

Stock Code: 6188

Quanta Storage Inc.
2025 Annual Meeting of
Shareholders
Handbook

May 29, 2025

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Quanta Storage Inc.
Agenda of 2025 Annual Meeting of Shareholders

- I. Time and date: 9:00 a.m. on May 29 (Thursday), 2025**
- II. Location:** 3F, No 2, Fuxing 1st Rd., Guishan District., Taoyuan City 33380, Taiwan(R.O.C)
(Fullon Hotel Taoyuan Airport Access MRT A8)
- III. Convening method:** Physical shareholders' meeting
- IV. Chairperson calls the meeting to order**
- V. Chairperson's address**
- VI. Report items**
 - (I) 2024 Business Report
 - (II) Audit Committee's Review Report on the 2024 Financial Statements.
 - (III) Report on the 2024 distribution of remuneration to employees and directors.
 - (IV) Report on the 2024 distribution of cash dividend.
- VII. Ratification items**
 - (I) Adoption of the 2024 Business Report and Financial Statements.
 - (II) Proposal for the 2024 Earning Distribution of the Company.
- VIII. Discussion items**
 - (I) Amendment to the Articles of Incorporation.
 - (II) Proposed Revision of the Company's "Fund Lending and Endorsement Guarantee Operating Procedures".
- IX. Extemporary motions**
- X. Adjournment**

Note: For this annual meeting of shareholders, each ratification and discussion item will proceed by vote, and voting and counting will be conducted separately after all proposals have been discussed. discussed.

[Report Items]

Item 1 Proposed by the board of directors
Proposal: Please accept the 2024 Business Report.
Description: Please refer to Appendix 1 of this handbook for the Business Report. <Refer to Pages 6–8 of this handbook>.

Item 2 Proposed by the board of directors
Proposal: Please approve the Audit Committee's Review Report on the 2024 Financial Statements.
Description: Please refer to Appendix 2 of this handbook for the Audit Committee's 2024 Review Report. <Refer to Page 9 of this handbook>.

Item 3 Proposed by the board of directors
Proposal: Please approve the report on the 2024 distribution of remuneration to employees and directors.

Description:

- (I) According to the Article 25 of the Articles of Incorporation, If the Company has gained profit within a fiscal year, no less than 5% of the profits shall be reserved as the employees' remuneration and no more than 3% shall be reserved as the directors' remuneration. However, if the Company still has accumulated losses, an amount shall first be reserved to cover the losses. The previous stated remuneration to the employees may be made by stock or cash.
- (II) A distribution of employees' remuneration of NT\$48,651,423 in cash is suggested, while no suggestion to distribute directors' remuneration is made.
- (III) The aforementioned amount is distributed fully in cash, and there is no difference in the amount of distribution and the estimated amount of the expense.
- (IV) This proposal has been approved by the remuneration committee and the board of directors.

Item 4

Proposed by the board of directors

Proposal: Please review the report on the 2024 distribution of cash dividend.

Description:

- (I) In accordance with the Company Act and the Articles 25-1 of the Articles of Incorporation.
- (II) The board of directors of our company resolved on February 26, 2025, to distribute a cash dividend for the fiscal year 2024 of NT\$556,717,820 per share of common stock, with a distribution of NT\$2.00 per share.
- (III) If an amendment of laws and regulations, an adjustment made by the regulator, or buyback of shares by the Company affects the number of outstanding shares and the distribution ratio needs to be adjusted, the chairman shall be authorized to make adjustments to the interest rate and relevant matters.
- (IV) The cash dividend distribution is counted in dollars (rounded down to the dollar) and the fractional amount will be counted into other income of the Company.

[Ratification items]

Item 1

Proposed by the board of directors

Proposal: Please ratify the 2024 Business Report and Financial Statements.

Description:

- (I) The Company's 2024 Financial Statements and Consolidated Financial Statements were audited and certified by CPAs CHEN,YING-JU and CHEN,YI-CHUN from KPMG Certified Public Accountants, and they have released an audit report with an unqualified opinion. Aforementioned documents, business report and statement of retained earnings were also reviewed by the Audit Committee and approved by the board of directors, and are here presented to the Meeting for shareholders to ratify.
- (II) Please refer to Appendix 1 and Appendix 3 for the 2024 Business Report, Audits Report and Financial Statements. <Refer to Pages 6–8 and 10–23 of this handbook>

Resolution:

Item 2

Proposed by the board of directors

Proposal: Please approve the allocation of 2024 distributable earnings.

Description:

- (I) The distribution of distributable earnings for 2024 was reviewed by the Audit Committee and approved by the board of directors. The amount of 2024 distributable earnings is derived from net income after tax and setting aside a 10% legal capital reserve. An amount of distributable earnings of NT\$556,717,820 is proposed to be distributed in accordance with the distribution ratio provided in Article 25-1 of the Articles of Incorporation.
- (II) Details of retained earning as follows:

Quanta Storage Inc.
The 2024 Statement of Retained Earnings

Unit: NT\$

Item	Amount	
Undistributed surplus at the beginning of the period		1,929,705,820
Add: Total other comprehensive income		12,483,697
Undistributed surplus at the beginning of the period after adjustment		1,942,189,517
Add: Net income after tax for the period	649,021,031	
Reversal of special reserves	<u>100,238,529</u>	749,259,560
Less: Legal reserve from surplus	<u>(66,150,473)</u>	(66,150,473)
Distributable net profit		2,625,298,604
Distribution items		
Common stock cash (NT\$2.00 dividend per share)		(556,717,820)
Unappropriated retained earnings at the end of the period		2,068,580,784

Note: Distribution will be made with 2024 retained earnings; if this is insufficient, distribution may be made with accumulated retained earnings from previous years.

Chairperson:

Manager:

Accounting Supervisor:

Resolution:

[Discussion items]

Item 1

Proposed by the board of directors

Proposal: Amendment to the Articles of Incorporation.

Description: To comply with the letter No. 1130385442 issued by the competent authority and to meet the company's business development needs, it is proposed to amend some provisions of the Articles of Incorporation. Please refer to Appendix 4 for the table of the amendment. <Refer to Page 24 of this handbook>.

Resolution:

Item 2

Proposed by the board of directors

Proposal: Proposed Revision of the Company's "Fund Lending and Endorsement Guarantee Operating Procedures".

Description: To strengthen the company's operational procedures, Amendment of Certain Provisions in the Company's "Fund Lending and Endorsement Guarantee Operating Procedures". Please refer to Appendix 5 for the table of the amendment. <Refer to Page 25-27 of this handbook>.

[Extemporary Motions]

[Adjournment]

Appendix 1

Business Report

The wave of artificial intelligence is sweeping across the globe at an unprecedented speed, quickly becoming the driving force behind industrial transformation and economic recovery in countries after the pandemic. However, the environment of high interest rates and inflation has also brought widespread impacts on global business operations. Uneven industrial development and a slowdown in the end consumer market have led to a rare downturn in consumer electronics, which has been hit particularly hard. In the face of a volatile and unpredictable economic situation, companies are being tested on their management and adaptability.

Over the past year, Quanta Storage has worked together to navigate the volatile and unpredictable economic environment, as well as the challenge of a rapid slowdown in end-demand for consumer electronics. Despite our best efforts to respond to adversity, revenue and profits still struggled to withstand the impact of the slowdown in the consumer market.

The summary of the 2024 operational performance and 2025 operation prospects is as follows:

I. 2024 Operating Results and Plan

For operating and revenue, the company had a consolidated revenue of NT\$8,139,668 thousand, a 21.55% decreased compared to the NT\$10,376,033 thousand of 2023. Gross profit of 2024 was NT\$2,249,331 thousand, an decreased of 15.28% compared to last year. Earnings per share were NT\$2.33. The financial summary as follows:

Account	2024	2023	Unit: NT\$ thousand; %	
			Increase / decrease amount	Increase / decrease %
Operating revenue	8,139,668	10,376,033	(2,236,365)	(21.55)
Gross profit	2,249,331	2,655,060	(405,729)	(15.28)
Net income from operations	623,357	1,150,880	(527,523)	(45.84)
Current period net profit	669,369	1,113,311	(443,942)	(39.88)

Note: According to the CPA's audited consolidated financial statement.

Unit: %

Item		2024	2023
Financial structure	Ratio of liabilities to assets	31.83	32.67
	Ratio of long-term capital to property, plant and equipment	377.64	449.92
Debt service ability	Current ratio	224.71	253.82
	Quick ratio	202.39	238.33
Profitability	Assets return ratio	4.66	7.89
	Equity return ratio	6.86	11.78
	Net profit ratio	8.22	10.73

Note: According to the CPA's audited consolidated financial statement.

The company's ratio of liabilities to assets of these two years are 31.83% and 32.67%, respectively. Ratio of long-term capital to property, plant and equipment of these two years are 377.64% and 449.92%, respectively. As the ratio of long-term capital to property, plant and equipment is much higher than 100%, it shows that the long-term capital can fulfill the need of property, plant and equipment and the financial structure is solid. As for solvency, the quick ratio and current ratio being greater than 100% shows that the working capital can fulfill the need of current liabilities. In terms of profitability, both asset turnover, return on equity, and net profit margin are comparable to the previous year.

This business outcome is primarily due to the rapid slowdown in end-demand for consumer electronics, which led to a contraction in revenue and profits. Fortunately, Quanta Storage solid financial foundation, along with its ongoing adjustments to the product portfolio and investment in the development and application of new products in response to market changes and trends, has helped strengthen the company's competitiveness. This has allowed Quanta Storage to maintain profitability even in the face of an unfavorable macroeconomic environment.

2025 Operating Prospects

The wave of artificial intelligence and automation is driving industrial transformation and the evolution of the new economy, bringing limitless innovation applications and potential business opportunities. At the same time, international

geopolitical conflicts and U.S. tariff policies are also impacting the global economy. Quanta Storage continues to maintain a solid financial foundation while actively investing in the development and application of new products, refining manufacturing technologies, and accelerating the introduction of automation to strengthen the company's competitiveness. Looking ahead to 2025, we believe that through the collective efforts of all our colleagues, we will be able to respond to challenges with innovation, pursue steady growth, and continue to create value for the company. We sincerely thank our shareholders for their ongoing support and encouragement.

