</u>	202,277	323,032
Unallocated amount: :				
Operating expenses			(324,804)	(337,398)
non-operating			(<u>18,732</u>)	<u>19,787</u>
income and expenses				
Net profit before tax			(<u>\$ 141,259</u>)	<u>\$ 5,421</u>

Departmental profit and loss refers to the profit earned by each department, excluding operating expenses, non-operating income and benefits and non-operating expenses and losses that should be apportioned. This measure is provided to the chief operating decision maker to allocate resources to departments and measure their performance.

The income reported above is generated from transactions with external customers.

(2) Total Sectoral Assets and Liabilities

The consolidated company's assets and liabilities measure are not provided to the operating decision makers, so the measure of departmental assets and liabilities is zero.

(3) main income

	2023	2022
Redundant Array of Independent Disks (Syetem)	\$530,398	\$768,005
other	<u>54,124</u>	<u>122,129</u>
	<u><u>\$584,522</u></u>	<u><u>\$890,134</u></u>

(4) Regional information

The consolidated company's income from continuing business units from external customers is classified according to the location of operation, and the information on non-current assets according to the location of the assets is listed as follows :

	Revenue from external customers		Non-current assets	
	2023	2022	2023	2022
Asia	\$ 313,600	\$ 441,152	\$ 8,990	\$ 4,154
America	129,096	146,507	16,929	22,242
Europe	86,869	94,479	1,189	2,489
Taiwan	46,137	191,373	132,889	148,012
other	<u>8,820</u>	<u>16,623</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 584,522</u></u>	<u><u>\$ 890,134</u></u>	<u><u>\$ 159,997</u></u>	<u><u>\$ 176,897</u></u>

Non-current assets exclude equity method investments and deferred tax assets.

(5) Main customer information

The income from a single customer accounts for more than 10% of the consolidated company's total income as follows :

client's name	2023		2022	
	Amount	%	Amount	%
Company A	\$ 71,483	12	NA (Note)	-
Company B	NA (Note)	-	\$ 108,499	12
Company C	NA (Note)	-	98,233	11

Note: Sales revenue does not reach 10% of the combined company's revenue.

Promise Technology, Inc. and Subsidiaries

Securities held at the end of the period

2023

Schedule I

Unit: Unless otherwise specified,
in thousands of NT dollars

holding company	Types of Securities	Securities name	Relationship with Securities Issuers	account subject	end of period				Remark
					number of shares (thousand shares)	book amount	Sharehold ing ratio	Fair value	
Joding Investment Corp.	stock	Symply, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	59	-	special stock	-	Note 1
	stock	Global Channel Resources Inc	—	Financial assets at fair value through other comprehensive income - non-current	500	-	special stock	-	Note 1
PTU	stock	Symply, Inc.	—	Financial assets at fair value through other comprehensive income - non-current	26	-	special stock	-	Note 1

Note 1: Listed at fair value

Note 2: At the end of December 2023, the securities listed above did not provide guarantees, pledged loans or other restricted users as agreed.

Promise Technology, Inc. and Subsidiaries
Business relationship and important transactions between the parent company and the subsidiary company
2023

Schedule II

Unit: NT\$ thousand

serial number	trader name	Transaction objects	Relationship with Trader (Note 1)	Transaction status			
				Subject	Amount	Trading Conditions (Note 2)	As a percentage of consolidated total revenue or total assets
0	PTT	PTU	1	sales revenue	\$ 101,212	—	17%
				Professional Services Revenue	7,504	—	1%
				Unrealized sales benefits among affiliated companies	3,802	—	1%
				Amounts receivable from related parties	300	—	-
				Purchase	104	—	-
				Other accounts receivable from related parties	1	—	-
		PTE	1	sales revenue	72,633	—	12%
				Amounts receivable from related parties	9,156	—	1%
				Unrealized sales benefits among affiliated companies	2,089	—	-
				Other accounts receivable from related parties	85	—	-
		PTJ	1	sales revenue	107,242	—	18%
				Amounts receivable from related parties	6,040	—	1%
				professional services revenue	1,220	—	-
		PTC	1	sales revenue	4,282	—	1%
				Other accounts receivable from related parties	77	—	-
				Realized sales benefits among affiliated companies	285	—	-
				Amounts receivable from related parties	12	—	-
		PNC	1	sales revenue	29,748	—	5%
				Amounts receivable from related parties	29,503	—	2%
				Other amounts payable to related parties	21,321	—	2%
1	PTU	PTE	3	Payments payable to related parties	343	—	-
2	PTC	PNC	3	Amounts receivable from related parties	13,042	—	1%
				sales revenue	11,600	—	2%
				Purchase	450	—	-

Note 1: 1 represents the transaction between the parent company and the subsidiary.

3 represents transactions between subsidiaries.

Note 2: The price of goods sold between the parent company and its subsidiaries is determined based on local market conditions, and the payment collection period is approximately 90 to 180 days from the starting point. However, the company and its subsidiaries may also request payment from their subsidiaries based on their capital needs.

