Stock code：3057

Promise Technology ,Inc.

Individual financial report and accountant audit report for the 2024 and 2023

Address:2F,NO.30,Industry E.9th Rd.,Hsinchu Science Park,Hsinchu County, 300096,Taiwan,(R.O.C.)
TEL：886-3-5782395

The original of this financial report and accountant audit 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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Accountant audit report

Promise Technology ,Inc. Publicity：

Check opinion

Promise Technology ,Inc. individual balance sheet for 2024 and December 31, 2023, and the individual comprehensive income statement, individual statement of equity changes, and individual cash flow for 2024 and January 1, 2023 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 2024 and December 31, 2023, and Standalone Financial Performance and Standalone Cash Flow for 2024 and January 1 to December 31, 2023.

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 2024 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 2024 individual financial statements of Promise Technology ,Inc. are described as follows：

<u>revenue recognition</u>

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 2024 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.

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Deloitte Touche Tohmatsu Limited

Accountant LIN,HSIN-TUNG

FSC Approval Number
No:110348898

Accountant TSAI,MEI-CHEN

FSC Approval Number
No:1010028123

March 7, 2025

Promise Technology ,Inc.

Balance Sheet

December 31, 2024 and 2023

Unit: NT$ thousand

codes	Assets	December 31,2024 amount	%	December 31,2023 amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4, 6 and 27)	$ 266,516	26	$ 288,845	24
1136	Financial assets measured at amortized cost - current（Notes 4,7,27 and 29）	1,380	-	1,376	-
1170	Net accounts receivable（Notes 4,8,19 and 27）	27,608	3	21,193	2
1180	Net accounts receivable（Notes 4,19,27 and 28 ）	76,675	8	45,011	4
1210	Other receivables from related parties（Notes 4,27and 28）	2,581	-	163	-
130X	Inventories（Notes 4, 5 and 9）	302,917	30	376,699	32
1479	Prepayments and other current assets（Notes 4 and 14,21）	10,815	1	11,019	1
11XX	total Current Assets	688,492	68	744,306	63
	Non-current assets				
1550	Investments using the equity method（Notes 4 and 10）	165,118	16	285,871	24
1600	Property, plant and equipment（Notes 4 , 11and 29）	90,218	9	95,440	8
1755	Right-of-use assets（Notes 4,12 and 28）	48,398	5	32,822	3
1780	Intangible assets（Notes 4 and 13）	2,236	-	2,307	-
1840	Deferred tax assets（Notes 4 and 21）	20,276	2	17,409	2
1990	Other non-current assets (Notes 4 ,14and 27）	3,170	-	2,320	-
15XX	Other non-current assets	329,416	32	436,169	37
1XXX	total assets	$ 1,017,908	100	$ 1,180,475	100

codes	Liabilities and equity	December 31,2024 amount	%	December 31,2023 amount	%
	Current liabilities				
2100	Short-term borrowings (Notes 4, 15 and 27)	$ 215,220	21	$ 247,000	21
2170	Accounts payable (Notes 4 and 27)	72,888	7	64,580	5
2220	Amount due to related parties, (Notes 4 ,27 and 28）	-	-	21,321	2
2280	Lease liabilities - current (Notes 4, 12 27 and 28）	8,229	1	9,242	1
2399	Expenses payable and other current t liabilities (Notes 4 ,16,19 and 27）	30,648	3	28,838	2
21XX	total current liabilities	326,985	32	370,981	31
	Non-current liabilities				
2570	Deferred tax liabilities (Notes 4 and 21）	18,871	2	16,004	2
2580	Lease liabilities - non-curren (Notes 4 ,12 ,27 and 28）	41,862	4	24,939	2
2640	Net defined benefit liabilities - non-current (Notes 4 and 17）	27,902	3	34,924	3
25XX	Total non-current liabilities	88,635	9	75,867	7
2XXX	total liabilities	415,620	41	446,848	38
	Equity (Notes 4, 18 and 23）				
	share capital				
3110	common stock capital	926,787	91	926,787	78
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	(55,374)	(5)	(68,586)	(6)
3420	Unrealized valuation gains and losses on financial assets measured at fair value through other comprehensive income	(30,215)	(3)	(30,215)	(2)
3XXX	total equity	602,288	59	733,627	62
	Total liabilities and equity	$ 1,017,908	100	$ 1,180,475	100

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 2024 and 2023

Unit: NT$ thousand

the earnings per share are in NT$

codes		2024 Amount	2024 %	2023 Amount	2023 %
	operating income (Notes 4, 19 and 28)				
4100	Sales income	$ 508,123	99	$ 511,412	100
4600	Labor service income	2,946	1	2,572	-
4000	operating income total	511,069	100	513,984	100
5110	Operating costs (Notes 9, 20 and 28)	357,630	70	364,773	71
5900	Operating Gross Profit	153,439	30	149,211	29
5920	Unrealized benefits with sub sidiaries	3,995	1	(5,812)	(1)
5950	Realized Operating Gross Profit	157,434	31	143,399	28
	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	95,325	19	109,727	21
6000	Total operating expenses	192,092	38	212,389	41
6900	operating net profit(lose)	(34,658)	(7)	(68,990)	(13)
	Non-operating income and expenses (Notes 4, 20 and28)				
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 subsidiaries and affiliated enterprises using the equity method	(137,960)	(27)	(85,937)	(17)
7230	Foreign currency exchange net gain	13,442	3	2,738	-
7000	Non-operating income and expenses Total	(117,496)	(23)	(74,190)	(15)

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codes		2024 Amount	2024 %	2023 Amount	2023 %
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 conver sion of financial statements of for eign 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

		common stock capital			accumulated loss	other equity		
cpdes		Number of shares (thousand shares)	Amount	capital reserve	pending loss	Exchange differ ences in the trans lation of financial statements of for eign operating in stitutions	Unrealized valuation gains and losses on financial assets measured at fair value through other comprehend sive income and losses	total equity
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	-	-	-	5,532	(465)	-	5,067
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	-	-	-	7,603	13,212	-	20,815
Z1	December 31, 2024 balance	92,679	$ 926,787	$ 84,966	($ 323,876)	($ 55,374)	($ 30,215)	$ 602,288