Chairperson: HO, SHI-CHI

Manager: CHANG, CHIA-FENG

Accounting Supervisor: LEE, CHIH-JEN

Appendix 2

**Quanta Storage Inc.
Audit Committee Report**

Hereby Approved,

The Board of Directors has prepared and submitted to us the Company's 2024 Business Report, Financial Statements, Consolidated Financial Statements and Proposal for Allocation of Distributable Earnings. The Financial Statements and Consolidated Financial Statements have been audited and certified by CPAs CHEN,YING-JU and CHEN,YI-CHUN from KPMG Certified Public Accountants. We hereby produce this report in accordance with provisions specified in Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act and hereinafter submit it for your review.

Quanta Storage Inc.

Chairperson of the Audit Committee: WANG, KUAN-SHEN

February 26, 2025

Appendix 3



安侯建業聯合會計師事務所
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Independent Auditors' Report

To the Board of Directors of Quanta Storage Inc.:

Opinion

We have audited the financial statements of Quanta Storage Inc. (“the Company”), which comprise the balance sheet as of December 31, 2024 and 2023, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material policies.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition

Please refer to Note (4)(o) for accounting policies of revenue recognition and refer to Note (6)(s) for explanation of significant accounts.

Description of the key audit matter:

Sales revenue is the main indicator for investors and management to evaluate the financial statements or business performance of the Company. Revenue recognized at the point of time correctly is significant for the financial statements. Therefore, the timing for revenue recognition has been identified as a key audit matter.



How the matter was addressed in our audit:

In relation to the key audit matter above, our key audit procedures include understanding and testing the design and implementation of internal control over revenue recognition; understanding the accounting policy of revenue recognition and confirming whether the accounting treatment is in line with the Accounting Standard regulations; reviewing relevant shipping documents and forms during a period before and after the balance sheet date to ensure that sales revenue is recognized in the appropriate period in the financial statements.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

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

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chen, Ying-Ju and Chen, Yi-Chun.

KPMG

Taipei, Taiwan (Republic of China)
February 26, 2025

Notes to Readers

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

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
QUANTA STORAGE INC.

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		<u>2024</u>		<u>2023</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
	Operating Revenues (Notes (6)(s) and (7)):				
4110	Sales revenue	\$ 6,697,984	100	9,153,569	100
4190	Less: Sales discounts and allowances	2,184	-	664	-
4170	Sales returns	110	-	138	-
	Operating revenue, net	<u>6,695,690</u>	<u>100</u>	<u>9,152,767</u>	<u>100</u>
	Operating costs:				
5110	Cost of sales (Notes (6)(f) and (7))	<u>5,651,079</u>	<u>84</u>	<u>7,585,653</u>	<u>83</u>
	Gross profit from operations	<u>1,044,611</u>	<u>16</u>	<u>1,567,114</u>	<u>17</u>
	Operating expenses:				
6100	Selling expenses	127,491	2	129,715	1
6200	Administrative expenses	147,606	2	141,953	2
6300	Research and development expenses	282,953	5	293,185	3
6450	Expected credit gain (Note (6)(e))	9,524	-	(21,307)	-
		<u>567,574</u>	<u>9</u>	<u>543,546</u>	<u>6</u>
	Net operating income	<u>477,037</u>	<u>7</u>	<u>1,023,568</u>	<u>11</u>
	Non-operating income and expenses:				
7100	Interest income (Note (6)(u))	63,965	1	53,968	1
7010	Other income (Note (6)(u))	46,633	1	40,476	-
7020	Other gains and losses, net (Note (6)(u))	95,186	2	48,089	1
7050	Financial costs (Note (6)(u))	(1,018)	-	(720)	-
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note (6)(g))	90,176	1	183,267	2
		<u>294,942</u>	<u>5</u>	<u>325,080</u>	<u>4</u>
	Net operating income	<u>771,979</u>	<u>12</u>	<u>1,348,648</u>	<u>15</u>
7950	Less: Income tax expense (Note (6)(p))	<u>122,958</u>	<u>2</u>	<u>236,585</u>	<u>3</u>
	Profit for the period	<u>649,021</u>	<u>10</u>	<u>1,112,063</u>	<u>12</u>
8300	Other comprehensive income:				
8310	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note (6)(q))	83,243	1	80,508	1
8330	Share of other comprehensive income of subsidiaries and associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	14,523	-	198	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Items that will not be reclassified subsequently to profit or loss	<u>97,766</u>	<u>1</u>	<u>80,706</u>	<u>1</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements (Note (6)(q))	337,203	5	(27,531)	-
8380	Share of other comprehensive income of subsidiaries and associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	1,222	-	(390)	-
8399	Less: Income tax related to components of other comprehensive income that may be reclassified to profit or loss	48,277	1	-	-
	Items that may be reclassified subsequently to profit or loss	<u>290,148</u>	<u>4</u>	<u>(27,921)</u>	<u>-</u>
8300	Other comprehensive income, net of tax	<u>387,914</u>	<u>5</u>	<u>52,785</u>	<u>1</u>
	Total comprehensive income	<u>\$ 1,036,935</u>	<u>15</u>	<u>\$ 1,164,848</u>	<u>13</u>
	Earnings per share (Note (6)(r))				
9750	Basic earnings per share (in New Taiwan dollars)	<u>\$ 2.33</u>		<u>4.00</u>	
9850	Diluted earnings per share (in New Taiwan Dollars)	<u>\$ 2.33</u>		<u>3.98</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
QUANTA STORAGE INC.

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Share capital Ordinary shares	Capital surplus	Retained earnings		Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total other equity interest (losses) from financial assets measured at fair value, through other comprehensive income	Total equity
			Legal reserve	Special reserve				
Balance at January 1, 2023	\$ 2,783,589	1,888,140	1,665,614	368,133	2,412,476	(69,750)	(83,029)	8,965,173
Profit for the year ended December 31, 2023	-	-	-	-	1,112,063	-	-	1,112,063
Other comprehensive income	-	-	-	-	244	(27,921)	80,462	52,785
Comprehensive income	-	-	-	-	1,112,307	(27,921)	80,462	1,164,848
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	109,424	-	(109,424)	-	-	-
Special reserve	-	-	-	(215,354)	215,354	-	-	-
Cash dividends on ordinary shares	-	(139,179)	-	-	(751,569)	-	-	(890,748)
Others	-	14	-	-	-	-	-	14
Balance at December 31, 2023	2,783,589	1,748,975	1,775,038	152,779	2,879,144	(97,671)	(2,567)	9,239,287
Profit for the year ended December 31, 2024	-	-	-	-	649,021	-	-	649,021
Other comprehensive income	-	-	-	-	12,484	290,148	85,282	387,914
Comprehensive income	-	-	-	-	661,505	290,148	85,282	1,036,935
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	111,231	-	(111,231)	-	-	-
Special reserve	-	-	-	(52,541)	52,541	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(890,748)	-	-	(890,748)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	151,248	-	-	-	-	-	151,248
Others	-	36	-	-	-	-	-	36
Balance at December 31, 2024	\$ 2,783,589	1,900,259	1,886,269	100,238	2,591,211	192,477	82,715	9,536,758

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

QUANTA STORAGE INC.

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before income tax	\$ 771,979	1,348,648
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	36,794	34,487
Amortization expense	11,160	9,349
Expected credit loss (gain)	9,524	(21,307)
Net profit on financial assets or liabilities at fair value through profit or loss	(47,971)	(56,782)
Interest expense	1,018	720
Interest income	(63,965)	(53,968)
Dividend income	(36,095)	(35,942)
Share of profit of subsidiaries and associates accounted for using equity method	(90,176)	(183,267)
Others	(2,932)	-
Total adjustments to reconcile profit (loss)	<u>(182,643)</u>	<u>(306,710)</u>
Changes in operating assets and liabilities:		
Total net changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	179,521	(1,485,819)
Notes and accounts receivable	122,377	344,526
Other receivables	9,888	78,784
Other receivables due from related parties	8,897	(6,179)
Inventories	(102)	(694)
Other operating assets	(24,568)	(18)
Total changes in operating assets	<u>296,013</u>	<u>(1,069,400)</u>
Total changes in operating liabilities:		
Contract liabilities	188,929	108,477
Accounts payable	(25,273)	(31,186)
Accounts payable to related parties	(17,241)	50,270
Other payables	(17,681)	(28,328)
Provisions	1,144	9,004
Other current liabilities	(51,853)	(15,184)
Refund liabilities	(3,025)	(12,945)
Other non-current liabilities	(5)	(2,257)
Total changes in operating liabilities	<u>74,995</u>	<u>77,851</u>
Total changes in operating assets and liabilities	<u>371,008</u>	<u>(991,549)</u>
Total adjustments	<u>188,365</u>	<u>(1,298,259)</u>
Cash inflows generated from operations	960,344	50,389
Interest received	44,042	52,812
Dividends received	36,095	35,942
Interest paid	(1,018)	(720)
Income taxes paid	(355,239)	(216,174)
Net cash flows from (used in) operating activities	<u>684,224</u>	<u>(77,751)</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	(884,078)	(230,000)
Proceeds from disposal of investments accounted for using equity method	179,460	-
Proceeds from capital reduction of investments accounted for using equity method	379,300	-
Dividends received from investments accounted for using equity method	210,245	1,429,393
Acquisition of property, plant and equipment	(378,272)	(20,340)
Acquisition of intangible assets	(25,356)	(9,106)
Decrease in other financial assets	67,750	267,121
Net cash flows (used in) from investing activities	<u>(450,951)</u>	<u>1,437,068</u>
Cash flows from (used in) financing activities:		
Return of dividends over the years	36	14
Payment of lease liabilities	(23,455)	(23,421)
Cash dividends paid	(890,748)	(890,748)
Net cash flows used in financing activities	<u>(914,167)</u>	<u>(914,155)</u>
Net (decrease) increase in cash and cash equivalents	<u>(680,894)</u>	<u>445,162</u>
Cash and cash equivalents at beginning of period	<u>1,293,254</u>	<u>848,092</u>
Cash and cash equivalents at end of period	<u>\$ 612,360</u>	<u>1,293,254</u>

See accompanying notes to parent company only financial statements.



