

Stock Code: 6188

Quanta Storage Inc.

2024

Annual Report

March 31, 2025

The Website for Annual Report Query:

Market Observatory Post System: <http://mops.twse.com.tw>

The Company's Website: <http://www.qsitw.com>

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© Stock Transfer Agency

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© The Certified Public Accountants of the Financial Report for the Last Year

Name of CPAs: CHEN YING JU and CHEN,YI-CHUN

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© Name of any exchanges where the Company's securities are traded offshore
and the method of Inquiry of the information on the offshore securities:

None

© Company website: <http://www.qsitw.com>

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One. Letters to the shareholders

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:

Unit: NT\$ thousand; %

Account	2024	2023	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.

Chairman: HO, SHI-CHI

Two. Corporate Governance Report

I. Information on Directors, President, Vice Presidents, and Heads of Departments:

(I) Directors:

1. Information on directors

Job title	Nationality or place of registration	Name	Gender / Age	Date of election (accession)	Term of office	Date first elected	Shareholding upon elected		Current shareholding		Current shareholdings by spouse and minor child		Shareholding by nominee arrangement		Major experience (education)	Current positions held concurrently at the Company and other companies	Spouse or relative within second degree of kinship of other managers, directors, or supervisors			Remarks
							Shares	Percentage of shareholding	Shares	Percentage of shareholding	Shares	Percentage of Shareholding	Shares	Percentage of shareholding			Position	Name	Relation	
Chairman	Republic of China	HO, SHI-CHI	Male/ 51~60	2023.06.07	3 Years	2008.06.13	1,143,097	0.41%	1,143,097	0.41%	1,774,000	0.64%	4,053,000	1.46%	<ul style="list-style-type: none"> • Doctoral Degree in Machinery, Imperial College London • President of Quanta Storage Inc. 	<ul style="list-style-type: none"> Chairman of Techman Robot Inc., Techman Robot (Shanghai) Ltd. Director of Quanta Storage (Shanghai) Ltd., QHH, TMT, TRH, BV, Cayman, Nu Inc. Supervisor of Shih-Wei Investment Inc. 	-	-	-	-
		Quanta Computer Inc.	-	2023.06.07	3 Years	1999.02.03	82,881,664	29.78%	82,881,664	29.78%	0	0.00%	0	0.00%	-	<ul style="list-style-type: none"> Director of Quanta Venture Capital Co., Ltd., Quanta Computer Technology Investment Corp., Quanta Microsystems Inc., Royatek Company Ltd., Quanta Cloud Technology Inc., OIL, QCI Co., Ltd., QMB Co. Ltd., QCTS, Ebn Technology Corporation. CDIB. Supervisor of QUANTA CLOUD TECHNOLOGY INC., QCI Corporation 	-	-	-	-
Director	Republic of China	Quanta Computer Inc. Representative : C.T. Huang	Male/ 71~80	2023.06.07	3 Years	2020.06.17	Not applicable.	Not applicable.	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> • Bachelor's in Electronic Engineering, Chung Yuan Christian University • Plant Manager, Kinpo Electronics, Inc. 	<ul style="list-style-type: none"> Director and Executive Vice President of Quanta Computer Inc. Director of QMB, QMH Chairman of Tech-Front (Shanghai) Computer Co., Ltd., Tech-Com (Shanghai) Computer Co., Ltd, Tech-Wave (Shanghai) Logistics Co., Ltd, Tech-Lead (Shanghai) Computer Co., Ltd, Tech-Giant (Shanghai) Computer Co., Ltd., Tech-Trend (Shanghai) Computer Co. Ltd., Tech-Full Computer (Changshu) Co., Ltd., Tech-Front (Chongqing) Computer Co., Limited, Zhanyun (Shanghai) Electronic Co., Ltd., Dawei (Chongqing) Logistics Co., Ltd., Quanta Cloud (Chongqing) Technology Dagong (Chongqing) Computer Co., Ltd., Quanta Storage (Shanghai) Ltd., Quanta Cloud Technology - Dongguan Shuang-Ying Photoelectric Technology Co., Ltd. 	-	-	-	-

March 31, 2025 Unit: Share

March 31, 2025 Unit: Share

Job title	Nationality or place of registration	Name	Gender / Age	Date of election (accession)	Term of office	Date first elected	Shareholding upon elected		Current shareholding		Current shareholdings by spouse and minor child		Shareholding by nominee arrangement		Major experiences (education)	Current positions held concurrently at the Company and other companies	Spouse or relative within second degree of kinship of other managers, directors, or supervisors			Remarks	
							Shares	Percentage of shareholding	Shares	Percentage of shareholding	Shares	Percentage of Shareholding	Shares	Percentage of shareholding			Position	Name	Relation		
Director	Republic of China	Quanta Computer Inc. Representative : Alan Tsai	Male/ 61~70	2023.06.07	3 Years	2020.06.17	Not applicable.	Not applicable.	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> Master's in Computer Management and Decision Sciences, National Tsing Hua University President of Portable Computer Business Group, First International Computer, Inc. 	Executive Vice President of Quanta Computer Inc.	-	-	-	-	
Director	Republic of China	Quanta Computer Inc. Representative : Efon Yang	Male/ 61~70	2023.06.07	3 Years	2021.01.13	Not applicable.	Not applicable.	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> MBA at National Chengchi University Vice President, Citibank 	<ul style="list-style-type: none"> Quanta Computer Inc. Senior VP & CFO Director of Quanta Computer Inc. RoyalTek Company Ltd., Kensieisha Shanghai Precision Machining Process Co., Ltd., Dragon Grand Group Ltd., Dragontech Metallic Industry Co.,Ltd., CDIB Capital Innovation Accelerator Co., Ltd. QMB QCE - Quanta Culture & Education Foundation. Dongguan Shuang-Ying Photoelectric Technology Co.,Ltd Director and President of Tech-Front (Shanghai) Computer Co., Ltd, Tech-Com (Shanghai) Computer Co., Ltd, Tech-front (Chongqing) Computer Co., Ltd, Tech-front (Chongqing) Computer Co., Limited, Tech Wave (Shanghai) Logistics Co., Ltd., Tech-Lead (Shanghai) Computer Co., Ltd, Tech-Giant (Shanghai) Computer Co., Ltd., Tech-Trend (Shanghai) Computer Co., Ltd., Tech-Full Computer (Changshu) Co., Ltd., , Zhanyun (Shanghai) Electronic Co., Ltd., Dawei (Chongqing) Logistics Co., Ltd., Quanta Cloud (Chongqing) Technology, Dragon (Chongqing) Computer Co., Ltd., Quanta Cloud Technology 	-	-	-	-	-

March 31, 2025 Unit: Share

Job title	Nationality or place of registration	Name	Gender / Age	Date of election (accession)	Term of office	Date first elected	Shareholding upon elected		Current shareholding		Current shareholdings by spouse and minor child		Shareholding by nominee arrangement		Major experience (education)	Current positions held concurrently at the Company and other companies	Spouse or relative within second degree of kinship of other managers, directors, or supervisors			Remarks
							Shares	Percentage of shareholding	Shares	Percentage of shareholding	Shares	Percentage of Shareholding	Shares	Percentage of Shareholding			Position	Name	Relation	
Independent Director	Republic of China	WANG, KUANG-SHEN	Male/ 61~70	2023.06.07	3 Years	2002.04.23	0	0.00%	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> ■ Master's in Business Administration, Massachusetts Institute of Technology ■ Managing Director of Goldman, Sachs & Co. 	Chairman of Joint Management Consultancy Co., Ltd. Independent Director of CHIME-BALL TECHNOLOGY CO., LTD. Director of ECOVE Environment Corporation · FORCELEAD TECHNOLOGY CORP.	-	-	-	-
Independent Director	Republic of China	TSAI, YEOU-YIH	Male/ 51~60	2023.06.07	3 Years	2017.06.13	60,000	0.02%	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> ■ Doctoral Degree in Mechanical Engineering, Stanford University ■ Engineer, Industrial Technology Research Institute ■ Senior Manager, Mediatek Inc. ■ Supervisor, Darwin Venture Management Corporation 	Director of Darwin Venture Management Corporation · Dachen Venture Capital Co., Ltd. · DARIJUN VENTURE CORPORATION. Chairman of Dajun Asset Management Co., Ltd. · Dachang Venture Capital Co., Ltd.	-	-	-	-
Independent Director	Republic of China	CHEN, YEN-HAU	Male/ 51~60	2023.06.07	3 Years	2018.06.13	0	0.00%	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> ■ Ph.D., Business Administration, National Taiwan University ■ Assistant to CEO, EMBA Office, College of Management National Taiwan University ■ Vice President, Online Business Department, ETMail ■ Assistant Vice President, Deloitte Consulting/ICS Pte., Ltd. 	Adjunct Assistant Professor, Global MBA, College of Management National Taiwan University Chairman of Weikin Consultancy Co., Ltd Independent Director of CHENFULL PRECISION CO., LTD · EITA Technology Co., Ltd.	-	-	-	-

2. Major shareholder of institutional shareholder

March 31, 2025

Name of institutional shareholder	Major shareholder of institutional shareholder	Percentage of shareholding
Quanta Computer Inc.	CIANYU INVESTMENT LTD	14.82%
	Barry Lam	10.76%
	Cathay Life Insurance Co., Ltd.	2.36%
	C.C. Leung	2.14%
	New Labor Pension Fund	2.13%
	Yijiaxin Investment Co., Ltd.	1.47%
	Nan Shan Life Insurance Co., Ltd.	1.46%
	Hsinmin Investment Co., Ltd.	1.27%
	Taishin International Bank Co., Ltd., as the custodian of the Cathay Taiwan High Dividend Umbrella Securities Investment Trust Fund – Taiwan ESG Sustainable High Dividend ETF Securities Investment Trust Fund Account.	1.22%
	LIANG,HSIN-MIN	1.15%

3. Where the major shareholders of institutional shareholders are juridical persons, their major shareholders:

March 31, 2025

Name of juridical person	Major shareholder of juridical person	Percentage of shareholding
CIANYU INVESTMENT LTD.	Meishang Xuanhui Enterprise Co., Ltd.	68.49%
	Barry Lam	23.23%
	He Se	8.27%

4. Disclosure of information on the professional qualifications of directors and the independence of independent directors:

March 31, 2025

Criteria Name	Professional qualifications and experience	Independence criteria	Number of public companies in which concurrently serves as an independent director
HO, SHI-CHI	Has the work experience in business, finance, accounting, or experience required for corporate business; and is not under any of the circumstances under Article 30 of the Company Act	Meets the requirements of Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act, so is independent.	-
Quanta Computer Inc. Representative: Alan Tsai	Has the work experience in business or experience required for corporate business; and is not under any of the circumstances under Article 30 of the Company Act	Meets the requirements of Article 27, paragraph 1, of the Company Act that institutional shareholders shall designate a natural person representative to perform their duties and Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act, so is independent.	-
Quanta Computer Inc. Representative: C.T. Huang	Has the work experience in business or experience required for corporate business; and is not under any of the circumstances under Article 30 of the Company Act	Meets the requirements of Article 27, paragraph 1, of the Company Act that institutional shareholders shall designate a natural person representative to perform their duties and Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act, so is independent.	-
Quanta Computer Inc. Representative: Elton Yang	Has the work experience in business, finance, accounting, or experience required for corporate business; and is not under any of the circumstances under Article 30 of the Company Act	Meets the requirements of Article 27, paragraph 1, of the Company Act that institutional shareholders shall designate a natural person representative to perform their duties and Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act, so is independent.	-
WANG, KUAN-SHEN	Has the work experience in business or experience required for corporate business for five years or more; and is not under any of the circumstances under Article 30 of the Company Act	<ol style="list-style-type: none"> 1. Is not and spouse and relatives within the second degree of kinship thereof are not serving as directors, supervisors, or employees of the company or its affiliates. 2. Does not and spouse and relatives within the second degree of kinship thereof (or by nominee arrangement) do not hold the company's shares in terms of the number and percentage. 3. Is not serving as a director, supervisor, or employee of a company with specific relations with the company. 4. Did not receive remuneration for providing business, legal, financial, accounting, or other services to the company or its affiliates in the last two years. 5. Independent directors of publicly listed companies should maintain their independence within the scope of their duties, so is not under any of the 	1

Criteria Name	Professional qualifications and experience	Independence criteria	Number of public companies in which concurrently serves as an independent director
		circumstances under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	
TSAI, YEOU-JYH	Has the work experience in business or experience required for corporate business for five years or more; and is not under any of the circumstances under Article 30 of the Company Act	<ol style="list-style-type: none"> 1. Is not and spouse and relatives within the second degree of kinship thereof are not serving as directors, supervisors, or employees of the company or its affiliates. 2. Does not and spouse and relatives within the second degree of kinship thereof (or by nominee arrangement) do not hold the company's shares in terms of the number and percentage. 3. Is not serving as a director, supervisor, or employee of a company with specific relations with the company. 4. Did not receive remuneration for providing business, legal, financial, accounting, or other services to the company or its affiliates in the last two years. 5. Independent directors of publicly listed companies should maintain their independence within the scope of their duties, so is not under any of the circumstances under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. 	-
CHEN, YEN-HAU	Has the work experience in business or experience required for corporate business for five years or more and is a lecturer at relevant management departments of universities; and is not under any of the circumstances under Article 30 of the Company Act	<ol style="list-style-type: none"> 1. Is not and spouse and relatives within the second degree of kinship thereof are not serving as directors, supervisors, or employees of the company or its affiliates. 2. Does not and spouse and relatives within the second degree of kinship thereof (or by nominee arrangement) do not hold the company's shares in terms of the number and percentage. 3. Is not serving as a director, supervisor, or employee of a company with specific relations with the company. 4. Did not receive remuneration for providing business, legal, financial, accounting, or other services to the company or its affiliates in the last two years. 5. Independent directors of publicly listed companies should maintain their independence within the scope of their duties, so is not under any of the circumstances under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. 	2

Note: Please refer to Table 1 on pages 4 to 6 for information on directors' professional qualifications and

experience.

5. Board diversity and independence:

- I. Board diversity: The company advocates and respects the Board diversity policy. To strengthen corporate governance and facilitate the sound development of the composition and structure of the Board of Directors, the Board diversity policy helps to improve the company's overall performance. Board members are outstanding talents with great abilities, and they possess diverse capabilities in different fields, including basic composition (such as age, gender, and nationality), industry experience, relevant skills (such as accounting, industry, finance, marketing, or technology), business judgment, business management, leadership and decision-making, and crisis management. To enhance the Board functions and achieve the goals of corporate governance, Article 23 of the company's Corporate Governance Best Practice Principles states that the Board of Directors as a whole shall possess the following abilities : A. business judgment, B. accounting and financial analysis, C. business management, D. crisis management, E. industry knowledge, F. an international perspective, G. leadership, and H. decision-making.
- II. To promote gender diversity on the board of directors, our company plans to meet the regulatory requirement of having at least one gender occupy one-third of the board seats during the re-election of directors at the end of the 2026 year. This initiative aims to enhance decision-making quality, improve internal oversight mechanisms, and ensure the board functions more effectively.

Name of director	Core item of diversity	Gender	Nationality	Age		Years of service			Employee	Business judgment	Finances and accounting Management	Crisis management	Industry knowledge	International perspective	Leadership	Decision-making ability
				60 or under	61 or above	1~5	6~10	10 or above								
HO, SHI-CHI		Male	Republic of China	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓
Alan Tsai		Male	Republic of China		✓	✓			✓		✓	✓	✓	✓	✓	✓
C.T. Huang		Male	Republic of China		✓			✓	✓		✓	✓	✓	✓	✓	✓
Elton Yang		Male	Republic of China		✓	✓			✓	✓	✓	✓	✓	✓	✓	✓
WANG, KUAN-SHEN		Male	Republic of China		✓			✓	✓	✓	✓	✓	✓	✓	✓	✓
TSAI, YEOU-JYH		Male	Republic of China	✓			✓		✓		✓	✓	✓	✓	✓	✓
CHEN, YEN-HAU		Male	Republic of China	✓		✓			✓		✓	✓	✓	✓	✓	✓

- III. Independence of the Board of Directors: There are seven directors (including three independent directors) on the 9th Board of Directors; the percentage of directors who are also employees is 14% and independent directors 43%. With their extensive industry experience and professional abilities, they are able to provide professional advice and judgment in a timely manner and independently and impartially exercise judgment as a whole. They are not under any of the circumstances stipulated in Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act, so they are independent.

(II) Information on the President, Vice Presidents, and Heads of Departments: March 31, 2025 Unit: Share

Position	Nationality	Name	Gender	Date elected	Shareholding		Shareholding by spouse and minor child		Shareholding by nominee arrangement		Major experience (education)	Current positions concurrently held at other companies	Spouse or relatives within second degree of kinship of managers			Remarks
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relation	
President	Republic of China	CHANG, CHIA-FENG	Male	January 13, 2021	744,346	0.27%	3,724	0.00%	0	0.00%	<ul style="list-style-type: none"> Department of Electrical Engineering, China University of Science and Technology Executive Vice President of Quanta Storage Inc. President of Quanta Storage (Shanghai), Ltd. Director of Techman Robot Inc., Techman Robot (Shanghai), Ltd. 	Chairman of JVM and JVMT Director of Quanta Storage (Shanghai), Ltd., TMT.	-	-	-	-
Vice President	Canada	LIU, WEN-CHUNG	Male	August 01, 2019	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> Bachelor of Science, University of Manitoba Vice President of BG2 Quanta Storage Inc. Director and President of TMT 	None	-	-	-	-
Vice President	Republic of China	YIP, WAI-CHEE	Female	March 01, 2024	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> University of Glasgow (MBA), University of Hong Kong (M.Phil) Vice President of BG1 Quanta Storage Inc. 	None	-	-	-	-
Assistant Vice President	Republic of China	LEE, CHIH-JEN	Male	August 01, 2020	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> Master of Accounting and Management Decision-making Team, EMBA, National Taiwan University. Department of Accounting, National Chengchi University Audit Department Manager, Deloitte Taiwan CPA. Deputy Director of Financial Center of Quanta Computer Inc. Chief Financial Officer and Spokesperson of Quanta Storage Inc. 	Director of TMT, JVM, JVMT. Supervisor of OSS. Independent Director of Asia Neo Tech Industrial Co., Ltd., Big Sunshine Co., Ltd., MICROTIPS TECHNOLOGY INC. The Chairperson of the Compensation Committee of TMY TECHNOLOGY INC.	-	-	-	-
Assistant Vice President	Republic of China	PENG, WEN-KUAN	Male	January 01, 2022	50,506	0.02%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> Ph.D., Mechanical Engineering, National Cheng Kung University Head of R&D of Quanta Storage Inc. 	None	-	-	-	-

March 31, 2025 Unit: Share

Position	Nationality	Name	Gender	Date elected	Shareholding		Shareholding by spouse and minor child		Shareholding by nominee arrangement		Major experience (education)	Current positions concurrently held at other companies	Spouse or relatives within second degree of kinship of managers			Remarks
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Position	Name	Relation	
Assistant Vice President	Republic of China	CHENG, CHAN-WEI	Male	August 01, 2022	0	0.00%	6,000	0.00%	0	0.00%	<ul style="list-style-type: none"> ▪ Master of Business Administration, National Taiwan University ▪ Assistant Vice President of Third Business Division, Quanta Storage Inc. 	None	-	-	-	-
Assistant Vice President	Republic of China	CHAO, LI-JEN	Male	September 04, 2023	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> ▪ Master of Information Management, Tsinghua University/Assistant Vice President of ADATA TECHNOLOGY CO., LTD, JMICRON TECHNOLOGY CORP ▪ President of Yunlian Technology Co., Ltd. ▪ Assistant Vice President of Five Business Division, Quanta Storage Inc. 	None	-	-	-	-

II. Remuneration paid to Directors, President, and Vice Presidents in the last year

(I) Remuneration of general directors and independent directors (disclosure of individual names and remuneration methods in the corresponding range):

Position	Name	Remuneration of directors				Sum of A, B, C, and D and as percentage of net income after tax (Note 2)				Remuneration for concurrently servings as employees				Sum of A, B, D, E, F, and G and as a percentage of net income after tax (Note 2)		Remuneration from investees other than subsidiaries or parent company	
		Remuneration (A)	Pension upon retirement (B) (Note 4)	Directors' remuneration (C)	Service expenses (D) (Note 1)	The Company (%)		All companies included in the financial statements (%)		Salaries, bonuses, special allowances, etc. (E)	Pension upon retirement (F)	Employee compensation (G) (Note 3)		The Company (sum and %)	All companies included in the financial statements (sum and %)		
						The Company	All companies included in the financial statements	The Company	All companies included in the financial statements			The Company	All companies included in the financial statements				The Company
	HO, SHI-CHI	0	0	0	0	0.00%	0.00%	0	13,060	0	3,162	0	13,509	2.50%	16,222	2.50%	-
	Quanta Computer Inc. Representative : C.T. Huang	0	0	0	0	0.00%	0.00%	0	0	0	0	0	0	0.00%	0	0.00%	-
Director	Quanta Computer Inc. Representative : Alan Tsai	0	0	0	0	0.00%	0.00%	0	0	0	0	0	0	0.00%	0	0.00%	-
	Quanta Computer Inc. Representative : Elton Yang	0	0	0	0	0.00%	0.00%	0	0	0	0	0	0	0.00%	0	0.00%	-
Independent Director	WANG, KUAN-SHEN	0	0	0	1,000	1,000	0.15%	1,000	0	0	0	0	1,000	0.15%	1,000	0.15%	-
	TSAI, YEOU-YIH	0	0	0	1,000	1,000	0.15%	1,000	0	0	0	0	1,000	0.15%	1,000	0.15%	-
	CHEN, YEN-HAU	0	0	0	1,000	1,000	0.15%	1,000	0	0	0	0	1,000	0.15%	1,000	0.15%	-

Note 1: It refers to the directors' relevant professional service fees in 2024. (Directors' relevant professional service fees include honoraria, special allowances, various allowances, dormitory, any company car assigned, and other physical items provided; independent directors' relevant professional service fees, based on the resolution adopted by the Board of Directors of the Company, are only honoraria).

2: The Company's net income after tax for 2024 was NT\$649,021 thousand.

3: It refers to the directors who have received employee compensation (including stock and cash) for concurrently serving as employees concurrently (including the President, Vice President, other managers, and employees) in the last year. The amount of cash is a tentative estimate.

4: The actual amount paid and the amount contributed for directors' pension as per the old and new pension systems were both NT\$0 in 2024. The actual amount paid to directors who served as employees concurrently in 2024 was NT\$0, and the amount contributed as per the new system was NT\$0.

Range of remuneration

Range of remuneration paid to directors of the Company	Name of director			
	Sum of A, B, C, and D	Name of director	Sum of A, B, C, D, E, F, and G	All companies included in the financial statements
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Below NT\$1,000,000	The Company HO, SHI-CHI Quanta Computer Inc. Representative: Alan Tsai Quanta Computer Inc. Representative: C.T. Huang Quanta Computer Inc. Representative: Elton Yang	All companies included in the financial statements HO, SHI-CHI Quanta Computer Inc. Representative: Alan Tsai Quanta Computer Inc. Representative: C.T. Huang Quanta Computer Inc. Representative: Elton Yang	The Company Quanta Computer Inc. Representative: Alan Tsai Quanta Computer Inc. Representative: C.T. Huang Quanta Computer Inc. Representative: Elton Yang	All companies included in the financial statements Quanta Computer Inc. Representative: Alan Tsai Quanta Computer Inc. Representative: C.T. Huang Quanta Computer Inc. Representative: Elton Yang
NT\$1,000,000 (inclusive) – NT\$2,000,000 (non-inclusive)	WANG, KUAN-SHEN TSAI, YEOU-JYH CHEN, YEN-HAU	WANG, KUAN-SHEN TSAI, YEOU-JYH CHEN, YEN-HAU	WANG, KUAN-SHEN TSAI, YEOU-JYH CHEN, YEN-HAU	WANG, KUAN-SHEN TSAI, YEOU-JYH CHEN, YEN-HAU
NT\$2,000,000 (inclusive) – NT\$3,500,000 (non-inclusive)	-	-	-	-
NT\$3,500,000 (inclusive) – NT\$5,000,000 (non-inclusive)	-	-	-	-
NT\$5,000,000 (inclusive) – NT\$10,000,000 (non-inclusive)	-	-	-	-
NT\$10,000,000 (inclusive) – NT\$15,000,000 (non-inclusive)	-	-	-	-
NT\$15,000,000 (inclusive) – NT\$30,000,000 (non-inclusive)	-	-	HO, SHI-CHI	HO, SHI-CHI
NT\$30,000,000 (inclusive) – NT\$50,000,000 (non-inclusive)	-	-	-	-
NT\$50,000,000 (inclusive) – NT\$100,000,000 (non-inclusive)	-	-	-	-
NT\$100,000,000 or above	-	-	-	-
Total	7 people	7 people	7 people	7 people

(II) Remuneration of President and Vice Presidents (disclosure of individual names and remuneration methods in the corresponding range):

December 31, 2024 Unit: NTD Thousand/Thousand Shares

Position	Name	Salary (A) (Note 1)		Pension upon retirement (B) (Note 5)		Bonuses, special allowances, etc. (C) (Note 2)		Employee compensation (D) (Note 3)			Sum of A, B, C, and D and as percentage of net income after tax (%) (Note 4)		Remuneration from investees other than subsidiaries or parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	Amount of cash	Amount of stock	Amount of cash	Amount of stock	The Company (sum and %)	
President	CHANG, CHIA-FENG												
Vice President	LIU, WEN-CHUNG												
Vice President	YIP, WAI-CHEE												
Financial and Accounting Manager	LEE, CHIH-JEN	20,581	25,312	0	0	15,527	15,527	5,234	0	41,342	46,073	7.10%	-
Assistant Vice President	PENG, WEN-KUAN												
Assistant Vice President	CHENG, CHAN-WEI												
Assistant Vice President	CHAO, LI-JEN												

Note 1: It refers to the President's and Vice Presidents' salary, duty allowance, and severance payment in 2024.

Note 2: It refers to the President's and Vice Presidents' various bonuses, incentives, honoraria, special expenses, dormitory, any company car assigned, other physical items provided, and other rewards in 2024.