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

codes		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 lia bilities	2,896	(7,630)
A32240	Net defined benefit liability	581	1,226
A33000	Net cash inflows (outflows) from opera tions	7,556	(35,097)
A33500	income tax paid	(630)	(412)
AAAA	Net cash inflows (outflows) from operat ing activities	6,926	(35,509)

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codes		2024	2023
	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 equip ment	(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	7,463	4,439
BBBB	Net cash flow (outflow) from investing activi ties	3,117	(24,489)
	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	-	22
CCCC	Net cash outflow from financing activities	(47,499)	69,534
DDDD	Effect of exchange rate changes on cash and cash equivalents	15,127	3,824
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	288,845	275,485
E00200	Cash and equivalent cash balance at the end of the year	$ 266,516	$ 288,845

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 2024 and 2023

(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, 1991, 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 7, 2025.

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 "IFRS")

The application of the revised IFRS 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 2025

Newly issued/amended/revised standards and interpretations	Effective date of IASB announcement (Note 1)
Amendment to IAS 21 "Lack of Convertibility"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" Amendments to the application guidance on the classification of financial assets	January 1, 2026 (Note 2)

Note 1：Applicable to annual reporting periods beginning after January 1, 2025. When the amendments are first applied, comparative periods shall not be restated and the effect shall be recognized in retained earnings or foreign operations exchange differences in equity, as appropriate, and in the related assets and liabilities affected on the date of initial application.

Note 2：Applicable to annual reporting periods beginning after January 1, 2026. Enterprises may also choose to apply in advance on January 1, 2025. When the amendment is first applied, it should be applied retrospectively without restatement of comparative periods, and the impact of the initial application should be recognized on the date of initial application. However, if an enterprise is able to restate without the benefit of hindsight, it may choose to restate the comparative period.

(3) The IASB has issued but not yet approved by the Financial Supervisory

Newly issued/amended/revised standards and interpretations	Effective date of publication by the IASB（Note 1）
"Annual Improvements to IFRS Accounting Standards - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 (Amendments to the Classification and Measurement of Financial Instruments) Amendments to the application guidance on the declassification of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Involving Energy-Dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sales or	Undecided
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without public accountability: Disclosures"	January 1, 2027

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.

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 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.

3. Delete column

   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

	December 31, 2024	December 31, 2023
Cash on hand and working capital	$ 297	$ 391
Bank Check and Demand Deposit	151,471	160,174
equivalent to cash		
Bank fixed deposit	114,748	128,280
	$266,516	$288,845

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

	December 31, 2024	December 31, 2023
Bank deposit	0.002%~4.790%	0.001%~5.480%

VII、Financial assets measured at amortized cost

	December 31, 2024	December 31, 2023
Flow		
Pledged time deposit	$ 1,380	$ 1,376

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

(2) As of December 31, 2024 and 2023, the time deposit interest rates ranged from 1.700% and 1.575% respectively。

VIII、Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable		
Measure gross carrying		
amount at amortized cost	$ 27,608	$ 21,193
Less: Allowance for losses	-	-
	$ 27,608	$ 21,193

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, 2024

	No overdue	Overdue 1～60 Days	Overdue 61～120 Days	Overdue Over 181 Days	total
total book amount	$ 21,513	$ 5,199	$ 896	$ -	$ 27,608
Allowance for losses (expected credit losses during the lifetime)	-	-	-	-	-
amortized cost	$ 21,513	$ 5,199	$ 896	$ -	$ 27,608

December 31, 2023

	No overdue	Overdue 1～60 Days	Overdue 61～120 Days	Overdue Over 181 Days	total
total book amount	$ 14,174	$ 7,019	$ -	$ -	$ 21,193
Allowance for losses (expected credit losses during the lifetime)	-	-	-	-	-
amortized cost	$ 14,174	$ 7,019	$ -	$ -	$ 21,193

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

	2024	2023
Balance at the beginning of the year and at the end of the year	$ -	$ -

IX、 Inventory

	December 31, 2024	December 31, 2023
finished product	$ 59,734	$ 84,731
WIP	14,909	12,991
raw material	228,274	278,977
	$302,917	$376,699

The components of operating costs related to inventory in 2024 and 2023 are as follows：

	2024	2023
Operating cost	$357,630	$364,773
Inventory depreciation and sluggish loss	$ 1,947	$ 10,027

X、 Investments using the equity method

	December 31, 2023	December 31, 2022
Investment subsidiary	$285,871	$352,047

(1) Investing in subsidiaries

	December 31, 2024	December 31, 2023
Joding Investment Corp.	$146,706	$243,016
Promise Technology K.K.（PTJ）	25,395	25,646
Promise Yun Technology Inc.（PNC）	(6,983)	17,209
	$165,118	$285,871

	Ownership Interest and Voting Rights Percentage	
Subsidiary name	December 31, 2024	December 31, 2023
Joding Investment Corp.	100%	100%
PTJ	100%	100%
PNC	100%	100%

The profit and loss and other comprehensive profit and loss shares of subsidiaries adopting the equity method in 2024 and 2023 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
COST						
January 1, 2024 balance	$ 159,119	$ 13,803	$ 1,689	$ 5,020	$ 12,263	$ 191,894
increase	-	882	520	638	650	2,690
dispose	-	(3,848)	(236)	(2,816)	(12,349)	(19,249)
rearrange	(787)	1,063	944	1,419	787	3,426
December 31, 2024 balance	$ 158,332	$ 11,900	$ 2,917	$ 4,261	$ 1,351	$ 178,761
accumulated depreciation						
January 1, 2024 balance	$ 71,303	$ 9,569	$ 1,015	$ 4,064	$ 10,503	$ 96,454
Depreciation expense	4,273	3,456	501	1,363	1,818	11,411
dispose	-	(3,837)	(236)	(2,816)	(12,349)	(19,238)
rearrange	(507)	(133)	-	49	507	(84)
December 31, 2024 balance	$ 75,069	$ 9,055	$ 1,280	$ 2,660	$ 479	$ 88,543
December 31, 2024 net	$ 83,263	$ 2,845	$ 1,637	$ 1,601	$ 872	$ 90,218
COST						
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	$ 159,119	$ 13,803	$ 1,689	$ 5,020	$ 12,263	$ 191,894
accumulated depreciation						
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	$ 71,303	$ 9,569	$ 1,015	$ 4,064	$ 10,503	$ 96,454
December 31, 2023 net	$ 87,816	$ 4,234	$ 674	$ 956	$ 1,760	$ 95,440

Since there is no sign of impairment in 2024 and 2023, 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	2~3 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.