安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors of Quanta Storage Inc.:

Opinion

We have audited the consolidated financial statements of Quanta Storage Inc. and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as of December 31, 2024 and 2023, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition

Please refer to Note (4)(o) for accounting policies of revenue recognition and refer to Note (6)(t) for explanation of significant accounts.

Description of the key audit matter:

Sales revenue is the main indicator for investors and management to evaluate the financial statements or business performance of the Group. Revenue recognized at the point of time correctly is significant for the financial statements. Therefore, the timing for revenue recognition has been identified as a key audit matter.



How the matter was addressed in our audit:

In relation to the key audit matter above, our key audit procedures include understanding and testing the design and implementation of internal control over revenue recognition; understanding the accounting policy of revenue recognition and confirming whether the accounting treatment is in line with the accounting standard regulations; reviewing relevant shipping documents and forms during a period before and after the balance sheet date to ensure that sales revenue is recognized in the appropriate period in the financial statements.

Other Matter

Quanta Storage Inc. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chen, Ying-Ju and Chen, Yi-Chun.

KPMG

Taipei, Taiwan (Republic of China)
February 26, 2025

Notes to Readers

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
QUANTA STORAGE INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2024		December 31, 2023			December 31, 2024		December 31, 2023	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (Note 6(a))	\$ 1,432,867	10	2,019,785	14	2120 Current financial liabilities at fair value through profit or loss (Note 6(b))		\$ 8,692	-	3,803
1110 Current financial assets at fair value through profit or loss (Note 6(b))	3,039,228	21	3,420,744	24	2130 Current contract liabilities (Note 6(c))		682,374	5	400,301
1120 Current financial assets at fair value through other comprehensive income (Note 6(c))	1,070,925	7	905,308	6	2171 Accounts payable (Note 7)		1,871,367	13	2,124,166
1170 Notes and accounts receivable, net (Notes 6(e) and (7))	2,353,108	16	2,533,359	18	2200 Other payables (Note 7)		1,123,828	8	1,020,826
1200 Other receivables (Note 6(e))	96,186	1	96,810	-	2230 Current tax liabilities (Note 6(p))		226,212	2	397,389
1220 Current tax assets	3,128	-	610	-	2250 Current provisions (Note 6(n))		309,224	2	299,817
1310 Inventories (Note 6(l))	924,657	6	640,563	5	2280 Current lease liabilities (Note 6(m))		57,101	-	63,974
1476 Other current financial assets (Notes 6(a), (l) and (8))	720,293	5	1,364,832	10	Other current liabilities		39,095	-	44,797
1479 Other current assets, others	106,312	1	115,895	1	Current refund liabilities		19,595	-	17,241
	<u>9,746,704</u>	<u>67</u>	<u>11,097,906</u>	<u>78</u>		<u>4,337,488</u>	<u>30</u>	<u>4,372,314</u>	<u>31</u>
Non-current assets:					Non-Current liabilities:				
1535 Non-current financial assets at amortised cost, net (Note 6(d))	1,642,816	11	476,224	3	2570 Deferred tax liabilities (Note 6(p))		182,882	1	189,231
1550 Investments accounted for using equity method (Note 6(g))	21,801	-	21,792	-	2580 Non-current lease liabilities (Note 6(m))		96,577	1	52,425
1600 Property, plant and equipment (Note 6(i))	2,711,878	19	2,193,244	16	2640 Net defined benefit liability, non-current (Note 6(o))		16,139	-	13,559
1755 Rights-of-use assets (Note 6(j))	159,470	1	122,652	1	2670 Other non-current liabilities, others		6,653	-	37,525
1780 Intangible assets (Note 6(k))	38,459	-	20,959	-	Total liabilities		<u>302,251</u>	<u>2</u>	<u>280,540</u>
1840 Deferred tax assets (Note 6(p))(Note 6(p))	235,320	2	255,373	2	Equity attributable to owners of parent (Notes 6(c) and (q)):		<u>4,639,739</u>	<u>32</u>	<u>4,652,854</u>
1980 Other non-current financial assets (Note 6))	21,772	-	28,810	-	Ordinary share		2,783,589	19	2,783,589
1995 Other non-current assets, others	293	-	23,296	-	Capital surplus		1,900,259	13	1,748,975
	<u>4,831,809</u>	<u>33</u>	<u>3,142,350</u>	<u>22</u>	Retained earnings		4,577,718	31	4,806,961
					Other equity		275,192	2	(100,238)
					Total equity attributable to owners of parent:		<u>9,536,758</u>	<u>65</u>	<u>9,239,287</u>
					Non-controlling interests		402,016	3	348,115
					Total equity		<u>9,938,774</u>	<u>68</u>	<u>9,587,402</u>
Total assets	<u>\$ 14,578,513</u>	<u>100</u>	<u>14,240,256</u>	<u>100</u>	Total liabilities and equity		<u>\$ 14,578,513</u>	<u>100</u>	<u>14,240,256</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
QUANTA STORAGE INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars , Except Earnings Per Share)

	<u>2024</u>		<u>2023</u>	
	Amount	%	Amount	%
Operating Revenues:				
4110 Sales revenue (Notes (6)(t) and (7))	\$ 8,139,668	100	10,376,033	100
Operating costs:				
5110 Cost of sales (Note (6)(f))	<u>5,890,337</u>	<u>73</u>	<u>7,720,973</u>	<u>74</u>
Gross profit from operations	<u>2,249,331</u>	<u>27</u>	<u>2,655,060</u>	<u>26</u>
Operating expenses:				
6100 Selling expenses	556,327	7	473,467	5
6200 General and administrative expenses	400,257	5	413,972	4
6300 Research and development expenses	659,866	8	638,446	6
6450 Expected credit gain (Note (6)(e))	<u>9,524</u>	<u>-</u>	<u>(21,705)</u>	<u>-</u>
	<u>1,625,974</u>	<u>20</u>	<u>1,504,180</u>	<u>15</u>
Net operating income	<u>623,357</u>	<u>7</u>	<u>1,150,880</u>	<u>11</u>
Non-operating income and expenses:				
7100 Interest income (Note (6)(v))	110,878	1	137,246	2
7010 Other income (Note (6)(v))	58,753	1	35,942	-
7020 Other gains and losses, net (Note (6)(v))	59,906	1	85,888	1
7050 Financial costs (Note (6)(v))	<u>(2,785)</u>	<u>-</u>	<u>(3,245)</u>	<u>-</u>
7070 Share of loss of associates accounted for using equity method (Note (6)(g))	<u>9</u>	<u>-</u>	<u>(149)</u>	<u>-</u>
	<u>226,761</u>	<u>3</u>	<u>255,682</u>	<u>3</u>
	<u>850,118</u>	<u>10</u>	<u>1,406,562</u>	<u>14</u>
7950 Less: Income tax expense (Note (6)(p))	<u>180,749</u>	<u>2</u>	<u>293,251</u>	<u>3</u>
Profit	<u>669,369</u>	<u>8</u>	<u>1,113,311</u>	<u>11</u>
Other comprehensive income (loss):				
8310 Items that may not be reclassified subsequently to profit or loss				
8311 Gains on remeasurements of defined benefit plans(Note (6)(o))	12,504	-	381	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (Note (6)(q))	85,847	1	80,450	-
8349 Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>8</u>	<u>-</u>	<u>76</u>	<u>-</u>
	<u>98,343</u>	<u>1</u>	<u>80,755</u>	<u>-</u>
8360 Items that may be reclassified subsequently to profit or loss:				
8361 Exchange differences on translation (Note (6)(q))	340,496	4	(28,755)	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>48,277</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>292,219</u>	<u>4</u>	<u>(28,755)</u>	<u>-</u>
8300 Other comprehensive income (after tax)	<u>390,562</u>	<u>5</u>	<u>52,000</u>	<u>-</u>
8500 Total comprehensive income	<u>\$ 1,059,931</u>	<u>13</u>	<u>1,165,311</u>	<u>11</u>
Profit (loss) attributable to:				
8610 Owners of parent	\$ 649,021	8	1,112,063	11
8620 Non-controlling interests	<u>20,348</u>	<u>-</u>	<u>1,248</u>	<u>-</u>
	<u>\$ 669,369</u>	<u>8</u>	<u>1,113,311</u>	<u>11</u>
Comprehensive income (loss) attributable to:				
8710 Owners of parent	\$ 1,036,935	13	1,164,848	11
8720 Non-controlling interests	<u>22,996</u>	<u>-</u>	<u>463</u>	<u>-</u>
	<u>\$ 1,059,931</u>	<u>13</u>	<u>1,165,311</u>	<u>11</u>
Earnings per share (Note (6)(s))				
9750 Basic earnings per share (in New Taiwan Dollars)	<u>\$ 2.33</u>		<u>4.00</u>	
9850 Diluted earnings per share (in New Taiwan Dollars)	<u>\$ 2.33</u>		<u>3.98</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
QUANTA STORAGE INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023
 (Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
	Share capital					Other equity				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of parent	Non-controlling interests	Total equity
\$										
	-	-	-	-	1,112,063	-	-	1,112,063	1,248	1,113,311
Balance at January 1, 2023	-	-	-	-	244	(27,921)	80,462	52,785	(785)	52,000
Profit for the year ended December 31, 2023	-	-	-	-	1,112,307	(27,921)	80,462	1,164,848	463	1,165,311
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	-	-	-	-
Comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	-	-	-	-
Appropriation and distribution of retained earnings:	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	109,424	-	(109,424)	-	-	-	-	-
Special reserve	-	-	-	(215,354)	215,354	-	-	-	-	-
Cash dividends on ordinary shares	-	(139,179)	-	-	(751,569)	-	-	(890,748)	-	(890,748)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	164	164
Others	-	14	-	-	-	-	-	14	-	14
Balance at December 31, 2023	2,783,589	1,748,975	1,775,038	152,779	2,879,144	(97,671)	(2,567)	9,239,287	348,115	9,587,402
Profit for the year ended December 31, 2024	-	-	-	-	649,021	-	-	649,021	20,348	669,369
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	12,484	290,148	85,282	387,914	2,648	390,562
Comprehensive income for the year ended December 31, 2024	-	-	-	-	661,505	290,148	85,282	1,036,935	22,996	1,059,931
Appropriation and distribution of retained earnings:	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	111,231	-	(111,231)	-	-	-	-	-
Special reserve	-	-	-	(52,541)	52,541	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(890,748)	-	-	(890,748)	-	(890,748)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	151,248	-	-	-	-	-	151,248	-	151,248
Changes in non-controlling interests	-	-	-	-	-	-	-	-	30,905	30,905
Others	-	36	-	-	-	-	-	36	-	36
Balance at December 31, 2024	2,783,589	1,900,259	1,886,269	100,238	2,591,211	192,477	82,715	9,536,758	402,016	9,938,774

See accompanying notes to consolidated financial statements.