Note 3: The amount of employee compensation in 2024 is a tentative estimate.

Note 4: The Company's net income after tax for 2024 was NT\$649,021 thousand.

Note 5: The actual pension amount paid to the President and Vice Presidents in 2024 was NT\$0. , and the amount contributed as per the new pension method was NT\$756 thousand.

Range of remuneration

Range of remuneration paid to the President and Vice Presidents of the Company	Name of the President and Vice Presidents	
	The Company	All companies included in the financial statements
Below NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) – NT\$2,000,000 (non-inclusive)	-	-
NT\$2,000,000 (inclusive) – NT\$3,500,000 (non-inclusive)	-	-
NT\$3,500,000 (inclusive) – NT\$5,000,000 (non-inclusive)	CHENG, CHAN-WEI 、 CHAO, LI-JEN 、 PENG, WEN-KUAN	CHENG, CHAN-WEI 、 CHAO, LI-JEN 、 PENG, WEN-KUAN
NT\$5,000,000 (inclusive) – NT\$10,000,000 (non-inclusive)	LIU, WEN-CHUNG 、 YIP, WAI-CHEE 、 LEE, CHIH-JEN	LIU, WEN-CHUNG 、 YIP, WAI-CHEE 、 LEE, CHIH-JEN
NT\$10,000,000 (inclusive) – NT\$15,000,000 (non-inclusive)	-	-
NT\$15,000,000 (inclusive) – NT\$30,000,000 (non-inclusive)	CHANG, CHIA-FENG	CHANG, CHIA-FENG
NT\$30,000,000 (inclusive) – NT\$50,000,000 (non-inclusive)	-	-
NT\$50,000,000 (inclusive) – NT\$100,000,000 (non-inclusive)	-	-
NT\$100,000,000 or above	-	-
Total	7 people	7 people

(III) Name of the managers who received employee compensation and the distribution

December 31, 2024 Unit: NTD Thousand

	Position	Name	Amount of stock (Note 1)	Amount of cash (Note 1)	Total	Total amount as a percentage of net income after tax (%) (Note 2)
Managers	President	CHANG, CHIA-FENG	-	5,234	5,234	0.81%
	Vice President	LIU, WEN-CHUNG				
	Vice President	YIP, WAI-CHEE				
	Financial and Accounting Manager	LEE, CHIH-JEN				
	Assistant Vice President	PENG, WEN-KUAN				
	Assistant Vice President	CHENG, CHAN-WEI				
	Assistant Vice President	CHAO, LI-JEN				

Note: 1. The amount of employee compensation in 2024 is a tentative estimate.

2. The Company's net income after tax for 2024 was NT\$649,021 thousand.

(IV) Analysis of the total remuneration paid to directors, President, and Vice Presidents of the Company in the last two years by the Company and all companies in the consolidated financial statements as a percentage of the net income after tax as in the standalone financial statements, and the description of the relevance of the remuneration policy, standards, and packages, and procedures for determining remuneration to business performance and future risks:

1. Analysis of the total remuneration paid to directors, President, and Vice Presidents of the Company in the last two years by the Company and all companies in the consolidated financial statements as a percentage of the net income after tax:

Year	The Company	All companies in the consolidated financial statements
2023	5.81%	6.48%
2024 (estimated)	8.91%	10.06%

Note: The Company's remuneration policy for directors, supervisors, President, and Vice Presidents has not changed.

2. The relevance of the Company's remuneration policy, standards, and packages, and procedures for determining remuneration to business performance and future risks:

The Company's remuneration policy for directors is set out in the Company's Articles of Incorporation, which has authorized the Board of Directors to determine their remuneration based on the degree of their participation in the Company's operations and the value of their contribution, while with reference to industry standards; the remuneration of the President, and Vice Presidents is determined as per the Company's relevant personnel regulations and the dividend policy as in the Company's Articles of

Incorporation.

III. Operation of Corporate Governance:

(I) Information on the Operation of the Board of Directors:

The Board of Directors had held (A) 9 meetings in the last year, and the attendance of directors is as follows:

Position	Name	Attendance in person (B)	Attendance by proxy	Actual attendance (%) [B/A]	Remarks
Chairman	HO, SHI-CHI	9	0	100.00%	
Director	Quanta Computer Inc. Representative: Alan Tsai	9	0	100.00%	
Director	Quanta Computer Inc. Representative: C.T. Huang	8	0	88.89%	
Director	Quanta Computer Inc. Representative: Elton Yang	9	0	100.00%	
Independent Director	WANG, KUAN-SHEN	9	0	100.00%	
Independent Director	TSAI, YEOU-JYH	9	0	100.00%	
Independent Director	CHEN, YEN-HAU	8	1	88.89%	

Other additional information:

I. For board meetings that meet any of the following circumstances, specify the date, session, the content of the proposal, independent directors' opinions and the Company's response to such opinions:

(I) Matters as in Article 14-3 of the Securities and Exchange Act.

Board of Directors	Content of motion and subsequent response	Matters as in Article 14-3 of the Securities and Exchange Act.	Independent directors' objections or reserved opinions
9th term 5th meeting 2024.01.05	1. The contract out the "Operation headquarters office building construction project".	✓	None

Independent directors' opinion: None.

The Company's response to independent directors' opinion: None.

Resolution result: The motions was approved by all the directors present.

Board of Directors	Content of motion and subsequent response	Matters as in Article 14-3 of the Securities and Exchange Act.	Independent directors' objections or reserved opinions
9th term 6th meeting 2024.02.01	1. The Remuneration Committee submitted a proposal for the suggestions about the 2023 year-end bonus paid to the Company's top-level managers.	✓	None
	2. The Remuneration Committee submitted a proposal for the suggestions about the 2024 top-level managers' salary structure and annual salary adjustment.	✓	None
	3. Proposal for the 2023 distribution of remuneration to employees and directors.	✓	None
Independent directors' opinion: None.			
The Company's response to independent directors' opinion: None.			
Resolution result: Director HO, SHI-CHI recused himself from Motions 1–3 due to conflicts of interest. Other motions were approved by all the directors present.			
9th term 7th meeting 2024.03.04	1. Ratification of liability insurance renewal for directors and key staff.	✓	None
	2. 2023 Business Report.	✓	None
	3. 2023 consolidated and parent company-only financial statements.	✓	None
	4. Proposal for the 2023 earning distribution.	✓	None
	5. Determination of 2023 cash dividends distribution.	✓	None
	6. The Company's 2023 "Assessment of the Effectiveness of Internal Control" and "Statement on the Internal Control System".	✓	None
	7. Determination of the matters related to the convention of 2024 AGM.	✓	None
	8. The Company's Change of Company's Signing Auditor and Evaluation of the Auditor's Independence and Suitability.	✓	None
	9. Established the general rules for the Company's policy for early approval of non-assurance services.	✓	None
	10. The Company's 2023 evaluation of the Board (including functional committees') performance.	✓	None
Independent directors' opinion: None.			
The Company's response to independent directors' opinion: None.			
Resolution result: The motions was approved by all the directors present.			
9th term 8th meeting 2024.05.06	1. The company's 2023 Sustainability Report.	✓	None
	2. The Company's 2024 First quarter consolidated financial statements.	✓	None
Independent directors' opinion: None.			
The Company's response to independent directors' opinion: None.			
Resolution result: The motions was approved by all the directors present.			

Board of Directors	Content of motion and subsequent response	Matters as in Article 14-3 of the Securities and Exchange Act.	Independent directors' objections or reserved opinions
9th term 9th meeting 2024.07.31	1. The Company's 2024 Second quarter consolidated financial statements.	✓	None
	2. The Electromechanical Related Engineering Project for the Construction of the Operation Headquarters Office Building.	✓	None
	3. Cooperate with the company's subsidiary "Techman Robot Inc " in the stock release plan for its application for stock listing (TPEX).	✓	None
	4. The Remuneration Committee submitted a proposal for the suggestions about the 2023 managers' employee compensation.	✓	None
Independent directors' opinion: None.			
The Company's response to independent directors' opinion: None.			
Resolution result: Director HO, SHI-CHI recused himself from Motions 4 due to conflicts of interest. Other motions were approved by all the directors present.			
9th term 10th meeting 2024.10.31	1. The Company's 2024 Third quarter consolidated financial statements.	✓	None
	2. Established the general rules for the Company's policy for early approval of non-assurance services.	✓	None
Independent directors' opinion: None.			
The Company's response to independent directors' opinion: None.			
Resolution result: The motions was approved by all the directors present.			
9th term 11th meeting 2024.12.20	1. Established the 2025 business plan.	✓	None
	2. Revision of the company's internal control system.	✓	None
	3. Set out 2025 internal audit plans for the Company and its subsidiaries.	✓	None
	4. The Company's proposal for remuneration paid to CPAs.	✓	None
Independent directors' opinion: None.			
The Company's response to independent directors' opinion: None.			
Resolution result: The motions was approved by all the directors present.			
9th term 12th meeting 2025.01.21	1. Proposal for the suggestions about the 2024 year-end bonus paid to the Company's top-level managers.	✓	None
	2. Proposal for the suggestions about the 2025 top-level managers' salary structure and annual salary adjustment.	✓	None
Independent directors' opinion: None.			
The Company's response to independent directors' opinion: None.			
Resolution result: Director HO, SHI-CHI recused himself from Motions 1-2 due to conflicts of interest. Other motions were approved by all the directors present.			

Board of Directors	Content of motion and subsequent response	Matters as in Article 14-3 of the Securities and Exchange Act.	Independent directors' objections or reserved opinions
9th term 13th meeting 2025.02.26	1. 2024 Business Report.	✓	None
	2. 2024 consolidated and parent company-only financial statements.	✓	None
	3. Proposal for the 2024 distribution of remuneration to employees and directors.	✓	None
	4. The company's "Definition of Frontline Employees" Proposal.	✓	None
	5. Amendment to the "Articles of Incorporation".	✓	None
	6. Proposed Revision of the Company's "Fund Lending and Endorsement Guarantee Operating Procedures".	✓	None
	7. Proposal for the 2024 earning distribution.	✓	None
	8. Determination of 2024 cash dividends distribution.	✓	None
	9. Ratification of liability insurance renewal for directors and key staff.	✓	None
	10. The Company's 2024 "Assessment of the Effectiveness of Internal Control" and "Statement on the Internal Control System".	✓	None
	11. Determination of the matters related to the convention of 2025 AGM.	✓	None
	12. The Company's regular assessment of the independence of the CPAs.	✓	None
	13. Established the general rules for the Company's policy for early approval of non-assurance services.	✓	None
	14. The Company's 2024 evaluation of the Board (including functional committees') performance.	✓	None
Independent directors' opinion: None.			
The Company's response to independent directors' opinion: None.			
Resolution result: Director HO, SHI-CHI recused himself from Motions 3 due to conflicts of interest. Other motions were approved by all the directors present.			
<p>(II) In addition to said motions, the resolutions adopted by the Board of Directors on which independent directors have objections or reserved opinions on record or in a written statement: None.</p>			

II. Disclosure regarding recusal for interest-conflicting proposals, including the names of directors concerned, the content of proposals, reason for recusal, and the voting process:

Date	Content of proposal	Reasons for recusal
2024.02.01	The Remuneration Committee submitted a proposal for the suggestions about the 2023 year-end bonus paid to the Company's top-level managers.	Mr. HO, SHI-CHI, the related party in this proposal, recused himself from the discussion and voting because of conflicts of interest.
	The Remuneration Committee submitted a proposal for the suggestions about the 2024 top-level managers' salary structure and annual salary adjustment.	
	Proposal for the 2023 distribution of remuneration to employees and directors	
2024.07.31	The Remuneration Committee submitted a proposal for the suggestions about the 2023 managers' employee compensation.	Mr. HO, SHI-CHI, the related party in this proposal, recused himself from the discussion and voting because of conflicts of interest.
2025.01.21	Proposal for the suggestions about the 2024 year-end bonus paid to the Company's top-level managers.	Mr. HO, SHI-CHI, the related party in this proposal, recused himself from the discussion and voting because of conflicts of interest.
	Proposal for the suggestions about the 2025 top-level managers' salary structure and annual salary adjustment.	
2025.02.26	Proposal for the 2024 distribution of remuneration to employees and directors.	Mr. HO, SHI-CHI, the related party in this proposal, recused himself from the discussion and voting because of conflicts of interest.

III. A publicly listed company shall disclose the cycle and period, scope, method, and content of the self-evaluation (or peer evaluation) of the performance of the Board of Directors: Please refer to the description of " Implementation Status of Board Evaluation".

IV. Evaluation of the objective of strengthening the functions of the Board of Directors (such as setting up an audit committee or enhancing information transparency) and the implementation in the current year and the last year:

1. The Company has established the Rules of Procedure for Board of Directors Meetings as per the law, and the relevant functions and operations of the board are implemented in accordance with the Rules and relevant laws and regulations. To improve the Company's information transparency, the relevant information is placed on the Market Observatory Post System (MOPS) and the Company's website to disclose material resolutions adopted by the board meetings to investors.
2. To implement corporate governance and improve the remuneration system for the Company's directors and managers, the Company's Board of Directors resolved a decision to establish a remuneration committee as per Article 14-6 of the Securities and Exchange Act on December 28, 2011. The Company reviews its directors' and managers' performance evaluation standards, annual and long-term performance targets, and remuneration policy, system, standard, and structure while regularly assessing the achievement percentage of the Company's directors and managers' performance targets to determine the content and amount of individual salary and remuneration based on the evaluation results as per the performance evaluation standards.
3. To establish a sound corporate governance system for the Company, improve supervisory functions, and enhance the management functions, the Company established an Audit Committee on June 13, 2017 as per Article 14-4 of the Securities and Exchange Act, and formulated the Audit Committee Charter for compliance. The committee aims to supervise the proper presentation of

the Company's financial statements, the selection (dismissal), independence, and performance of CPAs, the effective execution of the Company's internal control, and the Company's compliance with relevant laws and regulations while managing and controlling the existing or potential risks. The committee members perform their duties faithfully as set out in the Charter as prudent administrators, and are responsible to the Board of Directors, and shall submit their resolutions to the board for resolutions or report to it.

(II) The implementation status of the performance evaluation of the Board of Directors

Pursuant to the Company's Rules of the Performance Evaluation Directors, the Board of Directors and functional committees shall engage in the performance evaluation based on the evaluation indicators at the end of each year and complete it before the end of the first quarter of the following year, to ensure that the board and functional committees operate as per relevant laws and regulations. The results of the Board performance evaluation in 2024 have been submitted to the Board of Directors and published on the Company's website.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	From January 1, 2024 to December 31, 2024	Board of Directors	Internal questionnaires are adopted to evaluate the overall operation of the board and functional committees, directors' participation, understanding of the Company, and responsibilities, as well as continuing education.	<ol style="list-style-type: none"> 1. Degree of participation in the operation of the company. 2. Improvement of the quality of the board of directors' decision making. 3. Composition and structure of the board of directors. 4. Election and continuing education of the directors. 5. Internal control.
		Individual directors		<ol style="list-style-type: none"> 1. Keeping abreast of the company's goals and mission. 2. Awareness of the duties of a director. 3. Degree of participation in the operation of the company. 4. Management of internal relationship and communication. 5. The director's professionalism and continuing education. 6. Internal control.
		Functional committees		<ol style="list-style-type: none"> 1. Degree of participation in the operation of the company. 2. Awareness of the duties of functional committee members. 3. Improvement of the quality of the functional committees' decision making. 4. Composition and election of functional committee members. 5. Internal control.

(III) Operations of the Audit Committee:

The Audit Committee had held 7 (A) meetings in the last year, and the attendance of independent directors is as follows:

Position	Name	Attendance in person (B)	Attendance by proxy	Actual attendance (%) (B/A)	Remarks
Independent Director	WANG, KUAN-SHEN	7	0	100.00%	
Independent Director	TSAI, YEOU-JYH	7	0	100.00%	
Independent Director	CHEN, YEN-HAU	6	1	85.71%	

Other additional information:

I. For Audit Committee meetings that meet any of the following circumstances, specify the date, session, the content of the proposal, independent directors' objections, reservations, or major suggestions, Audit Committee' resolution results, and the Company's response to such opinions:

(I) Matters under Article 14-5 of Securities and Exchange Act

Audit Committee	Content of motion and subsequent response	Matters under Article 14-5 of the Securities and Exchange Act.	Independent directors' objections, reservations, or major suggestions
3 rd term 4th meeting 2024.01.05	1. The contract out the "Operation headquarters office building construction project."	✓	None

Independent directors' opinion: None.

The Company's response to independent directors' opinion: None.

Resolution result: The proposals above were approved by the members of the Audit Committee, and submitted to the Board of Directors for resolution.

3 rd term 5th meeting 2024.03.04	1. The Company's 2023 Business Report and Financial Statements.	✓	None
	2. Proposal for the 2023 earning distribution.	✓	None
	3. The Company's 2023 "Assessment of the Effectiveness of Internal Control" and "Statement on the Internal Control System".	✓	None
	4. The Company's Change of Company's Signing Auditor and Evaluation of the Auditor's Independence and Suitability.	✓	None
	5. Established the general rules for the Company's policy for early approval of non-assurance services.	✓	None

Independent directors' opinion: None.

The Company's response to independent directors' opinion: None.

Resolution result: The proposals above were approved by the members of the Audit Committee, and submitted to the Board of Directors for resolution.

Audit Committee	Content of motion and subsequent response	Matters under Article 14-5 of the Securities and Exchange Act.	Independent directors' objections, reservations, or major suggestions
3 rd term 6th meeting 2024.05.06	1. The Company's 2024 First quarter consolidated financial statements.	✓	None
Independent directors' opinion: None.			
The Company's response to independent directors' opinion: None.			
Resolution result: The proposals above were approved by the members of the Audit Committee, and submitted to the Board of Directors for resolution.			
3 rd term 7th meeting 2024.07.31	1. The Company's 2024 Second quarter consolidated financial statements.	✓	None
	2. The Electromechanical Related Engineering Project for the Construction of the Operation Headquarters Office Building.	✓	None
	3. Cooperate with the company's subsidiary "Techman Robot Inc " in the stock release plan for its application for stock listing (TPEX).	✓	None
Independent directors' opinion: None.			
The Company's response to independent directors' opinion: None.			
Resolution result: The proposals above were approved by the members of the Audit Committee, and submitted to the Board of Directors for resolution.			
3 rd term 8th meeting 2024.10.31	1. The Company's 2024 Third quarter consolidated financial statements.	✓	None
	2. Established the general rules for the Company's policy for early approval of non-assurance services.	✓	None
Independent directors' opinion: None.			
The Company's response to independent directors' opinion: None.			
Resolution result: The proposals above were approved by the members of the Audit Committee, and submitted to the Board of Directors for resolution.			
3 rd term 9th meeting 2024.12.20	1. Revision of the company's internal control system.	✓	None
	2. Set out 2025 internal audit plans for the Company and its subsidiaries.	✓	None
	3. The Company's proposal for remuneration paid to CPAs	✓	None
Independent directors' opinion: None.			
The Company's response to independent directors' opinion: None.			
Resolution result: The proposals above were approved by the members of the Audit Committee, and submitted to the Board of Directors for resolution.			

Audit Committee	Content of motion and subsequent response	Matters under Article 14-5 of the Securities and Exchange Act.	Independent directors' objections, reservations, or major suggestions
3 rd term 10th meeting 2025.02.26	1. The Company's 2024 Business Report and Financial Statements.	✓	None
	2. Proposal for the 2024 earning distribution.	✓	None
	3. Proposed Revision of the Company's "Fund Lending and Endorsement Guarantee Operating Procedures".	✓	None
	4. The Company's 2024 "Assessment of the Effectiveness of Internal Control" and "Statement on the Internal Control System".	✓	None
	5. The Company's regular assessment of the independence of the CPAs.	✓	None
	6. Established the general rules for the Company's policy for early approval of non-assurance services.	✓	None
Independent directors' opinion: None.			
The Company's response to independent directors' opinion: None.			
Resolution result: The proposals above were approved by the members of the Audit Committee, and submitted to the Board of Directors for resolution.			

(II) Except for said issues, other issues that have not been approved by the Audit Committee but have been adopted by at least two-thirds of all directors:
None.

II. Disclosure regarding recusal for interest-conflicting proposals, including the names of independent directors concerned, the content of proposals, reason for recusal, and the voting process: None.

III. Communication between independent directors and the internal chief auditor, and CPAs (shall include material issues, methods, and results in the communication in respect of the Company's financial and business status):

1. The Company established an Audit Committee on July 13, 2017, with independent directors as ex officio members. In addition to quarterly meetings to keep abreast of the Company's operating status in a timely manner, it actively participates in the operation of the board and express its opinions in a timely manner.
2. The Company's independent directors communicate with the internal chief auditor by phone, fax, or email at any time, and the internal chief auditor reports on the execution and improvement of the audit plan regularly while communicating and exchanging opinions regarding the effectiveness of the execution of the Company's internal control. The interaction is positive. The internal chief auditor attends board meetings in a non-voting capacity to report on the audit business and engage in the question and answer session and discussion. If necessary, the internal chief auditor will also attend board meetings in a non-voting capacity to answer questions, and the relevant communication situation is disclosed on the official website. The CPAs attended the Audit Committee meetings on March 04 and October 31 of the 2024. In a non-voting capacity and maintained smooth communication with independent directors while reporting on key audit matters, corporate governance, and the latest legal amendments.

The Audit Committee is to assist the Board of Directors in supervising the quality and integrity of the implementation of the Company's accounting, auditing, and financial reporting processes.

Annual major tasks of the Audit Committee:

- ⊙ Appropriate presentation of financial statements
- ⊙ Evaluation of qualifications and independence of CPAs
- ⊙ Audit and accounting policy and procedures
- ⊙ Appointment, dismissal, or remuneration of CPAs
- ⊙ Internal control system and relevant policies and procedures
- ⊙ Major asset or derivative financial product transactions
- ⊙ Performance of the Audit Committee's responsibilities
- ⊙ Compliance

Work summary:

Apart from reviewing the annual business report, financial statements, proposal for the allocation of distributable earnings and issuance of audit review reports, the Committee is also responsible for reviewing the Company's financial statements and communicating with the CPA and auditors when necessary in order to understand the auditing process, accounting policies and procedures. In addition, the Committee also participates and reviews relevant tasks of significance.

(IV) Corporate governance implementation and the deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:

Assessment criteria	Implementation status		Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
I. Has the Company formulated and disclosed the Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	√		To implement and establish a good corporate governance system and strengthen the operations, the Company has formulated the Corporate Governance Best Practice Principles, and reviews and amends as per relevant provisions of the latest laws and regulations at any time, and published them on the official website and MOPS as resolved by the Board of Directors.
II. The Company's shareholding structure and shareholders' equity			
(I) Has the Company established internal operating procedures to handle shareholders' suggestions, doubts, disputes, and litigation matters, and implement them in accordance with the procedures?	√		(I) The Company has established a spokesperson system and an email box with dedicated personnel in charge of relevant issues. The shareholders' meeting is handled as per the Rules of Procedure for Shareholders Meetings. In the case of litigation and other relevant issues, they will be handed over to the Company's legal affairs unit.
(II) Does the Company keep abreast of the list of major shareholders and the ultimate controlling parties of such shareholders?	√		(II) The Company always keeps abreast of the major shareholders with the actual control power and the ultimate controlling parties of such shareholders based on the shareholders' register provided by the stock affairs agency. It also files the changes in shareholdings by insiders, namely directors,

Assessment criteria	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
(III) Does the Company establish and implement a risk control mechanism and firewalls between its affiliates and itself?	√		managers, and major shareholders holding 10% of the shares on a monthly basis. (III) All affiliates of the Company operate independently, and each affiliate has its own internal control system for compliance, amends the relevant regulations of its Approval Authority Management Regulations based on its business needs, executes the system as per relevant regulations.	No deviation
(IV) Whether the Company established internal regulations prohibiting insider trading against non-public information?	√		(IV) The Company has formulated the Operating Procedures for the Processing of Internal Material Information and Prevention of Insider Trading and reviews and amends it regularly. It has also established the internal control system, and organizes timely education and awareness-increasing activities while informing the directors, managers, and employees of the system to avoid violations of laws and regulations or insider trading. Changes in the equity held by insiders (directors, managers, and shareholders holding more than 10% of the total shares) are filed to the MOPS on a monthly basis as per the relevant provisions of the Securities and Exchange Act.	No deviation
III. Composition and responsibilities of the board of directors				
(I) Has the Board of Directors formulated a Board diversity policy and specific management objectives	√		(I) Pursuant to the Corporate Governance Best Practice Principles, the Rules of Procedure for Board of	No deviation

Assessment criteria	Implementation status		Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
and implemented them accordingly?			Directors Meetings, and the Diversity Policy for the Board Members, the Company shall focus on diversity in the composition of the board, the qualifications of directors, restrictions on shareholdings and concurrent jobs held, determination of independence, nomination and election methods, fulfillment of responsibilities, and other rules. The Company has also established well-defined regulations as the basis for Board diversity, thereby optimizing the functions of the Board. The seven directors elected this year include three independent directors. With different professional backgrounds or professional fields, they all have the knowledge, skills, and competency necessary to perform their duties so as to improve the Company's board structure and relevant diversity indicators.
(II) In addition to the remuneration committee and the audit committee set up in accordance with the law, does the Company set up other functional committees voluntarily?	√	(II)	The Company established a Remuneration Committee and an Audit Committee to evaluate the relevant regulations regarding directors and managers and the relevant internal regulations that need to be complied with as per the law, to improve the functions of the Board. The Company currently has not yet established other types of functional committees, which may be established if necessary based on relevant needs.
(III) Does the Company formulate the board of directors' performance evaluation regulations and methods,	√	(III)	To implement corporate governance and enhance the functions of the Company's Board of Directors, the

