

Stock code : 3057

Promise Technology, Inc.

Handbook for the 2025 Annual Meeting of shareholder

Meeting Time: May 26, 2025, (Monday) 09:00 a.m.

PLACE : No. 1, Industrial East 2nd Road, Hsinchu Science Park (Newton Hall,
2nd Floor, Science and Technology Life Museum)

Meeting type : Physical shareholders' meeting

The original of this handbook 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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Promise Technology, Inc.
Year 2025
Agenda of Annual Meeting of Shareholders

1. Calling the meeting to order
2. Chairman's speech
3. Matters to Report
4. Matters for Adoption
5. Matters for Discussion
6. Questions and Motions
7. Adjournment

Promise Technology, Inc.

Year 2025 Agenda of Annual Meeting of Shareholders

Time : May 26, 2025, (Monday) 09:00 a.m.

Place : No. 1, Industrial East 2nd Road, Hsinchu Science Park (Newton Hall, 2nd Floor, Science and Technology Life Museum) °

I. Calling the meeting to order :

II. Chairman's speech :

III. Matters to Report :

No.1 2024 Business Report

No.2 Audit Committee's Review Report on the 2024 Financial Statements

No.3 Report on the Company's 2024 Shareholders' Meeting

IV. Matters for Adoption :

No.1 Adoption of the 2024 Business Report and Financial Statements

No.2 Adoption of the Proposal for 2024 Deficit Compensation

V. Matters for Discussion :

No.1 Proposal for company's capital reduction to make up for losses.

No.2 Proposal for Company's Private Equity Securities Issuance

No.3 Proposal for Amendments to some of the Articles of Association of the Company

VI. Other proposals :

VII. Adjournment

Business Report

Thank you very much to all shareholders for attending the 2024ordinary 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 2024. The 2024 operating results and 2025 operating outlook report are as follows:

Consolidated financial ratios

project		2024	2023
Financial Structure (%)	Liabilities to Assets Ratio	42.16	38.22
	Ratio of long-term funds to fixed assets	745.67	825.33
solvency	Current Ratio (%)	222.07	237.39
	Quick Ratio (%)	122.93	121.12
	Interest coverage ratio (times)	0	0
Profitability	Return on assets (%)	(13.17)	(11.25)
	Return on Equity (%)	(22.83)	(17.87)
	Net (loss) profit rate (%)	(26.6)	(24.53)
	Basic earnings per share (yuan)	(1.64)	(1.55)

Research Development Status

year	R & D results
2024	• Unveils Pegasus M8 Storage Solution with Thunderbolt™5 technology.

Operational outlook for 2025 :

(I) 、Transformation and Opportunities

A. Transformation

1. Organizational Transformation: Outsourcing manufacturing, integrating factories, and strengthening R&D and business development.
2. Product technology transformation :
 - (1) Modular design of hardware, mechanical structure, and power supply to reduce component variety and lower costs.
 - (2) Modular design of software, testing, and manufacturing processes to shorten R&D cycles and expedite product launches.
3. Product Line Expansion: Applying storage technology to AI to optimize cost-effective AI training, inference, and generative storage and servers.
4. Business Transformation: Parallel development of branded and white-label products based on national or regional strategies.

B. Opportunities

1. Targeting growth markets such as India, Southeast Asia, the Middle East, and Eastern Europe with cost-effective white-label products to expand revenue.
2. Following AI trends, launch innovative AI storage solutions and AI acceleration technologies/products, leveraging existing technologies to improve margins.

(II) 、Key Execution Strategies

A. Marketing & Product Strategy Adjustments

1. Accelerate the global rollout of innovative AI storage products through major channels and clients.
2. Expand sales within vertically integrated enterprises in Japan.
3. Promote localized branding strategies in India, Southeast Asia, the Middle East, and Eastern Europe, offering high-value products.

B. Operational Transformation

1. Reassess operational efficiency and company strengths to refocus the operational transformation.
2. Implement modular design to reduce R&D and testing time, optimize products, speed up launches, and reduce inventory and production costs.

C. Key Points of Execution

1. Execute modular design across products and technologies.
2. Drive operational transformation and organizational restructuring to enhance overall efficiency.

(III) 、 Conclusion

- A. Despite impacts from war, inflation, and US-China trade sanctions in 2024, preparations have been made to enhance operational efficiency in 2025.
- B. Although global economic uncertainty remains in 2025, certain countries and regions may benefit and grow. If key initiatives are effectively executed, turning loss into profit in 2025 is achievable.
- C. Align with AI trends by swiftly launching innovative AI storage and acceleration solutions in both software and hardware.

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, but also in line with the ever-changing industry trends, transforming at different stages to maintain the momentum of sustainable growth. The company is committed to the development of new products with high efficiency/low energy consumption as the main axis and actively promote them in various markets around the world, on the other hand, the integration of relevant resources, continuous streamlining of the organization and cost reduction, hoping to implement the implementation of the key points in this global economic predicament, the goal of 2025 years to turn losses into profits again, lay the foundation for growth and profitability, 2026 years to return to glory.

We wish you good health and great fortune.

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

No. 2: Audit Committee's Review Report

Promise Technology, Inc.

Audit Committee audits the report

2024 financial statements (January 1, 2024 to December 31, 2024) 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

2025 Annual Meeting of Shareholders, Promise Technology, Inc.

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

March 7, 2025

No.3:Report on the Company's 2024 Shareholders' Meeting Resolution on the Handling of Private Equity Cases

1. The company passed the private placement of securities case at the share holders' meeting on June 21, 2024, and it will be handled once or in batch es (no more than three times) within one year from the date of resolution. Since the processing period is about to expire, there is no case for the re maining period. Continue the private placement plan.
2. In accordance with the relevant regulations on private equity, the applica tion has been submitted for approval by the board of directors on May 7, 2025, and will no longer be processed.

Matters for Adoption

No.1 (Proposed by the Board)

Proposal : Adoption of the 2024 Business Report and Financial Statements

Explanation :

- 1.The Company's 2024 annual financial statements were approved by the Board of Directors on March 7, 2025, and the audit report with unqualified opinions was issued after the verification of two accountants, LIN,HSIN-TUNG and TSAI,MEI-CHEN, of Deloitte Touche Tohmatsu Limited.
- 2.2024 Business Report and Financial Statements have been reviewed by the Audit Committee, and approved by the board of directors. For the related Business Report and Financial Statements, please refer to Handbook page 3 and Attachments 3.

Resolution:

No.2 (Proposed by the Board)

Proposal : Adoption of the Proposal for 2024 Deficit Compensation ◦

Explanation :

Please refer to the 2024 Deficit Compensation Statement as follows :

Promise Technology,Inc.
Deficit Compensation Statement
2024/12/31

Items	Unit: NTD
Unappropriated retained earnings (or accumulated deficit) of prior years	(179,324,670)
+ : net profit (loss) after tax in 2024	(152,154,065)
uarial (profit) losses are in cluded in undistributed earnings	7,602,578
Deficit yet to be compensated – at the end of 2024	(323,876,157)
+ : Capital reserves to cover losses	346,764
Deficit yet to be compensated	(\$323,529,393)

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

Resolution:

Matters for Adoption

No.1 (Proposed by the Board)

Proposal : Proposal for company's capital reduction to make up for losses.

Explanation :

1. Reason for Capital Reduction

In order to improve the company's financial structure, a capital reduction is planned to offset accumulated losses.

2. Amount and Share Cancellation

The company's current paid-in capital is NT\$926,786,680, divided into 92,678,668 shares, each with a par value of NT\$10.

The planned capital reduction is NT\$323,529,390, cancelling 32,352,939 shares, with a reduction ratio of 34.908722%, to offset accumulated losses.

3. Share Exchange and Fractional Shares

According to the shareholder registry on the record date, for every 1,000 shares, 650.91278 shares will be reissued (meaning 349.08722 shares will be cancelled per 1,000 shares).

Fractional shares arising from the reduction can be consolidated by shareholders within five days from the date of share transfer suspension. Unconsolidated or overdue fractional shares will be paid in cash at par value (rounded down to the nearest dollar), and the remaining will be subscribed by designated persons as authorized by the Chairman.

4. Capital After Reduction

After the capital reduction, the company's paid-in capital will be NT\$603,257,290, with 60,325,729 issued shares.