QUANTA STORAGE INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before income tax	\$ 850,118	1,406,562
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	347,853	350,143
Amortization expense	20,606	20,632
Expected credit loss (gain)	9,524	(21,705)
Net profit on financial assets or liabilities at fair value through profit or loss	(56,880)	(59,382)
Interest expense	2,785	3,245
Interest income	(110,878)	(137,246)
Dividend income	(40,687)	(35,942)
Share of loss of associates accounted for using equity method	(9)	149
(Gain) loss on disposal of property, plan and equipment	(4,538)	8,247
Loss on liquidation of subsidiary	95,173	-
Unrealized foreign exchange gain	(15,472)	-
Expense on employee stock options	2,692	164
Others	32,121	516
Total adjustments to reconcile profit (loss)	<u>282,290</u>	<u>128,821</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	443,285	(2,235,085)
Notes and accounts receivable	308,671	245,159
Other receivables	10,545	81,013
Inventories	(237,446)	689,964
Other current assets	(17,755)	6,412
Total changes in operating assets	<u>507,300</u>	<u>(1,212,537)</u>
Changes in operating liabilities:		
Contract liabilities	281,707	72,605
Notes and accounts payable	(365,833)	34,996
Other payables	90,123	13,830
Provisions	9,407	15,846
Other current liabilities	(10,115)	(63,247)
Net defined benefit liability	27,359	373
Refund liabilities	2,354	(13,189)
Total changes in operating liabilities	<u>35,002</u>	<u>61,214</u>
Total changes in operating assets and liabilities	<u>542,302</u>	<u>(1,151,323)</u>
Total adjustments	<u>824,592</u>	<u>(1,022,502)</u>
Cash inflows generated from operations	1,674,710	384,060
Interest received	98,113	139,129
Dividends received	40,687	35,942
Interest paid	(2,785)	(3,245)
Income taxes paid	(385,737)	(393,097)
Net cash flows from operating activities	<u>1,424,988</u>	<u>162,789</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(79,770)	(28,470)
Acquisition of financial assets at amortised cost	(1,147,844)	(476,224)
Proceeds from disposal of subsidiaries	179,460	-
Acquisition of property, plant and equipment	(707,372)	(366,084)
Proceeds from disposal of property, plant and equipment	12,840	2,026
Acquisition of intangible assets	(37,649)	(18,617)
Decrease in other financial assets	709,773	1,707,225
Decrease (increase) in other non-current assets	24,071	(22,174)
Net cash flows (used in) from investing activities	<u>(1,046,491)</u>	<u>797,682</u>
Cash flows from (used in) financing activities:		
Return of dividends over the years	36	14
Payment of lease liabilities	(59,530)	(69,537)
Increase in other non-current liabilities	3,866	-
(Decrease) increase in other non-current liabilities	(33,142)	12,199
Cash dividends paid	(890,748)	(890,748)
Net cash flows used in financing activities	<u>(979,518)</u>	<u>(948,072)</u>
Effect of exchange rate changes on cash and cash equivalents	14,103	(24,801)
Net decrease in cash and cash equivalents	(586,918)	(12,402)
Cash and cash equivalents at beginning of period	2,019,785	2,032,187
Cash and cash equivalents at end of period	<u>\$ 1,432,867</u>	<u>2,019,785</u>

See accompanying notes to consolidated financial statements.

Appendix 4

**Quanta Storage Inc.
Table of Amendments to the Articles of Incorporation**

Current Clause	Amended Clause	Remarks
<p>Article 25 If the Company has gained profit within a fiscal year, no less than 5% of the profit shall be reserved as the employees' compensation and no more than 3% shall be reserved as the directors' remuneration. However, if the Company still has accumulated losses, an amount shall first be reserved to cover the losses.</p> <p>Employee's compensation as prescribed in the preceding paragraph is distributed in the form of stocks or cash, the employees qualifying for such distribution may include employees of companies controlled by the Company or subsidiaries of the Company meeting certain specific requirements. However, distribution to employees of subordinate companies shall only be by way of new shares issued by the Company. The specific requirements shall be specified by the board of directors.</p> <p>Distribution of employees' compensation and directors' remuneration shall be approved by the board of directors and reported to the shareholders.</p>	<p>Article 25 If the Company has gained profit within a fiscal year, no less than 5% of the profit shall be reserved as the employees' compensation and no more than 3% shall be reserved as the directors' remuneration. However, if the Company still has accumulated losses, an amount shall first be reserved to cover the losses.</p> <p>The amount of employee compensation mentioned above should allocate no less than 10% for distributing compensation to frontline employees. Employee's compensation as prescribed in the is distributed in the form of stocks or cash, the employees qualifying for such distribution may include employees of companies controlled by the Company or subsidiaries of the Company meeting certain specific requirements. However, distribution to employees of subordinate companies shall only be by way of new shares issued by the Company. The specific requirements shall be specified by the board of directors.</p> <p>Distribution of employees' compensation and directors' remuneration shall be approved by the board of directors and reported to the shareholders.</p>	<p>Revised in accordance with the letter No. 1130385442 issued by the Financial Supervisory Commission.</p>
	<p>Article 25-4 In accordance with article 228-1 of the Company Act, the Company's surplus earnings distribution or loss off-setting proposal may be proposed at the close of each half fiscal year. Surplus earnings distributed in the form of cash shall be approved by a Board of Directors meeting.</p>	<p>This provision is newly added.</p>
<p>Article 28 These Articles of Incorporation was formulated on... The 16th amendment was made on June 14, 2022.</p>	<p>Article 28 These Articles of Incorporation was formulated on... The 17th amendment was made on May 29, 2025</p>	<p>The date of the 17th amendment is added.</p>

Appendix 5

**Quanta Storage Inc.
Comparison Table of Amendments to the Fund Lending and Endorsement Guarantee
Operating Procedures**

Current Clause	Amended Clause	Remarks
<p>Section 3. Evaluation and Operational Procedures for Lending Funds to Others Article 3: Total Loan Amount and Individual Loan Limits</p> <ol style="list-style-type: none"> 1. The total amount of funds lent to companies or businesses that have business dealings with our company shall not exceed 30% of our company's net worth. However, this limit does not apply to subsidiaries in which our company directly or indirectly holds 100% of the shares, provided that the total amount of funds lent, when combined with the funds lent to other companies, shall not exceed our company's net worth. The individual loan amount shall not exceed the business transaction amount between the two parties, where the business transaction amount refers to the higher of the actual purchase or sales amount within the last year or an estimated amount for the next year. 2. Loans for short-term funding needs between companies or entities are limited to 40% of the company's net worth, with individual loans not exceeding 20% <u>of the</u> company's net worth. 3. Loans between companies where the company owns 100% of the voting shares of a foreign company, or loans from such foreign companies to the company, are not subject to the limits on total or individual loan amounts as outlined in Section 2. The loan period is also not limited to one year or one business cycle, but subsidiaries must specify the loan limits and periods in their operating procedures and follow them accordingly. 4. If the company's responsible person violates these regulations, they will be jointly liable for the repayment with the borrower; if the company suffers any losses, the responsible person will be liable for damages. 	<p>Section 3. Evaluation and Operational Procedures for Lending Funds to Others Article 3: Total Loan Amount and Individual Loan Limits</p> <ol style="list-style-type: none"> 1. The total amount of funds lent to companies or businesses that have business dealings with our company shall not exceed 30% of our company's <u>latest financial statement</u> net worth. However, this limit does not apply to subsidiaries in which our company directly or indirectly holds 100% of the shares, provided that the total amount of funds lent, when combined with the funds lent to other companies, shall not exceed our company's <u>latest financial statement</u> net worth. The individual loan amount shall not exceed the business transaction amount between the two parties, where the business transaction amount refers to the higher of the actual purchase or sales amount within the last year or an estimated amount for the next year. 2. Loans for short-term funding needs between companies or entities are limited to 40% of the company's net worth, with individual loans not exceeding 20% of the company's <u>latest financial statement</u> net worth. 3. Loans between companies where the company owns 100% of the voting shares of a foreign company, or loans from such foreign companies to the company, are not subject to the limits on total or individual loan amounts as outlined in Section 2. The loan period is also not limited to one year or one business cycle, but subsidiaries must specify the loan limits and periods in their operating procedures and follow them accordingly. 4. If the company's responsible person violates these regulations, they will be jointly liable for the repayment with the borrower; if the company suffers any losses, the responsible person will be liable for damages 	<p>To strengthen the company's operating procedures, textual revisions will be made accordingly.</p>