Assessment criteria	Implementation status		Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof	
	Yes	No		
<p>and conduct annual and regular performance evaluations while reporting the results of the performance evaluation to the board of directors as a reference for individual directors' remuneration and nomination for re-election?</p> <p>(IV) Does the Company regularly assess the independence of CPAs?</p>	√			
			<p>Company has set up performance targets to enhance the operation and efficiency of the board, and formulated the board of directors' performance evaluation regulations and methods, including internal self-evaluation by the board, self-evaluation by directors, peer evaluation, and evaluation by external professional institutions, experts, or other appropriate methods. The evaluation is conducted annually, and the evaluation results are sent to the board for review and improvement while as a reference for salary, remuneration, and nomination for director re-election.</p> <p>(IV) The Company appoints KPMG Certified Public Accountants to handle relevant financial and tax audit and certification, submits CPAs' resume to the board for review and evaluation every year to confirm whether they are any company's directors, supervisors, or managers, or hold a position with major influences to a point that it involves conflicts of interest, and refer to the Audit Quality Indicator (AQI), the board also reviews the CPA firm's independence, professional capabilities, and the reasonableness of its audit fees. The firm will only be appointed after the review and resolution are passed by board. Relevant information, such as the CPAs' independence evaluation standards, and the CPAs' statement on independence obtained</p>	No deviation

Assessment criteria	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
			are disclosed on the official website, in the most recent years, the Board of Directors evaluated the independence of CPAs on March 04, 2024 and February 26, 2025, respectively. The Audit Quality Indicator (AQI) measurement focus and evaluation result were reviewed. Please refer to the description of (Note) for details.	
IV. Does the Company appoint an appropriate number of suitable corporate governance personnel, and engage a corporate governance officer to be in charge of corporate governance-related matters (including but not limited to providing directors and supervisors with materials required to perform duties, assisting directors and supervisors with compliance, handling matters related to the meetings of the Board of Directors and shareholders' meetings as per the law, handling corporate registration matters, and preparing the minutes of the meetings of the Board of Directors and shareholders' meeting)?	√		The Company has engaged a corporate governance officer in charge of coordinating the operation of the social responsibility system, corporate governance, and relevant affairs of stakeholders, and the officer shall regularly report on the implementation to the board. Said business includes providing materials required by the relevant directors to perform their duties, handling relevant matters for the board meetings, the Audit Committee, and the shareholders meeting as per the laws, handling corporate registration, preparing the meetings minutes of the board, the Audit Committee, and the shareholders' meeting, and matters related to shareholders' equity.	No deviation
V. Does the Company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers, suppliers), and set up a dedicated area for stakeholders on the Company's website, and respond to important corporate social responsibility	√		The Company has formulated the "Sustainable Development Best Practice Principles" and set up sections dedicated to Sustainable Development, stakeholders, and investors on the official website, containing information, such as issues of concern for different groups (including shareholders, competent	No deviation

Assessment criteria	Implementation status		Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
issues that stakeholders are concerned about appropriately?			authorities, suppliers, employees, customers, and society), communication channels, and response methods
VI. Does the Company appoint a professional stock affairs agency to handle the affairs of shareholders' meetings?	√		The Company has appointed a professional stock affairs agency, that is the Agency Department of CTBC Bank Co., Ltd., to assist with matters related to the shareholders' meeting.
VII. Public Disclosure of Information (I) Does the Company set up a website to disclose financial business and corporate governance information?	√		(I) The Company attaches importance to shareholders' rights to know, complies with relevant regulations on information disclosure as required, discloses the Company's finances, business, insiders' shareholdings, and corporate governance on the Company's website, and announces information on the MOPS for shareholders. Website: http://www.gsitw.com/page/tw/index.html
(II) Does the Company adopt other means for disclosure (such as setting up an English website, appointing personnel to collect and disclose relevant information, properly implementing the spokesperson system, and placing the process of investor conferences on the website)?	√		(II) The Company has adopted a spokesperson system with dedicated personnel responsible for collecting and disclosing the Company's information, and updating the latest information on the official website from time to time as a reference for general investors.
(III) Does the Company publicly announce and file the annual financial report within two months after the end of each fiscal year and announce and file the financial reports for the first, second, and third quarters and the monthly operation status prior to	√		(III) Our company complies with relevant laws and regulations, and within the prescribed period, we prepare and submit annual financial reports, quarterly financial reports, and monthly operational updates as required. There are no plans for early disclosure of

Assessment criteria	Implementation status		Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	
<p>the specified deadline?</p> <p>VIII. Does the Company have other important information to facilitate better understanding of its corporate governance operations (including but not limited to employees' rights, employee care, investor relations, supplier relations, stakeholders' rights, directors' and supervisors' continuing education, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, and the Company's purchase of liability insurance for directors and supervisors)?</p>			
	√		<p>these filings.</p> <p>(I) Employees' rights and interests: The Company attaches importance to employees' rights and interests, and has purchased labor and health insurance and contributed labor pension funds for employees as per the regulations to protect their legal rights and interests.</p> <p>(II) Employee care: The Company has set up an Employee Welfare Committee, and contributes employee welfare funds as per the law, while attaching importance to employee benefits and enabling employees to be entitled to various benefits and subsidies and group activities. Also, with a good education and training system, the Company has established a positive relationship with employees, which features mutual trust and mutual reliance.</p> <p>(III) Investor relations: The Company has set up a section dedicated to investors on the official website, which discloses relevant financial and stock affairs information to investors, and has adopted a spokesperson system with dedicated personnel responsible for handling relevant issues.</p> <p>(IV) Supplier relationship: The Company has always maintained a positive partnership with its suppliers, and it has set up a complaint mailbox to provide suppliers to report on any violations of procurement</p>
			No deviation

Assessment criteria	Implementation status		Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
			<p>discipline, so as to ensure that suppliers have fair competition opportunities to optimize the overall production costs.</p> <p>(V) Takeholders' rights and interests: Stakeholders may communicate with the Company on a two-way basis to make suggestions while the Company respects and safeguards their legitimate rights and interests.</p> <p>(VI) The directors and supervisors' education and training: The Company's directors are from diversified professional backgrounds, and all are engaged in their own professional fields. They also participate in the directors' continuing education courses every year. Where there are the latest relevant laws and regulations or any updates, the Company will inform all directors of said matters in real time for them to comply with applicable laws. It will also file relevant matters to the MOPS as per the regulations of the competent authority.</p> <p>(VII) Implementation of the risk management policy and risk measurement standards: The Company has established relevant management regulations for important management indicators and executed them as per the management regulations.</p> <p>(VIII) Implementation of customer policies: The Company has passed the ISO 9001 quality management system, ISO 14001, ISO 45001 Code of Conduct, Responsible</p>

Assessment criteria	Implementation status		Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
			<p>Business Alliance (RBA), and electrostatic discharge management (ESD) S20.20, as well as the Occupational Health and Safety System and the Hazardous Substance Process Management System to ensure that the Company's customer policies are implemented and the objectives are achieved.</p> <p>(IX) The Company's purchase of liability insurance for directors and supervisors: The Company has purchased liability insurance for directors as per the Articles of Incorporation, and regularly reports on the insured amount and contribution rate to the board for ratification of policy renewal while filing the information to MOPS as per the requirement of the competent authority.</p>
<p>IX. Please specify the status of the improvement based on the corporate governance evaluation report released by the Corporate Governance Center of TWSE in the most recent year, and the prioritized improvement actions and measures for remaining deficiencies that have not yet been improved: The Company continues to improve as per the results of the corporate governance evaluation, including updating relevant regulations, regularly making amendment based on the latest information, actively implementing sustainable development initiatives, and disclosing the implementation results and the latest relevant information on the official website for investors' reference.</p>			

Note:

Audit Quality Indicator (AQI)

Aspect	AQI indicator	Measurement focus
Professionalism	Audit experience	Whether CPA and auditor above the manager level is equipped with adequate audit experience to perform audit works.
	Training hours	Whether CPA and auditor above the manager level receives sufficient education and training annually, in order to obtain professional knowledge and skills continuously.
	Turnover rate	Whether the firm maintains sufficient senior human resources.
	Professional support	Whether the firm has sufficient professionals (such as valuation personnel) to support the audit team.
Quality control	CPA workload	Whether the workload of CPA is too heavy, including the number of public companies he/she services and the ratio of available working hours participated by the accountant.
	Audit participation	Whether the audit team members' participation in each audit stage is appropriate.
	EQCR second review status	Whether EQCR account spends sufficient hours in executing the second review of audit case.
	Quality control supporting capability	Whether the firm has sufficient quality control manpower to support the audit team.
Independence	Non-audit service fee	Impact of non-audit service fee ratio on the independence.
	Customer familiarity	Impact of audit case for the number of accumulated years of the annual financial report audited by the firm on its independence.
Supervision	External inspection deficiency and disposition	Whether the quality control and audit case of the firm are executed according to relevant regulations and standards.
	Improvement according to competent authority's letter	Whether the quality control and audit case of the firm are executed according to relevant regulations and standards.
Innovation capability	Innovative planning or proposal	CPA firm's commitment on improvement of audit quality, including CPA firm's innovation capability and planning.

CPA independence evaluation standards for 2024

Assessment criteria	Evaluation results	Independence
1. Whether the CPA has direct or material indirect financial interests with the Company, affecting the independence.	No	Yes
2. Whether the CPA is currently serving as or served as a director or supervisor of the Company or any of its related parties in the last two years, or other positions with direct and significant influence on the audit case.	No	Yes
3. Whether the CPA has his/her independence questioned due to the position of or the defense from the Company and its related parties.	No	Yes
4. Whether the CPA has a close relationship with the Company or its related parties, directors, supervisors, or managers, and may be overly concerned about or feel overly empathy with to the Company's interests.	No	Yes
5. Whether the CPA is or feels intimidated by the Company, so that it may not be able to maintain objectivity and clarify his/her professional doubts.	No	Yes
6. Whether the CPA is aware of the laws and regulations governing insider trading, and shall not use the Company's undisclosed information to trade the Company's securities nor shall he/she disclose its undisclosed material information to any third party for the trading of securities after accepting the audit project.	Yes	Yes
7. Whether the CPA did not provide the Company with non-audit services that may affect his/her independence from the commencement date of the financial statement period to the date at which the appointment was accepted.	Yes	Yes
8. Whether the CPA engages in any other circumstances that may affect his/her independence.	No	Yes

(V) Responsibilities, and operation of the Remuneration Committee: The Company's Board of Directors resolved to establish the Remuneration Committee on December 28, 2011. Its main responsibilities include putting forth suggestions about directors' and managers' performance evaluation and their remuneration policy, system, standard, and structure.

1. Information on the members of the Remuneration Committee

Identity	Criteria Name	Professional qualifications and experience	Independence criteria	Number of other public companies at which serving as a member of the remuneration committee concurrently
Independent Director (Convener)	WANG, KUAN-SHEN	Has the work experience in business or experience required for corporate business for five years or more; and is not under any of the circumstances under Article 30 of the Company Act	<ol style="list-style-type: none"> 1. Is not and spouse and relatives within the second degree of kinship thereof are not serving as directors, supervisors, or employees of the company or its affiliates. 2. Does not and spouse and relatives within the second degree of kinship thereof (or by nominee arrangement) do not hold the company's shares in terms of the number and percentage. 3. Is not serving as a director, supervisor, or employee of a company with specific relations with the company. 4. Did not receive remuneration for providing business, legal, financial, accounting, or other services to the company or its affiliates in the last two years. 5. Remuneration Committee members of publicly listed companies should maintain their independence within the scope of their duties, so is not under any of the circumstances under Article 3, paragraph 1 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. 	1

Identity	Criteria Name	Professional qualifications and experience	Independence criteria	Number of other public companies at which serving as a member of the remuneration committee concurrently
Independent Director	TSAI, YEOU-JYH	Has the work experience in business or experience required for corporate business for five years or more; and is not under any of the circumstances under Article 30 of the Company Act	<ol style="list-style-type: none"> 1. Is not and spouse and relatives within the second degree of kinship thereof are not serving as directors, supervisors, or employees of the company or its affiliates. 2. Does not and spouse and relatives within the second degree of kinship thereof (or by nominee arrangement) do not hold the company's shares in terms of the number and percentage. 3. Is not serving as a director, supervisor, or employee of a company with specific relations with the company. 4. Did not receive remuneration for providing business, legal, financial, accounting, or other services to the company or its affiliates in the last two years. 5. Remuneration Committee members of publicly listed companies should maintain their independence within the scope of their duties, so is not under any of the circumstances under Article 3, paragraph 1 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. 	None

Identity	Criteria Name	Professional qualifications and experience	Independence criteria	Number of other public companies at which serving as a member of the remuneration committee concurrently
Independent Director	CHEN, YEN-HAU	Has the work experience in business or experience required for corporate business for five years or more and is a lecturer at relevant management departments of universities; and is not under any of the circumstances under Article 30 of the Company Act	<ol style="list-style-type: none"> 1. Is not and spouse and relatives within the second degree of kinship thereof are not serving as directors, supervisors, or employees of the company or its affiliates. 2. Does not and spouse and relatives within the second degree of kinship thereof (or by nominee arrangement) do not hold the company's shares in terms of the number and percentage. 3. Is not serving as a director, supervisor, or employee of a company with specific relations with the company. 4. Did not receive remuneration for providing business, legal, financial, accounting, or other services to the company or its affiliates in the last two years. 5. Remuneration Committee members of publicly listed companies should maintain their independence within the scope of their duties, so is not under any of the circumstances under Article 3, paragraph 1 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. 	2

Note: Please refer to Table 1 on page 8-9 for information on independent directors' professional qualifications and experience.

2. Information on the operation of the Remuneration Committee

(1) The Company's Remuneration Committee is composed of 3 members.

(2) The term of office of the current committee members: From June 07, 2023 to June 06, 2026.

The Remuneration Committee held 5 meetings (A) in the last year. The qualifications and attendance of the members are as follows:

Position	Name	Attendance in person (B)	Attendance by proxy	Actual attendance (%) (B/A)	Remarks
Convener	WANG, KUAN-SHEN	5	0	100%	
Committee member	TSAI, YEOU-JYH	5	0	100%	
Committee member	CHEN, YEN-HAU	4	1	80%	

Other additional information:

- I. Where the Board of Directors declines to adopt or modifies a suggestion of the remuneration committee, it shall specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the remuneration committee's opinion (e.g. the remuneration passed by the Board of Directors exceeds the suggestion of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None.
- II. Where there were resolutions of the Remuneration Committee regarding which members expressed objection or reserved opinions on record or in a written statement, the date of the meeting, session, content of the motion, all members' opinions, and the response to members' opinion shall be specified: None.

Remuneration Committee	Content of motion and subsequent response	Objections or reserved opinions
5 th term 2th meeting 2024.02.01	1. Discussion and determination of various salaries and remuneration items.	None
	2. Proposal for the suggestions about the amount of 2023 year-end bonuses for the Company's managers.	None
	3. Proposal for adjustment to manager's 2024 salary structure and annual salary.	None
	4. Total remuneration of directors, managers, and employees of the Company for 2023.	None
Independent directors' opinion: None.		
The Company's response to independent directors' opinion: None.		
Resolution result: The proposals above were approved by the members of the Remuneration Committee, and submitted to the Board of Directors for resolution.		
5 th term 3th meeting 2024.03.04	1. The proposal for the promotion and adjustment of salary payments for senior executives of the company.	None
Independent directors' opinion: None.		
The Company's response to independent directors' opinion: None.		
Resolution result: The proposals above were approved by the members of the Remuneration Committee, and submitted to the Board of Directors for resolution.		

Remuneration Committee	Content of motion and subsequent response	Objections or reserved opinions
5 th term 4th meeting 2024.07.31	1. Suggestions about the 2023 managers' employee compensation.	None
Independent directors' opinion: None.		
The Company's response to independent directors' opinion: None.		
Resolution result: The proposals above were approved by the members of the Remuneration Committee, and submitted to the Board of Directors for resolution.		
5 th term 5th meeting 2025.01.21	1. Regularly review the performance evaluation, compensation policies, systems, standards, and structure for the company's directors and senior executives.	None
	2. Proposal for the suggestions about the amount of 2024 year-end bonuses for the Company's managers.	None
	3. Proposal for adjustment to manager's 2025 salary structure and annual salary.	None
Independent directors' opinion: None.		
The Company's response to independent directors' opinion: None.		
Resolution result: The proposals above were approved by the members of the Remuneration Committee, and submitted to the Board of Directors for resolution.		
5 th term 6th meeting 2025.02.26	1.Total remuneration of directors, managers, and employees of the Company for 2024.	None
Independent directors' opinion: None.		
The Company's response to independent directors' opinion: None.		
Resolution result: The proposals above were approved by the members of the Remuneration Committee, and submitted to the Board of Directors for resolution.		

III. The meeting agenda is set by the convener, and other members may also submit motions to the committee for discussion.

IV. Remuneration policies, standards, and package:

The remuneration of the directors and managers of the Company is determined based on the provisions of Article 25 of the Company's Articles of Incorporation, and no greater than 3% of the balance shall be allocation for the remuneration of the directors. The Company refers to the usual payment level in the industry and considers the results of personal performance evaluation, the time contributed, the responsibilities assumed, the achieving of personal targets, the performance at other job positions, the Company's compensation for the same position in recent years, the degree of participation in the operation, and the value of contribution. Then, based on the achievement of the Company's short-term and long-term business targets, the Company's financial position, the Company evaluates the reasonableness of the correlation between personal performance, the Company's operating performance, and future risks, and determines reasonable remuneration. It also reviews directors' and managers' remuneration system timely based on actual operating conditions and relevant laws and regulations.

Procedure to determine remuneration:

Provisions for remuneration for employees and directors are allocated based on the Company's profitability on a monthly basis. After final settlement at the end of each fiscal year, a remuneration distribution plan is proposed with reference to the booked provision amount. The distribution plan is reported to the Remuneration Committee for review, and distributed upon approval from the Board of directors. The distribution plan is reported to the general shareholders' meeting accordingly.

The Company carries out regular evaluations on the remuneration for directors and managers with reference to the results of the evaluations conducted in “Procedures to Evaluate the Performance of the Board of Directors” and “Evaluation of Performance Management” for managers and employees. At the end of each fiscal year, the Company would evaluate performance of the board and the functional committees for the year based on evaluation indicators. The evaluation is completed before the end of the first quarter of the following year to ensure the operation of the board is in compliance with relevant laws and regulations. The results of evaluation are submitted to the Remuneration Committee as a reference for remuneration distribution.

Remuneration for managers and employees is evaluated twice a year in mid-year and year-end in accordance with relevant regulations of the Company. The evaluation method consists of employee self-evaluation and supervisor evaluation. Aside from relying on the evaluation result as the main basis for remuneration, other factors taken into consideration also include implementation of the Company’s core value, operation management, comprehensive management indicator of financial and sales performance, participation in continued education training courses and sustainable operation, as well as other special contributions. Weights are given to each evaluation indicator to determine individual compensation.

The Company extremely values the importance of talent retainment and talent training. In order to attract more high quality talents, and to strengthen the Company’s capability, we would make necessary adjustments to reflect the fluctuation of consumer price index, and would even make special salary adjustments when needed.

Relevance to business performance and future risks:

The review of the standard and procedure of the Company’s remuneration policy is based on the Articles of Incorporation and other relevant regulations, which is closely connected with the Company’s operating performance. Performance goals are connected with “Risk Control & Management” and referenced to salary standard and practice of the industry peers to ensure that compensation paid to the Company’s employees at managerial levels is competitive and can retain high quality management personnel.

The remuneration for managers is determined based on major decisions of the management team and after taking into account of various risks and factors. As such decisions are a direct reflection of the Company’s profitability and are related to the remuneration for managers and the performance of risks controls. Furthermore, the Company would review the remuneration procedure based on actual operation status and changes in relevant laws and regulations when appropriate for the purpose of balancing the Company’s sustainable operation and risk control management.

The Company's internal evaluation items for the individual performance evaluation of directors and managers in 2024 included the occurrence of moral hazard incidents for directors and managers or other risk events that cause damage to the Company's image and goodwill, improper internal management, and personnel fraud. The Company also considers the directors' and managers' target-achieving rate and contribution to the operating profit, calculates their remuneration percentages, before submitting the proposal to the Remuneration Committee for discussion. After the resolution adopted by the Remuneration Committee, it is reported to the Board of Directors.

The personal and performance targets set for the directors and managers were all achieved effectively.

(VI) Status of promotion of sustainable development and deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:

Item	Implementation		Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
I. Has the Company established exclusively (or concurrently) dedicated units to promote sustainable development, and has the Board of Directors placed personnel at the senior management in charge of the promotion and monitored the promotion?	√		No deviation

Item	Implementation		Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
<p>II. Does the Company implement the risk assessment of environmental, social, and corporate governance issues related to corporate operation and establish relevant risk management policies or strategies based on the principle of materiality?</p>	√		No deviation
		<p>The Company has established a "Risk Management Policy and Procedure" and performs evaluation according to the overall scale, business characteristics, risk nature and operating activities of the Company and its subsidiaries. We perform analyses as per the principle of materiality (environment, corporate governance, and society) and establish effective identification, measurement, and risk management policies in accordance with the Articles of Incorporation and relevant laws and regulations and based on the development trend of corporate social responsibility at home and abroad as well as the Company's overall operating activities and social and corporate governance issues, while taking specific actions to reduce the impact of relevant risks. In addition, the risk management execution status is reviewed, necessary improvement recommendations are proposed, and reporting to the board of directors are made periodically (two times annually). For details please visit our Company's website: http://www.qsitw.com/page/tw/index.html</p>	

Item	Implementation			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
			<p>Environment</p> <p>Environmental impact and management</p> <p>Corporate governance</p>	<p>Adopt a process safety management and systematic management cycle to effectively reduce pollution emissions and the impact on the environment.</p> <p>Obtain ISO 14001 environmental management certification and regularly conduct greenhouse gas inventory in accordance with ISO 14064-1, while continuing to implement carbon reduction measures to reduce emissions according to the results.</p> <p>Implement internal control mechanisms to ensure that all personnel and operations duly comply with relevant laws and regulations.</p> <p>Pass ISO 9001, ISO</p>

Item	Implementation		Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
			sets up diverse employee communication channels for internal employees. All suppliers shall sign a procurement contract, which requires them to comply with the sustainable development policy and sign the Supplier Sustainable Development Commitment.
III. Environmental issues (I) Does the Company establish an appropriate environmental management system based on its industrial characteristics?	v		(I) Following the ISO 14001 and ISO 45001 management systems, the Company has established work environment and employee personal safety protection measures and continued to pass third-party verification. With such management systems, we conduct major environmental evaluations and occupational safety and health risk control, adopt a target and project management model to set out emergency response measures, and prioritize improvement measures. Those with lower risks are controlled by means of operational control methods. Meanwhile, we conduct greenhouse gas inventory every year to track the effectiveness of
			No deviation

Item	Implementation		Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
(II) Is the Company committed to improving the energy use efficiency and using recycled materials with a low impact on the environment?	√		<p>emission reduction. These efforts have achieved significant results.</p> <p>(II) The Company is committed to improving the utilization efficiency of various resources and using recycled materials with a low impact on the environment so that the resources on Earth can be used sustainably. The Company, in addition to setting various environmental management indicators, uses EU RoHS compliant materials to make effective use of resources to reduce waste generated, and entrusts professional qualified businesses as certified by the environmental protection agency to dispose of waste, thereby alleviating the effect on the environment.</p>
(III) Does the Company assess the present and future potential risk and opportunities of climate change in relation to the Company and adopt countermeasures against climate issues?	√		<p>(III) The Company formulates climate change adaptation and mitigation management plans in accordance with the impact of climate change on our operating activities, reviews the implementation status, and discusses future plans, and reports to the Board of Directors. We actively advocate energy conservation and environmental protection policies, set out the Company's environmental protection, energy conservation and carbon reduction, and</p>

Item	Implementation		Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
(IV) Does the Company make statistics on greenhouse gas emissions, water consumption, and total waste weight in the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water reduction, or other waste management?	v	<p>greenhouse gas reduction management goals and strategies, review the established strategies and goals every half a year, examine the implementation status, and discuss future plans. Related management policies are disclosed on the official website.</p> <p>(IV) The Company prepares annual greenhouse gas inventory report as per ISO 14064-1. For the volume of greenhouse gas emitted into the atmosphere, the greenhouse gas reduction measures are effectively implemented, to slow down the global warming trend, and the responsibility is fulfilled as a part of the global village. To continue to achieve reduction, we continue to track the reduction and implement policies, including material design and selection and power-saving production. As for our water-saving plan, we strive to conserve water in daily life, to maximize the benefits of available water resources. The Company gives priority to reuse waste in the factories to reduce the use of raw materials before recycling them for reuse. We have formulated relevant management policies for greenhouse gas emissions, water consumption, and the total weight of other</p>	No deviation

Item	Implementation		Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof															
	Yes	No																
		<p>waste materials to achieve sustainable development. The relevant management policies are disclosed on the official website.</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>GHG emission(tCO2e)</td> <td>21,316.233</td> <td>64,4650.098</td> </tr> <tr> <td>Water supply(tons)</td> <td>26,053,587.40</td> <td>24,757,730.00</td> </tr> <tr> <td>Water consumption(tons)</td> <td>159,546.00</td> <td>136,015.00</td> </tr> <tr> <td>Total weight of waste(tons)</td> <td>1,168.65</td> <td>1,461.97</td> </tr> </tbody> </table> <p>The scope of the data coverage: The consolidated financial reports of the parent company and subsidiaries, with third-party verification planned for 2025, but the data has not yet been verified by a third party before release.</p>	Item	2023	2024	GHG emission(tCO2e)	21,316.233	64,4650.098	Water supply(tons)	26,053,587.40	24,757,730.00	Water consumption(tons)	159,546.00	136,015.00	Total weight of waste(tons)	1,168.65	1,461.97	
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<p>IV. Social Issues</p> <p>(I) Does the Company establish policies and procedures in compliance with regulations and internationally recognized human rights principles?</p>	v	<p>(I) The Company refers to international human rights conventions to formulate and disclose human rights protection policies, observes relevant labor laws and Code of Conduct - Responsible Business Alliance, and relevant international regulations, national and local laws and regulations; the Company respects internationally recognized basic labor human rights principles, and by continuously improvement of work, protects employees' human rights. The Company also encourages</p>	No deviation															