The company's board of directors approved the factory disposal proposal on November 13, 2024, to sell its factory in Hsinchu Science Park, totaling 5,557 square meters. The contract was signed on December 27, 2024, with a contract price of NT$211,260,000.

XII、 Rental agreement

(1) Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying amount of right-of-use asset		
land	$ 21,028	$ 21,839
building	27,370	10,983
	$ 48,398	$ 32,822

	2024	2023
Addition of right-of-use assets	$ 31,518	$ 3,742
Depreciation expense on right-of-use assets		
land	$ 767	$ 775
building	8,655	12,366
	$ 9,422	$ 13,141

(2) Lease liabilities

	December 31, 2024	December 31, 2023
Carrying amount of the lease liability		
Flow	$ 8,229	$ 9,242
non-flow	$ 41,862	$ 24,939

The discount rate range for lease liabilities is as follows:

	December 31, 2024	December 31, 2023
land	2.50%	2.50%
building	2.50%~2.87%	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	$ 350	$ 406
Low-value asset rental expenses	$ 194	$ 277
Variable lease payments not included in the measurement of lease liabilities	$ 10	$ 253
Total cash (outflows) from leases	($ 10,735)	($ 14,577)

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
cost				
January 1, 2024 balance	$ 419,079	$ 1,557	$ 42,399	$ 463,035
obtained separately	149	710	-	859
dispose	(417,426)	(71)	(42,399)	(459,896)
December 31, 2024 balance	$ 1,802	$ 2,196	$ -	$ 3,998
Accumulated amortization and impairment				
January 1, 2024 balance	$ 417,660	$ 669	$ 42,399	$ 460,728
Amortization fee	269	661	-	930
dispose	(417,426)	(71)	(42,399)	(459,896)
December 31, 2024 balance	$ 503	$ 1,259	$ -	$ 1,762
December 31, 2024 net	$ 1,299	$ 937	$ -	$ 2,236
cost				
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	$ 419,079	$ 1,557	$ 42,399	$ 463,035
Accumulated amortization and impairment				
January 1, 2023 balance	$ 417,595	$ 345	$ 42,399	$ 460,339
Amortization fee	325	414	-	739
dispose	(260)	(90)	-	(350)
December 31, 2023 balance	$ 417,660	$ 669	$ 42,399	$ 460,728
December 31, 2023 net	$ 1,419	$ 888	$ -	$ 2,307

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

	December 31, 2024	December 31, 2023
flow		
Prepayments	$ 5,905	$ 7,283
Tax refund receivable	3,163	2,215
Current income tax assets	1,161	531
other	586	990
	$ 10,815	$ 11,019
non-flow		
Refundable deposits	$ 803	$ 820
Prepaid equipment	895	-
Prepaid intangible assets	235	263
other	1,237	1,237
	$ 3,170	$ 2,320

XVI、 Borrowings

(1) Short-term loans

	December 31, 2024	December 31, 2023
Secured Loans		
—Bank loans	$ 61,220	$ -
unsecured borrowing		
—Line of credit borrowing	154,000	247,000
	$215,220	$247,000

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

	December 31, 2024	December 31, 2023
Short-term loans	2.30%~2.70%	2.16%~2.51%

XVII、 other liabilities

	December 31, 2024	December 31, 2023
flow		
Other payables		
Bonus payable	$ 15,014	$ 15,839
Equipment payment payable	413	367
Other	10,863	9,283
	26,290	25,489
Other liabilities		
Contract liabilities - advance payment	$ 3,219	$ 615
Collection of funds	1,139	1,272
Refund liability	-	1,109
Temporary payment collection	-	353
	4,358	3,349
	$ 30,648	$ 28,838

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:：

	December 31, 2024	December 31, 2023
Determining the Present Value of Benefit Obligations	$ 36,895	$ 42,274
Fair value of project assets	(8,993)	(7,350)
Net defined benefit liability	$ 27,902	$ 34,924

The changes in net defined benefit liabilities are as follows：

	Determining the Present Value of Benefit Obligations	Determining the Present Value of Benefit Obligations	Net defined benefit liability
January 1, 2023	$ 48,738	($ 9,508)	$ 39,230
service cost			
current service cost	1,404	-	1,404
Interest expense (income)	609	(123)	486
Recognized in profit or loss	2,013	(123)	1,890
remeasurement			
Return on project assets (except for the amount included in net interest)	-	(24)	(24)

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	Determining the Present Value of Benefit Obligations	Determining the Present Value of Benefit Obligations	Net defined benefit liability
Actuarial benefits – changes in financial assumptions	(5,508)	-	(5,508)
Actuarial benefits – experience adjustment	(5,508)	(24)	(5,532)
Recognized in other comprehensive profit or loss	-	(664)	(664)
Employer's contribution	(2,969)	2,969	-
welfare payments	42,274	(7,350)	34,924
December 31, 2023			
service costs	759	-	759
Current service cost	529	(97)	432
Interest expense (income)	1,288	(97)	1,191
Recognized in profit or loss remeasurement number	-	(936)	(936)
Return on plan assets (excluding amounts included in net interest)	(4,420)	-	(4,420)
Actuarial benefits – experience adjustment	(2,247)	-	(2,247)
Recognized in other comprehensive profit or loss	(6,667)	(936)	(7,603)
Employer's contribution	-	(610)	(610)
welfare payments	$ 36,895	($ 8,993)	$ 27,902
December 31, 2024	(5,508)	-	(5,508)

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：

	December 31, 2024	December 31, 2023
Discount Rate	1.50%	1.25%
Salary Expected Increase Rate	4.00%	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：

	December 31, 2024	December 31, 2023
Discount Rate		
Increase 0.25%	($ 820)	($ 1,212)
Reduce 0.25%	$ 850	$ 1,261
Salary Expected Increase Rate		
Increase 1%	$ 3,510	$ 5,117
Reduce 1%	($ 3,107)	($ 4,455)

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.