Current Clause	Amended Clause	Remarks
<p>Section 4: Evaluation and Procedures for Endorsements and Guarantees</p> <p>Article 2: Endorsement and Guarantee Targets</p> <p>The company may provide endorsements and guarantees for the following entities:</p> <ol style="list-style-type: none"> 1. Companies with which the company has business dealings. 2. Companies in which the company directly or indirectly holds more than 50% of the voting shares. 3. Companies that directly or indirectly hold more than 50% of the voting shares of the company. <p><u>The company may provide endorsements and guarantees between subsidiaries where the company holds more than 90% of the voting shares, with the total amount not exceeding 10% of the company's net worth. However, endorsements and guarantees between companies where the company holds 100% of the voting shares are not subject to this limit.</u></p> <p>Endorsements and guarantees may also be provided between contractors or co-investors involved in joint ventures, based on contract requirements or consumer protection regulations related to pre-sale house sales agreements, regardless of the above limits.</p>	<p>Section 4: Evaluation and Procedures for Endorsements and Guarantees</p> <p>Article 2: Endorsement and Guarantee Targets</p> <p>The company may provide endorsements and guarantees for the following entities:</p> <ol style="list-style-type: none"> 1. Companies with which the company has business dealings. 2. Companies in which the company directly or indirectly holds more than 50% of the voting shares. 3. Companies that directly or indirectly hold more than 50% of the voting shares of the company. 4. <u>Between companies in which our company directly or indirectly holds more than 90% of the voting shares.</u> 5. <u>Between companies in which our company or the parent company directly or indirectly holds 100% of the voting shares.</u> <p>Endorsements and guarantees may also be provided between contractors or co-investors involved in joint ventures, based on contract requirements or consumer protection regulations related to pre-sale house sales agreements, regardless of the above limits.</p>	Same as above.
<p>Section 4: Evaluation and Procedures for Endorsements and Guarantees</p> <p>Article 3: Endorsement and Guarantee Limit</p> <ol style="list-style-type: none"> 1. The total amount of endorsement and guarantee provided by our company shall not exceed 40% of the <u>current net worth. The limit for endorsement and guarantee to a single enterprise, except for subsidiaries in which our company directly holds more than 90% of the voting shares, shall not exceed 20% of the current net worth. For other cases, the limit shall not exceed 10% of the current net worth.</u> <p><u>The total amount of endorsement and guarantee provided by our company and its subsidiaries shall not exceed 40% of the current net worth, and the limit for endorsement and guarantee to a single enterprise shall not exceed 20% of the current net worth.</u></p> <p><u>The net worth is based on the most recent financial statement audited or reviewed by a certified public accountant.</u></p> <ol style="list-style-type: none"> 2. <u>In cases where an endorsement and guarantee is provided due to business dealings with our company, in addition</u> 	<p>Section 4: Evaluation and Procedures for Endorsements and Guarantees</p> <p>Article 3: Endorsement and Guarantee Limits</p> <ol style="list-style-type: none"> 1. The total amount of endorsement and guarantee provided by our company shall not exceed 40% of the <u>most recent financial statement net worth of the company.</u> 2. <u>The endorsement and guarantee amount to a single entity shall not exceed 20% of the most recent financial statement net worth of the company.</u> 3. <u>If the endorsement and guarantee amount to a single entity reaches NT\$10 million or more, the combined total of the endorsement and guarantee amount, long-term investment amount, and funds lent to the entity shall not exceed 30% of the most recent financial statement net worth of the company.</u> 4. <u>For endorsements and guarantees provided to enterprises due to business relationships, the cumulative endorsement and guarantee amount shall not exceed the total value of the business transactions conducted with them during the year. The business</u> 	Same as above.

Current Clause	Amended Clause	Remarks
<p><u>to the above limits, the individual endorsement and guarantee amount shall not exceed the business transaction amount between the two parties. The business transaction amount refers to the higher of the purchase or sales amount between the two parties.</u></p>	<p><u>transaction amount refers to the higher of the purchase or sales amount between the two parties.</u></p> <ol style="list-style-type: none"> 5. <u>Between companies in which our company directly or indirectly holds more than 90% of the voting shares, the individual endorsement and guarantee limit shall not exceed 10% of the most recent financial statement net worth of the company.</u> 6. <u>Between companies in which our company directly or indirectly holds 100% of the voting shares, the endorsement and guarantee limit shall not be subject to the restrictions in the preceding item, but it shall not exceed the most recent financial statement net worth of the company.</u> 7. <u>The total amount of endorsement and guarantee provided by our company as a whole shall not exceed 50% of the most recent financial statement net worth of the company. The total amount of endorsement and guarantee to a single enterprise shall not exceed 20% of the most recent financial statement net worth of the company.</u> 	

Appendix 6

**Quanta Storage Inc.
Shareholdings of all directors**

Record date: March 31, 2025

Title	Name	Date elected	Shareholding while elected			Current shareholding			Remarks
			Type	Shares	Shareholding ratio (%)	Type	Shares	Shareholding ratio (%)	
Chairperson	HO, SHI-CHI	June 07, 2023	Ordinary share	1,143,097	0.41%	Ordinary share	1,143,097	0.41%	
Director	Representative of Quanta Computer Inc.: Alan Tsai								
Director	Representative of Quanta Computer Inc.: C.T. Huang	June 07, 2023	Ordinary share	82,881,664	29.78%	Ordinary share	82,881,664	29.78%	
Director	Representative of Quanta Computer Inc.: Elton Yang								
Independent Director	WANG, KUAN-SHEN	June 07, 2023	Ordinary share	0	0.00%	Ordinary share	0	0.00%	
Independent Director	TSAI, YEOU-JYH	June 07, 2023	Ordinary share	60,000	0.02%	Ordinary share	60,000	0.02%	
Independent Director	CHEN, YEN-HAU	June 07, 2023	Ordinary share	0	0.00%	Ordinary share	0	0.00%	
	Total			84,084,761			84,084,761		

Total shares issued on June 07, 2023: 278,358,910

Total shares issued on March 31, 2025: 278,358,910

Note: 1. The company's directors are required to hold in aggregate no less than 12,000,000 shares. The company's directors together held 84,024,761 shares as of March 31, 2025.

2. The Company has established an Audit Committee, therefore the requirement for supervisors to hold shares is not applicable

3. Shares held by independent directors are not included in the calculation of combined shares held by all directors

Appendix 7

Quanta Storage Inc.

Rules of Procedure for Shareholder Meetings

Amended on June 9, 2015

Article 1: Shareholders' meetings of the Company shall be conducted in accordance with these rules of procedure. Any matter not stated in these rules of procedure shall be handled in accordance with relevant laws and regulations.

Article 2: Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meeting based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholder and their proxies (collectively, "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

Article 3: The attendance and voting are calculated on the basis of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

Article 4: The meeting shall be held at the premises of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the meeting shall not be earlier than 9:00 a.m. or later than 3:00 p.m.

Article 4-1: When the company convenes a shareholders' meeting, the company shall prepare a manual for shareholders' meeting proceedings and shall disclose such manual together with other information related to the said shareholders' meeting in a public notice to be published 15 days prior to the scheduled meeting date of that shareholders' meeting.

Time, method, content and compliance requirement of the notice stated in the previous paragraph shall be handled in accordance with the Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies.

Article 4-2: A shareholder holding one percent or more of the total number of issued shares may submit to the company a written proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only, and no proposal containing more than more item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Prior to the date of issuance of the notice of a shareholders meeting, the company shall inform the shareholders who submitted proposals of the proposal screening results. In the handbook of the shareholders meeting, the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

If the proposal is accepted prior to the date of the shareholders' meeting, and the shareholder who made the proposal is absent from the meeting and did not request a proxy to deliver their opinion, the chair may set aside the proposal immediately and no further discussion and voting shall be carried out.

When shareholders make proposals as provided in Article 172-1 of the Company Act that are accepted into the agenda for the ordinary shareholders' meeting, if there are similar proposals, the chairperson may combine them and handle them in full compliance with Article 18 of these Rules.

Article 5: If the meeting is convened by the board of directors, the chairperson of the board of directors shall chair the meeting. If the chairperson of the board of directors is on leave or absent or for any reason cannot exercise their power and authority, the vice chairperson shall act on their behalf. In case there is no vice chairperson, or the vice chairperson is also on leave or absent or for any reason unable to exercise their power and authority, the chairperson of the board of directors shall designate one of the managing directors, or where there is no managing directors, one of the directors to act on their

behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting chairperson of the board of directors.

If the meeting is convened by a party with the power to convene other than the board of directors, the convening party shall chair the meeting.

Article 6: The company may appoint its attorneys, CPAs, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

Article 7: Audio or video recordings shall be made of the entire process of the meeting and these recordings shall be preserved for a least one year.

Article 8: The chairperson shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If after two postponements no quorum can yet be constituted but the shareholders present at the meeting represent more than one-third of the total outstanding shares, tentative resolutions may be made in accordance with paragraph 1 of Article 175 of the Company Act.

If during the process of the meeting the number of outstanding shares represented by the shareholders present becomes sufficient to constitute the quorum, the chairperson may submit the tentative resolutions to the meeting for approval in accordance with Article 174 of the Company Act.

Article 9: If the meeting is convened by the board of directors, the agenda of the meeting shall be set by the board of directors. Unless otherwise resolved at the meeting, the meeting shall proceed in accordance with the agenda.

The above provision applies mutatis mutandis to cases where the meeting is convened by any person, other than the board of directors, entitled to convene such meeting.

Unless otherwise resolved at the meeting, the chairperson cannot announce adjournment of the meeting before all the matters for discussion (including extemporary motions) listed in the agenda are resolved.

The shareholders cannot designate any other person as chairperson and continue the meeting in the same or a different place after the meeting is adjourned. However, in the event that the chairperson adjourns the meeting in violation of these rules of procedure, the shareholders may designate, by a majority of the votes represented by shareholders attending the meeting, one person as chairperson to continue the meeting.

Article 10: When a shareholder present at the meeting wishes to speak, a speech note should be filled out with a summary of the speech, the shareholder's number (or the number of attendance card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairperson.

If any shareholder present at the meeting submits a speech note but does not speak, the shareholder shall be deemed to not have spoken. In case the contents of the speech of a shareholder are inconsistent with the contents of the speech note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairperson and the shareholder speaking, no shareholder shall interrupt the speeches of the other shareholders; otherwise the chairperson shall stop such interruption.