Item	Implementation		Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits) and appropriately reflected the business performance or results in the employee remuneration policy?	√		No deviation
			<p>suppliers to comply with relevant standards, to reduce the risk of violations and occupational safety and health losses. Relevant policies and regulations are specified in the Company's internal regulations and disclosed on the official website.</p> <p>(II) Employee remuneration: The salary system is determined with reference to the market salary level and work experience, and salary adjustments are made every year based on individuals' performance to maintain the overall salary competitiveness.</p> <p>Employee benefit measures: The Company has formulated "Working Rules" to regulate employees' relevant reasonable benefit measures (including salary-regular salary adjustment; vacation-paternity leave, family care leave, and other benefits-flexible working hours), and we arrange free health checkup once every two years. The Company has set up an employee welfare committee to plan and provide employees with various benefit measures, including employee travel subsidies, gift certificates for three major holidays, birthday gifts, marriage, maternity, and funeral</p>

Item	Implementation		Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
(III) Has the Company provided employees with a safe and healthy working environment and regularly conducted safety and health training?	v	<p>condolence money.</p> <p>Diversity and equality in the workplace: The Company has established a policy to protect human rights regardless of gender. In 2024, the average proportion of female employees in the Company was 27.98%, and the average proportion of female managers was 12.77%.</p> <p>Operational performance reflected in employee salaries: As per the Articles of Incorporation, if the Company makes a profit, it shall allocate no less than 5% of the balance as employee compensation to appropriately reflect our operational performance in employees salaries to share our operational results.</p> <p>(III) The Company formulates policies in accordance with the Occupational Safety and Health Act and the regulations on relevant customer or groups and respects relevant stakeholders' requirements for occupational safety and health, so as to build a healthy and happy workplace. The Company takes the ISO 45001 management system as a benchmark, to identify all sources of company-wide environmental and safe hazards, establish an occupational health and safety target</p>	No deviation

Item	Implementation		Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
(IV) Has the Company established an effective career development training program for employees?	v		<p>management plan, formulate emergency response plans. Regularly conduct fire and earthquake drills, emergency evacuation training, and fire inspections, inspect safety measures and equipment performance, and develop training programs for fire brigade personnel, notification procedures, evacuation drills, and first aid training to implement disaster prevention measures and be prepared for emergencies. The special positions and chemical operators are arranged for regular trainings, to achieve a good prevention for management and execution for eliminating safety accidents. We arrange free health checkup once every two years and specialist doctors and nurses are invited to provide medical consultation services and health education to employees onsite. In 2024, no occupational safety accidents or fire incidents occurred.</p> <p>(IV) The Company has planned a complete competency training program for managers and employees at all levels, including new employee training, professional advanced training, and manager training. In addition, we arrange</p>
			No deviation

Item	Implementation		Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
(V) Has the Company complied with the relevant regulations and international standards and formulated policies for consumer or customer protection and grievance procedures with respect to consumer health and safety, customer privacy, marketing and labeling of products and services?	√		relevant internal education and training monthly and external training courses related to work from time to time for employees to participate, to assist them in continuing to learn and grow through diverse learning methods, thereby enhancing their competencies and career development. (V) The Company uses green and environmental-friendly materials to manufacture products, as the protection of customers' health and safety, with good after-sales services, and keeps customer information confidential. The Company respects and protects intellectual property rights. The legal department conducts professional reviews of product patents and intellectual property rights, and complies with relevant laws and international standards for products and service processes.
(VI) Has the Company established supplier management policies which require suppliers to comply with regulations on environmental protection, occupational safety and health or labor rights, and reported the implementation?	√		(VI) For the suppliers expected to partner with, the procurement unit requires them to fill in the "Supplier Evaluation Data Sheet" and conducts routine audits or on-site evaluations of their actual conditions. The evaluation includes the vendor's compliance with the sustainable development principles, and acquisition of

Item	Implementation		Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
V. Has the Company referred to international reporting standards or guidelines in its preparation of sustainable development reports and other reports which disclose the Company's non-financial information? Have the abovementioned reports obtained the verification or assurance opinions from third-party certification organizations?	√		No deviation
VI. If the Company has formulated its own Sustainable Development Best Practice Principles in accordance with the Sustainable Development			

Item	Implementation		Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	
<p>Best Practice Principles for TWSE/TPEX Listed Companies, please describe the difference between its operation and the established Principles:</p> <p>To promote sustainable development, establish Sustainable Development Implementation Team to coordinate overall planning and deployment operation, the Company has established the Sustainable Development Best Practice Principles. The Company makes its contribution in environmental protection, social contribution, social service, social welfare, consumer rights, human rights, safety and health and other social responsibility activities from time to time. The Company strictly observes labor laws and regulations and business ethics and actively implements various sustainable development initiatives based on the domestic and international development trend of sustainable development and the Company's own overall operating activities. We regularly review the implementation of these principles and make improvements accordingly. So far, the implementation is well-aligned with these principles.</p> <p>VII. Other important information to help understand the efforts in promotion of sustainable development:</p> <p>To ensure the quality and volume of products and environment, the Company has established IECQ/QC080000 hazardous substance process management system, to promote design and development for eliminating prohibited substances, controlling its green partner from sources, managing process to prevent cross-contamination, full participation in continuous product waste reduction, sustainably satisfying regulations and customers' requirement. Through the supply chain HSF (Hazardous Substance Free) management, HSF training to all personnel, and hazardous substance testing related to parts, the goal of green homes is to be achieved. In order to meet the low-carbon environmental trend and sustainable development requirements, ISO 14064-1 was established to inventory the carbon emissions of the Company and products, to formulate relevant emission reduction plans and measures, meeting the continuous improvement requirements of regulations and customers.</p>		Summary	

(VII) Implementation status of climate-related information

Item	Implementation status
<p>1. Describe the Board of Directors' and the management's supervision and governance of climate-related risks and opportunities.</p>	<p>The company's climate change risk response status is reported to the board of directors by the Sustainability Development Executive Team at the end of each year, with the board overseeing the implementation results. The Sustainability Development Executive Team, chaired by the chairman, holds meetings irregularly each year to discuss risk and opportunity issues arising from climate-related changes in the company's operations and the corresponding response strategies.</p>
<p>2. Describe how the climate risks and opportunities identified impact an enterprise's business, strategies, and finance (short-term, medium-term, and long-term).</p>	<p>The company's recognizes climate risk as one of the major operational risks. Issues related to climate change and global warming can have significant impacts on the upstream supply chain, the company's operations, and the downstream customer value chain. To fully understand the effects of climate-related risks on the company's operations and development, and the opportunities they may create, Guangming Optoelectronics Innovation has identified climate-related risks and opportunities. We prioritize the planning of response strategies and management measures for issues that significantly impact finances, alter operational strategies or business models, and expand the scope of impact across the value chain. In reference to the 2024 short, medium, and long-term climate risk and opportunity table, the company defines the short term as 1-3 years, the medium term as 3-5 years, and the long term as 6-10 years, with a decade-long perspective for long-term operational development.</p>
<p>3. Describe the impact of extreme climate events and transition actions on the finance.</p>	<p>The financial impact of various extreme climate events and transition actions depends on the degree of climate change at the plant site and the intensity of demands from customers or governments. Overall, our company needs to propose management measures for risk opportunities, such as additional investment in management personnel, equipment purchases, and procurement of renewable energy, to meet the demands of climate change and low-carbon transition.</p>
<p>4. Describe how the identification, evaluation, and management processes of climate risks are integrated in the overall risk management system.</p>	<p>The Sustainable Development Implementation Team is responsible for the planning and implementation of climate risk and overall risk management mechanism, and reports the identification results and response measures of climate change and other types of risks to the board of directors at least once a year.</p>

Item	Implementation status
<p>5.Scenarios, parameters, assumptions, and analysis factors used as well as the main financial impacts shall be explained if scenarios are used to analyze and evaluate the resilience of climate change risks.</p>	<p>The company conducts climate-related scenario analysis with reference to the Task Force on Climate-related Financial Disclosures (TCFD), employing both quantitative and qualitative analyses to facilitate the adoption of corresponding measures.</p>
<p>6.The contents of a transition plan in response to the management of climate-related risks shall be indicated if any, together with indicators and objectives used to identify and manage physical and transition risks.</p>	<p>Our company is not part of a high carbon emission industry, so the overall impact on operations will not be significant. In the short term, we will implement a comprehensive greenhouse gas inventory. Additionally, we will assess the purchase of green electricity, installation of energy-saving solar equipment, and the purchase of bioenergy, among other initiatives, to set carbon reduction targets. We will also provide compliance education and training for each department. To address the technical risks of low-carbon products replacing existing ones, we will follow the ISO 14064-1 greenhouse gas self-inventory, control carbon emissions, and accelerate the formulation of plans to reduce greenhouse gas emissions.</p> <ul style="list-style-type: none"> ◆ By 2025, the greenhouse gas inventory will be completed according to ISO 14064-1. ◆ Greenhouse gas reduction target: Achieve a 2% reduction in emissions annually.
<p>7.The price setting basis shall be explained if internal carbon pricing is used as a planning tool.</p>	<p>The Company has not implemented internal carbon pricing.</p>
<p>8.Information including activities covered, scope of greenhouse gas emissions, planned scheduled, and required annual progress shall be described if climate-related goals are established; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve relevant goals, the sources and quantity of carbon quota offset or the quantity of RECs shall be described.</p>	<p>In order to minimize the impact on the surrounding environment during operations, the company allocates considerable resources to all environmental indicators, such as energy conservation, carbon reduction, water resource efficiency, pollution prevention, and hazardous substance management. Additionally, greenhouse gas inventories will be conducted according to ISO 14064-1, covering areas within the operational control of various factory sites. Based on the inventory results, relevant carbon reduction goals and schedule planning will be implemented to achieve the vision of sustainable development.</p>
<p>9.Greenhouse gas inventory and assurance status, along with reduction targets, strategies, and specific action plans.</p>	<p>The company is currently implementing a process safety management and institutionalized management cycle, effectively reducing pollution emissions and their impact on the environment, and obtaining ISO 14001 environmental management</p>

Item	Implementation status
	verification. Subsequently, greenhouse gas inventories will be conducted according to ISO 14064-1, and related reduction targets, response measures, and plans will be developed based on the inventory results.

1-1 Greenhouse gas inventory and verification status of the company in the past two years

1-1-1 Greenhouse Gas Inventory Data

Statement of Greenhouse Gas Emissions for the Past Two Years, Including Emissions (Tons/CO₂e), Intensity (Tons t-CO₂e/million), and Data Coverage.

I. Individual GHG emission (t-CO₂e):

Greenhouse gas	CO ₂		CH ₄		N ₂ O		HFCs		PFCs		SF ₆		Total volume of GHG emission	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Emission volume (t-CO ₂ e/year)	21,171.9120	60,224.4528	140.6950	224.3960	3.6239	2.0112	0.0024	3,999.2375	0.0000	0.0000	0.0000	0.0000	21,316.2333	64,450.0988
Percentage to the total emission	99.32%	93.44%	0.66%	0.35%	0.02%	0.00%	0.00%	6.21%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%

II. Volume of GHG emission for each scope and emission type:

Year	2023						2024						
	Scope 1			Scope 2	Scope 3	Scope 1			Scope 2	Scope 3			
Type of emission	Stationary combustion	Mobile combustion	Production process	Fugitive emission	Indirect emission from energy	Other indirect emission	Stationary combustion	Mobile combustion	Production process	Fugitive emission	Indirect emission from energy	Other indirect emission	
Emission volume (t-CO ₂ e/year)	3.5123	184.1419	0.000	139.9302	19,356.3940	1,632.2550	1.8244	91.3212	0.0005	4,224.1345	13,356.0083	46,776.8086	
Percentage	0.02%	0.86%	0.00%	0.66%	90.81%	7.65%	0.00%	0.14%	0.00%	6.56%	20.72%	72.58%	
Emission volume (t-CO ₂ e/year)	327.584						4,317.281						46,776.809
Percentage	1.54%						6.70%						72.58%

III. Intensity of Each Category (TonsCO2e/million)

Year	Scope 1		Scope 2		Scope 3		Operating revenue (million)
	Total Emission (Tons/CO2e)	Intensity (TonsO2e/million)	Total Emission (Tons/CO2e)	Intensity (TonsCO2e/million)	Total Emission (Tons/CO2e)	Intensity (TonsCO2e/million)	
2023	327.584	0.0316	19,356.394	1.8655	1,632.260	0.1573	10,376
2024	4,317.281	0.5304	13,356.008	1.6408	46,776.809	5.7465	8,140

Note: The scope of the data coverage: The consolidated financial reports of the parent company and subsidiaries, with third-party verification planned for 2025, but the data has not yet been verified by a third party before release.

1-1-2 Greenhouse Gas Confirmation Data.

The recent two-year confirmation status as of the printing date of the annual report shall be described, including the scope of confirmation, confirming entity, confirmation criteria, and confirmation opinion.

Third-party verification is planned for 2025, but the data has not been verified by a third party before release, so no related information is disclosed.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans.

Describe the baseline year and its data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and the achievement of reduction targets.

In 2025, a greenhouse gas inventory will be completed in accordance with ISO 14064-1, with third-party verification planned. A greenhouse gas reduction target has been set: using 2024 as the base year, a 2% reduction in emissions will be achieved annually. Measures such as purchasing renewable energy and installing energy-saving solar equipment will be considered to meet the reduction target.

(VIII) Implementation of Ethical Corporate Management and Differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons:

Assessment criteria	Implementation status		Deviations with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	
<p>I. Setting ethical management policies and programs</p> <p>(I) Does the company establish ethical management policies approved by the board and have bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures and the commitment regarding the implementation of such policy from the board and the executive management team?</p>	√	No	<p>No deviation</p>
			<p>(I) The Company engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. In order to implement the ethical corporate management policy and actively prevent the occurrence of unethical conducts, the Company has formulated the Ethical Corporate Management Best Practice Principles, approved by the Board of Directors, to regulate the matters that employees should pay attention to when conducting business. In addition, because the Company values the ethics and integrity of employees, employees are required to sign the "Employee Integrity Contract" for the self-discipline to be ethical with integrity. The "Rules for Employees" specify that employees should be cautious and ethical in their words and deeds, upholding honesty and credibility when handling official affairs as the principle; for any information related to the Company's business and technology, the confidentiality</p>

Assessment criteria	Implementation status		Deviations with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	
<p>(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly which at least cover the prevention measures against the conducts listed in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p> <p>(III) Has the Company defined operating procedures, conduct guidelines, disciplinary penalties and grievance process in the program preventing unethical conduct and put them in practice, and regularly reviewed and amended the program?</p>	√	<p>shall be strictly observed without leaking; and employees shall not use their positions to profit themselves or others; and shall not accept rebates, improper gifts, entertainment or other illegal benefits due to their duties or conducts breaching their duties.</p> <p>(II) In addition to requiring employees to sign the "Employee Integrity Contract," the Company also requires suppliers to sign the contract of ethics and integrity for procurement activities with higher risk of unethical conduct within the business scope, and provides a whistleblower mailbox, establishes "Ethical Corporate Management Best Practice Principles" to prevent improper conducts.</p>	No deviation
	√	<p>(III) The Company has the "Ethical Corporate Management Best Practice Principles" in place to prevent unethical conducts, and the "Working Rules" that include ethics-related conducts as part of the spirit of service. The provisions precisely regulate employees' behaviors or ethics, and are reviewed and amended regularly every year, to comply with operating procedures. The relevant regulations</p>	No deviation

Assessment criteria	Implementation status		Deviations with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	
			are announced on the official website.
<p>II. Implementation of ethical management</p> <p>(I) Does the Company evaluate the ethic records of the transaction object and conclude the terms regarding the ethic conducts in the agreement signed with them?</p>	√		<p>(I) The contracts between the company and suppliers specify relevant clauses: all suppliers should understand QSI Group's policies, social responsibilities and gain considerable trust in the market. Suppliers and their agents should maintain the highest ethical standards, including business reputation, no improper interests, information disclosure, intellectual property rights, fair trading, advertising and competition, identity protection, social cooperation, among other things, to regulate ethical conducts.</p>
<p>(II) Has the Company established a specialized unit under the board responsible for the promotion of corporate ethics management, which regularly (at least once a year) reports policies on ethical operations, programs on prevention of unethical conduct and the status of supervision to the board?</p>	√		<p>(II) The General Administration Department is responsible for the promotion and implementation of the Company's ethical corporate management. Each department performs corporate social responsibility based on the scope of duties, and the execution unit summarizes the results to report to the Board of Directors every half year, and disclose the relevant operation on the official website.</p>
<p>(III) Does the Company prepare the policies against interest conflict and provide and implement the</p>	√		<p>(III) The Regulations Governing Procedure for Board of Directors Meetings set for the system</p>

Assessment criteria	Implementation status		Deviations with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	
proper statement channel?			
(IV) Has the Company established an effective accounting and internal control system to put ethical operations management into practice and arranged for the internal audit unit to formulate audit plans based on the risk assessment of unethical conduct and audit the compliance to prevent unethical conduct, or commissioned independent auditors to conduct the audit?	√		No deviation
(V) Does the Company hold regular internal and external education trainings on ethical management regularly?	√		No deviation

Assessment criteria	Implementation status		Deviations with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	
<p>III. Operation of the Company's whistle-blowing system</p> <p>(I) Does the Company prepare the specific whistle-blowing and award & punishment system, establish the convenient whistle-blowing channel and designate a person to deal with the accused?</p>	√	<p>(I) Employees shall be vigilant to any unethical conducts. If any dubious or breach is found, employees are obliged to report to supervisors. The official website has also established channels, e.g. employee complaint mailbox and complaint hotlines, and the responsible personnel will promptly deal with reasonable comments or suggestions. Any violations reported by any employee will be investigated; the whistleblower is provided with protective measures to avoid unfair retaliation or treatment. The Company will, depending on the severity of the circumstances, take actions pursuant to the Rules of Employees; the most serious punishment is dismissal.</p> <p>(II) The Company's official website has established whistle-blowing channels, e.g. employee complaint mailbox and complaint hotlines; the dedicated unit is responsible for accepting whistle-blowing, standard operating procedures of investigation, and related confidentiality mechanisms.</p>	No deviation
<p>(II) Does the Company establish standard operating procedures for investigating the complaints received, follow-up measures to be adopted and the related confidentiality measures after investigation?</p>	√		No deviation

Assessment criteria	Implementation status		Deviations with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	
(III) Does the Company take measures for protecting the whistle-blower from being punished improperly?	√	(III) The Company conducts the investigation to any reported violations of professional ethics, and takes the responsibility of confidentiality, to protect whistle blowers from unfair treatment as a result, and has no improper treatment.	No deviation
IV. Strengthening of information disclosure Does the company disclose the contents of its Ethical Corporate Management Best Practice Principles and the effectiveness on its website and MOPS?	√	The Company disclosed the information related to the ethical corporate management on the website and MOPS. The philosophy and policies of ethical corporate management are also disclosed in the annual reports, regulations, and supplier contracts, to promote actively for the effect of ethical corporate management.	No deviation
V. If the company has its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe the difference between them: The Company engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. In order to implement the ethical corporate management policy and actively prevent unethical conducts, the "Ethical Corporate Management Best Practice Principles" have been formulated to specifically regulate the matters that the personnel should pay attention to when conducting business. The dedicated unit regularly reports to the Board of Directors. There is no difference between its operation and the Principles.			
VI. Other important information that helps to understand the company's ethical management operation: (e.g. the review and amendment to the established Ethical Corporate Management Best Practice Principles) The Company regularly conducts self-inspection of internal control every year, to carefully review the implementation of internal control, for achieving effective implementation of internal control. For the material matters such as material operating policies, investments, acquisition or disposal of assets, loaning of funds to others, and endorsement/guarantees, they are all handled pursuant to relevant laws and regulations, announced as required by laws, and disclosed on the official website. Accommodate the laws and regulations to			

Assessment criteria	Implementation status		Deviations with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	
<p>formulate relevant anti-fraud measures to ensure ethical corporate management, and formulate standard operating procedures and conduct guidelines related to work and business in each program, for assisting the Board of Directors and management to inspect and evaluate whether the preventive measures established for the implementation of ethical corporate management are effectively operating. The compliance status of related business processes are regularly evaluated and prepared as reports.</p>		Summary	

- (IX) Other important information that is sufficient to enhance the understanding of the operation of corporate governance:
1. Relevant units regularly communicate and discuss sufficiently with the CPAs for financial statement audit matters and internal control implementation status.
 2. The procedures handling the internal material information comply with the “Operational Procedures of Handling Internal Material Information and Preventing Insider Trading” and “Management and Control Operation for Preventing Insider Trading.” The disclosure of material information are based on the definitions of the “Regulations Governing the Scope of Material Information and the Means of its Public Disclosure Under Article 157-1, Paragraphs 5 and 6 of the Securities and Exchange Act” and the “Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities” and related regulations. To prevent insider trading, anyone who knows material internal information of the Company shall handle the trading of the Company’s negotiable securities pursuant to Article 157-1 of the Securities and Exchange Act. The Company has also established the internal control mechanism, provided timely education and promotion, and informs directors, managerial officers, and employees of this system to avoid violations of regulations or insider trading.

(X) Internal control systems implementation

1. Statement of Internal Control System

Quanta Storage Inc.

Statement of Internal Control System

Date: February 26, 2025

The Company declares the following concerning its internal control system during the fiscal year 2024, based on the findings of a self-assessment:

- I. The Company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the Board of Directors and Managers of the Company. As such, the Company has established the aforementioned system. Its objectives are to provide reasonable assurance for the effectiveness and efficiency of its operations (including profitability, performance, and the guarantee of assets safety, etc.), reliable, timely and transparent reporting, and conformity to applicable rules, regulations, and laws.
- II. The internal control system has its inherent limitations. Regardless of how exhaustive the design is, an effective internal control system can only provide reasonable assurance for the achievement of the aforementioned three objectives. Further, due to changes in the environment or circumstances, the effectiveness of the internal control system may vary accordingly. Nevertheless, the Company's internal control system has set up a self-supervision mechanism. Once a deficiency has been identified, the Company will take the remedial actions immediately.
- III. In accordance with the determining criteria for the effectiveness of the internal control system prescribed in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereafter the "Regulations"), the Company evaluated the effectiveness of the design and execution for its internal control system. The determining criteria of the internal control system prescribed in the "Regulations" are based on the process of management control, dividing the internal control system into five composite factors: 1. control of the environment, 2. risk evaluation, 3. control of operations, 4. information and communication, and 5. supervision. The composition of each element also includes several items. Please refer to the "Regulations" for the aforesaid items.
- IV. The Company has adopted the aforementioned determining criteria of the internal control system to evaluate the effectiveness of design and execution for its own internal control system.
- V. Based on the evaluation result of the preceding paragraph, the Company believes that its internal control system (including the supervision and management of its subsidiaries) as of December 31, 2024, including understanding the achievement for the objectives of effectiveness and efficiency of its operations, reliability, timeliness and transparency of its reporting and compliance with the applicable law and regulations, was effective in design and execution, and can be reasonably assured of the achievement of the aforementioned objectives.
- VI. This statement will serve as the main content of the Company's annual report and prospectus and will be made available to the public. If the aforesaid public content has any illegal events including falseness or concealment, it shall be liable to the legal liabilities stipulated in Article 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement has been passed by the Board of Directors Meeting of the Company held on February 26, 2025, where none of the attending Directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Quanta Storage Inc.

Chairman: HO, SHI-CHI

President: CHANG, CHIA-FENG

2. If any CPA is entrusted to perform a special audit on the internal control audit report, such CPA's audit report shall be disclosed: None.

(XI) For the most recent year until the publication date of the annual report, major resolutions made in Shareholders' and Board meetings:

1. Major resolutions of Board of Directors:

Date	Major resolutions
2024.01.05	<ul style="list-style-type: none"> ▪The contract out the "Operation headquarters office building construction project". ▪The Company's bank credit line proposal.
2024.02.01	<ul style="list-style-type: none"> ▪The Remuneration Committee submitted a proposal for various salaries and remuneration items. ▪The Remuneration Committee submitted a proposal for the suggestions about the 2023 year-end bonus paid to the Company's top-level managers. ▪The Remuneration Committee submitted a proposal for the suggestions about the 2024 top-level managers' salary structure and annual salary adjustment. ▪Proposal for the 2023 distribution of remuneration to employees and directors.
2024.03.04	<ul style="list-style-type: none"> ▪Ratification of liability insurance renewal for directors and key staff. ▪2023 Business Report. ▪2023 consolidated and parent company-only financial statements. ▪Determination of 2023 cash dividends distribution. ▪Determination of the dividend distribution record date for the 2023 dividends. ▪The Company's 2023 "Assessment of the Effectiveness of internal Control" and "Statement on the Internal Control System". ▪Determination of the matters related to the convention of 2024 AGM. ▪The Company's Change of Company's Signing Auditor and Evaluation of the Auditor's Independence and Suitability. ▪Established general rules for the Company's policy for early approval of non-assurance services. ▪The Company's 2023 evaluation of the Board (including functional committees') performance. ▪The Compensation Committee submits proposals regarding the promotion and adjustment of salary payments for senior executives of the company.
2024.05.06	<ul style="list-style-type: none"> ▪Acceptance of shareholders' proposal for THE AGM. ▪The company's 2023 Sustainability Report. ▪The Company's 2024 First quarter consolidated financial statements. ▪Amendments to the company's "Board Meeting Rules" and "Audit Committee Organization Regulations." ▪The Company's bank credit line proposal.