5. Authorization

Upon approval by the shareholders' meeting and competent authorities, the Chairman is authorized to determine the record date for capital reduction and other related matters. Should any changes in capital affect the reduction ratio, the Chairman is authorized to handle adjustments in full.

6. Adjustment for Regulatory and Environmental Changes

Should legal amendments, regulatory feedback, or environmental factors require changes, the Chairman is fully authorized to make the necessary adjustments.

7. Rights and Obligations of New Shares

The rights and obligations of shares after reissuance will remain identical to the original shares and will be issued in dematerialized form.

8. Explanation to Securities and Futures Investors Protection Center

In response to a letter from the Securities and Futures Investors Protection Center (shareholder account no. 10201), the company has provided explanations regarding the reason for the capital reduction, business improvement plans, and control measures. For details, please refer to Appendix 5.

Resolution:

No.2 : (Proposed by the Board)

Proposal : Proposal for Company's Private Equity Securities Issuance. Please proceed to discuss

Explanation :

- (I) In order to seek opportunities for technical cooperation or strategic alliances with domestic and foreign manufacturers or customers, and to repay bank loans and at the same time enrich working capital to meet future operating needs, the company intends to consider market conditions and the needs of the company through private placement. Issuing ordinary shares to introduce insiders or related company directors, managers, strategic investors, etc., can identify with the company's business philosophy and can directly or indirectly help the company's future business strategic planning, and can assist the company to strengthen management and expand business For resources, The private placement quota is expected to be 15,755 thousand shares, which is approximately 17% of the total number of issued shares (which is determined based on the current stock price before the capital reduction, and the capital reduction is subject to adjustment according to the capital reduction ratio) ; in accordance with the provisions of Article 43-6 of the Securities and Exchange Act, it is proposed to submit a resolution to the regular meeting of shareholders for approval, starting from the date of the resolution of the regular meeting of shareholders Once a year or in installments (no more than three times).
- (II) According to Article 43-6 of the Securities and Exchange Act, the matters to be explained in private placement are as follows :
1. Basis and rationality for setting the private placement price:
 - A. The price of ordinary shares in this private placement shall be determined at no less than 80% of the higher of the following two benchmarks:
 - (a) Choose one of 1, 3, or 5 business days before the pricing date to calculate the simple arithmetic average of the closing prices of ordinary shares after deducting the ex-rights and dividends of gratuitous allotment of shares, and adding back the stock price after deducting the rights of ex-rights for capital reduction.
 - (b) The simple arithmetic average of the closing prices of ordinary shares in the 30 business days before the pricing date, deducting the ex-rights and dividends of gratuitous allotment of shares, and adding back the stock price after deducting the ex-rights of capital reduction and anti-exemption rights.
 - B. The actual pricing date and issue price shall be based on the above-mentioned principles, in accordance with Article 43-6 of the Securities Exchange Act and the regulations on matters that public offering companies should pay attention to in handling private placement of securities, and will be negotiated in the future to determine the situation of specific persons and depending on the current market conditions, and submit to shareholders It will authorize the board of directors to decide.
 - C. If the subscription price is lower than the face value of the stock due to market factors in the future, it should be reasonable because it has been processed according to the pricing basis of laws and regulations and has reflected the market price situation. In the future, depending on the company's operations and market conditions, it will be dealt with in the 8 form of capital reduction, surplus, and capital reserves to make up for losses.
 - 2 、 The method, purpose, necessity and expected benefits of the specific person's choice:

- A. Specific person selection method: 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. The selection of applicants shall be decided by the board of directors authorized by the general meeting of shareholders.
- B. Purpose and necessity: In order to seek opportunities for technical cooperation or strategic alliances with domestic and foreign manufacturers or customers, and to repay bank loans and at the same time enrich working capital to meet future operating needs, the company intends to consider market conditions and the needs of the company, to introduce insiders or related company directors, managers, strategic investors, etc. through private placement, who can identify with the company's business philosophy and have director indirect benefits to the company's future business strategic planning, and can assist the company to strengthen business management and To expand business resources, it is expected to issue common stock through private placement.
- C. Estimated benefits: One or multiple (not more than three) private placements are expected to increase profits, reduce costs, improve operational efficiency, expand market size, strengthen the company's competitiveness, promote the stable growth of the company's operations, and benefit shareholders' rights and interests.
- D. So far, the applicant has not been determined. After the case is approved by the shareholders' meeting, if the applicant to be negotiated is an insider or a related party, the list of applicants and their relationship with the company are as follows:

(a) Applicant (insider or related person)

Applicant	Relationship with the company
Qixiang Co., Ltd.	Corporate director of the company
Tsu Fung Investment Corporation	Corporate director of the company
HO, JHI- WU	Representative of the company's legal person directors
Syntec Technology Co., Ltd.	Corporate director of the company
Chirstine Huang	Representative of the company's legal person directors
Lee, Jyh-En	Chief Information Officer and R&D Director of the company
LIN, YU-TSUNG	Chief Information Officer and R&D Director of the company
Chen Ro-Han	Financial Supervisor of the Company
Hsiao, Hsiang-Yun	Accounting Supervisor of the Company
YU, JIN-HAO	director of the Company
MAI, KUN-CHUNG	director of the Company

- (b) If the applicant is a legal person, the names of the top ten shareholders and their shareholding ratios

(1) Qixiang Co., Ltd.

Name of main shareholder	Shareholding ratio	Relationship with the company
Lee,Jyh-En	100%	President

(2) Tsu Fung Investment Corporation

Name of main shareholder	Shareholding ratio	Relationship with the company
MiTAC Internation Corp.	100%	None

(3) Syntec Technology Co., Ltd.

Name of main shareholder	Shareholding ratio	Relationship with the company
TSAI,YU-KENG	9.96%	None
HUANG,WEI-SHENG	6.27%	None
RealHunt Ltd	5.49%	None
Songbao Engineering Consulting Co., Ltd.	4.72%	None
Chirstine Huang	4.42%	Corporate director representative
CHEN,HENG-REN	4.50%	None
TSAI,CHANG-WEI	4.37%	None
TSAI,PEI-HSIN	4.31%	None
CHEN,CHANG-MING	3.85%	None
WU,KUAN-CHUN	3.71%	None

E. The applicant is a strategic investor and the relationship with the company: not yet determined

3.Necessary reasons for private placement :

A. Reasons for not adopting public offerings: Compared with public offerings, private offerings of securities that 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, so A private placement of common stock is proposed instead of a public offering

B. Private placement quota: 15,755 thousand shares, approximately 17% of the total number of issued shares (the number of shares is determined based on the current stock price before the capital reduction, and the capital reduction shall be adjusted according to the capital reduction ratio) within the quota of ordinary shares (no more than three times).

4.Use of funds and expected benefits: The company will handle it once or in batches (no more than three times) depending on the market and the situation of the specific person. The private placement funds will be used to repay bank loans to improve the financial structure and introduce long-term strategic partners. One-time or multiple (not more than three) private placements are expected to increase profits, reduce costs, improve operational efficiency, expand market size, strengthen the company's competitiveness, and promote the stable growth of the company's operations, which will positively benefit shareholders' rights and interests. The estimated amount of the private placement is 148,727 thousand yuan (the private placement price is subject to

the actual price after the resolution of the shareholders' meeting). Based on the company's current average borrowing interest rate of 2.55%, it is estimated that the annual interest expense can be saved by about 3,793 thousand yuan, and the benefit is reasonable.