Note 3: The purchase price of the company's purchases from related parties is determined according to the local market conditions, and the payment terms are equivalent to those of non-related parties.

Promise Technology, Inc. and Subsidiaries
Invested company information, location... and other related information
2023

Unit: Unless otherwise specified,
in thousands of NT dollars

Schedule III

Investment company name	Invested company name	location	Main business items	original investment amount		Holding at the end of the period			Current profit and loss of the invested company	Investment gains and losses recognized in the current period	Remark
				end of current period	end of last year	number of shares (thousand shares)	Ratio	end of current period			
PTT	Joding Investment Corp.	Cayman Islands	General Investment Industry	\$ 217,010	\$ 217,010	7,374	100.00	\$ 243,016	(\$81,789)	(\$87,395)	Subsidiary
	PTJ	Japan	Sales business	41,621	41,621	2	100.00	25,646	4,513	4,513	Subsidiary
Joding Investment Corp.	PTU	USA	Sales business	41,962	41,962	48,596	99.60	176,633	(51,987)	(55,947)	Subsidiary
	PTE	Netherlands	Sales business	24,459	24,459	130	100.00	21,761	(13,759)	(15,848)	Subsidiary
PTU	Tacis Solutions Inc.	USA	R&D and Sales business	19,967	19,967	1,800	19.35	-	12,432	2,406	Affiliated enterprises

Note: The investment (gains) and losses recognized in the current period have taken into account the impact of unrealized gains and losses from inter-company transactions °

Promise Technology, Inc. and Subsidiaries
Investing in Mainland China
2023

Schedule IV

Units: Unless otherwise specified,
in thousands of NT dollars

The name of the invested company in China	Main business items	Paid-in capital amount	investment method	The accumulative investment amount remitted from Taiwan at the beginning of the current period	Remittance or withdrawal of investment amount in the current period		At the end of the current period, the cumulative investment amount remitted from Taiwan	Invested company Current period (profit) loss	The shareholding ratio of the company's direct or indirect investment	Recognition of investment (gain) loss in the current period	Book value of investment at the end of the period	As of the current period, investment income has been repatriated
					Remittance	withdrawal						
PTC	Develop and produce computer application software, sell self-produced products and provide technical consultation	\$ 63,866 (USD:K 2,080)	Note 1	\$50,694 (USD:K 1,651)	\$ -	\$ -	\$ 50,694 (USD:K 1,651)	(\$15,689)	100%	(\$15,404) (Note 2)	\$63,525	\$ 39,266
PNC	Develop and produce computer application software, sell self-produced products and provide technical consultation	25,962 (CNY:K 6,000)	Note 2	4,587 (CNY:K 1,060)	-	-	4,587 (CNY:K 1,06	(8,661)	100%	(8,867)	17,209	-

At the end of the current period, the accumulative amount of investment remitted from Taiwan to the mainland	The investment amount approved by the Investment Review Committee of the Ministry of Economic Affairs	According to the regulations of the Investment Review Committee of the Ministry of Economic Affairs, the investment limit in mainland China is 60% of the net value
\$55,281 (USD:K 1,651 、 CNY:K 1,060)	\$58,554 (USD:K 1,907)	\$440,176

Note 1: The subsidiary Joding Investment Corp. invested in a mainland company on its own and the company invested in Joding Investment Corp., and then invested in a mainland company through the company. The investment has been approved by the Investment Review Committee of the Ministry of Economic Affairs, and the approved investment amount is US\$327 respectively. Thousands of dollars and US\$3,000,000. The company passed the board of directors in March 2020 and approved it by the Investment Review Committee of the Ministry of Economic Affairs in July 2020. The capital reduction was approved to repatriate US\$1,420,000. °

Note 2: The company's investment method is direct investment.

Note 3: Relevant figures in this table involving foreign currencies are converted into New Taiwan Dollars at the exchange rate on the financial reporting date.

Promise Technology, Inc. and Subsidiaries

The following major transactions and their prices, payment terms, unrealized gains and losses,
and other relevant information that occurred directly or indirectly with the china investee company through the third region

2023

Schedule V

Unit: Unless otherwise specified,
in thousands of NT dollars

The name of the invested company in China	Transaction Type	Purchase and sale		transaction terms		Notes receivable (payment), accounts		Realized and unrealized gains and losses	Remark
		amount	%	payment terms	Comparison with general transactions	amount	%		
PTC	Sales	\$ 4,282	1%	Note	—	\$ 12	-	\$ 285	—
PNC	Sales	29,748	6%	Note	—	29,503	45%	(206)	—

Note: The price of the sales between the company's parent company and the subsidiary company is determined according to the local market conditions,
and the payment period is about 120~180 days from the point of departure.

Promise Technology, Inc.

Chairman and Presidents : Lee, Jyh-En