Date	Major resolutions
2024.07.31	<ul style="list-style-type: none"> ▪The Company’s 2024 Second quarter consolidated financial statements. ▪The Electromechanical Related Engineering Project for the Construction of the Operation Headquarters Office Building. ▪Establish internal regulations for the company. ▪Cooperate with the company's subsidiary "Techman Robot Inc. " in the stock release plan for its application for stock listing (TPEX). ▪The Remuneration Committee submitted a proposal for the suggestions about the 2023 managers’ employee compensation.
2024.10.31	<ul style="list-style-type: none"> ▪The Company’s 2024 Third quarter consolidated financial statements. ▪Established general rules for the Company’s policy for early approval of non-assurance services. ▪The Company's bank credit line proposal.
2024.12.20	<ul style="list-style-type: none"> ▪Established the 2025 business plan. ▪Revision of the company's internal control system. ▪Set out 2025 internal audit plans for the Company and its subsidiaries. ▪The Company's proposal for remuneration paid to CPAs. ▪The Company's bank credit line proposal.
2025.01.21	<ul style="list-style-type: none"> ▪Regularly review the performance evaluation, compensation policies, systems, standards, and structure for the company's directors and senior executives. ▪Proposal for the suggestions about the 2024 year-end bonus paid to the Company’s top-level managers. ▪Proposal for the suggestions about the 2025 top-level managers’ salary structure and annual salary adjustment.
2025.02.26	<ul style="list-style-type: none"> ▪2024 Business Report. ▪2024 consolidated and parent company-only financial statements. ▪Proposal for the 2024 distribution of remuneration to employees and directors. ▪The company's "Definition of Frontline Employees" Proposal. ▪Amendment to the “Articles of Incorporation”. ▪Proposed Revision of the Company's "Fund Lending and Endorsement Guarantee Operating Procedures”. ▪Proposal for the 2024 earning distribution. ▪Determination of 2024 cash dividends distribution. ▪Ratification of liability insurance renewal for directors and key staff. ▪The Company’s 2024 “Assessment of the Effectiveness of Internal Control” and “Statement on the Internal Control System”. ▪Determination of the matters related to the convention of 2025 AGM. ▪The Company’s regular assessment of the independence of the CPAs. ▪Established the general rules for the Company’s policy for early approval of non-assurance services

Date	Major resolutions
2025.02.26	▪The Company's 2024 evaluation of the Board (including functional committees') performance.

2. Major resolutions of shareholders' meetings and implementations:

Date	Major resolutions of shareholders' meetings	Implementation
2024.06.07	Reported on the 2023 distribution of remuneration to employees and directors.	Handled as the proposal.
	Reported on the 2023 distribution of cash dividend.	Handled as the proposal.
	Ratified the Company's 2023 Business Report and Financial Statements.	The resolution was ratified.
	Ratified the proposal for the 2023 Earning Distribution of the Company.	The AGM resolved the cash bonus of shareholders was NT\$890,748,512, or NT\$3.20 per share. The Board of Directors determined, based on the resolution, the dividend-distribution base date was April 13 2024; the payout date of cash dividends was May 08, 2024. The execution was completed as resolved.

(XII) Any director has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof:

During the recent year and up to the publication date of annual reports, for all the resolutions adopted in the meetings convened by the Board of Directors, have not been objected by any director.

IV. Professional service fee of CPAs:

(I) Detailed disclosure of audit and non-audit fee and the scope of non-audit service paid to a CPA, a CPA firm, and its affiliates:

Unit: NTD thousand

Name of the accounting firm	Name of CPAs	Audit period	Audit fee	Non-audit fee	Total	Remarks
KPMG Certified Public Accountants	CHEN YING JU CHEN, YI-CHUN	2024/01/01- 2024/12/31	4,275	-	5,690	Audit of financial statements
	CHEN YING JU CHEN, YI-CHUN					Audit of taxation
	CHANG, CHIH		-	1,415		Audit of dual-status business entities
	CHANG, CHIH					Transfer pricing service
	CHEN YING JU					Audit of non-managerial personnel's salary

(II) Detailed disclosure of changes on audit fees in terms of amount, proportion and reasons if change on CPA firm and the audit fees paid for the year of change decreased from the previous year: NA.

(III) Detailed disclosure of audit fees in terms of amount, proportion and reasons if the amount of audit fees decreased by 10% or more from the previous year: NA.

V. Information on replacement of CPAs:

The company has replaced its certified public accountant within the last 2 fiscal years or any subsequent interim period:

(I) Former CPAs :

Date of replacement	March 15, 2023		
Reason for replacement and description	The original company's signing auditors were WU, TSAO-JEN and LIEN, SHU-LING, both from KPMG Certified Public Accountants. Due to internal adjustments at KPMG Certified Public Accountants, starting from the audit verification for the financial statements of the fiscal year 2023, the signing auditors were changed to LIEN, SHU-LING and CHEN, YI-CHUN.		
Description of termination by appointing party or non-acceptance of appointment	Party concerned		CPA
	Condition		Appointing
	Proactive termination of appointment		
No acceptance (renewal) of appointment		N/A	
Unqualified opinions of audit reports issued in the last two years and reasons thereof	None		
Opinions different from those of the Company or not	Yes	-	Accounting principles or practice
		-	Disclosure of financial reports
		-	Scope or steps of audit
		-	Others
	No	✓	
Description			
Other disclosures	None		

Date of replacement	March 04, 2024		
Reason for replacement and description	The original signing KPMG Certified Public Accountants for our company were from the joint accounting firm of LIEN, SHU-LING and CHEN, YI-CHUN. However, as the LIEN, SHU-LING auditor had already been certified for seven years, in accordance with the law, a rotation was required. Therefore, starting from the audit signing operation for the financial reports of the year 2024, the signing auditor was changed to CHEN, YING-JU and CHEN, YI-CHUN auditors.		
Description of termination by appointing party or non-acceptance of appointment	Party concerned		CPA
	Condition		Appointing
	Proactive termination of appointment		
No acceptance (renewal) of appointment		N/A	
Unqualified opinions of audit reports issued in the last two years and reasons thereof	None		
Opinions different from those of the Company or not	Yes	-	Accounting principles or practice
		-	Disclosure of financial reports
		-	Scope or steps of audit
		-	Others
	No	✓	
Description			
Other disclosures	None		

(II) Succeeding CPAs :

Name of accounting firm	KPMG Certified Public Accountants
Names of CPAs	LIEN,SHU-LING 、 CHEN,YI-CHUN
Date of appointment	March 15, 2023
Consulting of accounting treatment methods or accounting principles for specific transactions as well as opinions possibly issued on the financial reports before appointment, as well as results	None
Written opinion of succeeding CPAs on the different opinions of former CPAs	None

Name of accounting firm	KPMG Certified Public Accountants
Names of CPAs	CHEN,YING-JU 、 CHEN,YI-CHUN
Date of appointment	March 04, 2024
Consulting of accounting treatment methods or accounting principles for specific transactions as well as opinions possibly issued on the financial reports before appointment, as well as results	None
Written opinion of succeeding CPAs on the different opinions of former CPAs	None

(III) Reply letter from former CPAs to matters stipulated in Subparagraph 1 and Subparagraph 2-3, Paragraph 5, Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies : None.

VI. Where the Company's Chairman, President, or Managers in Charge of Financial or Accounting Affairs Have Worked in the CPA Firm at Which the CPAs Appointed Work or Its Affiliates Within the Last Year: None.

VII. In the Last Year and As of the Publication Date of the Annual Report, Equity Transfer and Changes in Pledged Equity by Directors, Supervisors, Managers, and Shareholders Whose Shareholding Ratio Exceeds 10%:

- (I) Stake changes of director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent:

Unit: Shares

Position	Name	2024		2025 up to March 31	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	HO, SHI-CHI	0	0	0	0
Director	Quanta Computer Inc. Representative: Alan Tsai	0	0	0	0
	Quanta Computer Inc. Representative: C.T. Huang				
	Quanta Computer Inc. Representative: Elton Yang				
Shareholders with 10% stake or more	Quanta Computer Inc.				
Independent Director	WANG, KUAN-SHEN	0	0	0	0
Independent Director	TSAI, YEOU-JYH	0	0	0	0
Independent Director	CHEN, YEN-HAU	0	0	0	0
President	CHANG, CHIA-FENG	0	0	0	0
Vice President	LIU,WEN-CHUNG	0	0	0	0
Vice President	YIP,WAI-CHEE	0	0	0	0
Head of Finance and Accounting Department	LEE,CHIH-JEN	0	0	0	0
Assistant Vice President	PENG,WEN-KUAN	0	0	0	0
Assistant Vice President	CHENG,CHAN-WEI	0	0	0	0
Assistant Vice President	CHAO,LI-JEN	0	0	0	0
Corporate Governance Officer	YEH,HSIU-TING	0	0	0	0

- (I) Information of stake transfer: None.
 (II) Information of pledge by shareholder: None.

VIII. Information on the Top Ten Shareholders with the Highest Shareholding Ratios are Related Parties, Spouses, or Relatives Within Second Degree of Kinship to Each Other:

March 31, 2025 Unit: Share

Name	Shares held by one's own		Shareholding by spouse and minor child		Total shareholding by nominee arrangement		Names and relationships of the Top Ten Shareholders with the Highest Shareholding Ratio are Related Parties as in Statements of Financial Accounting Standards No. 6, Spouse, or Relatives Within Second Degree of Kinship to Each Other		Remarks
	Shares	Percentage of shareholding	Shares	Percentage of shareholding	Shares	Percentage of shareholding	Name	Relation	
Quanta Computer Inc.	82,881,664	29.78%	-	-	-	-	-	-	
THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.	2,965,000	1.07%	-	-	-	-	-	-	
Jun-Wei Investment Inc.	2,736,000	0.98%	-	-	4,234,097	1.52%	Tseng, Jin-Fen	Share the Same chairman	
JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Group's Vanguard Emerging Markets Stock Index Fund Investment Account INTERNATIONAL EQUITY INDEX FUNDS	1,975,000	0.71%	-	-	-	-	-	-	
Tseng, Jin-Feng	1,774,000	0.64%	1,143,097	0.41%	4,053,000	1.46%	Jun-Wei Investment Inc. Shih-Wei Investment Inc.	Chairman of the company	
JP Morgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total International Stock Index Fund a series of Vanguard Star Funds	1,765,136	0.63%	-	-	-	-	-	-	
HUANG, CHIU-HSIUNG	1,751,000	0.63%	-	-	-	-	-	-	
Shih-Wei Investment Inc.	1,317,000	0.47%	-	-	5,653,097	2.03%	Tseng, Jin-Fen	Share the Same chairman	
iShares Emerging Markets ETF under custody of Standard Chartered Bank (Taiwan) Limitedp.	1,314,000	0.47%	-	-	-	-	-	-	
Citibank Custody for Emerging Markets Core Securities of DFA Investment Account.	1,270,000	0.46%	-	-	-	-	-	-	

IX. The Number of Shares Held by the Company, Its Directors, Managers, and Businesses Directly or Indirectly Controlled by the Company in the Same Investee, and the Combined Shareholding Ratio Shall be Calculated

March 31, 2025 Unit: In thousand shares

Re-invested business	Invested by the Company		Held by Directors, Supervisors, managerial officers, and directly / indirectly controlled entities		Aggregated investment	
	Shares	Shares Ratio	Shares	Shares Ratio	Shares	Shares Ratio
Quanta Storage International Ltd. (Cayman)	-	100%	-	-	-	100%
Quanta Storage (BVI) Ltd.	-	-	-	100%	-	100%
Quanta Storage (Shanghai),Ltd.	-	-	-	100%	-	100%
Quanta Storage Holding (HK) Ltd.	-	-	-	100%	-	100%
Techman Electrons Limited.	-	-	-	100%	-	100%
Techman Robot Inc.	70,457	78.29%	875	0.97%	71,332	79.26%
Techman Electronics(Thailand)Co.,Ltd.	16,000	100%	-	-	-	100%
Techman Robot (Hong Kong) Limited.	-	-	-	100%	-	100%
Techman Robot (Shanghai),Ltd.	-	-	-	100%	-	100%
TM SMT SDN.BHD.	-	51%	-	-	-	51%
TM SMT (Thailand) Company Limited.	-	-	-	100%	-	51%

Three. Fundraising

I. Capital and Shares

(I) Source of share capital

Unit: Shares; NTD

Month / Year	Issuance price	Approved share capital		Paid-up capital		Remarks		
		Shares	Amount	Shares	Amount	Source of share capital	Property other than cash provided as capital contributions	Others
2009.03	10	380,000,000	3,800,000,000	280,479,846	2,804,798,460	Cancellation of treasury shares 90,310,000	None	Note 1
2009.08	10	380,000,000	3,800,000,000	285,120,910	2,851,209,100	Surplus transferred to capital increase 46,410,640	None	Note 2
2012.02	10	380,000,000	3,800,000,000	278,358,910	2,783,589,100	Cancellation of treasury shares 67,620,000	None	Note 3

Note 1: Chang of registration was approved by the Letter Jin-Shang-Shou-Zhi No.09801044030, dated March 10, 2009, by MOEA.

2: Chang of registration was approved by the Letter Jin-Shang-Shou-Zhi No.09801181690, dated August 12, 2009, by MOEA.

3: Chang of registration was approved by the Letter Jin-Shang-Shou-Zhi No.10101015610, dated February 3, 2012, by MOEA.

Type of shares	Approved share capital			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Registered common shares	278,358,910 shares	101,641,090 shares	380,000,000 shares	-

Note: The shares are listed in TPEX

- (II) List of major shareholders (shareholders with shareholding for 5% or more, or top ten shareholders in terms of shareholding)

March 31, 2025 Unit: Share; %

Name of major shareholder	No. of shares held	Shares Ratio
Quanta Computer Inc.	82,881,664	29.78%
THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.	2,965,000	1.07%
Jun-Wei Investment Inc.	2,736,000	0.98%
JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Group's Vanguard Emerging Markets Stock Index Fund Investment Account.	1,975,000	0.71%
Tseng, Jin-Feng	1,774,000	0.64%
JP Morgan Chase Bank N.A. Taipei Branch in custody for Vanguard Total International Stock Index Fund a series of Vanguard Star Funds.	1,765,136	0.63%
HUANG, CHIU-HSIUNG.	1,751,000	0.63%
Shih-Wei Investment Inc.	1,317,000	0.47%
iShares Emerging Markets ETF under custody of Standard Chartered Bank (Taiwan) Limited.	1,314,000	0.47%
Citibank Custody for Emerging Markets Core Securities of DFA Investment Account.	1,270,000	0.46%

- (III) The Company's Dividend Policy and Implementation Status:

1. Dividend policy set forth in the Articles of Incorporation

Article 25 of the Company's Articles of Incorporation: 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 of the Company's Articles of Incorporation: 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 of the Company's Articles of Incorporation: 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 of the Company's Articles of Incorporation: 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.

2. The proposed distribution of dividends in this AGM

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
		1,942,189,517
Undistributed surplus at the beginning of the period after adjustment		
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		(556,717,820)
Common stock cash (NT\$2.00 dividend per share)		
Unappropriated retained earnings at the end of the period		2,068,580,784

On February 26, 2025, the Board of Directors resolved to distribute the shareholders' bonus in cash for NT\$556,717,820 from the 2024 undistributed

earnings, or NT\$2.00 per share; The proposal is submitted to 2025 AGM.

(IV) The impact on the operating performance of the Company and earnings per share by the proposal of the Shareholders' Meeting to issue bonus shares: not applicable.

(V) Employees' and directors remunerations:

1. Employees' and directors remunerations policies as stated in the Articles of Incorporation:

Article 25 of the Company's Articles of Incorporation: 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.

2. The estimation basis of the remuneration for employees, and directors for the current period, the computation basis for employees' remuneration distributed in shares, and accounting treatments for any discrepancies between the amounts estimated and the amounts disbursed:

- (1) The remuneration of directors for the current period will not be estimated. The basis for the estimation of employees' remuneration is the net profit after tax multiplied by the company's estimated employee remuneration ratio.
- (2) The calculation basis for the number of shares distributed is the closing price of the day before the resolution of the shareholders meeting while taking account of effect of ex-rights and ex-dividends.
- (3) However, if there is a discrepancy between the actual distributed amount and the estimated amount after the resolution of the shareholders' meeting, it will be deemed as a change in accounting estimates and listed as the profit and loss of the year when the distribution takes place.

3. Remuneration distribution approved by the Board of Directors:
 - (1) It is proposed to distribute NT\$0 for employees' shares, NT\$48,651,423 for employees' remuneration, and NT\$0 for directors' remuneration.
If any discrepancy from the recognized annual estimated amount, the difference, reasons, and treatment shall be disclosed: no difference.
 - (2) The amount of employees' remuneration distributed by shares and its proportion to the sum of parent company-only or individual financial statement net profit after-tax and total employee remuneration for the current period: no share is distributed to employees for the period, so this is not applicable.
 - (3) Earnings per share calculated after considering the proposed distribution of employees, directors remunerations : Not applicable as the employee bonuses are deemed expenses.
4. Actual disbursement of employee bonus and remuneration to Directors for the preceding year:
 - (1) Directors remuneration: NT\$0.
Employees' remuneration in cash: NT\$85,914,096.
Employees' remuneration in share: NT\$0.
 - (2) In circumstances where any differences between the aforesaid amount and recognized employees, and directors remuneration, the difference, reasons and handling of such matter shall be stated as follows: no difference.

X. Share repurchase by the Company: None.

II. Issue of Corporate Bonds: None.

III. Issue of Preferred Stock: None.

IV. Issue of Overseas Depositary Receipts: None.

V. Employee stock warrants: None.

VI. Restricted of employee new stock warrants: None.

VII. Mergers and Acquisitions (Mergers, Acquisitions, and Demergers): None.

VIII. The Implementation of the Fund Utilization Plan:

For the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issue or private placement of

securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits: not applicable.

Four. Overview of Operations

I. Information on Business

(I) Business Scope

1. Major business of the Company

- (1) Electrical Appliances and Audiovisual Electronic Products Manufacturing
- (2) Data Storage Media Manufacturing and Duplicating
- (3) Electronics Components Manufacturing
- (4) Optical Instruments Manufacturing
- (5) Wholesale of Computers and Clerical Machinery Equipment
- (6) Wholesale of Computer Software
- (7) Wholesale of Electronic Materials
- (8) International Trade
- (9) Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
- (10) Restrained Telecom Radio Frequency Equipments and Materials Import
- (11) Controlled Telecommunications Radio-Frequency Devices Installation Engineering
- (12) Mechanical Equipment Manufacturing
- (13) Wholesale of Machinery
- (14) Retail Sale of Machinery and Tools
- (15) Retail Sale of Electronic Materials
- (16) Electric Appliance and Electronic Products Repair
- (17) Computer and Peripheral Equipment Manufacturing
- (18) All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Major products of the Company in 2024 and their weights in the business:

Unit: NTD thousand

Product	Amount	Percentage
Product sales (Storage devices, consumer products, and automated production equipment)	7,969,262	97.91%
Service provision	170,406	2.09%
Total	8,139,668	100.00%

3. The Company's current major products:

- (1) External Hard Disk Drive
- (2) Solid State Dis
- (3) External SSD
- (4) USB Gaming Dedicated SSD external devices
- (5) Slim USB4 high-performance external SSD
- (6) USB-C PD Docking Station
- (7) USB4 multimedia dedicated access docks
- (8) Thunderbolt 4 multimedia dedicated access docks
- (9) 4K Hybrid USB-C PD Dock
- (10) Wi-Fi 6/6E Wireless Module
- (11) Wi-Fi HaLoW Wireless Module
- (12) Wi-Fi HaLoW Gateway
- (13) Thunderbolt 5 Gaming Dedicated SSD external devices
- (14) 8K Hybrid USB-C PD Dock
- (15) Thunderbolt 5 Dock
- (16) Thunderbolt 5 Storage Dock
- (17) Thunderbolt 5 SSD external devices
- (18) KVM Dock
- (19) Wi-Fi 7 Gateway
- (20) Collaborative Industrial Robot TM5-700/TM5-900/TM12/TM14/TM16/TM5S/TM7S/TM12S/TM14S/TM25S/TM30S
- (21) Robot Management System
- (22) Application of 3D Visual Random Bin Picking of Robot
- (23) TM AI+ AOI Solution
- (24) TM manager Smart Factory Management System
- (25) Palletizing Solution, TM Palletizing Operator
- (26) TM Vision: Complete AOI Solution
- (27) Created the Software Platform for TM Operator
- (28) TM AI +Training server
- (29) TM image Management System

4. New products planned to be developed:

- (1) Thunderbolt 5 Multi-Bay SSD external devices
- (2) Smart Charging Dock
- (3) Thunderbolt 5 e-GPU

- (4) USB4 e-GPU
- (5) Wi-Fi 7 SOM
- (6) AI Meeting Box
- (7) Thunderbolt 5 NAS
- (8) TM AI Cobot S series:TM6S/TM20S
- (9) One-stop offline development platform for automation solutions

(II) Overview of industry

The Company's main business of our company is to provide information storage solutions for both consumer and enterprise levels, including hard disk drives, external hard drives, solid-state drives, external solid-state drives, and Multi-bay NAS. Another focus area is connectivity solutions, such as USB-C audiovisual expansion bases ,Wireless Module, and industrial networking equipment. Our primary objective is to deliver secure, stable, and high-speed storage and connectivity solutions. In addition to professional storage solutions and connectivity devices, in response to the demands of industrial automation, our company, through its subsidiary Techman Robot, is actively developing intelligent robotic arms. These arms integrate various sensing components, highly integrated hardware and software, as well as human-machine interfaces, offering smarter, simpler-to-operate, and safer robots.

The rapid development of cloud computing and networking has brought more diverse services and driven the wave of artificial intelligence and automation, fostering industry transformation and endless innovative applications. At the same time, it has accelerated the rapid evolution and automated high-speed growth of storage media and methods.

In storage media, solid-state drives (SSDs) have become increasingly popular due to their advantages of low power consumption, fast access speeds, compact size, and adaptability to various environments. As the technology matures and the manufacturing process evolves rapidly, SSD prices have become widely accepted in the market. These advantages align with the current trends and demands in the information technology industry, leading to continuous growth in SSD adoption and shipments. Meanwhile, the traditional hard disk drive (HDD) industry has also recognized its significance under the demand for high capacity. In the context of large-scale storage of hot and cold data, the performance and quality requirements for these two types of data differ. As a result, hybrid storage designs—using fast-access SSDs for hot data and high-capacity HDDs for cold

data—have recently gained renewed emphasis.

The current circumstances of the main industries in which the Company operates are listed as follows:

“Hard Disks”

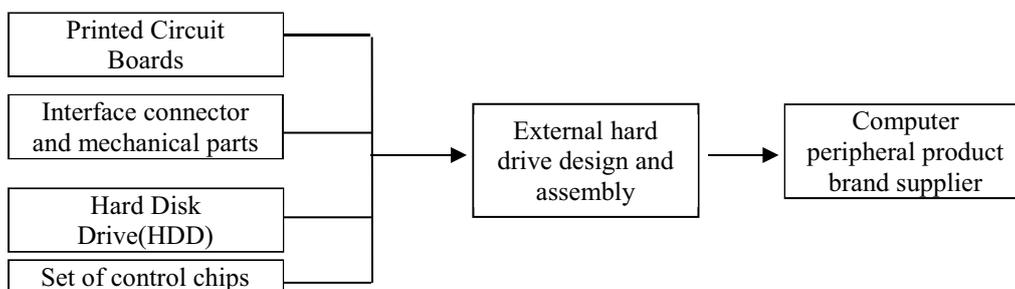
Current situation and development of the industry

With the advancement of NAND flash memory technology, the data capacity of solid state disk (SSD) has rapidly increased, and the traditional hard disk (HDD) market has been squeezed, and the unit capacity price has gradually fallen. In the long run, the output of large-capacity 3D NAND flash memory continues to increase rapidly, and PCs, the main hard disk users in the consumer market are turning to SSD. On the other hand, driven by demands from 5G, AIoT, and smart factories, the volume of data storage will be further increased. According to IDC's statistics, the global data storage capacity will be approximately 175ZB by 2025, and the data volume that needs to be repeated and real-time will increase simultaneously, which in turn drives the demand for storage to continue to increase. Because the cost per unit of HDD's data capacity is still lower than that of SSD, The implementation of AI applications, along with the rapid increase in data storage demands driven by 5G and AIoT, has made high-capacity HDDs an important player in the primary market for large-scale data storage needs.

AI applications have matured, there has been a continuous increase in diverse industry demands. With the substantial requirements for capturing, transmitting, and accessing vast amounts of audiovisual data, our information storage and connectivity solutions continue to evolve to provide the corresponding products needed by industries.

Links between the upstream, midstream, and downstream segments of the industry supply chain

The upstream is the manufacturers of printed circuit boards and key components (mainly interface connectors and mechanical components, HDDs and control chipsets), and the downstream is brand suppliers of computer peripheral products. The linkage diagrams of upstream, midstream, and downstream is shown below:



Development trend of products

The Company continuously accumulates technology platforms and develops various functional interface technologies. In addition to the multi-functional docking stations, the R&D team also develops various customized peripheral products simultaneously, with more flexible development and optimized production processes, it helps a lot in the expansion of market applications and the improvement of customer satisfaction. For the development of various new technologies, the close cooperation with upstream chip suppliers and the real-time market intelligence update from downstream customers are all necessary conditions for successful product developments. Nonetheless, as HDDs are being replaced by SSD in recent years, relevant products in this field have also been replaced by SSD products gradually. For channel brand companies, flexible market penetration and high-efficiency product development cycles have always been their best market development tools.

Storage can be classified into the reading and writing of hot data and cold data, each with different performance and quality requirements. Therefore, a hybrid storage design is adopted: hot data is stored on fast-access SSDs, while cold data is stored on high-capacity HDDs. Currently, the development focus of the research and development team has shifted towards hybrid storage systems. In terms of high-capacity design requirements, HDDs still offer higher cost-effectiveness.

Competition

In terms of the formation of an industry, other than demand-driven, the development of various new technologies, the close cooperation with upstream chip suppliers and the real-time market intelligence update from downstream customers are all necessary conditions for successful product ecosystem. The design solutions and manufacturing services of various consumer electronic products may be divided

into major manufacturers of traditional notebook brands and general-purpose channel brand manufacturers. If the product quality stability and the flexibility of customized configurations can be provided at the same time, the loyalty and satisfaction of customers in the whole market will be improved simultaneously. This is in line with the development direction of the R&D team, and it is also the best weapon for the entire team to continue to win word of mouth in the market. Due to the impact of the recent imbalance between supply and demand of electronic components, the choice of solutions will be very critical. Our R&D team is also striving hard to develop a more flexible solution mix, to allow for a better business collaboration model for customers and upstream suppliers.

“Solid state disks”

Current situation and development of the industry

Solid state disk, i.e. SSD, is a storage device composed of NAND Flash particle structure. Among all components, NAND Flash plays the most important role in SSD. Because SSD has the characteristics of low power, durability, compact, especially fast reading and writing, be it personal or industrial computer applications, portable product applications, and cloud server applications, SSD has the performance advantage. As NAND flashes have become more widely used in handheld devices, computer peripherals, and the cloud applications, and the capacity of them has increased; which has prompt the rapidly increasing demands for NAND, as well as the acceleration of NAND manufacturing process evolution. The unit price of particles has fallen sharply. With the advantages of reasonable price and speed, the acceptance and utilization rate of SSD continue to increase.