Article 11: Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes, but it may be extended once for 3 minutes with the consent of the chairperson.

If the shareholder's speech violates the rules of previous paragraphs or exceeds the scope of the agenda item, the chairperson may terminate the speech.

Article 12: Any legal entity designated as proxy by a shareholder to present at the meeting may appoint only one representative to attend the meeting.

If two or more representatives of a corporate shareholder are designated to attend the meeting, only one representative can speak for each discussion item.

Article 13: After an attending shareholder has spoken, the chair may respond or direct relevant personnel to respond.

Article 14: When the chairperson deems that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 15: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the company. The result of voting shall be announced at the meeting and records shall be maintained.

Article 16: During the meeting, the chairperson may, at their discretion, announce a break.

Article 17: Except as otherwise provided in the Company Act and the Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, if no objections are made by the shareholders present after inquiry by the chairperson and no electronic votes are cast against a proposal, such proposal is deemed to be adopted with the same effect as if it had been adopted through a voting process.

Article 18: If there is an amendment or alternative to one motion, the chairperson may combine the amendment or alternative into the original motion, and determine their order for resolution. If any one of the amended or alternative motions is resolved, the others shall be considered as rejected, upon which no further resolution shall be required.

Article 19: The chairperson may conduct the disciplinary officers (or security guards) to assist in maintaining order at the meeting place. Such disciplinary officers (or security guards) shall wear armbands marked "Disciplinary Officers" for identification purposes. When a shareholder disturbs the order of a meeting and dissuading the shareholder has no effect, the chairperson may direct the disciplinary officers (or security guards) to escort the shareholder from the meeting.

Article 20: Matters not stipulated herein shall be handled in accordance with the Company Act and other rules.

Article 21: These rules of procedures shall be effective from the date they are approved by the Shareholders' Meeting. The same applies in case of revision.

Appendix8

Quanta Storage Inc. Articles of Incorporation

[Section I] General Provisions

- Article 1: The Company shall be incorporated, as a company limited by shares, under the Company Act , and its name shall be Quanta Storage Inc. (Quanta Storage Inc. in English Language)
- Article 2: The scope of business of the company shall be as follows:
1. CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing;
 2. CC01120 Data Storage Media Manufacturing and Duplicating;
 3. CC01080 Electronics Components Manufacturing;
 4. CE01030 Optical Instruments Manufacturing;
 5. F113050 Wholesale of Computers and Clerical Machinery Equipment;
 6. F118010 Wholesale of Computer Software;
 7. F119010 Wholesale of Electronic Materials;
 8. F401010 International Trade;
 9. CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing;
 10. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import;
 11. E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering;
 12. CB01010 Mechanical Equipment Manufacturing;
 13. F113010 Wholesale of Machinery;
 14. F213080 Retail Sale of Machinery and Tools;
 15. F219010 Retail Sale of Electronic Materials;
 16. JA02010 Electric Appliance and Electronic Products Repair;
 17. CC01110 Computer and Peripheral Equipment Manufacturing;
 18. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company may provide guarantees, if necessary.
- Article 4: When the company invests in other company as a shareholder, it shall not be subject to the restriction of Article 13 of the Company Act.
- Article 5: The head office of the Company shall be in Taoyuan City. Pursuant to the resolutions adopted by the board of directors, the Company may, if necessary, establish branches or factories at home or abroad.
- Article 6: Any and all public announcements to be made by the company shall comply with Article 28 of the Company Act.

[Section II] Capital Stock

- Article 7: The total authorized capital stock of the company is Three Billion and Eight Hundred Million New Taiwan dollars, divided into Three Hundred Eighty Thousand shares with a par value of Ten New Taiwan dollars. The board of directors is authorized to issue the unissued shares in installments, of which Ten Million shares are reserved for issuance of employee stock options.

Where the price of the employee stock options is set to be lower than the closing price of the Company's common stock on the date that the options are issued, the Company may grant the options, by over two-thirds of the votes in the shareholders' meeting attended by a majority of shares represented by the shareholders present at the meeting.

The shares are to be transferred to employees at a price lower than the average price of the shares actually bought back and shall be adopted by a majority vote at a meeting of shareholders

attended by shareholders representing two-thirds or more of the total number of the outstanding shares of the Company.

The company's issuing of new restricted employee shares shall be approved at a shareholders' meeting, by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares.

The subject of the company's issuing of employee stock options, transferring bought back shares to employees and issuing of new restricted employee shares may include employees of companies controlled by the company or subsidiaries of the company meeting certain specific requirements. The specific requirements shall be specified by the board of directors.

Article 8: All share certificates issued by the Company shall be affixed with the signatures or personal seals of the director representing the company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws. The company may issue registered stock without printing share certificates or may combine and print multiple shares in one share certificate, provided that any shares shall be recorded by a centralized securities custodian or placed under the custody of such custodian.

Article 9: The administration of shareholder services shall be handled in accordance with relevant laws and regulations.

[Section III] Shareholder Meetings

Article 10: Shareholders' meetings may be ordinary meetings or extraordinary meetings and may be convened in accordance with the Company Act and applicable laws.

A notice to convene an ordinary meeting shall be given to the shareholders no later than thirty days prior to the scheduled meeting date; while a notice to convene an extraordinary meeting shall be given to the shareholders no later than fifteen days prior to the scheduled meeting date. Such notice shall specify the meeting date, place and reason for convening such meetings. Such notice may be made by a public announcement to shareholders holding less than 1,000 registered shares.

Article 10-1 The Company may convene the shareholder's meeting by video or in other methods announced by the competent authority.

Article 11: A shareholder who for any reason cannot attend a shareholders' meeting may appoint a proxy to attend the meeting by delivering a proxy form printed by the company specifying the scope of authority in accordance with the Company Act and the "Regulations Governing Use of Proxies by Public Companies for Attendance at Shareholders Meeting" issued by the competent authority in charge of securities affairs.

Article 12: The chairperson of the board of directors shall chair the Shareholders' Meeting unless otherwise provided by the Company Act. If the chairperson of the board of directors is on leave or absent or for any reason cannot exercise their power and authority, the vice chairperson shall act on their behalf. In case there is no vice chairperson, or the vice chairperson is also on leave or absent or for any reason unable to exercise their power and authority, the chairperson of the board of directors shall designate one of the managing directors, or where there is no managing directors, one of the directors to act on their behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting chairperson of the board of directors.

The shareholders' meeting shall be held in accordance with the Company's Procedure for Shareholder Meetings.

Article 13: Each shareholder shall be entitled to one vote for each share owned, except for shareholders who under Article 179, paragraph 2 of the Company Act have no voting rights.

Article 14: Resolutions at a shareholders' meeting shall, unless otherwise provided for in Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

When the Company convenes a shareholders' meeting, shareholders may exercise their voting right by way of electronic transmission; the method of exercising their voting right shall be described in the shareholders' meeting notice and handled in accordance with relevant laws and regulations.

A shareholder who exercises their voting right at a shareholders meeting by way of electronic transmission as set forth in the preceding paragraph shall be deemed to have attended the said shareholders' meeting in person. However, their rights with respect to extemporary motions and amendments to original proposals of that meeting are considered waived.

[Section IV] Directors

Article 15: The company will have seven to nine directors. The election of directors shall adopt a candidate nomination system, and the shareholders shall elect from among the nominees listed in the roster of directors candidates. The term of office of each director shall be three years. The directors are eligible for reelection after the expiry of their term of office.

The number of independent directors of the Company shall not be less than three and not less than one-fifth of the total number of directors. The election of independent directors and non-independent directors shall be carried out simultaneously and be counted separately.

The professional qualifications, restrictions on shareholding and concurrent positions held, assessment of independence, method of nomination and appointment, exercising duties and rights and other matters for compliance with respect to independent directors shall be handled in accordance with Securities and Exchange Act and relevant regulations.

With the resolution approved by the board of directors, the company may take out liability insurance for its directors. The total shareholdings of all Directors shall meet the requirement as separately specified by the competent authority in charge of securities affairs, if any.

Article 16: The board of directors shall be organized by the directors. The board of directors shall elect a chairperson of the board of directors from among the directors by majority vote at a meeting attended by over two-thirds of the directors, and may also elect in the same manner a vice chairperson of the board, if necessary for the business. The chairperson of the board of directors shall be the authorized representative of the company.

Article 17: Meetings of the board of directors shall be convened by the chairperson of the board of directors and shall be notified to each director seven days prior to the meeting date. In emergency circumstances, however, a meeting may be called on shorter notice.

Notification for the meetings of the board of directors of the previous paragraph may be communicated in writing, email or fax.

The chairperson of the board shall preside at all meetings of the board of directors. If the chairperson of the board of directors is on leave or absent or for any reason cannot exercise their power and authority, the vice chairperson shall act on their behalf. In case there is no vice chairperson, or the vice chairperson is also on leave or absent or for any reason unable to exercise their power and authority, the chairperson of the board of directors shall designate one of the managing directors, or where there is no managing directors, one of the directors to act on their behalf. In the absence of such a designation, the managing directors or the directors shall elect from among themselves an acting chairperson of the board of directors.

If a meeting of the board of directors takes place via videoconference, then the directors taking part in such a videoconference shall be deemed to have attended the meeting in person.

Where a director is unable to attend the meeting of the board of directors, they appoint another director to attend the meeting by proxy with a proxy form setting forth the scope of authorization.

Article 18: Unless otherwise provided by the Company Act, resolutions of the board of directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Article 19: In compliance with Securities and Exchange Act, the Company shall establish an Audit Committee, which shall be composed of all the independent directors. The Committee shall not be fewer than three persons in number, one of whom shall be convener, and at least one of

whom shall have accounting or financial expertise.

Scope of responsibilities, organizational regulations and other compliance matters of the Company's Audit Committee shall be handled in accordance with relevant laws and regulations and the Articles of Incorporation.

Article 20: The board of directors may be compensated for their transportation or paid other allowance with the approval of the board of directors. The board of directors is authorized to determine the remuneration for directors based on the degree of their involvement in the Company's operations and the value of their contribution, after taking into account the prevailing rate in the industry.