5. Whether the independent directors have objections or reservations: None

- (III) The rights and obligations of the ordinary shares issued in this private placement are the same as those of the ordinary shares issued by the company. Free transfer is not permitted within the year, and the company will apply to the Financial Supervisory Commission for a supplementary application after three years have elapsed since the delivery date of the privately-placed common stock Public offering procedures and application for listing and trading.
- (IV) The main contents of this private placement of ordinary shares, including the actual issue price, number of shares, issuance conditions, total amount of private placement, selection of specific persons, base date of capital increase, capital utilization plan, estimated progress, and estimated possible benefits and other related matters, as well as all other matters related to the issuance plan, are proposed to be submitted to the regular meeting of shareholders to authorize the board of directors to adjust, formulate and handle them according to market conditions. Or when the objective environment needs to change, the board of directors is also authorized to handle it with full authority.
- (V) In order to cooperate with this private placement of ordinary shares, he intends to submit to the general meeting of shareholders to authorize the chairman or a person designated by him to sign and negotiate all contracts and documents related to this private placement plan on behalf of the company, and to handle all related matters for the company. Matters required for the private placement plan.
- (VI) For this case of private placement of ordinary shares, the shareholders' general meeting shall authorize the board of directors to handle it once or in batches (no more than three times) within one year from the date of passing the resolution of the shareholders' regular meeting. If the private placement cannot be completed within one year, It is proposed that the shareholders' general meeting authorize the board of directors to hold a meeting of the board of directors before the expiration of the period to discuss not to continue the private placement, and to handle information disclosure at the public information observation station based on major information.
- (VII) The board of directors resolved that there was no major change in the operating right within one year before the handling of the private placement securities to one year from the delivery date of the private placement securities.
- (VIII) Matters not mentioned above are proposed to be submitted to the general meeting of shareholders to authorize the board of directors to handle them with full authority according to law.

Resolution:

No.3 : (Proposed by the Board)

Proposal : Proposal for Amendments to some of the Articles of Association of the Company

Explanation :

1. Amended in accordance with Article 14, Paragraph 6 of the Securities and Exchange Act.

2. The company may choose to pay the employee or adjust the salary, or the two methods in parallel, and the company intends to use the "employee remuneration" for this.
3. The amendments to the resolution of the Board of Directors of the Company on April 10, 2025 are as follows :

Promise Technology, Inc.

Comparison Table of Amendments to the Articles of Association

Amend provisions	Current provisions	說明
<p>Article 30 :</p> <p>The company shall set aside no less than 5% of its net profit before tax for the current period before deducting employee remuneration and directors' remuneration as employee remuneration (<u>of the employee remuneration amount, no less than 3% shall be allocated remuneration for grassroots employees</u>) and no more than 3% as directors' remuneration. However, if the company still has accumulated losses (including the amount of adjusted undistributed earnings), it shall reserve the amount to make up for it in advance and then allocate employee remuneration and director remuneration in accordance with the proportions in the preceding paragraph.</p> <p>Employee compensation can be distributed in the form of stock or cash, and the recipients include employees of the controlling or subordinate companies who meet certain conditions, which are authorized to be set by the board of directors.</p> <p>The proposal for the distribution of employee remuneration and directors' remuneration shall be implemented by the board of directors with a resolution of more than two-thirds of the directors present and approved by a majority of the directors present, and a report shall be submitted to the shareholders' meeting.</p>	<p>Article 30 :</p> <p>The company shall set aside no less than 5% of its net profit before tax for the current period before deducting employee remuneration and directors' remuneration as employee remuneration and no more than 3% as directors' remuneration. However, if the company still has accumulated losses (including the amount of adjusted undistributed earnings), it shall reserve the amount to make up for it in advance and then allocate employee remuneration and director remuneration in accordance with the proportions in the preceding paragraph.</p> <p>Employee remuneration may be distributed in stock or in cash, and the recipients of the distribution include employees of controlling or subordinate companies who meet certain conditions, and the certain conditions are authorized to be determined by the board of directors. Proposals on the distribution of employee remuneration and director remuneration shall be reported to the shareholders' meeting.</p>	<p>In accordance with the provisions of Article 14, Paragraph 6 of the Securities and Exchange Act, the Articles of Association shall stipulate the relevant matters related to the allocation of remuneration to junior employees at a certain percentage of annual earnings.</p>
Article 34 : The articles of association of the company were established on January 24,	Article 34 : The articles of association of the company were established on	Add revision date

1991,..... ° Twenty-sixth revision on June 23, 2022. ° twenty-seventh revision on May 26, 2025.	January 24, 1991,..... ° Twenty-sixth revision on June 23, 2022.	
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Resolution:

Questions and Motions :

Adjournment :

Appendix(I) Articles of Incorporation

Promise Technology, Inc.

Articles of Incorporation Chapter I. General Provisions

Article 1: The company is organized in accordance with the provisions of the Company Law Co., Ltd. and is named Promise Technology, Inc.

Article 2: The company's business is as follows:

CC01060 Wired communication machinery and equipment manufacturing industry

CC01070 wireless communication machinery and equipment manufacturing industry

CC01080 electronic components manufacturing industry

CC01110 computer and peripheral equipment manufacturing industry

I301010 information software service industry

F401010 international trade industry

1. Research, development, production, manufacturing, and sale of the following products and their ASICs(Application Specific Integrated Circuits) :

(1)Storage Controller and Systems ;

(2)Networking and Graphic Systems ;

(3)Multimedia Software/Hardware and Systems ;

(4) Computer Telephone Integration Relative Products .

2. Being manager, consultant, advisor or technology transferring import and export trade of the above related products.

Article 3: When the company is a shareholder of another company, the amount of its invested capital shall not exceed 40% of the company's paid-in capital under the first paragraph of Article 13 of the Company Law.

Article 3.1: The company may guarantee externally.

Article 4: The company is located in Hsinchu Science and Industrial Park, and if necessary, with the resolution of the board of directors and the consent of the competent authority, it may establish branches or offices at home and abroad.

Article 5: Deletion.

Chapter II. Shares

Article 6: The total capital of the company is NT\$2.5 billion, divided into 250 million shares, each NT\$10, authorized by the board of directors to issue in installments. The total amount of shares in the preceding paragraph shall be 20,000,000 shares reserved for the conversion of corporate bonds with warrants, special shares with warrants, and warrant certificates.

Article 6.1 : The shares repurchased by the Company in accordance with Article 28-2, Paragraph 1 of the Securities Exchange Law may be transferred to employees at a price lower than the average price of the actual repurchased shares, or at a price lower than the closing price of the stocks on the date of issue. Issue employee stock option certificates at the stock price.

Article 6.2 : The treasury shares purchased by the company shall be transferred to employees of controlling or subordinate companies who meet certain conditions. The company's employee stock option certificates are issued to objects, including employees of controlling or subordinate companies who meet certain conditions. When the company issues new shares, the employees who purchase the shares include employees of the controlling or subordinate companies who meet certain conditions.

Article 7: The stock certificates of the company shall be in registered form and shall be numbered and issued after being signed or stamped by the director representing the company and legally certified. Shares issued by the company may be exempted from

printing stock certificates, and shall be registered with a centralized securities depository institution.

Article 8: When the shareholders of the company handle stock affairs such as stock transfer, pledge of rights, report of loss, inheritance, gift, change of report of loss of seal or change of address, and exercise all their rights, unless otherwise stipulated by laws and securities regulations, they shall abide by "Standards for Handling Share Affairs of Companies Offering Shares to the Public"

Article 9: Deletion.

Article 10: Within 60 days before the regular shareholders' meeting, within 30 days before the extraordinary shareholders' meeting, or within 5 days before the company decides to distribute dividends, bonuses or other benefits, the stock transfer shall be suspended; the exercise of its rights shall be carried out on the basis date Only shareholders listed in the company's shareholder register.

Chapter III. Shareholders' Meetings

Article 11: The company's shareholders' meeting is divided into two types: ordinary shareholders' meeting and extraordinary shareholders' meeting. The general meeting of shareholders shall be convened at least once a year, and shall be held within six months after the end of each fiscal year. Extraordinary shareholder meetings shall be convened by the board of directors when the board of directors deems it necessary, or upon the written request of shareholders who have held more than 3% of the total issued shares for more than one year.

Article 12: The regular meeting of shareholders shall be convened 30 days in advance; the extraordinary meeting of shareholders shall be convened 15 days in advance, and the date, place and reason for the meeting shall be notified to all shareholders. Article 12-1 When the company's shareholders' meeting is held, it may be held by video conference or other methods announced by the Ministry of Economic Affairs.

Article 13: Except as otherwise provided by laws and regulations, each shareholder of the company has one voting right.

Article 14: Resolutions of the shareholders' meeting, unless otherwise provided by the Company Act, shall be attended by shareholders representing more than half of the total number of issued shares, and shall be carried out with the consent of more than half of the voting rights of the present shareholders.