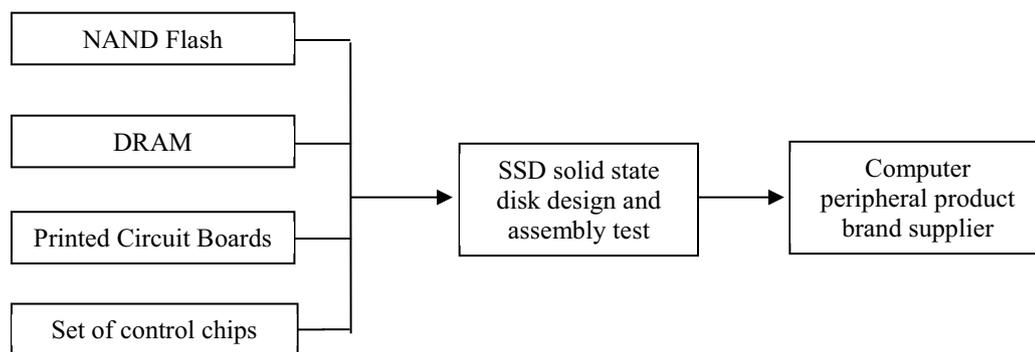
On the other hand, with the vigorous development of Internet cloud services, the scope of applications has become more and more extensive, and data has been multiplied. Speed requirements are more stringent for network servers and storage devices, so that the huge volume of data may be stored, read, and computed on time. The traditional HDDs do not have the speed advantage, and the speed and performance at the cloud applications are obviously insufficient. The market also expects that the application of SSDs in cloud services will be the key to the growth of SSDs.

As the unit price continues to drop, it has been to the able to replace most of the applications of 2.5” HDD, such that Slim NB demand increases significantly.

Accordingly, the application of SSD is expected to expand rapidly, and the market share will continue to grow.

Links between the upstream, midstream, and downstream segments of the industry supply chain

The upstream is a manufacturer of printed circuit boards and key components (mainly NAND flashes, DRAM, and control chipsets), and the downstream is a brand supplier of computer peripheral products. The upper, middle, and downstream relationship diagrams are listed Shown as follows:



Development trend of products

Safe, high speed, and stable

The application of cloud computing has become more and more extensive: from the smart cities developed by governments of various countries to the blockchain established by the global financial community; from the high-speed computing required by academic research institutes to the increasingly popular audio and video streaming services of media; from private enterprises' establishment of corporate data centers, to the various online real-time transactions that occur all the time around the world; be it public cloud, private cloud, or hybrid cloud, these are the ultimate applications of cloud computing. These applications have extremely stringent requirements for the system. From the CPU speed, network bandwidth, storage equipment, all the requirements' ultimate goal is high-speed and stability. Among them, storage devices have the most direct impact on the most important factors: data access speed, data stability, and data security; SSDs have also become the mainstream configuration of storage devices; Quanta Storage is currently committed to manufacturing and production of consumer and enterprise-level solid state hard disks, seeking to provide the most professional SSD

storage devices for the entire information market.

Competition

Quanta Storage has successfully obtained the recognition of many NAND flash manufacturers in Europe and the United States with its accumulated SSD manufacturing technologies for many years. Quanta Storage differentiation lies in its ability to provide self-developed testing equipment and related technologies, plus the team with high degree of professionalism and flexibility that has repeatedly successfully won the trust from both customers and upstream manufacturers. With the full support of raw materials suppliers, the accumulation of experience in its own manufacturing technology, the investment in software design aims to enhance product visibility. It is expected that this business model will be successfully replicated in the next few years, while achieving higher business goals and bring greater contributions to the global storage market.

“External Docking Stations”

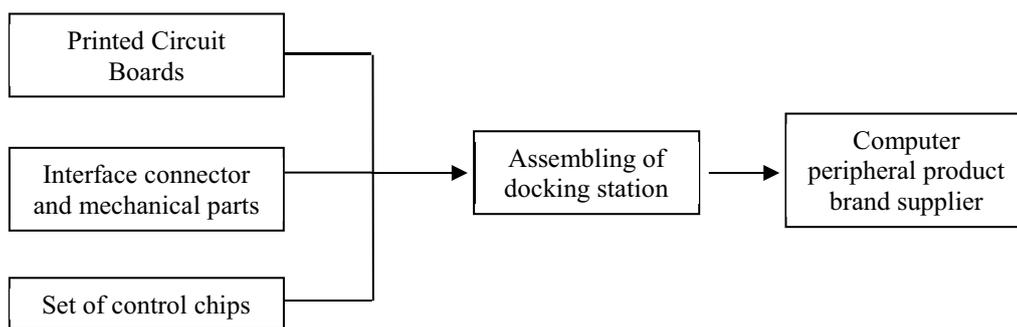
Current situation and development of the industry

With the rise of environmental protection awareness, in addition to the pursuit of continuous innovation and refinement of specifications, for electronic products, the consistent specifications of the ports and the charging interface will greatly improve the commonality of products, thereby reducing the legacy of parts unable to be shared when the generations of electronic products change. In light of this, for the USB interface widely used in consumer electronic products, under the vigorous promotion of the association, the USB-C has gradually become familiar to the public and integrated into various electronic devices. At the application level, from traditional laptops to mobile devices, such as mobile phones, the single connection port technology of USB-C can achieve data/audio-visual transmission and charging functions at the same time, which has promoted the actual application and further improved consumer satisfaction. Along with the trend of technology evolution and the integration advantages of the upstream supply chain, Quanta Storage has gathered strong research and development momentum and enhanced mass production technology to be at an advantage of design and manufacture, so we are able to provide customers with a rapid product development schedule meeting the market demand.

The Thunderbolt interface, which has been occupying a leading position in the wired transmission interface, not only continues to improve in terms of specifications, through the continuous promotion of the upstream and downstream supply chain, and constant introduction of related peripheral products, it has also gradually expanded from the high-end niche market to the common small studios, personal application fields, and the emerging gaming industry. Such a market trend is in line with the development trend of the Quanta Storage team that has invested in R&D energy for a long time. The accumulated development experience and professional design spirit continues to successfully develop a new generation of new technology products. Meanwhile, the progress and integration of USB specifications has accelerated to move toward higher-speed bandwidth. USB4 specification includes Thunderbolt 40G, bringing the USB technology to higher-speed bandwidth. Among them, In the future, the 80G technical specification will now become part of USB5 standards, Thunderbolt 5 technology with speeds of 80/120G will lead the new generation of USB technology, enabling it to maintain its leadership position in the industry. This will also broaden the applications of products.

Links between the upstream, midstream, and downstream segments of the industry supply chain

The upstream is a manufacturer of printed circuit boards and key components (mainly interface connectors and mechanical components, and control chipsets), and the downstream is a brand supplier of computer peripheral products. The upper, middle, and downstream relationship diagrams are listed Shown as follows:



Development trend of products

In addition to continuous improvement in the electronic technology platform, the development of human-machine interfaces is also an important topic for enhancing consumer experience. In light of this, the R&D team has also simultaneously developed various customized peripheral products, matching with the design strength of software and hardware, more flexible development and

optimized production processes, to continue investing in automation and AI technology. It is expected that the product will become a strong support infusing the profit for the Company.

Competition

Quanta Storage upholds excellent traditions and manufacturing experience, with the integration of upstream and downstream supply chains, it elevates the development of electronic products from the model of individual combat to the strategic level of team combat; not only it grasps the latest development and market trends all the time, but also achieves the most efficient management for the development cycle of each new product, so that Quanta Storage stands out in the highly competitive consumer market and continues to maintain its leading position in the industry. Quanta Storage the continued is also striving hard to develop a more flexible IC solution mix, to allow for a better business collaboration model for customers and upstream suppliers. Collaborating with hardware partners to develop the latest platforms while simultaneously enhancing software design and development capabilities, thereby improving the competitiveness of Quanta Storage.

“Wireless Network Products“

Current situation and development of the industry

Artificial Intelligence (AI) combined with the Internet of Things (IoT), known as AIoT, is one of the hottest industry trends in recent years. It has driven many innovative applications and developments across various industries, from upstream semiconductors to 5G networks, edge computing, smart homes, smart vehicles, smart healthcare, and smart manufacturing. The demand for connected devices has significantly increased, along with the growing need for wireless technology. The most mainstream wireless technologies include Wi-Fi, Bluetooth, and mobile communications (4G LTE/5G NR). Regarding Wi-Fi, the Wi-Fi Alliance officially announced the launch of Wi-Fi 6 (IEEE 802.11ax) in 2019. Its technical specifications were updated starting from the network architecture, bringing many significant innovations to Wi-Fi technology, such as a substantial improvement in performance (data transfer speed and latency). According to the latest market research, the penetration rate of Wi-Fi technology over the past three years has surpassed that of 5G NR, and its adoption speed has also been faster, making it the most anticipated communication technology for the next

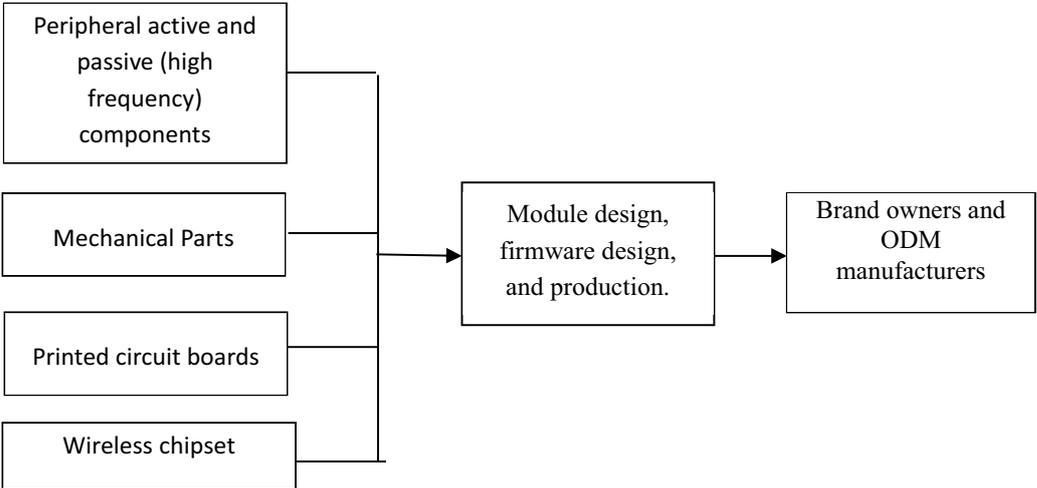
generation. Market research institutions predict that the annual shipment of Wi-Fi 6/6E chipsets will exceed 1.2 billion units in 2023. Furthermore, new technologies such as Wi-Fi 7 (IEEE 802.11be), Bluetooth 5.3, and 5G NR Rel. 17/18 FR2 will continue to drive the development of the wireless communication industry.

The demand for long-range IoT devices and equipment is another key focus. To address this, the Wi-Fi Alliance introduced Wi-Fi HaLow (802.11ah) technology, which aims to optimize power consumption for battery-powered devices, enabling longer battery life with less power usage and achieving transmission distances at the kilometer level. Since Wi-Fi HaLow operates at frequencies below 1GHz, its signals experience less attenuation when passing through obstacles compared to traditional 2.4GHz Wi-Fi, making it the final piece of the puzzle for IoT-related applications.

Overall, driven by the rapidly growing demand for connected devices, IoT, and smart manufacturing, various wireless applications are expanding quickly and efficiently, continuously broadening their reach across industries and application fields.

Links between the upstream, midstream, and downstream segments of the industry supply chain

The upstream is a manufacturer of printed circuit boards and key components (Peripheral active and passive (high frequency) component, Mechanical Parts, Printed circuit boards, Wireless chipset) and the downstream includes industrial applications, commercial applications, ODM manufacturers, or brand owners. The upper, middle, and downstream relationship diagrams are listed Shown as follows:



Development trend of products

With the increasing popularity of smart devices, Wi-Fi technology continues to evolve. Recently, the Wi-Fi Alliance introduced the latest Wi-Fi standard, Wi-Fi 7, also known as 802.11be, and it is expected that the final specifications will be confirmed in early 2024. Wi-Fi 7 operates across three frequency bands (2.4/5/6 GHz), making full use of spectrum resources and introducing innovations such as 320 MHz channel bandwidth, 4096-QAM, Multi-Resource Unit (MRU), Multi-AP Operation, and Multi-Link Operation (MLO). As a result, Wi-Fi 7 offers transmission speeds 4.8× faster than Wi-Fi 6 and 13× faster than Wi-Fi 5, providing the bandwidth, efficiency, and coverage needed for environments with hundreds or thousands of connected devices, such as complex public spaces (e.g., stations, stadiums, large exhibition halls) and enterprise networks that require real-time, high-bandwidth applications (e.g., large offices or factories). This ensures high-quality connections, top-tier security, and interoperability. Therefore, Wi-Fi 7 will fundamentally transform how people, devices, and equipment connect, improving everything from real-time 4K/8K ultra-high-definition video streaming and enterprise applications requiring large bandwidth and low latency to wireless connections and transmission in complex, crowded environments like exhibition halls, stations, and airports. These improvements will address issues like network congestion, latency, buffering, and poor transmission speeds. Consequently, the Wi-Fi 7 wireless module series is a key area of ongoing R&D investment for Quanta Storage.

	Wi-Fi 5	Wi-Fi 6	Wi-Fi 6E	Wi-Fi 7
Release date	2013	2019	2020	2024
IEEE standard	802.11ac	802.11ax	802.11ax	802.11be
Maximum data speed	3.5 Gbps	9.6 Gbps	9.6 Gbps	46 Gbps
Frequency band	5 GHz	2.4/5 GHz	6 GHz	2.4/5/6 GHz
Maximum channel width	80 MHz	160 MHz	160 MHz	320 MHz
Modulation	256-QAM OFDM	1024-QAM OFDMA	1024-QAM OFDMA	4096-QAM OFDMA
MIMO	8×8 DL MIMO	8×8 UL/DL MU-MIMO	8×8 UL/DL MU-MIMO	16×16 UL/DL MU-MIMO
Multi-Link Operation (MLO)	No	No	No	YES

Source: Compiled by Quanta Storage Inc.

Wi-Fi HaLow (802.11ah) is still in its early stages, and traditional Wi-Fi IC manufacturers do not yet offer such chips. The development and visibility of the entire industry still need to be increased. Therefore, collaborating with chip manufacturers to expand the market, providing miniaturized Wi-Fi HaLow modules and firmware support, and combining them with Wi-Fi 7 to form end products is one of Quanta Storage key strategies in connectivity solutions.

Competition

For wireless product design solutions and manufacturing services, Quanta Storage can be primarily divided into two main target directions: Joint Design Manufacturer (JDM) and Original Design Manufacturer (ODM). JDM is supported by proprietary brands, providing clearer definitions and directions for market demand and product specifications. This allows Quanta Storage to focus more on design functionality development and system integration, showcasing its best R&D capabilities and strength. On the other hand, ODM demonstrates high flexibility through rapid market response and feedback, offering customers the best design solutions and choices. Currently, the development direction of the entire wireless R&D team focuses on providing customers with complete solutions and high flexibility, coupled with vertical integration of the supply chain, efficient production support, and comprehensive development testing and certification to offer customers complete and reliable design services. Therefore, Quanta Storage is committed to the following in the wireless product field:

1. Providing professional RF design capabilities.
2. Offering customized designs and services.
3. Integrating development platforms from multiple upstream IC design manufacturers.
4. Providing rapid prototypes to meet customers' development and mass production timelines.
5. Supporting mandatory certifications for specific countries and assisting customers with product certification.

This fosters closer cooperation between Quanta Storage, IC design manufacturers, and customers, helping to differentiate from traditional low-cost wireless module manufacturers by offering high-quality, high-value services.

“Intelligence Robotics”

Current situation and development of the industry

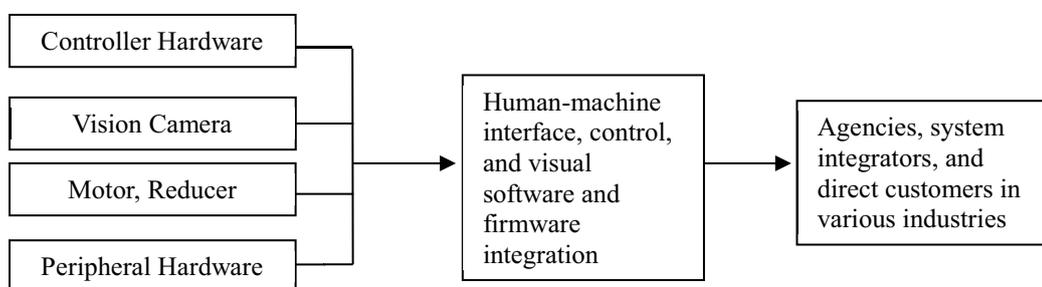
In addition to the rising labor costs of the original world factory model, and the rapid increase in automation demand in recent years, the COVID-19 pandemic has ravaged the world from 2020 to 2022, A huge amount of manpower was unable to go to work in the original place due to the lockdown. Both the global manufacturing production capacity and end demands were greatly impacted, and thus the application of robots to replace manpower for filling shortages, has become an extremely important future demand and investment project for the manufacturing industry. According to Interact Analysis's latest 2024 report, the collaborative robot market is expected to experience strong growth over the next five years. From 2024 to 2028, the market is forecast to have a compound annual growth rate (CAGR) approaching 20%. In 2023, global revenue from the collaborative robot market reached \$1.07 billion, successfully surpassing the \$1 billion mark. The demand for high-payload collaborative robots (especially those >20kg) has significantly increased, driving a 4.4% rise in the overall market average selling price. It is expected that the sales of robots with a payload of >10kg will surpass those of <10kg models, becoming the main driver of market growth. Technological innovations in collaborative robots are driving market segmentation. With the application of technologies such as artificial intelligence, machine vision, and force feedback, future collaborative robots will focus more on specific industry applications. For example, applications in welding, stacking, and precision assembly will become key growth points for collaborative robots, especially in environments with high labor intensity and repetitive tasks.

The traditional robot industry is dominated by the machinery industry; but in the smart robot industry, smart software is the key to winning the competition, and this aspect is the Company's strong advantage in the robot industry. The Company has built a robotics technology development team with software and hardware research and development as the core. Based on the original solid software strength in IT, plus an exclusive robot vision team, a full range of complete soft- and hardware team is integrated as a brand new combination. Current, the Company has mastered most of the key core technologies of the robot, from axis servo control, motor, drive circuit, real-time motion control core, visual algorithm, mechanical structure design, and even human-machine interface, all of these are developed by the Company itself. Only such a complete establishment of a system, will enable the Company to

develop robot products required by the new era.

Links between the upstream, midstream, and downstream segments of the industry supply chain

A product with a high degree of software, hardware, and electromechanical integration is different from traditional robotic arm companies. The Company develops 100% independently from motion control, motors, drive circuits, visual software to human-machine interfaces, and only then has the opportunity to achieve the smart (what it sees is what it picks), easily operated, and safe collaborative robotic arm. The correlation diagrams of the upstream, midstream, and downstream are summarized as follows:



Development trend of products

Simple operation, safe use, smart

The development of the Company's robotics business takes Smart, Simple, and Safe as the product development objectives. The robot products developed have built-in visual recognition and computation capabilities in a simple interface, breaking through the limitations of traditional robots that require additional manpower and hardware costs to integrate vision. In terms of the human-machine relationship, a graphical interface is developed to get rid of the traditional robot instructional programming, so that non-robot experts may easily write robot actions, with the hand-pulling function to quickly complete the teaching; for the human-machine safety, the focus is on the latest development of international safety regulations. The robot with built-in safety functions is developed to work together with humans in the same area. The combination of the aforesaid characteristics will change the current situation of traditional robot applications requiring specialized automation system integration experts and significant system integration costs, which is positive to direct and massive applications by end users. The market is locked in the two major areas, namely the large-scale factory

automation and the small and medium-sized enterprise automation in various industries. The common needs of these two major markets are user-friendly and complete more works unable to be done by traditional robot automation capabilities through the intelligence of robots. This is where the Company's robot products are good at and thus this is the competitive advantage in the international market.

Furthermore, as the AI technology becomes more mature, the Company's AI technology development, based on the no-code software development concept, will focus on the AI technology instrumentalization, such that without the drafting of any programming languages, users are able to utilize friendly user interface to easily train their exclusive AI model and to deploy in their own fields. This year's AI technology development focuses on two areas: first, the development of AI instance segmentation models, and second, the development of rapid labeling tools based on the built-in generic image segmentation model (SAM). AI instance segmentation models enable pixel-level AI visual positioning. Compared to traditional visual positioning methods, they are better equipped to handle occlusion between objects and adapt to changes and disturbances in the external environment. The rapid labeling tool based on the built-in generic image segmentation model (SAM) simplifies the image labeling process for users. Instead of requiring multiple clicks to outline objects in images, it only requires a single click to complete the task. This reduces the manpower and time costs associated with labeling. At the same time, a multi-operator interface, automated model training, and automated model deployment mechanisms have been introduced to reduce the barriers to AI adoption and operational complexity.

Competition

The Company's first collaborative robot TM5 was officially mass-produced in the second half of 2016. Except for Taiwan and the China, the product was successfully promoted to Southeast Asia and Northeast Asia countries, as well as Europe. TM12 and TM14 were officially released in mid-2018, as the successful mass production of collaborative robots with the world's largest load of 12 and 14 kg. In addition to the TM5/TM12/TM14 series which make the product line more complete, each series also provides extended products, such as the products series suitable for the semiconductor industry via SEMI S2 certification, and mobile robot

series are designed through built-in DC input, suitable for being equipped with automated conveying vehicles. All standard products , supplemented with SEMI and mobile robots, enable the full range of Techman Robot to provide customers in different fields and industries with more complete solutions.

The Company's technology and product development are focused on four major aspects. First of all, the progress of the intelligent functions of the robot itself, including programming parameterization to enhance application flexibility, development of TM 3D Vision for random pick and place, integration of six-axis Force/Torque Sensor to achieve power control assembly, curve polishing and deburring applications, completion of developing TM software editor to integrate with the TM Plug & Play software and hardware kits developed by peripheral equipment manufacturers, to expand the TM Robot application ecosystem, and update product hardware to increase the input and output connection of safety components for mechanical safety, to facilitate market applications. The second aspect is to engage in the development of visual AI and data deep learning, to grasp the technology of deep learning in industrial applications, and carry out the development of robot AI. Through the Techman Robot AI vision solution, the end users may simply apply the Techman AI solutions for image identification, from image collection, image sample marking, through the AI learning, to the actual application of learnt AI models. The third aspect is the development of the industry 4.0 trend, TM image management system is developed to manage AOI inspection images, and uniform backup and management allow the TM AI Cobot to photograph the inspection photos, and users are able to use browser program interface to perform search, determination and output operations on the images, thereby effectively assisting customers to establish digital product resume. The fourth aspect is for the development of ready-to-use TM operators. we will launch a Techman arm automation solution with unique technology as per each application field, develop it into standardized equipment depending on each application, and customize software and hardware platform based on the needs in different regions. The applicable fields include standardized palletizing equipment, standardized testing equipment, standardized loading and unloading equipment, and standardized welding equipment. Such standardized equipment can standardize the tedious operating procedures and make it easier for end users to operate, while making it easier for partners to copy and launch to the market.

Looking ahead to 2025, in addition to continuing the TM AI+ strategy of highly

integrating artificial intelligence and automatic recognition technology, This involves embedding AI inference technology into the controller of robotic arms, significantly enhancing the recognition capabilities of the built-in visual system. In addition to the existing positioning function, this expansion includes AOI inspection capabilities, such as OCR text recognition, assembly detection, defect detection, and more, all greatly improved through AI technology in areas traditional visual technology couldn't cover. To meet the high demand for robotic arms in the semiconductor market, there are plans to develop robotic arms suitable for photolithography processes, as well as to devise methods to protect robots in specific harsh environments. At the same time, we have further optimized the AI inference model, developed a versatile AI model, and built a digital twin platform to support virtual debugging and simulated production, thereby shortening the implementation timeline and enhancing overall production capacity efficiency.

The Company's will continue to invest more resources and efforts to continue product and business development. This is not just an update of the hardware platform architecture. The focus is on software development and innovation. Based on the advantage of world's only platform equipped with collaborative robot with vision system, and through continuous software innovation, the goal of simple operation, being smart and safety will be truly achieved.

(III) Overview of technology and R&D

1. R&D Expenditures

Unit: NTD thousand

Project/Year	2024	As of March 31, 2025
R&D expenses	659,866	168,221

2. Technologies or product successfully developed

Year	Technologies or product successfully developed
2024	(1) Thunderbolt 5 Dedicated SSD external devices (2) 8K Hybrid USB-C PD Dock (3) Thunderbolt 5 Dock (4) Thunderbolt 5 Storage Dock (5) Thunderbolt 5 SSD D external devices (6) KVM Dock (7) Wi-Fi 7 Gateway

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

In response to market changes, in the future, the focus of research and development will gradually expand to the application of external storage devices, the development of solid state disks, and the part of automated production equipment. The estimated investment in research and development expenses is approximately NT\$616,000 thousand.

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

1. Short-term business development plans

Continue to develop new products and new customers, fully meet customer needs, and provide services such as product joint development, engineering technology, and inventory and marketing management support in a timely manner in response to customer demands, to create a win-win model with customers.

Hire more R&D personnel to strengthen the R&D team, continue to increase the development team and strength for new products, and accelerate the process of product development, while improving the quality of existing products and being committed to reduce costs from design, to maintain the leading position in terms of product design and production competitiveness.

Introduce automated production equipment, improve production efficiency, reduce production costs, and strengthen product planning and process management, while implementing a quality control system to improve product quality; in addition, flexibly use of outsourcing manufacturers' production to maintain flexibility in capacity, and achieve the goal of customer satisfaction and recognition.

Continue to computerize the company's operation and management, to improve the efficiency and capabilities of the Company's overall enterprise resource management planning.

Strengthen the Company's financial management and operation, strengthen risk control, while strengthening the efficiency of capital use, and evaluating the acceleration of the new product and new business units development through investment or M&A.