[Section V] Managers

Article 21: The Company shall have several general managers and deputy general managers. The appointment, discharge and compensation shall be handled in accordance with Article 29 of the Company Act. The scope of managers' duties operating the Company and authority for signing documents shall be set by the board of directors.

[Section VI] Accounting

Article 22: The fiscal year of the Company starts on January 1 and ends on December 31. Account closure shall be undertaken at the end of fiscal year.

Article 23: At the end of the fiscal year, the Company's board of directors shall prepare and submit to the shareholders' meeting the following documents for ratification:

- I. Business report.
- II. Financial statements.
- III. Surplus earning distribution or loss off-setting proposals.

Article 24: Distribution of the dividends and bonuses shall be effected in proportion to the number of shares held by each shareholder accordingly. The Company shall not pay dividends or bonuses if there are no surplus earnings.

Article 25: If the Company has gained profit within a fiscal year, no less than 5% of the profit shall be reserved as the employees' compensation and no more than 3% shall be reserved as the directors' remuneration. However, if the Company still has accumulated losses, an amount shall first be reserved to cover the losses.

Employee's compensation as prescribed in the preceding paragraph is distributed in the form of stocks or cash, the employees qualifying for such distribution may include employees of companies controlled by the Company or subsidiaries of the Company meeting certain specific requirements. However, distribution to employees of subordinate companies shall only be by way of new shares issued by the Company. The specific requirements shall be specified by the board of directors.

Distribution of employees' compensation and directors' remuneration shall be approved by the board of directors and reported to the shareholders.

Article 25-1: When allocating profit for each fiscal year, the Company shall pay tax in accordance with the law and cover accumulated losses of previous years. If there is still a surplus, the Company shall set aside 10% as legal reserve, until the accumulated legal capital reserve equals the total capital of the Company; then, after adding or removing from a special capital reserve depending on the necessity for the Company's operations or relevant laws, it will be accumulated as distributable surplus together with the accumulated undistributed surplus of previous fiscal years. The board of directors is in charge of making a proposal for the amount and method of distributing retained earning to the shareholders' meeting in accordance to the Company's dividend policy. However, the issuing of dividends in cash shall be approved by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and it shall be reported to the shareholders' meeting.

The cash dividend policy is established by board of directors on the basis of the Company's operating and investment plan, capital expenditure budget and the internal and external

business environment.

- Article 25-2: The dividend policy of the Company is as follows:
The Company may consider factors such as finance, business and management for the amount of earnings to distribute. Distribution of retained earnings in cash dividends take precedence, and can also be distributed in stock dividends. The Company is currently in a phase steady growth. However in consideration of financial planning and capital need, the Company uses a remaining dividends policy. The retained earnings will first be reserved as capital, and the remaining earnings are distributed in the form of cash dividends, and the total cash dividends per year will not less than 50% of the total dividends allocated in the current year.
- Article 25-3: The Company may, in accordance with Article 241 of the Company Act, issue part or all of the legal reserve and the capital reserve in proportion to the number of shares held by the original shareholders. It shall be approved by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and it shall be reported to the shareholders' meeting.

[Section VII] Supplemental Provisions

- Article 26: The Company's charter and operational regulations shall be separately adopted by the board of directors.
- Article 27: For any matter that is not stipulated in these articles, the matter shall be conducted according to the Company Act.
- Article 28: These articles were created on February 3, 1999.
The first amendment was made on June 7, 2000.
The second amendment was made on September 11, 2000.
The third amendment was made on April 23, 2002.
The fourth amendment was made on June 12, 2003.
The fifth amendment was made on June 11, 2004.
The sixth amendment was made on June 14, 2005.
The seventh amendment was made on June 9, 2006.
The eighth amendment was made on June 11, 2007.
The ninth amendment was made on June 13, 2008.
The tenth amendment was made on June 19, 2009.
The eleventh amendment was made on June 14, 2010.
The twelfth amendment was made on June 9, 2015.
The thirteenth amendment was made on June 29, 2016.
The fourteenth amendment was made on June 13, 2017.
The fifteenth amendment was made on June 20, 2019.
The fifteenth amendment was made on June 14, 2022.

Appendix9

Quanta Storage Inc.

Fund Lending and Endorsement Guarantee Operating Procedures

Amended on June 20, 2019

1. Purpose

To establish a procedure for the company's funding loans to others, providing endorsements, or offering guarantees, this operational procedure has been formulated.

2. Legal Basis

This procedure is based on the "Regulations for Handling the Loan of Funds and Endorsements/Guarantees by Public Companies" set forth by the Financial Supervisory Commission.

3. Evaluation and Operational Procedures for Lending Funds to Others

Article 1: Loan Recipients

1. Entities with which the company has business dealings.
2. Entities recognized by the board of directors as requiring short-term funding.

The term "short-term" refers to one year, unless the company's business cycle is longer than one year, in which case the business cycle is considered.

The term "loan amount" refers to the cumulative balance of the company's short-term funding.

Article 2: Reasons and Necessity for Lending Funds to Others

When the company engages in lending funds to another company or entity due to business transactions, it must follow the provisions of Article 3, Section 1. If the lending is for the purpose of short-term funding, it should be limited to the following circumstances:

1. The company holds 50% or more of another company's shares and there is a business need for short-term funding.
2. Another company or entity requires short-term funding for material procurement or operational turnover.
3. Other loans approved by the company's board of directors.

Article 3: Limits on Total Amount of Funds Lent and Individual Loan Amounts:

1. The total amount of funds lent to companies or businesses that have business dealings with our company shall not exceed 30% of our company's net worth. However, this limit does not apply to subsidiaries in which our company directly or indirectly holds 100% of the shares, provided that the total amount of funds lent, when combined with the funds lent to other companies, shall not exceed our company's net worth. The individual loan amount shall not exceed the business transaction amount between the two parties, where the business transaction amount refers to the higher of the actual purchase or sales amount within the last year or an estimated amount for the next year.
2. In cases where there is a need for short-term financing between companies or businesses, the total amount of funds lent to others shall not exceed 40% of our company's net worth. The individual loan amount shall not exceed 20% of our company's net worth.
3. For foreign companies in which our company directly or indirectly holds 100% of the voting shares, when engaging in fund lending, or when such foreign companies engage in fund lending to our company, the limits on total fund lending and individual loan amounts as described in Section 2 do not apply. Additionally, the term of such financing is not limited to one year or one business cycle. However, the subsidiary must specify the limits and duration of the fund lending in its operational procedures and handle the transactions in accordance with these procedures.
4. If the company's responsible person violates the provisions of this article, they shall be jointly liable for the repayment with the borrower. If the company suffers any losses, the responsible person shall also be liable for damages.

Article 4: Loan Procedure

1. Credit Investigation:

The borrower must submit necessary company and financial documents when applying for a loan. After receiving the application, the company's financial department will investigate and assess the borrower's business, financial status, debt repayment ability, credit, profitability, and intended use of the loan, and prepare a report.

The Finance Department shall conduct a thorough investigation and evaluation of the fund lending counterparties. The evaluation items should at least include:

 - (1) The necessity and rationality of lending funds.
 - (2) Whether the loan amount is justified based on the borrower's financial condition.
 - (3) Whether the accumulated loan amount is within the approved limit.
 - (4) The impact on the company's operations, financial status, and shareholder equity.
 - (5) Whether collateral should be obtained and the assessed value of that collateral.
 - (6) Credit and risk assessment records of the borrower.
2. Security:

Except for subsidiaries where the company holds more than 50% of voting shares, the borrower must provide an equivalent promissory note, collateral, and/or other guarantees requested by the company. If collateral is provided, the necessary procedures for pledging or mortgaging must be completed to secure the company's claims.
3. Authorization Scope:

The company's fund lending activities shall be conducted after a credit evaluation by the Finance Department, submitted for approval by the General Manager, and then reported to the Board of Directors for approval. No other person is authorized to make such decisions.

For fund lending between the company and its subsidiaries, or between subsidiaries, the lending should follow the above-mentioned procedure for Board approval. The Chairman of the Board may be authorized to approve the disbursement or revolving use of funds to the same lending counterpart within a specified limit and a period of up to one year, as approved by the Board.

The "specified limit" mentioned above, except for those complying with the provisions of Article 3, Item 5, shall not exceed 10% of the latest financial statement net worth of the company for a single enterprise's fund lending by the company or its subsidiaries.

When the company lends funds to others, it shall fully consider the opinions of all independent directors, and any explicit consent or dissent, along with the reasons for dissent, shall be recorded in the minutes of the Board of Directors.

Article 5: Loan Term and Interest Calculation

1. The maximum term for short-term funding loans is one year, or according to the company's business cycle if it is longer than one year.
2. The interest rate on loans should not be lower than the highest short-term borrowing rate the company pays to financial institutions. Interest should generally be paid monthly, but in special cases, adjustments can be made with board approval.

Article 6: Subsequent Control and Delinquency Procedures for Loaned Amounts

1. After the loan is issued, the financial department should monitor the borrower's financial, business, and credit status. If collateral is provided, its value must be monitored. Significant changes should be reported to the chairman for further instructions.
2. When the borrower repays the loan, interest should be calculated first, and both principal and interest must be repaid before the promissory note is canceled or the mortgage is discharged.
3. If the loan is not repaid on time and an extension is needed, the borrower must apply in advance, and the extension will require board approval. The total loan term should still comply with the rules in Article 5, Section 1. Failure to comply allows the company to dispose of collateral or seek compensation from the guarantors.

Article 7: Internal Control

1. A ledger should be maintained for loans, including details such as the recipient, amount, approval date, loan date, and key evaluation points.
2. The internal audit department must audit the loan process at least quarterly, documenting findings and notifying the audit committee of significant violations, taking action against the responsible personnel.

3. If loan conditions change or exceed limits, an improvement plan should be prepared and reviewed by the audit committee, with a timeline for resolution to strengthen internal controls.