Article 15: When a shareholder is unable to attend the shareholders' meeting for any reason, he shall issue a power of attorney printed and issued by the company, sign or seal it, specifying the scope of authorization, and entrust a proxy to attend the shareholders' meeting. Shareholders' entrusted attendance shall be handled in accordance with the "Company Law" and "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies".

Article 16: When the shareholders' meeting is held, the chairman shall be the chairman. When the chairman asks for leave or is unable to exercise his powers for some reason, the chairman shall designate a director to act as his representative; if the chairman does not appoint one, the directors shall recommend one of them to act as his representative.

Article 17: The resolutions of the shareholders' meeting shall be recorded in minutes, signed or sealed by the chairman, and distributed to all shareholders within 20 days after the meeting. The distribution of the minutes of the preceding paragraph shall be handled in accordance with the provisions of the Company Law. The minutes of the meeting shall record the year, month, day, place, name of the chairman, resolution method, essentials and results of the meeting, and shall be kept permanently during the existence of the company; the signature book of the attending shareholders and the power of attorney to attend, Its shelf life is at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be preserved until the lawsuit is concluded.

Chapter IV. Directors

Article 18: The company has seven directors, adopts a candidate nomination system, and is elected by the shareholder meeting with competent persons. The term of office of directors is three years, and they can be re-elected.

Among the number of directors of the company, there shall be at least three independent directors, who shall be selected by the shareholders' meeting from the list of candidates for independent directors. Regulations concerning the professional qualifications of independent directors, restrictions on shareholding and part-time jobs, determination of independence, methods of nomination, and other matters to be complied with shall be in accordance with the relevant regulations of the competent securities authority.

Independent directors and non-independent directors shall be elected together, and the number of elected persons shall be calculated separately.

Article 18-1: The company shall set up an audit committee in accordance with Article 14-4 of the Securities and Exchange Law, and the audit committee shall be composed of all independent directors. The Audit Committee or the members of the Audit Committee are responsible for the execution of the duties and powers of the supervisors stipulated in the Company Law, the Securities and Exchange Law, and other laws and regulations.

Article 19: The board of directors is composed of directors and meets once a quarter. Its functions and powers are as follows: 1. Make a business plan, 2. Proposals on distribution of surplus or compensation of losses, 3. Proposing proposals for capital increase or capital reduction, 4. Approval of important rules and contracts, 5. Appointment and dismissal of the company's managers, 6. Approved budget and final accounts, 7. Acquisition, transfer, and grant of know-how and patent rights, approval and revision of technical cooperation contracts, 8. Examination and approval of investment in related businesses, 9. Other functions and powers in accordance with the company law or resolutions of the shareholders' meeting.

Article 19-1: When convening the board of directors of the company, the reason for the convening shall be stated, and all directors shall be notified seven days in advance. However, in case of emergency, it can be called at any time. The convening notice mentioned in the preceding paragraph shall state the reason and be done in writing, e-mail or fax.

Article 20: The board of directors shall be attended by more than two-thirds of the directors and more than half of the directors present shall elect one person as the chairman of the board of directors. The chairman of the board shall represent the company. When the chairman asks for leave or is unable to exercise his powers for some reason, the chairman shall designate a director to act as an agent; if the chairman does not designate an agent, the directors shall recommend one of the directors to act as the agent.

Article 21: When a director is unable to attend the board meeting for any reason, he may entrust another director to attend the meeting on his behalf. The agent referred to in the preceding paragraph is limited to the entrustment of one person.

Article 22: The board of directors may appoint a secretary to handle the affairs of the board of directors in accordance with the instructions of the board of directors.

Chapter V Supervisors

Article 23: Deletion.

Article 24: Deletion.

Article 25: Deletion.

Chapter VI Managerial Officers

Article 26: The establishment of the manager of the company shall be handled in accordance with the organizational regulations.

Article 27: The appointment and removal of the President of the company must be approved by more than half of the directors; the appointment and removal of other managers shall be proposed by the President and submitted to the board of directors for approval.

Article 28: Deletion.

Chapter VII Accounting

Article 29: The accounting year of the company adopts the calendar year system, from January 1st to December 31st of the same year; at the end of each accounting year, the board of directors shall follow the provisions of Article 228 of the Company Law. Prepare various forms and submit them to the general meeting of shareholders for approval.

Article 30: The company's annual pre-tax net profit before deducting employee remuneration and director's remuneration shall 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. Employee remuneration may be distributed in stock or in cash, and the recipients of the distribution include employees of controlling or subordinate companies who meet certain conditions, and the certain conditions are authorized to be determined by the board of directors. Proposals on the distribution of employee remuneration and director remuneration shall be reported to the shareholders' meeting.

Article 30-1: If the company has net profit after tax for the current period in its 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 the adjusted 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. In order to cooperate with the overall environment and the characteristics of industrial growth, and to consider the funding 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 year, and the capital budget planning for the next year is

considered, and the most appropriate dividend policy is decided by the shareholders meeting.

Article 31: The directors and consultants of the company, etc., may receive travel expenses on a monthly basis according to the actual situation. The individual payment shall be determined by the authorized chairman, but the total payment listed above shall not exceed NT\$200,000 per month.

Article 31-1: The remuneration of directors shall be determined by the board of directors according to the degree of participation and contribution value of each director in the company's operations, and in consideration of the usual payment levels in domestic and foreign industries.

Chapter VIII Supplementary Provisions

Article 32: The company's organizational regulations and operating rules shall be stipulated separately.

Article 33: If there are matters not mentioned in this Articles of Association, they shall be handled in accordance with the Company Law.

Article 34 : The articles of association of the company were established on January 24, 1991, First revised on June 26, 1993. The second revision was on May 28, 1994. The third revision was on June 10, 1996. Fourth revision on October 18, 1997. Fifth revision on June 5, 1999. Sixth revision on May 17, 2000. Seventh revision on June 27, 2001. Eighth revision on May 13, 2002. Ninth revision on May 13, 2002. Tenth revision on June 10, 2003. Eleventh revision on May 10, 2004. Twelfth revision on May 10, 2004. Thirteenth revision on June 13, 2005. Fourteenth revision dated June 26, 2006. Fifteenth revision on May 15, 2007. Sixteenth revision dated June 13, 2008. Seventeenth revision on June 10, 2009. Eighteenth revision on June 23, 2010. Nineteenth revision on June 22, 2011. Twentieth revision on June 12, 2012. Twenty-first revision dated June 17, 2013. Twenty-second revision on June 11, 2014. Twenty-third revision on May 24, 2016. Twenty-fourth revision on June 14, 2017. Twenty-fifth revision on June 10, 2019. Twenty-sixth revision on June 23, 2022.

Promise Technology, Inc.
Chairman and President : Lee Jyh-Fn



(II) Rules of Procedure for Shareholders Meetings

Promise Technology, Inc.



Rules of Procedure for Shareholders Meetings

Article 1 The shareholders' meeting of the company shall be conducted in accordance with these rules.

Article 2. The shareholder referred to in these rules refers to the shareholder himself or the agent entrusted by the shareholder.

Article 3. The company shall specify in the meeting notice the time for accepting shareholders' report, the location of the report, and other matters that should be paid attention to. The time for acceptance of shareholder registration in the preceding paragraph shall be handled at least 30 minutes before the start of the meeting; the registration office shall be clearly marked, and adequate and qualified personnel shall be assigned to handle it. Shareholders should present their attendance certificates, attendance cards or other attendance certificates to attend the shareholders' meeting; the solicitor of the power of attorney solicitation should bring their identity documents for verification. The company shall set up a signature book for the attendance of shareholders to sign in, or the attendance card shall be submitted by the attending shareholder to sign in.

Article 4. The company may appoint a lawyer, accountant or related personnel to attend the shareholder meeting. Personnel handling the shareholders' meeting shall wear identification badges or armbands.

Article 5. The company shall make audio and video recordings of the shareholder meeting.

The audio-visual materials mentioned in the preceding paragraph shall be kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be preserved until the lawsuit is concluded.