2. Long-term business development plans

With high-quality product image and perfect customer service, we will continue to develop long-term cooperative relationships with customers, and seek to create a win-win transaction model with customers.

Strengthen the research and development teams, expand the leading position and advantages in optical, mechanical, electronics, and soft- and hardware integration technologies, while collaborating with customers and vendors to develop new product technologies, so that the Company continues to gain a leading position in next-generation product technologies.

Continue to improve production technology capabilities, increase the proportion of automated production, shorten production cycles, improve design quality, increase production efficiency, and increase inventory turnover, to achieve the goal of reducing production costs.

Through comprehensive internal training and communication, we cultivate the professional abilities and qualities of employees, comply with relevant laws and regulations on occupational safety and health, protect the rights and interests of employees, fulfill corporate social responsibilities, and establish a good corporate image and culture of the Company.

Strengthen comprehensive financial planning and control capabilities to reduce operational risks and improve competitiveness. Accelerate the development of new products or new business units through investment or M&A.

II. Overview of Market, Production, and Sales

(I) Market analysis

1. Major products and geographic areas for sales:

Unit: NTD thousand

Geographic areas for sales	Year	2023		2024	
		Amount	%	Amount	%
Mainland China		4,746,631	45.75	3,702,669	45.49
Thailand		1,775,503	17.11	1,772,904	21.78
America		1,546,529	14.90	1,154,115	14.18
Korea		557,322	5.37	46,876	0.58
Netherlands		430,100	4.15	273,305	3.36
Japan		336,475	3.24	399,635	4.91
Other countries		983,473	9.48	790,164	9.70
Total		10,376,033	100.00	8,139,668	100.00

2. Market share

The Company's current business is mainly to design and assemble optoelectronic storage devices and computer peripheral storage devices (including external hard disks, external docking stations, and solid state disks) as OEM for major international companies, and the self-branded collaborative robots.

External hard disks are a relatively mature industry, and the number of OEM manufacturers is gradually shrinking. Current, the manufacturers which are more competitive and large-scale are mainly concentrated in a few Taiwan manufacturers.

The docking stations effectively use the new TYPE C technology to achieve practical charging and IO expansion; TYPE C technology continues to be introduced in new IT and consumer products, The future market is expected to continue to grow.

For solid-state hard disks, because of the high threshold for product development, production technology, and customer certification, there are currently relatively limited professional OEMs with better technology and scale. It is expected that the market will continue to grow in the future, and the Company is one of the relatively leading companies.

For the collaborative robot independently developed and designed by the Company, after the TM5 was officially released in 2017, due to the uniqueness of the visual and graphical human-machine interface, it quickly attracted market attention. In 2022, the introduction of AI Cobots and the high-load TM20 marked the completion of our product line. The distinctiveness of our products resulted in rapid growth in sales within a short period, establishing us as the world's second-largest collaborative robot brand by market share. In addition to aggressively expanding industry coverage and targeting sectors such as logistics and automotive, our company integrates various applications to meet diverse demands. We have also signed a strategic cooperation agreement with OMRON Corporation to leverage OMRON's global sales channels for distribution.

3. The demand and supply conditions for the market in the future, and growth potential

The optoelectronic storage devices and computer peripheral storage devices (including external hard disks, docking stations, and solid state disks) produced by the Company are mainly peripheral storage devices related to computers and handheld devices. According to the survey institution's estimation, for 2024 as a whole, the price of storage products is rise, but the overall application is also applied to different new products as people's quality of life improves, so that the overall market can still maintain a stable demand.

The economic growth drives the increase in wages around the world. Products are becoming more diversified, and customers have relatively higher requirements for product quality; automation provides effective solutions to control manufacturing costs and improve quality. Comparing to traditional collaborative robots, the robotic arm is simpler and more flexible to use. Therefore, the market predicts that automation will be an important topic in various industries in the next decade, and the robotics industry will continue to grow. Collaborative robots with flexible manufacturing and simple operation advantages are expected to grow much faster in the field of automation than other industries.

4. Competitive niches

The Company's current business is OEM of computer peripheral storage devices (including hard disks, solid state disks, external docking stations) for major international companies, and the self-branded collaborative robots. In addition to the excellent R&D team and rich technical strength, the Company can provide services such as joint product development and engineering

technical support to meet the needs of customers. It can also provide different levels of OEM services based on customers' needs.

With years of efforts and accumulated experience, the Company has jointly developed related products with customers, and the quality of its products has been highly recognized by customers.

In terms of customer service, the Company may jointly design suitable products according to customers' different product requirements, and deliver them in the first time, to provide customers with timely technical support, and grasp competitive advantages and service niches. The Company also accommodate customers' demands to set up production and assembly facilities, to provide customers continuously with comprehensive and immediate services, and further maintain good relationships with customers.

Other than the above-mentioned basic requirements in modern design and manufacturing OEMs, customers also require partners to provide real-time information systems that are closely connected with customers. In addition, for shipment and inventory management and subsequent maintenance services, real-time data must be provided through the Company's production and management information system, to synchronize planning and control with customers. Based on the past experience in cooperating with major international manufacturers, the Company has also built a corresponding information system in the Company to meet the needs of customers.

The Company's self-developed collaborative robots, integrated with visual and graphical human-machine interfaces, are more intuitive and simple to use than other similar products on the market, making TM5 highly praised by the market and customers as soon as it is launched. On the basis of existing advantages, the Company continues to launch products with heavier loads, TM12/TM14, with versions supporting semiconductor Semi and supporting mobile robot, to strengthen product completeness. In addition to the hardware expansion for products, the Company has spared no effort in the development of software solutions. It has successfully developed TM AI+, integrating the traditional vision supported already, to create a complete AOI solution for TM Vision; in order to achieve the purpose of smart manufacturing, the Company also provides the smart factory management system, TMmanager, managing and displaying the utilization rate, health level, and production status of each machine in real time, greatly reducing the entry barrier for TM Robot users to enter Industry 4.0. In addition, through the strategic alliances and deployment

of sales channels, sales channels are established to help customers smoothly introduce automation, meet customer needs, and provide customers with the most immediate service.

5. Positive and negative factors for future development, and the company's response to such factors.

A. Positive factors

The market competition of information products is becoming more and more fierce. In order to reduce costs and improve product development and production efficiency, major international manufacturers are looking for strategic partners overseas for OEM. With the advantages of R&D speed, production cost and flexible delivery, the Company is highly recognized by global clients.

The Company has cultivated and continued to recruit excellent technical talents, which will help to enter the development and design of products and related components with higher technical thresholds.

The Company's main management has a professional technical background in information and consumer electronics related fields, and has a strong R&D team. Its new product development and technological innovation capabilities are not inferior to its peers, enabling the Company to not only take orders, but also be more favored and affirmed by customers.

The Company has built a complete information system to provide customers with real-time information related production, shipment and management, to meet customer needs and further improve the efficiency of internal management and operation of the Company.

B. Negative factors and responses to such factors

Since the key components of the Company's major products are mainly supplied by foreign suppliers, the Company cannot fully control meanwhile, the supply of parts is often affected by foreign suppliers. With short product life cycles, this will be challenges that the Company has to overcome.

Responses:

- (a) Strengthen the Company's own procurement capabilities, establish a good long-term cooperative relationship with suppliers, and develop sources of supply from multiple parties to diversify the risk of concentrated purchases.
- (b) Joint research and development with manufacturers and joint investment in the production of key components and new technologies, to strengthen

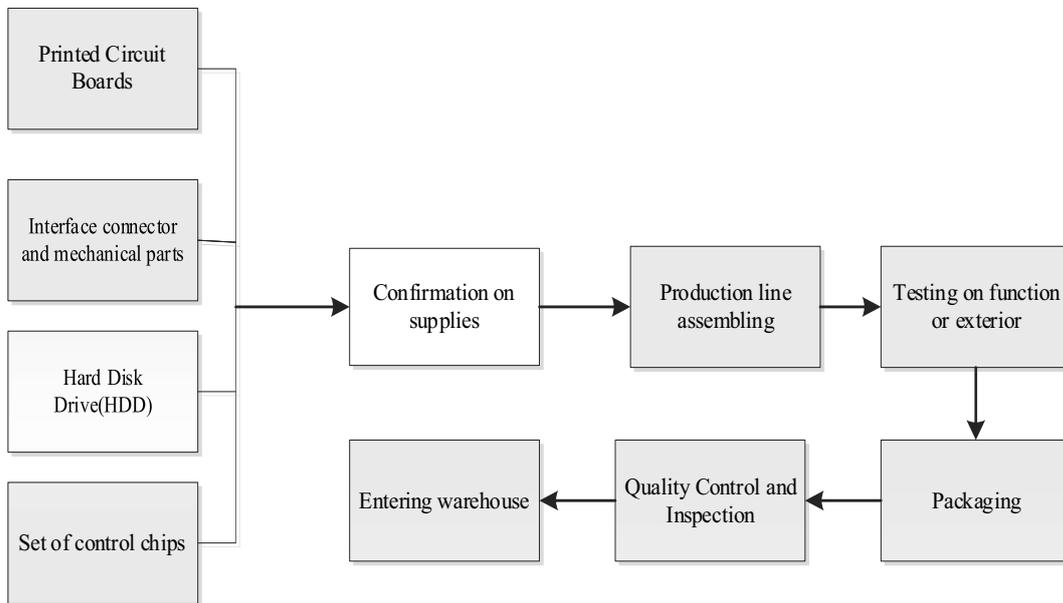
mutual trust and mutual dependence.

- (c) Seek various alternative materials without reducing the functionalities of the product.

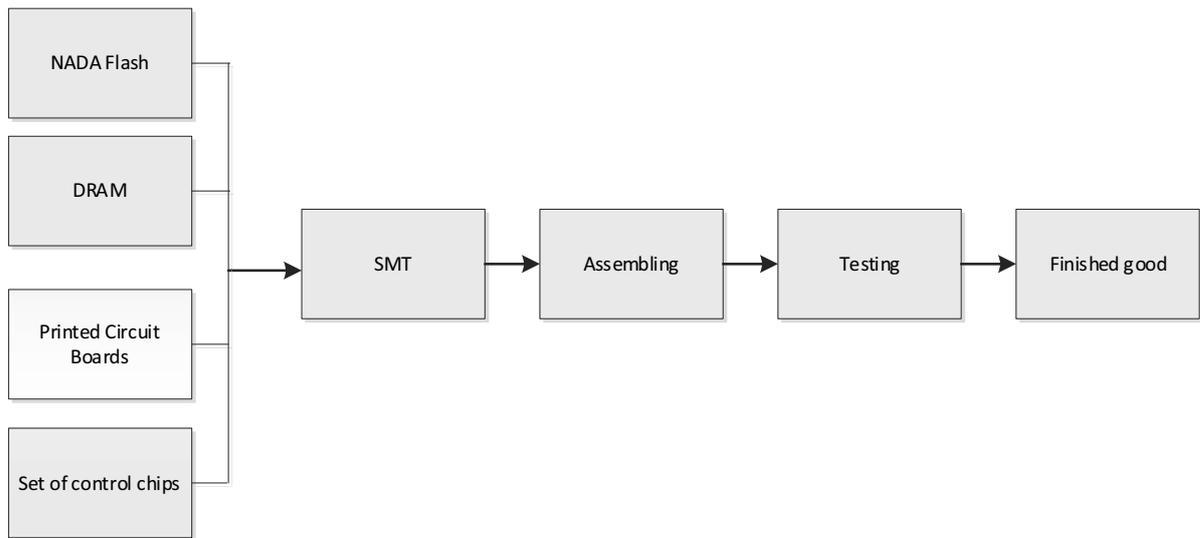
(II) Usage and manufacturing process of major products

The Company's current business is mainly to design and assemble optoelectronic storage devices and computer peripheral storage devices (including hard disks, solid state disks, external docking stations) as OEM for major international companies, and the self-branded collaborative robots The manufacturing process is summarized as following:

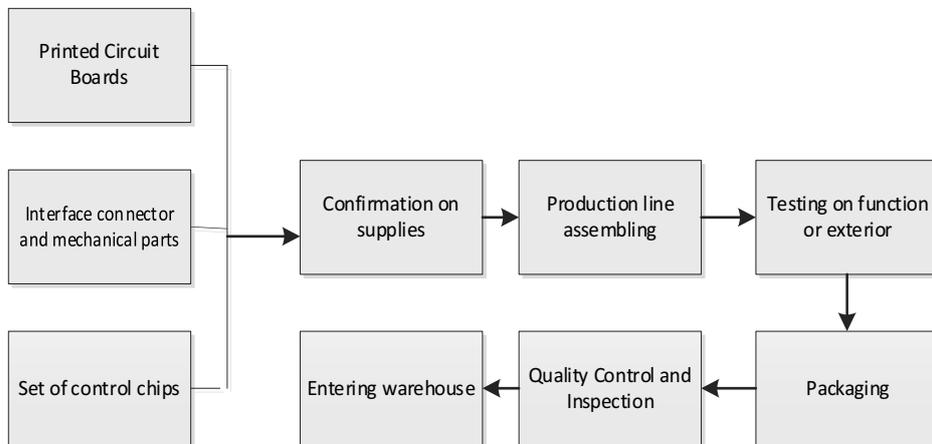
Hard disks



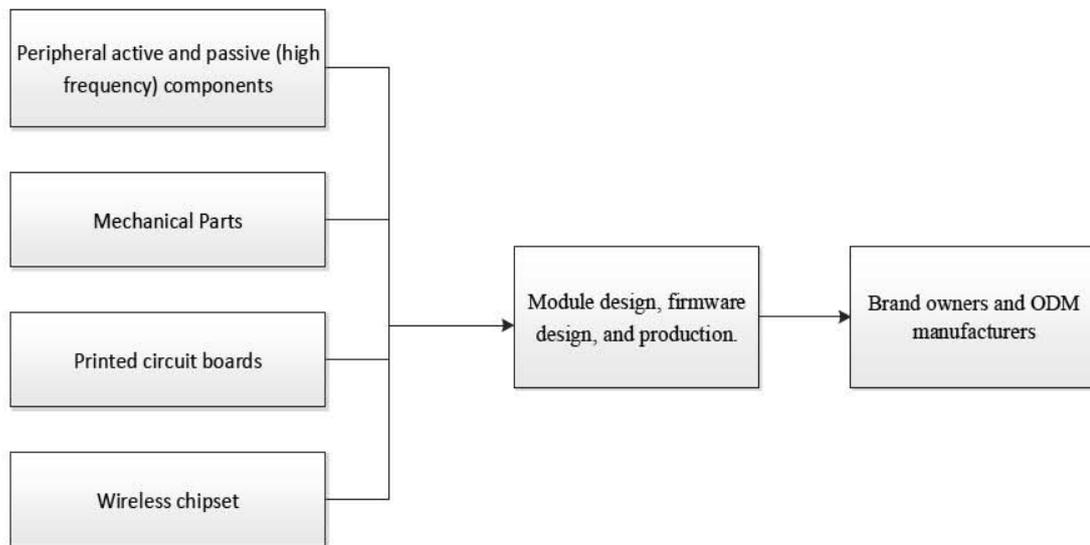
Solid state disks



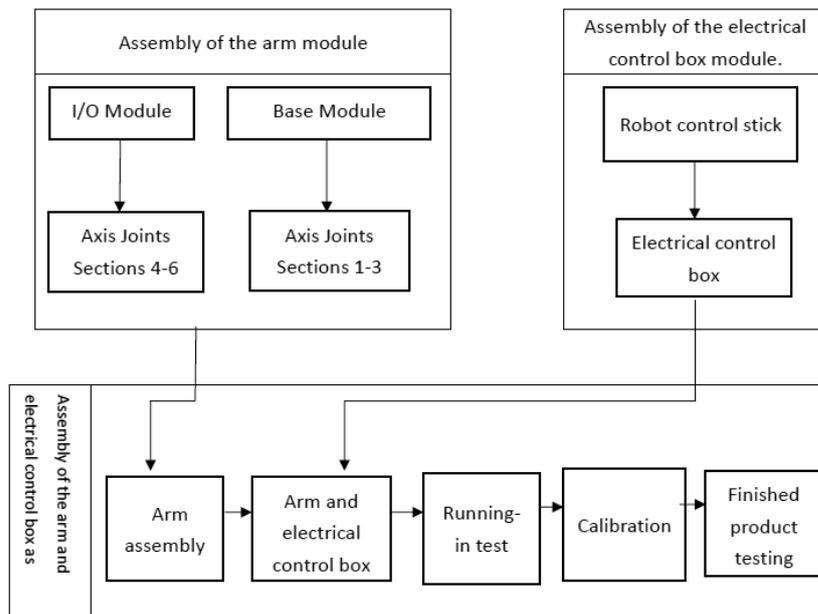
Docking stations



Wireless Network Products



Intelligence robotics



(III) Supply situation for the company's major raw materials:

For the products sold by the Company, other than that the memories for storage products are mostly provided by customers, most of the raw materials are purchased from well-known domestic and international manufacturers or their agents. They have good and stable long-term supply relationships with the Company with long-term partnerships. Therefore, in addition to providing a stable

and normal source of raw materials, the prices also appropriately reflect market conditions, and the timeliness of supply is under control; so far, the supply of major raw materials is normal, no serious shortages and supply dispute has occurred yet.

(IV) List of any major suppliers and clients of the 2 most recent fiscal years:

1. Major suppliers of the 2 most recent fiscal years

Unit: NTD thousand

Item	2023				2024				2025 up to March 31			
	Name	Amount	Percentage to the whole year net purchase of goods (%)	Relationship with the issuer	Name	Amount	Percentage to the whole year net purchase of goods (%)	Relationship with the issuer	Name	Amount	Percentage to the net purchase of goods for the current year up to March 31(%)	Relationship with the issuer
1	A	556,231	9.06	None	A	351,632	6.45	None	A	106,913	7.04	None
2	B	358,897	5.85	None	B	301,051	5.52	None	B	87,931	5.79	None
3	C	276,978	4.51	None	C	277,824	5.09	None	C	77,335	5.09	None
	Others	4,947,630	80.58	None	Others	4,524,094	82.94	None	Others	1,247,012	82.08	None
	Net purchase of goods	6,139,736	100.00		Net purchase of goods	5,454,601	100.00		Net purchase of goods	1,519,191	100.00	

The reason for the increase or decrease in the two years: the increase and decrease of major suppliers is mainly due to changes in product lines and strategic adjustments.

2. Major clients of the 2 most recent fiscal years

Unit: NTD thousand

Item	2023				2024				2025 up to March 31			
	Name	Amount	Percentage to the whole year net sales (%)	Relationship with the issuer	Name	Amount	Percentage to the whole year net sales (%)	Relationship with the issuer	Name	Amount	Percentage to the net sales for the current year up to March 31(%)	Relationship with the issuer
1	A	4,420,312	42.60	None	A	3,389,676	41.64	None	A	969,040	39.69	None
2	B	1,228,233	11.84	None	B	1,238,265	15.21	None	B	327,262	13.40	None
3	C	710,325	6.85	None	C	519,446	6.38	None	C	146,484	6.00	None
4	D	638,566	6.15	None	D	320,321	3.94	None	D	615	0.03	None
	Others	3,378,597	32.56		Others	2,671,960	32.83		Others	998,078	40.88	
	Net sales	10,376,033	100.00		Net sales	8,139,668	100.00		Net sales	2,441,479	100.00	

The reason for the increase or decrease in these two years: the increase and decrease of major clients, is mainly due to the needs in the markets.

III. Information on Employees

Year		2023	2024	March 31, 2025
Number of employees	Direct employees	613	458	460
	Indirect employees	1,213	1,131	1,128
	Total	1,826	1,589	1,588
Average age		36.87	37.81	37.87
Average years of service		4.37	5.24	5.44
Distribution of academic qualifications	PhD (%)	0.44	0.44	0.44
	Master (%)	13.36	15.54	15.68
	College (%)	47.75	51.23	51.26
	Senior high school (%)	21.85	17.87	17.88
	Under senior high school (%)	16.60	14.92	14.74
	Total (%)	100	100	100

IV. Disbursements for environmental protection

- (I) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection): none.
- (II) Estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: not applicable.

V. Labor-management Relations

- (I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

The Company upholds the philosophy of perfect care for employees, with a number of welfare measures. Therefore, employees are highly loyal to the Company, with harmonious relations between labor and management maintained without any labor dispute. The employee welfare measures, retirement system and its implementation, and agreements between labor and management are listed as following:

1. Employee benefits

In order to improve employee welfare measures and benefit employees'

needs in work, life, safety, and health, in addition to allocating welfare funds pursuant to laws, establishing the Employee Welfare Committee, selecting Welfare Committee members to formulate annual plans for various welfare activities, the Company also provide the group insurance subsidies, and sets up gyms, to stimulate the employees' loyalty to the Company. In addition, the Company has the related measures for work and leisure, described below:

- A. Employees' performance bonuses, to share the operating results.
- B. Establish the Employee Welfare Committee, responsible for promoting various employee welfare tasks.
- C. Appropriate care are given to employees during the Chinese New Year, Labor Day, Dragon Boat Festival, Mid-Autumn Festival, year-end parties, and employee birthdays, to express the encouragement and congratulations to employees.
- D. Organize employee tours and various club activities every year to enrich the leisure lives of employees.

2. Employees' education and trainings

To effectively control the direction of talent training, with the purpose of nurturing outstanding talents, the Company has specifically formulated the "Education and Training Implementation Operation Management Procedures." In addition to providing new employees with comprehensive onboarding training, they can choose to participate in professional courses relevant to their job functions. This allows employees to continuously grow in their respective fields and realize their personal value. Furthermore, because our company emphasizes internal training programs, courses are taught by outstanding colleagues from relevant internal departments. Employees can select professional courses related to their roles to enhance work efficiency.

Personnel related to financial information transparency in the Group obtained relevant certificates designated by the competent authority: International internal Auditor Finance Center by one person in the Finance Center, total of one person's.

The Company's managerial officers' participation in the continuing education courses related to corporate governance is as follows:

Attended personnel	Name of course	Hours
Financial and Accounting Manager	International Net Zero and New Trends in Sustainable Disclosure—From the EU Taxonomy Regulation (TR) to Taiwan's Guidelines for Recognizing Sustainable Economic Activities.	12
	Common Deficiencies in Financial Statement Reviews and Frequently Asked Questions Regarding Asset Acquisition/Disposition.	
	Latest Practical Analysis of ESG Sustainability Policies and Regulations Related to "Annual Report Preparation."	
	Legal Responsibilities and Case Analysis Related to "Corporate Control Disputes."	
Corporate Governance Officer	Practicing Corporate Sustainability: Case Analysis of Legal Responsibilities under the Three Gender Equality Laws.	15
	Challenges and Opportunities in Sustainable Development Pathways and an Introduction to Greenhouse Gas Inventory.	
	Insider Equity Workshop for Companies Listed on Taipei Exchange and the Emerging Stock Market.	
	Relevant laws and regulations the board should pay attention to under the ESG trend.	
	Carbon trading mechanisms and carbon management applications.	

Tasks carried out in 2024 are as follows:

- (1) Assisted independent directors and directors in performing their duties, provided required materials, and arranged continuing education courses for directors:
 - ① Regularly notified the board members of the latest amendments to laws and regulations related to the Company's business and corporate governance.
 - ② Reviewed the confidentiality level of relevant information and provided the company information required by the directors, to maintain smooth communication between directors and business managers.
 - ③ Assisted in arranging relevant meetings when independent directors needed to meet with the internal audit officer or CPAs separately to understand the needs of the Company's financial business as per the Corporate Governance Best Practice Principles.
 - ④ Assisted independent directors and directors in formulating annual training plans and arranging courses for them as per the Company's industry characteristics and their education and experience.
- (2) Assisted the board meeting and shareholders' meeting procedures and compliance with resolutions:

- ① Reported on the Company's corporate governance operation to the Board of Directors, independent directors, and the Audit Committee, and confirm whether the Company's shareholders' meeting and board meetings are in compliance with relevant laws and the Corporate Governance Best Practice Principles.
 - ② Assisted and reminded directors of the laws and regulations to be complied with during performance of duties or adopting formal resolutions at board meetings, and made suggestions when the Board of Directors was about to adopt resolutions illegally.
 - ③ Reviewed the material information release of the important resolutions adopted by the Board of Directors after board meetings to ensure the legality and correctness of the material information, so as to ensure investors' access to transaction information.
- (3) Maintained investor relations: Arranged directors to communicate with major shareholders, institutional investors, or general shareholders as necessary, so that investors could access sufficient information to evaluate and determine the enterprise's reasonable capital market value, thereby safeguarding their rights and interests.
 - (4) Set out an agenda for a board meeting, notified the directors seven days in advance, convened the meeting, and provided the meeting materials. Reminded directors of any recusal in advance and completed the minutes of the board meeting within 20 days after the meeting.
 - (5) Handled the pre-registration of the date of the shareholders' meeting according to the law, prepared the meeting notice, meeting agenda handbook, and minutes prior to a deadline as required by law, and handled change registration in the event of amendment to the Articles of Incorporation or the election of directors.
 - (6) Report to the board of directors the results of the review regarding whether the qualifications of independent directors comply with relevant laws and regulations during the nomination, appointment, and tenure.

3. Retirement system and implementation

Since July 1, 2005, coping with the enactment of the Labor Pension Act (hereinafter referred to as the "new system"), for employees who had been originally applicable to this measure, if they chose to apply the service years applicable to the new system, or employees who are employed after the implementation of the new system, their years of service are changed to a definite contribution system, and the pension payment is contributed by the Company on a monthly basis at the rate no less than 6% of the monthly salary, and deposited in the individual labor pension account.

The company's employee retirement policy is based on the provisions of Articles 53 and 54 of the Labor Standards Act. If the employee is over 65 years old, the retirement may be deferred through mutual agreement between the

employer and the employee.

4. Other important agreements between labor and management

The Company's first priority is on humanized management and it recognizes that labor and management are the same entity for coexisting and co-prosperity. Therefore, it adopts two-way coordination in the regards of communication of labor and management issues, so that labor and management have better understanding and acknowledgment to each other, for working together toward a common goals.

In early 2024, due to adjustments in the company's operational plans, some former employees misunderstood the company's related actions, which led to labor disputes and even labor lawsuits. However, since the company's management system complies with relevant laws and regulations, successful mediation was achieved, and the company won the labor lawsuit. In light of this, the company will not only maintain open communication channels but also place greater emphasis on the opinions of both labor and management.