	December 31, 2024	December 31, 2023
Expected amount allocated within 1 year	$ 615	$ 663
Determining the average benefit obligation due period	9.9 years	11.6 years

XVIII、equity

(1) Common stock capital

	December 31, 2024	December 31, 2023
Rated number of shares (thousand shares)	250,000	250,000
Rated share capital	$ 2,500,000	$ 2,500,000
Number of issued and fully paid shares (thousand shares)	92,679	92,679
Issued share capital	$ 926,787	$ 926,787

In order to improve the financial structure, the board of directors of our company passed a resolution on March 7, 2025 to reduce capital to make up for losses. The amount of capital reduction is NT$323,529,000, 32,353,000 shares will be eliminated, and the capital reduction ratio is 35%. This proposal is still subject to the resolution of the shareholders' meeting to be held on May 26, 2025.

(2) Capital reserves

	December 31, 2024	December 31, 2023
may be used to cover losses, issue cash or capitalize (a)		
Overdue cash dividends	$ -	$ 22
Share Issue Premium - Lapsed/Vested Option	347	1,983
not for any purpose		
employee stock options	84,619	84,966
	$ 84,966	$ 86,971

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, 2023 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	-	84,966	1,983	22	86,971
Capital reserves make up for losses	-	-	(1,983)	(22)	(2,005)
Cancellation of lapsed stock warrants	-	(347)	347	-	-
December 31, 2024 balance	$ -	$ 84,619	$ 347	$ -	$ 84,966
January 1, 2023 balance	1,507	86,949	627	112	89,195
Capital reserves make up for losses	(1,507)	-	(627)	(112)	(2,246)

(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 21, 2024 and June 26, 2023, and passed resolutions to make up for losses in 2022 and 2011 as follows：

	2023	2022
Capital reserves make up for losses	$ 2,005	$ 2,246

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

	2024
Capital reserves make up for losses	$ 347

The proposal on making up for losses in 2024 is yet to be resolved at the general meeting of shareholders expected to be held on May 26, 2025.

(4) Other equity items

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

	2024	2023
initial balance	($ 68,586)	($ 68,121)
Generated in the current year		
The conversion difference of foreign operating institutions	13,212	(465)
Year-end balance	($ 55,374)	($ 68,586)

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

	2024	2023
Balance at the beginning and end of the year	($ 30,215)	($ 30,215)

XIX、 operating income

	2024	2023
Client contract revenue		
Commodity sales income	$508,123	$511,412
Technical service income	2,946	2,572
	$511,069	$513,984

(1) Contract balance

	December 31, 2024	December 31, 2023	January 1, 2023
Net accounts receivable (Note 8)	$ 27,608	$ 21,193	$ 24,579
Receivables from related parties (Note 28)	76,675	45,011	30,050
	$ 104,283	$ 66,204	$ 54,629
contract liabilities			
Contract Liabilities -Advance Receipts (Other Current Liabilities)(Note 16)	$ 3,219	$ 615	$ 123

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	2024	2023
Asia	$333,496	$284,450
America	44,774	102,091
Europe	54,576	72,486
Taiwan (the location of our	62,345	46,137

company)		
other	15,878	8,820
	$511,069	$513,984

XX、 Continuing business unit net profit

(1) interest income

	2024	2023
interest income		
Bank savings	$ 7,151	$ 5,216
Deposit calculation	10	10
	$ 7,161	$ 5,226

(2) Other income

	2024	2023
Government grant income (Note 24)	$ 60	$ 101
other	8,602	9,504
	$ 8,662	$ 9,605

(3) Other benefits and losses

	2024	2023
Lease Modification Benefit	$ 110	$ 9
compensation	(2,186)	(3)
other	($ 2,076)	$ 6

(4) Financial costs

	2024	2023
Bank loan interest	$ 5,521	$ 4,893
Interest on the lease liability	1,204	935
	$ 6,725	$ 5,828

(5) Depreciation and amortization

	2024	2023
Property, Plant and Equipment	$ 11,411	$ 12,080
right-of-use assets	9,422	13,141
intangible assets	930	739
	$ 21,763	$ 25,960
Summary of depreciation expense by function		
Operating cost	$ 6,903	$ 6,985
Operating expenses	13,930	18,236
	$ 20,833	$ 25,221

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	2024	2023
Amortization expenses summarized by function		
Management costs	$ 318	$ 302
R& D costs	612	437
	$ 930	$ 739

(6) Employee benefits

	2024	2023
Post-employment benefits		
Confirm the appropriation plan	$ 6,967	$ 7,197
Defined benefit plans (Note 17)	1,191	1,890
	8,158	9,087
Other employee benefits	167,430	181,232
	$175,588	$190,319
Summary by function		
Operating cost	$ 41,122	$ 40,393
Operating expenses	134,466	149,926
	$175,588	$190,319

(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 2024 and 2023 are accumulated losses, so employee remuneration and director remuneration have not been estimated.

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.

For information on employee remuneration and director remuneration for the company's 2024 and 2023 board resolutions, please visit the "Public Information Observatory" of the Taiwan Stock Exchange.