Article 6. Unless otherwise stipulated by the Company Law, specific resolutions should be followed. If shareholders representing more than half of the total number of issued shares attend the meeting, the chairman will announce the opening of the meeting, the number of delays is limited to two times, and the delay time shall not exceed one hour. If the number of shareholders who represent more than one-third of the total number of issued shares is still insufficient after two delays, it may be handled in accordance with the provisions of Article 175 of the Company Law: resolution". Before the end of the current meeting, if the number of shares represented by the attending shareholders has reached the statutory number, the chairman may resubmit the false resolution made to the general meeting for voting in accordance with Article 174 of the Company Law.

Article 7. The agenda of the shareholders' meeting shall be determined by the board of directors, and the meeting shall be conducted in accordance with the procedure set by the agenda, and shall not be changed without the resolution of the shareholders' meeting. Before the conclusion of the agenda scheduled in the preceding paragraph, the chairman shall not declare the meeting closed unless a resolution is passed. After the

meeting is adjourned, shareholders are not allowed to elect an other chairman to continue the meeting at the original location or find another place.

Article 8. During the meeting, the chairman may announce a break at a discretionary time.

Article 9. When presenting a shareholder's speech, the speech slip must first be filled in with the gist of the speech, shareholder account number (or attendance card number) and account name, and the order of the speeches will be determined by the chairman. Shareholders attending the meeting who only put forward speech slips but did not make a speech shall be deemed as having not made a speech. If there is any discrepancy between the content of the speech and the record in the statement, the content of the speech shall prevail. When a shareholder present speaks, other shareholders are not allowed to interfere with the speech unless the chairman and the shareholder who speaks agree, and the chairman should stop the violation.

Article 10 Each shareholder shall speak on the same proposal for no more than two times without the consent of the chairman, and each time shall not exceed five minutes. If a shareholder violates the provisions of the preceding paragraph or exceeds the scope of the agenda, the chairman may stop the shareholder from speaking.

Article 11. When a legal person is entrusted to attend the shareholders' meeting, the legal person can only designate one representative to attend. When a legal person shareholder appoints two or more representatives to attend the shareholders' meeting, only one person may speak on the same proposal.

Article 12 After attending shareholders' speeches, the chairman may reply in person or by designating relevant personnel.

Article 13. When discussing a proposal, the chairman may announce the end of the discussion at an appropriate time, and may announce the suspension of the discussion when necessary, and the chairman will put it to the vote.

Article 14. The scrutineers and counting personnel for voting on proposals shall be designated by the chairman, but the scrutineers shall have the status of shareholders, and the vote counting operations for voting or election proposals at the shareholders' meeting shall be performed in open places in the shareholders' meeting place, and shall be After the counting of votes is completed, the voting result is announced on the spot, including the weight of statistics, and a record is made.

Article 15. When voting on proposals, unless otherwise stipulated by the Company Law, special resolutions shall be passed with the consent of more than half of the voting rights of the shareholders present. When voting, if there is no objection after consultation by the chairman, it shall be deemed passed, and its effect is the same as Vote the same.

Article 16. Unless otherwise stipulated by laws and regulations, each shareholder of the company has one voting right; if a shareholder is unable to attend the shareholders' meeting for some reason, he shall issue a power of attorney issued by the company specifying the scope of authorization, and sign or seal an agent to attend the shareholders' meeting. Shareholders' entrusted attendance shall be handled in accordance with the "Company Law" and "Public Issued Companies Attending Shareholders' Meetings Using Power of Attorney Rules".

Article 17. If a meeting cannot be concluded, the meeting may be postponed or continued in

accordance with Article 182 of the Company Law.

Article 18. The chairman may designate pickets to assist in maintaining order. Pickets should wear "Picket" armbands. Shareholders shall obey the instructions of the chairman or pickets regarding the maintenance of order. The chairman or pickets may exclude those who obstruct the progress of the meeting. Shareholders who are excluded should leave the meeting place immediately, and if necessary, the chairman may apply for police officers to be present at the meeting to divert traffic and maintain order.

Article 19. Shareholders, pickets and other persons participating in the meeting are not allowed to carry items that can endanger the life, body, freedom or property safety of others.

Article 20. Matters not stipulated in these rules shall be handled in accordance with the provisions of the Company Law, the company's articles of association and other relevant laws and regulations.

Article 21. These rules shall come into force after being approved by the shareholders' meeting, and the same shall apply when they are revised.

Article 22 、 These rules were made on May 17, 2000, First revised on May 13, 2002. The second revision was on June 12, 2012. The third revision was on June 17, 2013. Fourth revision on June 11, 2014

(III) 2024 Financial Statements

Promise Technology, Inc.
Balance Sheet
December 31, 2024 and 2023

Unit: NT\$ thousand

		December 31,2024		December 31,2023				December 31,2024		December 31,2023	
c o d e s	Assets	amount	%	amount	%	c o d e s	Liabilities and equity	amount	%	amount	%
	Current Assets						Current liabilities				
1100	Cash and cash equivalents (Notes 4, 6 and 27)	\$ 266,516	26	\$ 288,845	24	2100	Short-term borrowings (Notes 4, 15 and 27)	\$ 215,220	21	\$ 247,000	21
1136	Financial assets measured at amortized cost - current (Notes 4,7,27 and 29)	1,380	-	1,376	-	2170	Accounts payable (Notes 4 and 27)	72,888	7	64,580	5
1170	Net accounts receivable (Notes 4,8,19 and 27)	27,608	3	21,193	2	2220	Amount due to related parties, (Notes 4 ,27 and 28)	-	-	21,321	2
1180	Net accounts receivable (Notes 4,19,27 and 28)	76,675	8	45,011	4	2280	Lease liabilities - current (Notes 4, 12 and 28)	8,229	1	9,242	1
1210	Other receivables from related parties (Notes 4,27and 28)	2,581	-	163	-	2399	Expenses payable and other current t liabilities (Notes 4 ,16,19 and 27)	<u>30,648</u>	<u>3</u>	<u>28,838</u>	<u>2</u>
130X	Inventories (Notes 4, 5 and 9)	302,917	30	376,699	32	21XX	total current liabilities	<u>326,985</u>	<u>32</u>	<u>370,981</u>	<u>31</u>
1479	Prepayments and other current assets (Notes 4 and 14,21)	<u>10,815</u>	<u>1</u>	<u>11,019</u>	<u>1</u>		Non-current liabilities				
11XX	total Current Assets	<u>688,492</u>	<u>68</u>	<u>744,306</u>	<u>63</u>	2570	Deferred tax liabilities (Notes 4 and 21)	18,871	2	16,004	2
	Non-current assets					2580	Lease liabilities - non-curren (Notes 4 ,12 ,27 and 28)	41,862	4	24,939	2
1550	Investments using the equity method (Notes 4 and 10)	165,118	16	285,871	24	2640	Net defined benefit liabilities - non-current (Notes 4 and 17)	<u>27,902</u>	<u>3</u>	<u>34,924</u>	<u>3</u>
1600	Property, plant and equipment (Notes 4 , 11and 29)	90,218	9	95,440	8	25XX	Total non-current liabilities	<u>88,635</u>	<u>9</u>	<u>75,867</u>	<u>7</u>
1755	Right-of-use assets (Notes 4,12 and 28)	48,398	5	32,822	3	2XXX	total liabilities	<u>415,620</u>	<u>41</u>	<u>446,848</u>	<u>38</u>
1780	Intangible assets (Notes 4 and 13)	2,236	-	2,307	-		Equity (Notes 4, 18 and 23)				
1840	Deferred tax assets (Notes 4 and 21)	20,276	2	17,409	2		share capital				
1990	Other non-current assets (Notes 4 ,14and 27)	<u>3,170</u>	<u>-</u>	<u>2,320</u>	<u>-</u>	3110	common stock capital	926,787	91	926,787	78
15XX	Other non-current assets	<u>329,416</u>	<u>32</u>	<u>436,169</u>	<u>37</u>	3200	capital reserve	84,966	8	86,971	7
							accumulated loss				
						3350	pending loss	(323,876)	(32)	(181,330)	(15)
							Other interests				
						3410	Conversion of financial statements of foreign operating institutions				
							Unrealized valuation gains and losses on financial assets	(55,374)	(5)	(68,586)	(6)
						3420	measured at fair value through other comprehensive income	(<u>30,215</u>)	(<u>3</u>)	(<u>30,215</u>)	(<u>2</u>)
						3XXX	total equity	<u>602,288</u>	<u>59</u>	<u>733,627</u>	<u>62</u>
1XXX	total assets	<u>\$ 1,017,908</u>	<u>100</u>	<u>\$ 1,180,475</u>	<u>100</u>		Total liabilities and equity	<u>\$ 1,017,908</u>	<u>100</u>	<u>\$ 1,180,475</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\$