Article 8: Public Disclosure

1. The company should announce the loan balance for itself and its subsidiaries by the 10th of each month.
2. If any of the following conditions occur, the company must disclose the information two hours before the next business day's trading:
 - (1) The loan balance exceeds 20% of the company's most recent net worth.
 - (2) The loan to a single entity exceeds 10% of the company's most recent net worth.
 - (3) New loans exceeding NT\$10 million or 2% of the company's most recent net worth.The occurrence date refers to the signing date, payment date, board resolution date, or any other date when the loan recipient and amount can be confirmed.
If the subsidiary of our company is not a domestic publicly listed company, the matters that should be disclosed and reported as mentioned in the previous Section 3 shall be handled by our company.

Article 9: Other Matters

The company should evaluate the loan situation and set aside an appropriate allowance for bad debts, ensuring that relevant information is disclosed in financial reports. Additionally, the company should provide the necessary documentation for auditors to conduct verification procedures and issue an appropriate audit report.

Section 4: Evaluation and Procedures for Endorsements and Guarantees

Article 1: Scope of Application of This Procedure

1. Financing Endorsements and Guarantees:
 - (1) Discounting of promissory notes.
 - (2) Endorsements or guarantees made for financing purposes of other companies.
 - (3) Issuance of promissory notes to non-financial enterprises for the purpose of financing the company.
2. Customs Endorsements and Guarantees: Refers to endorsements or guarantees related to customs matters for the company or other companies.
3. Other Endorsements and Guarantees: Refers to endorsements or guarantees that cannot be classified under the previous two categories.
4. The company providing movable or immovable property as collateral for other companies' borrowings.

Article 2: Endorsement and Guarantee Targets

The company may provide endorsements and guarantees for the following entities:

1. Companies with which the company has business dealings.
2. Companies in which the company directly or indirectly holds more than 50% of the voting shares.
3. Companies that directly or indirectly hold more than 50% of the voting shares of the company.

The company may provide endorsements and guarantees between subsidiaries where the company holds more than 90% of the voting shares, with the total amount not exceeding 10% of the company's net worth. However, endorsements and guarantees between companies where the company holds 100% of the voting shares are not subject to this limit.

Endorsements and guarantees may also be provided between contractors or co-investors involved in joint ventures, based on contract requirements or consumer protection regulations related to pre-sale house sales agreements, regardless of the above limits.

The "capital contribution" referred to in the previous section means the capital invested directly by our company or through a company in which our company holds 100% of the voting shares.

Article 3: Endorsement and Guarantee Limit

1. The total amount of endorsement and guarantee provided by our company shall not exceed 40% of the current net worth. The limit for endorsement and guarantee to a single enterprise, except for subsidiaries in which our company directly holds more than 90% of the voting shares, shall not exceed 20% of the current net worth. For other cases, the limit shall not exceed 10% of the current net worth.

The total amount of endorsement and guarantee provided by our company and its subsidiaries shall not exceed 40% of the current net worth, and the limit for endorsement and guarantee to a single enterprise shall not exceed 20% of the current net worth.

The net worth is based on the most recent financial statement audited or reviewed by a certified public accountant.

2. In cases where an endorsement and guarantee is provided due to business dealings with our company, in addition to the above limits, the individual endorsement and guarantee amount shall not exceed the business transaction amount between the two parties. The business transaction amount refers to the higher of the purchase or sales amount between the two parties.

Article 4: Decision-Making and Authorization Levels

1. When the company processes endorsement and guarantee matters, the Board of Directors should fully consider the opinions of independent directors. The clear opinions (either in favor or against) and reasons for opposition should be included in the meeting minutes. The Board of Directors may authorize the chairman to approve individual transactions up to NT\$20 million, subject to retrospective approval by the Board.

Endorsements and guarantees by subsidiaries, where the company holds more than 90% of the voting shares, must be submitted to the company's Board of Directors for approval. However, endorsements and guarantees between companies where the company holds 100% of the voting shares are not subject to this restriction.

2. If the company needs to exceed the prescribed limit, it must be approved by the Board of Directors, and more than half of the directors must bear joint responsibility for any potential losses from exceeding the limit. The procedure should be amended and submitted for shareholder approval.

Article 5: Endorsement and Guarantee Procedure

1. The company must require the endorsed or guaranteed company to submit an application to the Finance Department. The department will conduct a credit investigation, assess risks, and maintain evaluation records. After passing the review, the request will be submitted for approval by the general manager and chairman, and collateral may be required if necessary.
2. The Finance Department shall conduct a credit investigation and risk assessment on the endorsed or guaranteed company. The evaluation items should include:
 - (1) The necessity and reasonableness of the endorsement and guarantee.
 - (2) Whether the endorsement amount is necessary based on the financial condition of the endorsed company.
 - (3) Whether the accumulated endorsement and guarantee amount is still within the limit.
 - (4) When engaging in endorsements and guarantees due to business relationships, it should be assessed whether the endorsement amount is within the limit relative to the business transaction amount.
 - (5) The impact on the company's operational risk, financial condition, and shareholder equity.
 - (6) Whether collateral should be obtained and the assessed value of the collateral.
 - (7) The credit investigation and risk assessment records related to the endorsement and guarantee should be attached.
3. The Finance Department must maintain a record book detailing the target, amount, approval date, and other details of the endorsement for reference.
4. The Finance Department must evaluate any potential loss and disclose relevant endorsement and guarantee information in the financial report, ensuring proper auditing.
5. If a change in circumstances means that the endorsed or guaranteed company no longer meets requirements, an improvement plan must be submitted to the audit committee for review.
6. If our company or a subsidiary provides an endorsement or guarantee for a subsidiary with a net worth less than half of its paid-in capital, in addition to conducting the review and evaluation procedures as described above, the subsidiary shall provide quarterly financial statements to our company. These will be used for tracking the execution status and performing analysis and review. If necessary, the matter will be presented to the Board of Directors for discussion.

For subsidiaries whose stocks have no par value or whose par value per share is not NT\$10, the paid-in capital calculated under the provisions of the previous Section 6 shall be the total of the capital stock plus the capital reserve – issuance premium.

Article 6: Cancellation of Endorsement and Guarantee

1. If a debt is settled or a promissory note is replaced, the endorsed company must formally request the cancellation and return the related documents to the Finance Department.
2. The Finance Department should immediately update the endorsement and guarantee records to reflect the reduction in the amount.

Article 7: Internal Control

1. Internal auditors should audit the endorsement and guarantee procedures quarterly, documenting any violations and informing the audit committee.
2. If significant violations are discovered, disciplinary actions should be taken according to the severity of the violation.

Article 8: Custody of Seals and Procedures

1. Our company uses the company seal registered with the Ministry of Economic Affairs as the exclusive seal for endorsement and guarantee. The seal and guarantee documents shall be separately kept in custody by designated personnel, and in accordance with the prescribed procedures, the seal shall be used and the bills issued. Any appointment, dismissal, or changes in the personnel responsible for the custody of the seal shall require approval from the Board of Directors.
2. For guarantees involving foreign companies, the guarantee letter must be signed by authorized personnel.

Article 9: Public Announcement and Reporting Procedures

The company shall announce and report the endorsement and guarantee balance of the company and its subsidiaries for the previous month before the 10th of each month. If the endorsement and guarantee reach any of the following criteria, it must be announced and reported before the start of trading on the next business day, at least two hours prior to trading:

1. The endorsement and guarantee balance of the company and its subsidiaries reaches 50% or more of the company's most recent net equity as reported in its financial statements.
2. The endorsement and guarantee balance of the company and its subsidiaries for a single enterprise reaches 20% or more of the company's most recent net equity as reported in its financial statements.
3. The endorsement and guarantee balance of the company and its subsidiaries for a single enterprise exceeds NT\$10 million, and the combined total of endorsement guarantees, equity-method investments, and loan balances for that enterprise reaches 30% or more of the company's most recent net equity as reported in its financial statements.
4. The newly added endorsement and guarantee amount by the company or its subsidiaries exceeds NT\$30 million, and the total amount reaches 5% or more of the company's most recent net equity as reported in its financial statements.

The "date of occurrence" referred to above is the earliest of the following: the contract signing date, the payment date, the board resolution date, or any other date that can sufficiently confirm the endorsement and guarantee target and amount.

If the company's subsidiary is not a domestic publicly listed company, the company must announce and report the relevant information under item 4 for the subsidiary.

Section 5: Subsidiary Management Procedures

1. When a subsidiary of our company plans to lend funds to others, endorse or provide guarantees, our company shall instruct the subsidiary to establish fund lending and endorsement guarantee operating procedures in accordance with regulations, and such procedures shall be followed.
2. For each subsidiary's fund lending and endorsement guarantees, if approval by the Board of Directors is required according to its established "Fund Lending and Endorsement Guarantee Operating Procedures" or other legal requirements, the matter shall be reported to our company before it occurs. The Finance Department of our company shall evaluate the feasibility, necessity, and reasonableness of the fund lending and endorsement guarantee, and subsequently track the execution status, conducting analysis and review.
3. Internal audit personnel of our company shall regularly audit each subsidiary's compliance with its "Fund Lending and Endorsement Guarantee Operating Procedures," and prepare audit reports. The findings and recommendations of the audit report, after review, shall be communicated to the subsidiary under audit for improvement. Regular follow-up reports shall be prepared to ensure that appropriate corrective measures are promptly taken.

Article 6: Any matters not covered in this operating procedure shall be handled in accordance with relevant laws and regulations and the company's applicable rules.

Article 7: The establishment and amendment of this operating procedure shall be approved by more than half of all members of the Audit Committee, submitted to the Board of Directors for resolution, and then reported to the shareholders' meeting for approval.

If the approval of more than half of the Audit Committee members is not obtained, it may be carried out with the approval of more than two-thirds of the Board of Directors, and the Audit Committee's resolution shall be recorded in the minutes of the Board meeting.

For the purposes of this provision, "all members of the Audit Committee" and "all directors" shall be calculated based on those currently in office.

Any matters not covered in this operating procedure shall be handled in accordance with relevant laws and regulations.