(8) Foreign currency exchange gains (losses)

	2024	2023
Total foreign currency exchange benefit	$ 23,102	$ 20,899
Total foreign exchange losses	(9,660)	(18,161)
net gain	$ 13,442	$ 2,738

XXI、 Income tax

(1) Income tax recognized in profit or loss

The main components of income tax expenses are as follows：

	2024	2023
current income tax		
Producer of the year	$ -	$ 18
Income tax expense recognized in profit or loss	$ -	$ 18

The adjustment of accounting income and income tax expense is as follows：

	2024	2023
Net profit before tax of continuing business units	($152,154)	($143,180)
Income tax calculated on the net profit before tax according to the statutory tax rate	($ 30,431)	($ 28,636)
Non-deductible expense losses	27,592	17,187
Unrecognized temporary differences	(9,561)	(544)
Unrecognized loss write-off	12,400	11,993
other	-	18
Income tax expense recognized in profit or loss	$ -	$ 18

(2) Current income tax assets

	December 31, 2024	December 31, 2023
Current income tax assets		
Tax refund receivable	$ 1,161	$ 531

(3) Deferred income tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows：

2024

	Year–beginning balance	recognized in profit or loss	Year-end balance
Deferred tax assets			
temporary difference			
Allowance for loss of inventory	$ 8,164	($ 512)	$ 7,652
loss deductions	9,245	3,379	12,624
	$ 17,409	$ 2,867	$ 20,276
Deferred tax liabilities			
temporary difference			
Foreign currency exchange benefits	$ 16,004	$ 2,867	$ 18,871

2023

	Year–beginning balance	recognized in profit or loss	Year-end balance
Deferred tax assets			
temporary difference			
Allowance for loss of inventory	$ 4,996	$ 3,168	$ 8,164
loss deductions	14,882	(5,637)	9,245
	$ 19,878	($ 2,469)	$ 17,409
Deferred tax liabilities			
temporary difference			
Foreign currency exchange benefits	$ 18,473	($ 2,469)	$ 16,004

(4) Deductible temporary differences and unused tax deductions for deferred income tax assets not recognized in the balance sheet

	December 31, 2024	December 31, 2023
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	2,942
Due in 2033	11,858	11,993
Due in 2034	12,400	-
	$202,722	$190,457

(5) Income tax verification situation

The company's income tax declaration cases as of 2022 have been approved by the tax collection agency.

XXII、 Earnings(loss) per share

Unit: NT$ per share

	2024	2023
Basic and diluted earnings (loss) per share	($ 1.64)	($ 1.55)

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

	2024	2023
Net profit used to calculate basic and diluted earnings per share	($152,154)	($ 143,198)

number of shares	2024	2023
Weighted average number of common shares used to calculate basic and diluted earnings per share	92,679	92,679

Unit: thousand shares

The company's outstanding employee stock options are potential ordinary shares. However, the net loss after tax in 2024 and 2023 the execution price are higher than the average market price of the shares in 2024 and 2023 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：

	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)
2022						
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	428	24.4	227	30.5	420	32.0
Executable at the end of the year	428	24.4	227	30.5	420	32.0
2022						
Year–beginning balance	428	$ 24.4	227	$ 30.5	420	$ 32.0
Expires this year	(37)	24.4	-	30.5	(32)	32.0
Year-end balance	391	24.4	227	30.5	388	32.0
Executable at the end of the year	391	24.4	227	30.5	388	32.0

There are no employee stock options in 2024 and 2023.

As of the balance sheet date, the relevant information on outstanding employee stock options is as follows:

	December 31, 2024	December 31, 2023
Execution price range (dollar)	\$24.4~\$32.0	\$24.4~\$32.0
Weighted average remaining contract term (years)	1.69 years	2.70 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 2024 and 2023 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$60 thousand and NT$101 thousand in 2024 and 2023, 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 2024 and 2023:

In 2024 and 2023, the consolidated company will be reclassified as real estate, plant and equipment with book value of inventories of 3,510 thousand and 3,414 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

(1) Types of financial instruments

	December 31, 2024	December 31, 2023
monetary assets		
Financial assets measured at amortized cost (Note 1)	$379,249	$360,457
financial liabilities		
Measured by amortized cost (Note 2)	295,503	337,462

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 99% of the Company's sales are denominated in non-functional currency, and approximately 84% 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.

<u>Sensitivity Analysis</u>

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 2024 and 2023 will increase/decrease by NT$2,276 thousand and NT$1,627 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：

	December 31, 2024	December 31, 2023
Fair value interest rate risk		
-monetary assets	$116,128	$129,656
- Financial liabilities	80,091	64,181
Cash flow interest rate risk	151,426	160,129
-monetary assets	185,220	217,000
- Financial liabilities		

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 2024 and 2023 will decrease/increase by 169 thousand and 284 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, 2024 and 2023, the company's unused short-term bank financing line is NT$223,958 thousand and NT$189,058 thousand respectively, and the unused long-term bank financing line is NT$ 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, 2024

	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	$ 118,220	$ 67,000	$ -	$ -	$ 185,220
fixed rate instruments	30,000	-	-	-	30,000
accounts payable	65,833	7,055	-	-	72,888
Lease liability	2,384	7,076	25,433	25,151	60,044
Equipment payment payable	413	-	-	-	413
	$ 216,850	$ 81,131	$ 25,433	$ 25,151	$ 348,565

Further information on the maturity analysis of the above financial liabilities is as follows：

	less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	over 20 years
lease liability	$ 9,460	$ 25,433	$ 5,695	$ 5,695	$ 5,695	$ 8,066

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
	$ 299,781	$ 43,450	$ 7,070	$ 26,385	$ 376,686

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	$ 9,963	$ 7,070	$ 5,695	$ 5,695	$ 5,695	$ 9,300