codes		2024		2023	
		Amount	%	Amount	%
	operating income (Notes 4, 19 and 28)				
4100	Sales income	\$ 508,123	99	\$ 511,412	100
4600	Labor service income	<u>2,946</u>	<u>1</u>	<u>2,572</u>	<u>-</u>
4000	operating income total	511,069	100	513,984	100
5110	Operating costs (Notes 9, 20 and 28)	<u>357,630</u>	<u>70</u>	<u>364,773</u>	<u>71</u>
5900	Operating Gross Profit	153,439	30	149,211	29
5920	Unrealized benefits with sub sidiaries	<u>3,995</u>	<u>1</u>	(<u>5,812</u>)	(<u>1</u>)
5950	Realized Operating Gross Profit	<u>157,434</u>	<u>31</u>	<u>143,399</u>	<u>28</u>
	Operating expenses (Notes 20 and 28)				
6100	Marketing expenses	46,653	9	46,336	9
6200	Management expenses	50,114	10	56,326	11
6300	R & D expenses	<u>95,325</u>	<u>19</u>	<u>109,727</u>	<u>21</u>
6000	Total operating ex- penses	<u>192,092</u>	<u>38</u>	<u>212,389</u>	<u>41</u>
6900	operating net profit(lose) Non-operating income and expenses (Notes 4, 20 and 28)	(<u>34,658</u>)	(<u>7</u>)	(<u>68,990</u>)	(<u>13</u>)
7100	Interest income	7,161	1	5,226	1
7010	Other income	8,662	2	9,605	2
7020	Other interests and losses	(2,076)	(1)	6	-
7050	Financial costs	(6,725)	(1)	(5,828)	(1)
7070	Share of losses of subsidi- aries and affiliated en- terprises using the eq- uity method	(137,960)	(27)	(85,937)	(17)
7230	Foreign currency ex- change net gain	<u>13,442</u>	<u>3</u>	<u>2,738</u>	<u>-</u>
7000	Non-operating in- come and expenses Total	(<u>117,496</u>)	(<u>23</u>)	(<u>74,190</u>)	(<u>15</u>)

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c o d e s		2024		2023	
		Amount	%	Amount	%
7900	Net Profit (lose) Before Taxes	(\$ 152,154)	(30)	(\$ 143,180)	(28)
7950	Income tax expenses (Notes 4 and 21)	-	-	18	-
8200	Net profit(lose) for the year	(152,154)	(30)	(143,198)	(28)
	Other comprehensive(profit) loss				
8310	Items not reclassified to profit or loss :				
8311	defined benefit plan Measured amount (Notes 4 and 17)	7,603	1	5,532	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)	13,212	3	(465)	-
8300	Other comprehensive gains and losses for the year (net of tax)	20,815	4	5,067	1
8500	Total comprehensive (profit) loss for the year	(\$ 131,339)	(26)	(\$ 138,131)	(27)
	Earnings per share (Note 22)				
9710	Basic	(\$ 1.64)		(\$ 1.55)	
9810	Diluted	(\$ 1.64)		(\$ 1.55)	

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 2024 and 2023

Unit: Unless otherwise specified,
in thousands of NT dollars

代碼		common stock capital		capital reserve	accumulated loss pending 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, 2023 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	2023 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, 2022 balance	92,679	926,787	86,971	(181,330)	(68,586)	(30,215)	733,627
C11	Capital reserves make up for losses	-	-	(2,005)	2,005	-	-	-
D1	2024 net profit(lose)	-	-	-	(152,154)	-	-	(152,154)
D3	Other Comprehensive (Profit) Loss in 2024	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,603</u>	<u>13,212</u>	<u>-</u>	<u>20,815</u>
Z1	December 31, 2024 balance	<u>92,679</u>	<u>\$ 926,787</u>	<u>\$ 84,966</u>	<u>(\$ 323,876)</u>	<u>(\$ 55,374)</u>	<u>(\$ 30,215)</u>	<u>\$ 602,288</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 2024 and 2023

Unit: NT\$ thousand

c o d e s		2024	2023
	Cash Flow from Operating Activities		
A10000	Net profit before tax for the year	(\$ 152,154)	(\$ 143,180)
A20000	Adjustment items :		
A20100	Depreciation expense	20,833	25,221
A20200	Amortization fee	930	739
A20900	Financial costs	6,725	5,828
A21200	interest income	(7,161)	(5,226)
A22300	Share of loss of affiliated enterprises recognized using equity method	137,960	85,937
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	1,947	10,027
A24000	Unrealized benefits between affiliated companies	(3,995)	5,812
A24100	Net (profit) loss on foreign currency ex change	(14,335)	(3,202)
A29900	lease modification benefit	(110)	(9)
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivable	(5,424)	2,755
A31160	Receivables from related parties	(31,365)	(15,775)
A31190	Other receivables from related parties	(2,402)	613
A31200	Inventory	68,325	(1,587)
A31240	Prepayments and other current assets	581	626
A32150	accounts payable	6,154	(19,770)
A32190	Other payables - related parties	(21,321)	21,321
A32200	refund liability	(1,109)	1,109
A32230	Expenses payable and other current liabilities	2,896	(7,630)
A32240	Net defined benefit liability	<u>581</u>	<u>1,226</u>
A33000	Net cash inflows (outflows) from operations	7,556	(35,097)
A33500	income tax paid	(<u>630</u>)	(<u>412</u>)
AAAA	Net cash inflows (outflows) from operating activities	<u>6,926</u>	(<u>35,509</u>)

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<u>c o d e s</u>		<u>2024</u>	<u>2023</u>
	Cash flow from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	(\$ 4)	(\$ 3)
B01800	Obtain long-term equity investment using equity method	-	(26,038)
B02700	Acquisition of real estate, plant and equipment	(3,539)	(1,507)
B02800	Disposal of price of real estate, plant and equipment	11	63
B03700	Deposit margin and others	17	77
B04500	Acquisition of intangible assets	(831)	(1,520)
B07500	interest charged	<u>7,463</u>	<u>4,439</u>
BBBB	Net cash flow (outflow) from investing activities	<u>3,117</u>	(<u>24,489</u>)
	Cash Flow from Financing Activities		
C00100	short-term borrowing	635,220	550,900
C00200	Repayment of short-term loans	(667,000)	(462,900)
C04020	Lease liability principal repayments	(8,977)	(12,706)
C05600	interest paid	(6,742)	(5,782)
C09900	Overdue unclaimed cash dividends transferred to capital reserve	<u>-</u>	<u>22</u>
CCCC	Net cash outflow from financing activities	(<u>47,499</u>)	<u>69,534</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>15,127</u>	<u>3,824</u>
EEEE	Net (decrease) increase in cash and cash equivalents	(22,329)	13,360
E00100	Cash and equivalent cash balance at the end of the year	<u>288,845</u>	<u>275,485</u>
E00200	Cash and equivalent cash balance at the end of the year	<u>\$ 266,516</u>	<u>\$ 288,845</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 balance sheet
December 31, 2024 and 2023

Unit: NT\$ thousand

c o d e s	Assets	December 31,2024		December 31,2023		c o d e s	Liabilities and equity	December 31,2024		December 31,2023	
		amount	%	a m o u n t	%			amount	%	amount	%
	Current Assets						Current liabilities				
1100	Cash and cash equivalents (notes 4 、 6 and 28)	362,174	35	\$ 401,652	34	2100	Short-term borrowings (Notes 4, 16 and 28)	\$ 215,220	21	\$ 247,000	21
1136	Financial assets measured at amortized cost - current (Notes 4, 7, 28 and 30)	1,380	-	6,113	-	2170	Accounts payable (Notes 4 and 28)	73,253	7	64,806	5
1170	Net accounts receivable (Notes 4 、 8 、 20 and 28)	65,676	6	53,051	4	2230	Current income tax liabilities (Notes 4 and 22)	19	-	837	-
130X	Inventories (Notes 4, 5 and 9)	326,475	31	411,679	35	2280	Lease liabilities - current (Notes 4, 13. and 28,29)	11,940	1	13,503	1
1479	Prepayments and other current assets (Note 4, 15 ,22 and 28)	<u>17,183</u>	<u>2</u>	<u>18,679</u>	<u>2</u>	2399	Expenses payable and other current liabilities (Note 4, 17,20 and 28)	<u>47,603</u>	<u>4</u>	<u>49,258</u>	<u>4</u>
11XX	Total Current Assets	<u>772,888</u>	<u>74</u>	<u>891,174</u>	<u>75</u>	21XX	Total current liabilities	<u>348,035</u>	<u>33</u>	<u>375,404</u>	<u>31</u>
	Non-current assets						Non-current liabilities				
1600	Property, plant and equipment (Notes 4, 12,26 and 30)	93,012	9	98,449	8	2570	Deferred tax liabilities (Notes 4 and 22)	18,871	2	16,004	1
1755	Right-of-use assets (Notes 4 ,13 and 29)	55,108	5	40,332	3	2580	Lease liabilities - non-current (Notes 4, 13 and 28,29)	44,504	4	27,970	3
1780	Intangible assets (Notes 4, 14)	13,233	1	17,672	2	2640	Net defined benefit liabilities - non-current (notes 4 and18)	<u>27,902</u>	<u>3</u>	<u>34,924</u>	<u>3</u>
1840	Deferred tax assets (Notes 4 and 22)	103,256	10	137,464	12	25XX	Total non-current liabilities	<u>91,277</u>	<u>9</u>	<u>78,898</u>	<u>7</u>
1990	Other non-current assets (notes 4 、 15 and 28)	<u>4,495</u>	<u>1</u>	<u>3,544</u>	-	2XXX	Total liabilities	<u>439,312</u>	<u>42</u>	<u>454,302</u>	<u>38</u>
15XX	Total non-current assets	<u>269,104</u>	<u>26</u>	<u>297,461</u>	<u>25</u>		Equity attributable to the owner of the company (Note 4.19 and24)				
							share capital				
						3110	common stock capital	926,787	89	926,787	78
						3200	capital reserve	84,966	8	86,971	7
						3350	accumulated loss				
							pending loss	(323,876)	(31)	(181,330)	(15)
							Other interests				
						3410	Exchange difference on translation of financial statements of foreign operating institutions	(55,374)	(5)	(68,586)	(6)
						3420	Unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive income	(<u>30,215</u>)	(<u>3</u>)	(<u>30,215</u>)	(<u>2</u>)
						31XX	Total owner's equity of the company	602,288	58	733,627	62
						36XX	Non-controlling interests (Note 19)	<u>392</u>	-	<u>706</u>	-
						3XXX	total equity	<u>602,680</u>	<u>58</u>	<u>734,333</u>	<u>62</u>
1XXX	total assets	<u>\$ 1,041,992</u>	<u>100</u>	<u>\$ 1,188,635</u>	<u>100</u>		Liabilities and Equity Total	<u>\$ 1,041,992</u>	<u>100</u>	<u>\$ 1,188,635</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 2024 and 2023

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

codes		2024		2023	
		amount	%	amount	%
	Operating income (Notes 4 and 20,29)				
4100	sales revenue	\$ 570,157	99	\$ 582,050	100
4600	Labor income	<u>3,035</u>	<u>1</u>	<u>2,472</u>	<u>-</u>
4000	Total Operating income	573,192	100	584,522	100
5110	Operating costs (Notes 9, 21 and 29)	<u>374,852</u>	<u>65</u>	<u>382,245</u>	<u>65</u>
5950	operating profit	<u>198,340</u>	<u>35</u>	<u>202,277</u>	<u>35</u>
	Operating expenses (Notes 21 and 29)				
6100	promotional expenses	129,305	23	118,880	21
6200	management costs	70,874	12	76,246	13
6300	R & D costs	<u>117,512</u>	<u>21</u>	<u>129,678</u>	<u>22</u>
6000	Total operating expenses	<u>317,691</u>	<u>56</u>	<u>324,804</u>	<u>56</u>
6900	net operating loss	(<u>119,351</u>)	(<u>21</u>)	(<u>122,527</u>)	(<u>21</u>)
	non-operating income and expenses(Notes 21 and 29)				
7100	interest income	7,565	1	6,003	1
7010	Other income	3,772	1	1,411	-
7020	Other gains and losses	(5,659)	(1)	(25,590)	(4)
7050	Financial costs	(7,043)	(1)	(6,130)	(1)
7060	Share of profit (loss) of affiliated enterprises recognized using the equity method (Note 11)	-	-	2,406	-
7230	Net foreign currency exchange gain (loss)	<u>14,732</u>	<u>2</u>	<u>3,168</u>	<u>1</u>
7000	Total non-operating income and expenses	<u>13,367</u>	<u>2</u>	(<u>18,732</u>)	(<u>3</u>)

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codes		2024		2023	
		amount	%	amount	%
7900	Net Profit Before Taxes	(105,984)	(19)	(141,259)	(24)
7950	Income tax expenses (Notes 4 and 22)	<u>46,494</u>	<u>8</u>	<u>2,147</u>	<u>1</u>
8200	Net profit for the year	(<u>152,478</u>)	(<u>27</u>)	(<u>143,406</u>)	(<u>25</u>)
	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)	7,603	2	5,532	1
8360	Items that may be reclassified to profit or loss in the future				
8361	Exchange difference in the conversion of financial statements of foreign operating institutions	<u>13,222</u>	<u>2</u>	(<u>457</u>)	-
8300	Other comprehensive gains and losses for the year (net of tax)	<u>20,825</u>	<u>4</u>	<u>5,075</u>	<u>1</u>
8500	Total comprehensive (profit) loss for the year	(<u>\$ 131,653</u>)	(<u>23</u>)	(<u>\$ 138,331</u>)	(<u>24</u>)
	Net profit (loss) attributable to :				
8610	The owner of the company	(\$ 152,154)	(27)	(\$ 143,198)	(25)
8620	non-controlling interest	(<u>324</u>)	-	(<u>208</u>)	-
8600		(<u>\$ 152,478</u>)	(<u>27</u>)	(<u>\$ 143,406</u>)	(<u>25</u>)
	Total comprehensive (profit) loss attributable to :				
8710	The owner of the company	(\$ 131,339)	(23)	(\$ 138,131)	(24)
8720	non-controlling interest	(<u>314</u>)	-	(<u>200</u>)	-
8700		(<u>\$ 131,653</u>)	(<u>23</u>)	(<u>\$ 138,331</u>)	(<u>24</u>)
	Earnings per share (Note 23)				
9710	Basic	(<u>\$ 1.64</u>)		(<u>\$ 1.55</u>)	
9810	Diluted	(<u>\$ 1.64</u>)		(<u>\$ 1.55</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 Changes in Equity
1 January to 31 December 2024 and 2023

Unit: Unless otherwise specified,
in thousands of NT dollars

		Equity attributable to the owner of the company								
		common stock capital				other equity				
code		N u m b e r o f s h a r e s)	amount	capital reserve	accumulated loss pending loss	Exchange differ- ences in the translation of financial statements of foreign operating institutions	Unrealized valua- tion gains and losses on fi- nancial assets measured at fair value through other comprehensive income and losses	Total	non-controlling equity	total equity
A1	January 1, 2023 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	2023 net profit(loss)	-	-	-	(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
C11	Capital reserves make up for losses	-	-	(2,005)	2,005	-	-	-	-	-
D1	2024 net profit(loss)	-	-	-	(152,154)	-	-	(152,154)	(324)	(152,478)
D3	Other Comprehensive (Profit) Loss in 2024	-	-	-	7,603	13,212	-	20,815	10	20,825
Z1	December 31, 2024 balance	92,679	\$ 926,787	\$ 84,966	(\$ 323,876)	(\$ 55,374)	(\$ 30,215)	\$ 602,288	\$ 392	\$ 602,680