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
Promise Technology K.K. （PTJ）	Subsidiary
Promise Yun Technology Inc.（PNC）	Subsidiary
Promise Technology Europe B.V.（PTE）	Sub-subsidiary
Promise Technology, Inc. (U.S.A.)（PTU）	Sub-subsidiary
Promise Technology (Shanghai), Inc.,（PTC）	Sub-subsidiary
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	2024	2023
operating income	Subsidiary		
	PTJ	$ 97,724	$ 107,242
	PNC	42,484	29,748
	Sub-subsidiary		
	PTE	54,576	72,633
	PTU	44,773	101,212
	PTC	-	4,282
	Other related persons	432	6
		$ 239,989	$ 315,123

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 120~180 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	2024	2023
Professional Services Revenue	Subsidiary		
	PTJ	$ 1,506	$ 1,220
	Sub-subsidiary		
	PTU	4,607	7,504
		$ 6,113	$ 8,724

(4) Purchase

Related Person Category/Name	2024	2023
Subsidiary		
PNC	$ 161	$ -
Sub-subsidiary		
PTU	1,703	104
PTE	3	-
	$ 1,867	$ 104

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

Account items	Related Person Category	December 31, 2024	December 31, 2023
Accounts receivable from related parties	Subsidiary		
	PNC	$ 18,278	$ 29,503
	PTJ	8,379	6,040
	Sub-subsidiary		
	PTE	33,617	9,156
	PTU	16,401	300
	PTC	-	12
		$ 76,675	$ 45,011
Other receivables from related parties	Subsidiary		
	PNC	$ 166	$ -
	PTJ	1	-
	Sub-subsidiary		
	PTE	1,856	1
	PTC	558	85
	PTU	-	77
		$ 2,581	$ 163

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)

Account items	Related Person Category	December 31, 2024	December 31, 2023
Amount payable to related parties	Subsidiary		
	PNC	$ -	$ 21,321

(7) Borrow from a related party

Related Person Category/Name	2024	2023
Obtain right-of-use assets		
Other related persons	$ 23,595	$ 6,476

Account items	Related Person Category	December 31, 2024	December 31, 2023
Lease liability – current	Other related persons	$ 4,556	$ 6,586
Lease liability – non-current	Other related persons	$ 15,640	$ -

Related Person Category/Name	2024	2023
Interest expense		
Other related persons	$ 485	$ 116

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

Account items	Related Person Category	2024	2023
Operating expenses	Other related persons	$ 2,069	$ 1,350
Manufacturing costs	Other related persons	$ 524	$ 273

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

	2024	2023
short-term employee benefits	$ 23,847	$ 29,739
Post-employment benefits	723	822
severance benefits	-	552
	$ 24,570	$ 31,113

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：

	December 31, 2024	December 31, 2023
PTT		
building	$ 83,263	$ 87,816
Pledged time deposits (accounted for as financial assets measured at amortized cost - current)	1,380	1,376
	$ 84,643	$ 89,192

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, 2024

	foreign currency	exchange rate	carrying amount
foreign currency assets			
monetary item			
USD	$ 8,682	32.785 （USD：NTD）	$ 284,639
CNY	4,091	4.478 （CNY：NTD）	18,319
EUR	1,256	34.14 （EUR：NTD）	42,880
JPY	62,352	0.2099 （JPY：NTD）	13,088
			$ 358,926
non-monetary items			
Subsidiaries and affiliates using the equity method			
USD	4,475	32.785 （USD：NTD）	$ 243,016
JPY	120,987	0.2099 （JPY：NTD）	25,646
CNY	(1,559)	4.478 （CNY：NTD）	17,209
			$ 285,871
foreign currency assets			
monetary item			
USD	1,741	32.785 （USD：NTD）	$ 57,079

December 31, 2023

	foreign currency	exchange rate	carrying amount
foreign currency assets			
monetary item			
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）	27,893
			$ 303,467
non-monetary items			
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）	17,209
			$ 285,871
foreign currency assets			
monetary item			
USD	1,327	30.705 （USD：NTD）	$ 40,746

The consolidated company's foreign currency exchange net profit (loss) in 2024 and 2023 is NT$14,732 thousand and 3,168 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.

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

2024

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	Shareholding 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 2024, the securities listed above did not provide guarantees, pledged loans or other restricted users as agreed.

Promise Technology ,Inc.

Invested company information, location... and other related information

2024

Schedule II

Unit: Unless otherwise specified, in thousands of NT dollars

Investment company name	Invested company name	location	Main business items	original investment amount: end of current period	original investment amount: end of last year	Holding at the end of the period: number of shares（thousand shares）	Holding at the end of the period: Ratio (%)	Holding at the end of the period: book amount	Current profit and loss of the invested company	Investment gains and losses recognized in the current period	Remark
PTT	Joding Investment Corp.	Cayman Islands	General Investment Industry	$ 217,010	$ 217,010	7,374	100.00	$ 146,706	($ 113,782)	($ 109,884)	Subsidiary
	PTJ	Japan	Sales business	41,621	41,621	2	100.00	25,395	623	623	Subsidiary
Joding Investment Corp.	PTU	USA	Sales business	41,962	41,962	48,596	99.60	104,537	(81,085)	(77,963)	Subsidiary
	PTE	Netherlands	Sales business	24,459	24,459	130	100.00	4,152	(17,186)	(16,362)	Subsidiary
PTU	Tacis Solutions Inc.	USA	R&D and Sales business	-	19,967	-	-	-	-	-	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 China

2024

Schedule III

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	$68,193 (USD:K 2,080)	Note 1	$54,128 (USD:K 1,651)	$-	$-	$ 54,128 (USD:K 1,651)	($ 15,343)	100%	($ 15,343)	$50,374	$39,266
PNC	Develop and produce computer application software, sell self-produced products and provide technical consultation	26,868 (CNY:K 6,000)	Note 2	4,747 (CNY:K 1,060)	22,121 (CNY:K 4,940)	-	26,868 (CNY:K 6,000)	(24,802)	100%	(24,705)	(6,983)	-

At the end of the current period, the accumulative amount of investment remitted from Taiwan to the China	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
$80,996 （USD:K 1,651 、CNY:K 6,000）	$62,521 (USD:K 1,907)	$361,372

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.