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 2024 and 2023

Unit: NT\$ thousand

<u>c o d e s</u>		<u>2024</u>	<u>2023</u>
	Cash Flow from Operating Activities		
A10000	Net profit before tax for the year	(\$ 105,984)	(\$ 141,259)
A20000	Adjustment items:		
A20100	Depreciation expense	30,117	35,298
A20200	Amortization fee	6,226	5,879
A20900	Financial costs	7,043	6,130
A21200	interest income	(7,565)	(6,003)
A22300	The share of related enterprise (profit) losses recognized using the equity method	-	(2,406)
A22500	Disposal of property, plant and equipment losses	-	1
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	(2,492)	10,405
A24100	Changes in operating assets and liabilities	(9,089)	(5,459)
A29900	Accounts receivable	(110)	(9)
A30000	Total changes in operating assets and liabilities.		
A31150	Accounts Receivable	(11,265)	40,983
A31200	Inventory	80,588	1,475
A31240	Prepayments and other current assets	1,806	823
A32150	accounts payable	6,293	(19,704)
A32200	refund liability	(1,109)	1,109
A32230	Accruals and other current liabilities	(564)	(1,834)
A32240	Net defined benefit liability	<u>581</u>	<u>1,226</u>
A33000	Net cash outflow from operations	(5,524)	(52,210)
A33500	income tax paid	(<u>3,253</u>)	(<u>3,664</u>)
AAAA	Net profit before tax for the year	(<u>8,777</u>)	(<u>55,874</u>)
	Cash flow from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	(4)	(4,740)
B00050	Disposal of financial assets measured at amortized cost	4,737	-
B02700	Acquisition of real estate, plant and equipment	(3,702)	(2,321)

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<u>c o d e s</u>		<u>2024</u>	<u>2023</u>
B02800	Disposal of property, plant and equipment	405	113
B03700	Deposit margin and others	(84)	(27)
B04500	Acquisition of intangible assets	(831)	(1,520)
B07500	interest charged	<u>7,868</u>	<u>5,216</u>
BBBB	Net cash flow (outflow) from investing activities	<u>8,389</u>	(<u>3,279</u>)
	Cash Flow from Financing Activities		
C00100	short-term borrowing	635,220	550,900
C00200	Repayment of short-term loans	(667,000)	(462,900)
C04020	Lease liability principal repayments	(16,562)	(17,851)
C05600	interest paid	(7,060)	(6,083)
C09900	Overdue unclaimed cash dividends transferred to capital reserve	<u>-</u>	<u>22</u>
CCCC	Net cash outflow from financing activities	(<u>55,402</u>)	<u>64,088</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>16,312</u>	<u>4,625</u>
EEEE	Cash and equivalent cash balance at the beginning of the year	(39,478)	9,560
E00100	Cash and equivalent cash balance at the beginning of the year	<u>401,652</u>	<u>392,092</u>
E00200	Cash and equivalent cash balance at the end of the year	<u>\$ 362,174</u>	<u>\$ 401,652</u>

The attached notes form part of this individual financial report.

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

(IV) Current Shareholding of Directors :

Number of shares held by individual and all directors as recorded in the register of shareholders as of March 28, 2025 :

Register of Directors and Independent Directors 2025/3/28

Job title	Name	Number of shares held
Chairman	Qixiang Co., Ltd. : Lee,Jyh-En	7,142,873 0
Director	Tsu Fung Investment Corpora- tion : Ho, Jhi-Wu	2,609,479 0
Director	Syntec Technology Co., Ltd. Chirstine Huang	2,741,860 0
Independent Director	LU,Hong-Sheng	0
Independent Director	Chang,Wen-Thong	0
Independent Director	Chen, Jyh-Cheng	0
Independent Director	Chen, Yi Liang	0
SUM		12,494,212

Remarks:

1. Statutory Shares to be Held by All Directors of the Company: Not Applicable
2. The actual number of shares issued as of March 28, 2025 was 92,678,668 shares.

(V) Business Improvement Plan :

Promise Technology, Inc. Business Improvement Plan

Capital Reduction and Business Improvement Plan

I. Reasons for Capital Reduction:

To improve the company's financial structure, enhance working capital, and support future development, a capital reduction is proposed to offset accumulated losses.

II. Summary of Business Improvement Plan

(1) Company Background and Current Status:

Founded in 1988, PROMISE Technology launched its first storage IC in 1993 and developed RAID controller cards in 1998. In response to market changes and to expand its reach, the company has since 2014 transitioned toward integrated software-hardware, application-driven cloud storage, surveillance, and multimedia storage solutions, aiming to deliver flexible and collaborative services to clients.

Over the past 37 years, PROMISE Technology has maintained strong performance annually, except in 2011 when new product delays and HDD shortages led to losses.

However, recent years of aggressive transformation to stay ahead of technology trends have resulted in an overly broad product line and scattered resources, hindering the development of short-term profitable models. In addition, insufficiently mature product architecture has led to delays in product launches.

Compounding this, the US-China trade war and resulting sanctions on several Chinese firms have severely impacted China's economy, leading to a significant decline in PROMISE's market share in China and substantial financial losses.

Despite these challenges, the company sees this crisis as an opportunity. PROMISE is actively adapting to these major market shifts by researching the surging demand for remote work and virtual meetings, focusing on new product development, streamlining core product lines, accelerating resource integration, downsizing the organization, and reducing costs. These efforts aim to restore profitability and return to financial balance as soon as possible.

(2) Current Status and Outlook for PROMISE's Three Core Product Lines:

1. Surveillance Storage Solutions:

Current Status:

- Long-term partnerships with globally recognized surveillance and IP camera companies.
- Proven product performance and quality, with numerous successful project installations across Europe, the Middle East, Southeast Asia, and China.
- Ongoing technical integration with leading global VMS (Video Management System) providers.

Outlook:

- With growing global demand for security and environmental monitoring, the surveillance market is expected to experience exponential growth.
- Deeper cooperation with VMS companies is expected to drive synergistic expansion in marketing, distribution, brand recognition, and customer acquisition.

2. Cloud and IT Storage Solutions:

Current New Products in Development:

- TierBoost™ VTrak N1616:

Offers intelligent data tiering based on access frequency. “Hot” data is stored on the fastest tier (NVMe SSD), “cold” data on the lowest tier (SATA HDD), and “warm” data on the intermediate SATA SSD layer.

The VTrak N series also simplifies management, supporting shared storage pools out of the box, intuitive GUI, easy client/admin use, and advanced web-based management tools.

- VTrak J5960:

Designed for ultra-large capacity, high bandwidth, and speed. With twelve 12Gb/s SAS ports per dual I/O module chassis, it delivers up to 15GB/s throughput with 60 HDDs. Optimized for HPC, cloud platforms, and enterprise workloads.

Outlook:

- Continued performance enhancements will enable PROMISE to offer high-performance, adaptive, stable, and secure enterprise storage services.

3. Multimedia Storage Solutions:

Current Status:

- Collaborations with major US multimedia brands to build global presence.
- Product quality and performance trusted by major media firms and international customers.
- Ongoing efforts to strengthen hardware and software technologies across a comprehensive product line from entry to high-end.

Outlook:

- Technological advancements, expanded product lines, and increasing market maturity and global client recognition indicate promising growth for this year.

(3) 2025 Strategies and Action Plans to Improve Operations:

1. Marketing Structure and Product Strategy Adjustments:

- Accelerate promotion of new and innovative AI storage products globally.
- Expand sales to vertical industries within Japan.
- Promote localized, high-quality, cost-effective products in India, Southeast Asia, the Middle East, and Eastern Europe.

2. Operational Transformation:

- Reassess operational efficiency and company strengths to refocus and transform operations.
- Adopt modular design, shorten R&D/testing cycles, optimize products, accelerate new product launches, and reduce inventory and manufacturing costs.

3. Key Implementation Focus:

- Implement modular product and technology design.
- Drive operational transformation, organizational restructuring, and improved operational efficiency.

(4) Business Outlook:

1.Geopolitical conflicts, inflation, and US-China sanctions negatively impacted 2024 operations, but plans are in place to enhance efficiency in 2025.

2.Although global economic uncertainty remains in 2025, some regions may benefit and see growth. If plans are executed effectively, a return to profitability is expected.

3.PROMISE aims to stay on trend with AI development, launching innovative AI storage and

enhancing AI-accelerated software and hardware products.

III. Business Improvement Plan Execution and Oversight:

Progress will be reported quarterly to the Board of Directors for supervision and control.