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 IV

Units: 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	%		
PNC	Sales	$ 42,484	8%	Note	—	$ 18,278	18%	$ 97	—

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.

§LIST OF IMPORTANT ACCOUNTING ITEMS§

Promise Technology ,Inc.

Cash and Equivalent Cash Schedule

December 31,2024

Schedule 1 — Unit: Unless otherwise specified, in thousands of NT dollars

Item	Amount
Bank deposits	
Foreign currency demand deposits（Note 1）	$138,922
Taiwan dollar demand deposits	12,504
Check deposits	45
Foreign currency time（Note 2）	114,748
Subtotal	266,219
Cash on hand and working capital	297
total	$266,516

Note1： RMB 8 thousand, Euro 253 thousand, USD 3,835 thousand and JPY 21,588 thousand yuan (conversion rate:RMB$1：NT$4.478；EUR$1：NT$34.14；US$1：NT$32.785；YEN$1：NT$0.2099）。

Note2： It is USD 3,500 thousand（conversion rate:US$1：NT$32.785）.

Promise Technology ,Inc.

Notes Receivable and Accounts Schedule

December 31,2024

Schedule 2 Unit: NT$ thousand

Customer Name	Amount
Accounts Receivable	
A Customer	$ 9,906
B Customer	3,737
C Customer	3,617
D Customer	2,326
E Customer	1,387
other（note）	6,635
Total	27,608
Less: Allowance for doubtful debts	-
net amount	$ 27,608

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

Promise Technology ,Inc.

Financial Assets Measured at Amortized Cost - Breakdown of Current Changes

From January 1st to December 31st, 2024

Schedule 3

Unit: Unless otherwise specified, in thousands of NT dollars

	Initial		increase in current period		Decrease in current period		Reclassification		discount (premium)	end of period			provide a guarantee or	
name	Number of sheets	Book amount	Number of sheets	amount	Number of sheets	amount	Number of sheets	amount	Amortization	Number of sheets	Book amount	Cumulative impairment	Pledge Remarks	Remark
Mega Bank Hsinchu Branch Management Bureau Land														
Lease and expropriation of land	1	$ 1,031	-	$ -	-	$ -	-	$ -	$ -	1	$ 1,031	$ -	v	—
Factory land rent increase supplement pledge fixed deposit	1	88	-	-	-	-	-	-	-	1	88	-	v	—
Adjustment of land rent increases fixed deposit quality	1	15	-	-	-	-	-	-	-	1	15	-	v	—
Land Bank Customs Pledge	1	242	-	3	-	-	-	-	-	1	246	-	v	—
		$ 1,376		$ 3		$ -		$ -	$ -		$ 1,380	$ -		

Promise Technology ,Inc.

Inventory list

December 31,2024

Schedule 4 Unit: NT$ thousand

project	Amount	
	cost	net realizable value
finished product	$ 59,734	$103,488
WIP	14,909	19,809
raw material	228,274	389,980
Total	$302,917	$513,277

Note: Inventory cost has included inventory price loss.

Promise Technology ,Inc.

Schedule of investment changes using the equity method

2024

Schedule 5

Unit: Unless otherwise specified, in thousands of NT dollars

Invested company name	initial balance		Decrease this year		Subsidiary's share of (profit) loss using the equity method	Realized (un)realized interests between affiliated companies	Exchange difference on translation of financial statements of foreign	Year-end balance			Equity Net Worth	Remark
	Number of shares (thousand shares)	amount	Number of shares (thousand shares)	amount				Number of shares (thousand shares)	Shareholding ratio(%)	amount		
Equity method of valuation												
Joding Investment Corp.	7,374	$ 243,016	-	$ -	($ 113,782)	$ 3,898	$ 13,574	7,374	100	$ 146,706	$ 162,671	Note
PTJ	2	25,646	-	-	624	-	(875)	2	100	25,395	25,395	Note
PNC	1,060	17,209	-	-	(24,802)	97	513	1,060	100	(6,983)	(6,874)	Note
Total		$ 285,871		$ -	($ 137,960)	$ 3,995	$ 13,212			$ 165,118	$ 181,192	

Note: The investment (profit) loss and equity net value recognized by the equity method are calculated based on the company's financial statements audited by accountants during the same period.

Promise Technology ,Inc.

A detailed statement of changes in right-of-use assets and right-of-use assets accumulated depreciation

From January 1 to December 31, 2024

Schedule 6

Unit: Unless otherwise specified, in thousands of NT dollars

title	Land	Housing and construction	total
cost			
January 1, 2024 balance	$ 25,705	$ 23,113	$ 48,818
Increase	-	31,518	31,518
dispose	(44)	(21,699)	(21,743)
December 31, 2024 balance	25,661	32,932	58,593
accumulated depreciation			
January 1, 2024 balance	3,866	12,130	15,996
depreciation	767	8,655	9,422
dispose	-	(15,223)	(15,223)
December 31, 2024 balance	4,633	5,562	10,195
December 31, 2024 net	$ 21,028	$ 27,370	$ 48,398

Promise Technology ,Inc.

Accounts Payable Schedule

December 31,2024

Schedule 7 Unit: NT$ thousand

Supplier name	amount
Supplier A	$ 20,576
Supplier B	11,422
Supplier C	5,566
Supplier D	5,210
Supplier E	5,144
other（Note）	24,970
Total	$ 72,888

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

Promise Technology ,Inc.

Short-term loan schedule

December 31,2024

Schedule 8

Unit: Unless otherwise specified, in thousands of NT dollars

creditor bank	loan period	Annual interest rate (%)	Year-end balance	financing amount	Mortgage or Guarantee
Working capital loan					
Mega bank	20240726~20250122	2.35	$ 8,000	$ 100,000	Yes
	20241118~20250516	2.41	28,000	100,000	Yes
	20241129~20250528	2.41	11,000	100,000	Yes
	20241205~20250603	2.41	5,000	100,000	Yes
	20241216~20250613	2.41	5,000	100,000	Yes
	20240905~20250124	2.41	1,121	100,000	Yes
	20241007~20250306	2.41	3,099	100,000	Yes
Taiwan Cooperation Bank	20240905~20250905	2.30	13,000	100,000	No
	20240116~20250116	2.30	6,000	100,000	No
	20240130~20250130	2.30	11,000	100,000	No
	20240215~20250215	2.30	25,000	100,000	No
	20240306~20250306	2.30	9,000	100,000	No
	20240513~20250513	2.30	10,000	100,000	No
	20240515~20250515	2.30	6,000	100,000	No
Land Bank	20241230~20250330	2.49	10,000	100,000	No
	20241007~20250115	2.49	4,000	100,000	No
Taishin Bank	20241209~20250408	2.55	30,000	49,178	No
Hua Nan Bank	20240823~20250223	2.70	30,000	50,000	No
合　　計			$ 215,220		

Promise Technology ,Inc.

Schedule of Lease Liabilities

December 31,2024

Schedule 9

Unit: Unless otherwise specified, in thousands of NT dollars

title	Rental period	Discount Rate	Ending balance
land	From 2001.05 to 2052.02	2.5%	$ 22,442
housing and construction	From 2024.01 to 2029.12	2.5%~2.87%	27,649
Total			50,091
Less: Lease liabilities - current			(8,229)
Lease liabilities - non-current			$ 41,862

Promise Technology ,Inc.

Operating income statement

2024

Schedule 10

Unit: Unless otherwise specified, in thousands of NT dollars

project	quantity	unit	amount
System	30,199	piece/piece/table	$ 471,721
other（Note）	18,479	—	51,279
			523,000
Less: Sales returns and allowances	811	piece/piece/table	(11,931)
			$ 511,069

註 Note: Others are mainly royalties, engineering services, maintenance, sales of raw materials, etc.

Promise Technology ,Inc.

Operating Cost Schedule

2024

Schedule 11 Unit: NT$ thousand

project	amount
Raw materials at the beginning of the year	$278,977
Feed this year	226,966
sell raw materials	(22,467)
transfer fee	(929)
Transfer to fixed assets	(1,148)
raw materials at the end of the year	(228,274)
This year's consumption	253,125
Direct labor	6,955
Manufacturing costs	64,677
Outsourcing processing fee	8,504
manufacturing cost	333,261
WIP at the beginning of the year	12,991
WIP at the end of the year	(14,909)
finished product cost	331,343
Finished products at the beginning of the year	84,731
Purchase finished products	1,200
transfer fee	(20,099)
Transfer to fixed assets	(2,278)
Finished products at the end of the year	(59,734)
cost of raw materials sold	22,467
Operating cost	$357,630

Promise Technology ,Inc.

Schedule of Operating Expenses

2024

Schedule 12 | Unit: NT$ thousand

project	promotional expenses	Management costs	R & D costs
salary expenditure	$ 24,923	$ 25,919	$ 64,675
Advertising Fees	6,237	-	-
freight	4,343	109	58
Insurance fee	2,381	2,253	5,618
depreciation	1,860	3,846	8,224
Service fee	1,137	5,393	963
Other (Note)	5,772	12,594	15,787
Total	$ 46,653	$ 50,114	$ 95,325

Note: each amount does not exceed 5% of the amount of each subject.

Promise Technology ,Inc.
Functional summary of employee benefits, depreciation and amortization expenses incurred in the current period
2024 and 2023

Schedule 13 Unit: NT$ thousand

	2024			2023		
	Belonging to operating costs	business expenses	Total	Belonging to operating costs	business expenses	Total
Employee Benefit Expenses						
Salary costs	$ 33,997	$ 114,160	$ 148,157	$ 33,637	$ 127,969	$ 161,606
labor health insurance	3,256	8,590	11,846	3,109	9,586	12,695
Pension costs	2,115	6,043	8,158	2,150	6,937	9,087
Other employee benefit expenses	1,754	4,316	6,070	1,497	4,064	5,561
Director's remuneration	-	1,357	1,357	-	1,370	1,370
Total	$ 41,122	$ 134,466	$ 175,588	$ 40,393	$ 149,926	$ 190,319
Depreciation expense	$ 6,903	$ 13,930	$ 20,833	$ 6,985	$ 18,236	$ 25,221
Amortization fee	$ -	$ 930	$ 930	$ -	$ 739	$ 739

Note 1：As of December 31, 2024 and 2023, the company has 130 and 139 employees respectively, of which 6 and 5 are directors who are not part-time employees respectively.

Note 2: Companies whose shares are listed on TWSE or OTC shall disclose the following additional information:

(1)The average employee welfare expenses for this year is NT$ 1,405 thousand ("total employee welfare expenses for the year - total directors' remuneration" / "number of employees for the year - number of directors who are not concurrent employees").

The average employee welfare expense in the previous year was NT$ 1,378 thousand ("total employee welfare expenses in the previous year - total directors' remuneration" / "number of employees in the previous year - number of directors who did not concurrently serve as employees").

(2) The average salary cost of employees this year is NT$ 1,195 thousand (the total salary cost of this year / "number of employees this year - the number of directors who are not concurrently employees"). ◦

The average salary cost of employees in the previous year was NT$1,215 thousand (total salary cost in the previous year/"Number of employees in the previous year - number of directors who did not serve concurrently as employees").

(3) Changes in the adjustment of average employee salary expenses (1.6) % ("average employee salary expenses for the current year - average employee salary expenses for the previous year"/average employee salary expenses for the previous year). ◦

(4) The company has established an audit committee, and the remuneration of independent directors has been incorporated into the remuneration of directors for disclosure.

(5) Remuneration policy:

A. According to the articles of association, the company shall allocate no less than 5% of the company's annual pre-tax net profit before deducting employee remuneration and director remuneration as employee remuneration and no more than 3% as director 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.

B. The remuneration of the company's senior managers is recommended by the remuneration committee with reference to the standards of the industry and related industries, and is approved by the board of directors.

C. The company will give reasonable salary and remuneration according to the performance appraisal of employees.