- (II) Any losses suffered by the company in the most recent 2 fiscal years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection): Our company underwent a labor inspection on June 20, 2024, conducted by the Taoyuan City Government Labor Inspection Division. The inspection revealed that the calculation of monthly salary was based on different numbers of days due to the varying lengths of months, resulting in underpayment of wages to employees who had left the company. According to the penalty notice No. 1130190505 issued by the Division on July 12, 2024, our company violated Article 22, Paragraph 2 of the Labor Standards Act, which states: "Wages shall be paid in full directly to the workers, unless otherwise stipulated by laws and regulations or agreed upon by both the employer and the employee." As a result, a fine of NT\$20,000 was imposed. Since then, the company has revised its calculation method and is now in compliance with the legal requirements.

Estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: not applicable.

The Company's implementation of various employment conditions are better or equivalent to the Labor Standards Act; it is estimated that reasonable and stable labor-management cooperation should be maintained in the future. If in the future, as required, the Company will be settled the disputes reasonably

through labor-management negotiation, the relevant competent authorities and mediations.

(III) Employees' Code of Ethical Conducts

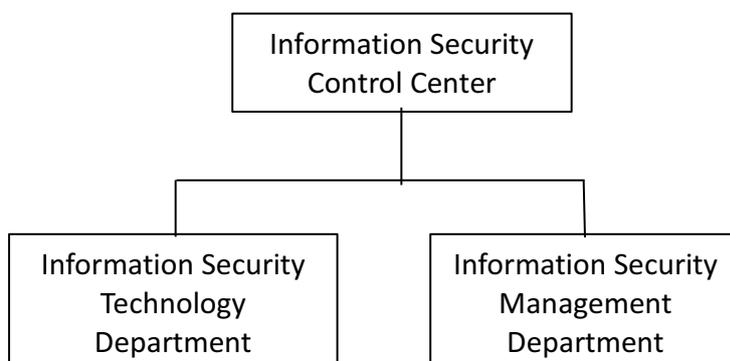
The Company has established the "Rules for Employees;" some of which have clear specified the employees' conducts or ethics. The summary is as follows:

- Employees should be cautious and ethical in their words and deeds, upholding honesty and credibility when handling official affairs as the principle; for any information related to the Company's business and technology, the confidentiality shall be strictly observed without leaking.
- Employees shall not use their positions to profit themselves or others; and shall not accept rebates, improper gifts, entertainment or other illegal benefits due to their duties or conducts breaching their duties.

The Company values the ethics and integrity of employees highly, and the employees are required to sign the "Employee Integrity Contract," prohibiting employees from accepting bribes or committing frauds.

VI. Information and Communication Security Management

(I) Information security risk management structure



The company has established a dedicated information security unit, consisting of four members, to manage information security risks in accordance with the company's "Information Security Control Guidelines." They are responsible for reviewing the company's information security governance policies, supervising the operation of information security management, and the Chief Information Security Officer regularly reports relevant risks, issues, and management effectiveness to the President. Additionally, they report on the execution of information security to the board of directors at least once a year.

(II) Information security risk management programs

We have formulated information security risk management programs with

reference to the requirements and standards of information security management system certification, established a risk management system for various information system services, assessed information security and network risks through a risk assessment process, and conduct risk management and control as per the risk impact level and probability of occurrence. We implement a corresponding management mechanism for high-risk systems based on the assessment results and establish a high-availability high-reliability architecture, a data backup mechanism, and an off-site backup center, to ensure uninterrupted services. We have also established a dedicated line and send data to the off-site backup center for storage. We hold system switching exercises every six months to ensure the normal operations of the backup mechanism and meet the system recovery goals. We provide protection against various information security risks, and formulate relevant regulations on and countermeasures against the impact of various significant information security incidents and inspect information security, hold information security incident exercises every year, and increase the employees' information security crisis awareness, while enhancing information security personnel's ability to respond, in order to prevent and effectively detect and curb an incident from further escalating in the first place. The audit unit performs regular audits of each information and communication security projects every year, reviews the items audited in its annual audit plan, verifies the implementation performance, and submits it to the Company's routine meetings, while establishing a tracking and improvement mechanism to continuously track the improvement.

(III) Information security policy

Quanta Storage information security policy aims to achieve:

1. Formulate relevant information security management regulations in compliance with laws and regulations and provide appropriate protection measures for the Company's information assets to ensure the confidentiality, integrity, availability, and compliance.
2. Regularly assess the impact of various man-made and natural disasters on the Company's information assets and formulate disaster prevention measures and disaster recovery plans for important information assets and key business to ensure the continuity of the Company's business.
3. Supervise employees' implementation of information security protection work, establish the concept of "information security is everyone's responsibility, and increase various business departments and personnel's awareness of information security.
4. Require all employees and suppliers who use or connect with the Company's computer system to strictly comply with the Company's information security regulations. In the event of a violation, they will be punished according to the Company's regulations or contractual penalties. A lawsuit may be filed if the circumstances are severe.
5. Hold information security trend analysis seminars from time to time to establish employees' concept of information security.

The Company studies the definition and quality requirements for our

confidential information (or important information), the degree of informatization, the reliability of the information system used, and the degree of outsourcing of information operations, and evaluates the information security inspection required as per the scope of the Company's environment, frequency, and items as the basis for selection of information security inspection and control models. The results of the implementation of the information security inspection work are reviewed by the audit unit and submitted to the company's regular meeting by signing opinions and establishing a tracking improvement mechanism to continuously track the improvements. The Company arranged two information security trend analysis seminars on March 4, 2024 and October 31, 2024 and required all employees to participate to develop their information security concepts with the aim of reducing the information security incidents and the damage thereof to the Company.

(IV) Specify the losses suffered due to significant information security incidents in the most recent year and up to the publication date of this annual report: None.

(IV) Impact and countermeasures:

1. Computer system security management:

(1) System environment: The settings of the computer operating system environment and the settings of the access permissions shall be approved by the relevant supervisors and executed by the system administrators.

(2) Security management: There are backup measures for the data on the previous business day before and after changes in a computer system file; program access and use are detailed in written control instructions. Users shall apply for applicable access permissions according to the procedure, which shall be approved by the supervisors. Passwords are stored in garbled strings or a hidden manner. When there is a change in personnel, their access permissions shall be updated in a timely manner, and users who forget their passwords need to undergo strict identity verification procedures.

2. Network security management:

We regularly assess the security of the network system and timely patch the security loopholes in the network environment. We announce and notify computer network security matters in real time. Each computer host and important software and hardware equipment are handled by special persons for firewall security, user account management, and computer virus and malware prevention.

3. System development and maintenance security management:

When outsourcing the development of information services, we prudently assess the potential security risks that may occur in advance and sign an appropriate information security agreement with the provider with relevant security management responsibilities included in

the agreement terms to ensure data and system security. We carry out reasonable inspections to ensure the correctness of the data before being placed in the database; establish control procedures and execute them strictly for the application software, to reduce the risk that may cause harm to the operating system.

4. Information asset security management:

User groups are set up in the information public folders and access permissions are set by group; before the physical information equipment is scrapped, the Information Department shall destroy the data on the hard disk drive to prevent the leakage of the Company's and personal information.

5. Physical and environmental security management:

Information-related equipment is placed in an appropriate server room and protected. Computer equipment is equipped with an independent power supply system, including an uninterruptible power supply system, to protect important application systems. The computer and server room is locked at all times and equipped with effective fire extinguishers. Backup data shall be stored in different places; the computer and server room is protected with strict access control measures, and the time and purpose of visitors' entry and exit shall be recorded to ensure that only authorized personnel can access.

VII. Important Contracts

Nature of contract	Counterparty	Commencement dates and expiration dates	Key content	Key restrictive terms
Development contract	Not to be disclosed due to NDA	Within the validity period	Development contract of firmware and software for storage devices	with NDA attached
Authorization contract	Not to be disclosed due to NDA	Within the validity period	Intellectual Property Authorization	with NDA attached
Commissioned manufacturing contract	Not to be disclosed due to NDA	Within the validity period	Manufacturing of storage devices	with NDA attached
Technology Collaboration contract	Not to be disclosed due to NDA	Within the validity period	Intellectual Property Collaborative Development and Authorization	with NDA attached
Engineering Contract	Domestic outstanding manufacturers	Within the validity period	Construction of the Operations Headquarters Office Building	with NDA attached

Five. Analysis and Review of Financial Position and Financial Performance and Risk Issues

I. Review and Analysis of Financial Position

(I) Analysis of financial position

Unit: NTD thousand

Items \ Year	2024	2023	Deviation	
			Amount	%
Current asset	9,746,704	11,097,906	(1,351,202)	(12.18)
Property, Plant and Equipment	2,711,878	2,193,244	518,634	23.65
Intangible asset	38,459	20,959	17,500	83.50
Other assets	2,081,472	928,147	1,153,325	124.26
Total assets	14,578,513	14,240,256	338,257	2.38
Current liabilities	4,337,488	4,372,314	(34,826)	(0.08)
Non-current liabilities	302,251	280,540	21,711	7.74
Total liabilities	4,639,739	4,652,854	(13,115)	(0.28)
Share capital	2,783,589	2,783,589	0	0
Capital reserve	1,900,259	1,748,975	151,284	8.65
Retained earnings	4,577,718	4,806,961	(229,243)	(4.77)
Other adjustment items of shareholders' equity	275,192	(100,238)	375,430	374.54
Non-controlling interests	402,016	348,115	53,901	15.48
Total shareholders' equity	9,938,774	9,587,402	351,372	3.66

Note: The above-stated information were from the consolidated financial statement prepared based on the IFRSs.

(II) Reasons of major changes in assets, liabilities, and shareholders' equity in the past two year:

Property, Plant and Equipment : It was mainly due to the increase in the construction of the Operations Building project.

Intangible asset : It was mainly due to the increase in the purchase of computer software.

Other assets : It was mainly due to the increase in investment in long-term financial products during this period.

Other adjustment items of shareholders' equity : It was mainly due to the increase in the Exchange differences on translation of foreign financial statements.

(III) Future responding plan: (if the changes above impacts greatly, the future responding plan should be specified.)

The Company's financial status in the last two years include changes in normal operating activities, so there is no major responding plan.

II. Financial Performance Comparison and Analysis

(I) Financial Performance Comparative Analysis Table

Unit: NTD thousand

Items \ Year	2024	2023	Increase / decrease amount	Percentage of change (%)
Operating revenue	8,139,668	10,376,033	(2,236,365)	(21.55)
Operating cost	5,890,337	7,720,973	(1,830,636)	(23.71)
Gross profit	2,249,331	2,655,060	(405,729)	(15.28)
Operating expenses	1,625,974	1,504,180	121,794	8.10
Operating profit	623,357	1,150,880	(527,523)	(45.84)
Non-operating income and expense	226,761	255,682	(28,921)	(11.31)
Profit before tax	850,118	1,406,562	(556,444)	(39.56)
Less: income tax expense	180,749	293,251	(112,502)	(38.36)
Non-controlling interests	20,348	1,248	19,100	1,530.45
Current period net profit	649,021	1,112,063	(463,042)	(41.64)

Note: The above-stated information were from the consolidated financial statement based on the IFRSs.

(II) Explanation of the changed percentage in the past two years:

Operating revenue : It was mainly due to the main reason is the slowdown in end-user demand for consumer electronic products, which led to a decrease in operating costs, operating profits, pre-tax net income, and income tax expenses.

Non-controlling interests: It was mainly due to the increase in Foreign exchange gain in this period.

(III) Expected sales volume and its basis, and the possible effect on the Company's future finance and business and responding plan:

For the storage devices, based on the forecasts of survey institutions, according to the research and survey institution, the overall storage product price in 2025 is expected to rise. However, the overall applications, as people's life quality improved, will be applied to different new products; the overall market will maintain stable demands.

With regards to external extension docking station, with the introduction of Type C related technologies. Nevertheless, the future market is expected to continue to growth.

The long-term growth trend of automation will drive the growth of the industrial robots (including collaborative robots (Cobots), and greater number of new comers will also enter the industry and invest in this field at the same time. In addition to actively developing the market, the company will continue to strengthen the development of new products, hoping to continue to lead in the collaborative robot market.

In response to the ever-changing environment, the company not only actively strives for related business, and plans and prepares for related changes, but also accelerates the development of new products, hoping to make its own way in the current severe industrial

environment and competition.

III. Review and Analysis of Cash Flow

(I) Analysis on the change of Year Cash flow:

Unit: NTD thousand

Items	2024	2023	Change in Amount	Change in Ratio (%)
Operating activities	1,424,988	162,789	1,262,199	775.36
Investing activities	(1,046,491)	796,682	(1,844,173)	(231.19)
Funding Activities	(979,518)	(948,072)	(31,446)	(3.32)
Total	(601,021)	12,399	(613,420)	(4,947.33)

Note: The above-stated information were from the consolidated financial statement prepared based on the IFRSs.

(1) Cash from operating activities increased by NT\$1,262,199 thousand, It was mainly due to the Current financial assets at fair value through profit or loss in the previous period.

(2) Net cash from investing activities decreased by NT\$1,844,173 thousand, It was mainly due to the decrease of Acquisition of financial assets at amortised cost and the and the increase in investment for the construction of the Operations Headquarters building.

(II) Liquidity Analysis of the Year

Items	Year		Increase (decrease) %
	2024	2023	
Cash Flows Ratio%	32.85	3.72	783.06
Cash flow adequacy %	71.75	68.09	5.38
Cash Flow Reinvestment Ratio %	4.51	(6.42)	170.25

Analysis of the change in the increase and decrease ratio: It was mainly due to the decrease in the net cash inflow from operating activities during this period.

(III) Liquidity Analysis for the coming year

Unit: NTD thousand

Opening balance of cash Balance (1)	Annual net cash flow from operating activities (2)	Cash Outflow of the Year (3)	Cash Balance (1)+(2)+(3)	Remedy for Cash Shortfall	
				Investment Plan	Financing Plan
1,432,867	1,520,000	2,200,000	725,867	-	-

It is expected that operations in 2025 will remain stable or with slightly growth. The current capital plus the cash inflow from operating activities is sufficient to satisfy the capital expenditure demand.

IV. Impact of Material Capital Expenditures on Financial Operations in the Last Year: None.

V. Investment Policy in the Last Year, the Main Reason For Its Profit or Loss, Improvement Plan, and Investment Plan for the Coming Year:

The company's reinvestment is mainly based on investment in the production business in Mainland China and Thailand, and core competitiveness is our main consideration. In addition, the company's investment income recognized by the equity method in 2024 was NT\$90,176 thousand. In the future, the Company will continue to maintain the development direction of distributed production sites, and carefully evaluate investment plans in accordance with changes in the global market to continue to strengthen the company's competitiveness.

VI. Risk Assessment Items in the Last Year and As of the Publication Date of the Annual Report

- (I) The organization structure of the company's various risk management, its implementation and responsible units are as follows:
1. President: Mainly for the evaluation of operational decision-making risks, and supervision and coordination of the implementation of various departments' goals and risk response measures.
 2. Audit Office: Mainly review the existing or potential risks of each operation, formulate and implement a annual audit plan base on risk management, and be responsible for the revision and promotion of the internal control system.
 3. Finance and Accounting Department: Responsible for financial scheduling and application, establishing risk-avoidance mechanisms, and evaluating and controlling financial risks, liquidity risks, credit risks and tax planning, etc., responsible for the company's relevant financial risk management assessment and implementation of response strategies unit.
 4. Legal Affairs Department: Responsible for legal risk management, review various contracts and provide internal legal advice, handle legal disputes and litigation to reduce legal risks.
 5. Information Department: Responsible for information security risk assessment of systems, networks, computers, mainframes and related peripheral equipment, and implementation of response measures.
 6. Human Resources Department: Responsible for assisting each unit in the risk assessment and response of the human resources required to implement the operational goals, and to promote the human resources policy.

7. Business Department: Mainly responsible for the assessment of market risks and the implementation of response strategies, the promotion of the company's annual business goals and implementation plans, customer and order risk assessment and the implementation of sales control measures.
 8. Research and Development Division: Mainly responsible for the risk assessment of product design, and research and development project plans and the implementation of response strategies.
- (II) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:
1. Affects to the company's Incomes or Losses:

Unit: NTD thousand

Item	2024 Consolidated Financial Statement	
	Amount	Percentage to the operating revenue
Net Interest income (expenditure)	108,093	1.33%
Net Foreign Exchange Gain (Loss)	89,293	1.10%

2. Future Response Measures:

(1) Effect of change in the tax rate:

The company's products are mainly exported, so the international dollar trend is closely related to the company's exchange gains and losses. The exchange gain in 2024 was NT\$89,293 thousand, accounting for 1.10% of the revenue, which has no significant impact on the company. In addition, the company is effective to reduce the operational risk of exchange rate fluctuations, specific measures will be taken as follows:

- ① The company contacting banks regularly, collecting relevant information on international finance and exchange rate trends, in order to grasp exchange rate changes in a timely manner.
- ② Since the transactions of some raw materials and products are based on the same kind of foreign currency receipts and payments, this purchase and sale item will produce a mutual offset result, so that the impact of exchange rate changes will be reduced, and the effect of automatic hedging will be achieved.
- ③ The company estimates that or after receiving the foreign exchange

payment, the personnel of the finance department will consider the company's capital needs and estimate the direction of future foreign exchange market changes, so as to consider and decide whether to hedge and compare risks through hedging derivatives and the favorable timing of exchange for the company.

(2) Interest and Inflation:

As the overall economic environment has prompted low interest rates in the money market, the company continues to focus on its business operations, and its financial operations are based on the principle of being conservative and prudent. Therefore, changes in interest rates and inflation have little impact on the company.

(III) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

1. The company's main business scope as research, development, manufacturing and sales, the company has not involved in high risk investments and high leveraged investment.
2. The subsidiary of our company provides funding loans to others to support the business expansion and sales needs of the company's investee subsidiaries, and this is carried out in accordance with the "Funding Loan and Endorsement Guarantee Operating Procedures" established by the subsidiary.
3. The company and its subsidiaries handle guarantee transactions for customs clearance of goods in and out of the customs due to operational needs, and handle them in accordance with the "Operational Procedure of Loan Funding and Making Endorsement and Guarantee" enacted by the company.
4. The transactions of derivative financial products are all to avoid the risk of foreign currency assets and liabilities exchange rate changes, and are handled in accordance with the "Procedures for Acquisition or Disposal of assets" enacted by the company.

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

For the research and development, please refer to the description of business content under Five. Operation Overview, and the plans are executed according to the schedule.

- (V) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:
- The company has always paid close attention to and grasped any policies and laws that may affect the company's operations, and coordinated adjustments to the company's internal related systems to meet the requirements of the laws and regulations.
- (VI) Effect of changes in technology (including information and communication security risks) and industrial changes on the company's financial operations and countermeasures:
- The Company studies the definition and quality requirements for our confidential information (or important information), the degree of informatization, the reliability of the information system used, and the degree of outsourcing of information operations, and evaluates the information and communication security inspection required as per the scope of the Company's environment, frequency, and items as the basis for selection of information and communication security inspection and control models. The results of the implementation of the security inspection work of information and communication are reviewed by the audit unit and submitted to the company's regular meeting by signing opinions and establishing a tracking improvement mechanism to continuously track the improvements.
- (VII) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response: None.
- (VIII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.
- (IX) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: None.
- (X) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken: None.
- (XI) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.
- (XII) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken:

None.

(XIII) The company and company directors, supervisors, president, substantive persons in charge, major shareholders with more than 10% shareholding, and affiliated companies have been determined by judgment or are still in a major litigation, non-litigation or administrative litigation events, the results of which may have a significant impact on shareholder benefits and interest or securities prices, the facts in dispute, the amount of the subject matter, the start date of the litigation, the main parties involved in the litigation, and the handling conditions as of the publication date of the annual report:

1. In October 2017, the Company, Inc. received a ruling from the First Instance of the Court of Justice of the European Union on the legal remedy for the antitrust case and a decision on the penalty fine of EUR 7,146 thousand. An appeal against such ruling and decision has been filed in September 2019. On June 16, 2022, the Court of Final Appeal of the European Union rendered a judgment to sustain the decision of the court of first instance on the penalty fine of EUR 7,146 thousand imposed on the Company, and it also ruled that the Company may claim compensation from the European Commission for half of relevant fees incurred in the first instance trial and the full amount of relevant fees incurred in the second instance of trial. For the fine, the Company has estimated the full amount for accounting recognition in 2017, such that it has no material impact on the finance and business of the Company.
2. In 2021, the ownership of the factory and land in Chonburi, Thailand was transferred from World Electric (Thailand) Ltd., the seller, to Techman Electronics (Thailand) Co., Ltd., a subsidiary of the Company. After the close of escrow, World Electric (Thailand) claimed that some of its assets were still placed in the factory area and filed a lawsuit against Techman Electronics (Thailand) Co., Ltd. for obstructing its access to the factory area to retrieve its assets that remained in the factory, demanding the compensatory damages of THB 9,440 thousand on July, 2022. Techman Electronics (Thailand) Co., Ltd., was ordered by the court to pay a total amount of THB 2,186 thousand in November 2023. Techman Electronics (Thailand) Co., Ltd., had appealed. In December, 2024, the second instance upheld the previous court's decision, demanding the Group to pay the compensation damage above, which the Group had recognized. The compensation payment has no significant impact on the business operation of the Group.
3. In June 2024, the Company received a lawsuit filed by plaintiffs (three employees, including Mr. Lu) in the Civil Litigation Division of Taiwan Taoyuan District Court,

against the payment of severance fee and other matters, demanding that the Company should pay compensation amounting to \$3,490. The Civil Litigation Division of Taiwan Taoyuan District Court's ruled in favor of the Company in September 2024.

(XIV) Other important risks, and mitigation measures being or to be taken: None.

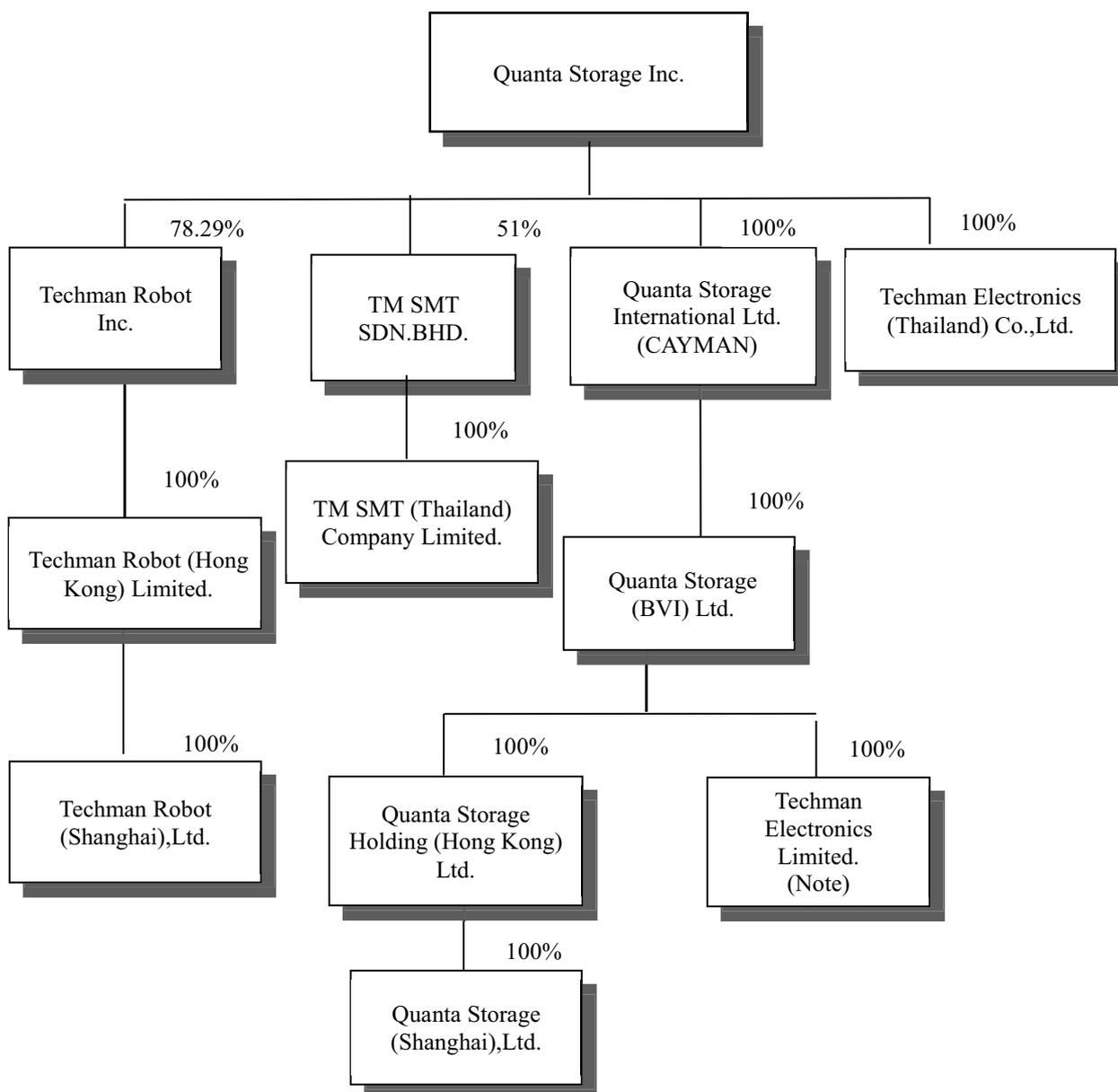
VII. Other Important Matters: None.

Six. Special Disclosure

I. Relevant Information on Affiliates

(I) Consolidated Business Report of the Affiliates Enterprise

1. Organizational Chart of the Affiliates Enterprise



Note : Techman Electronics Limited. It is currently in the process of cancellation and liquidation.

2. Basic Information of each affiliates enterprise

Unit: NT\$ Thousand

Name of the Enterprise	Date of Establishment	Address	Paid-in Capital	Main business or production items
Quanta Storage International Ltd. (Cayman)	2001.07	P.O.Box 31119 Grand Pavilion, Hibiscus Way,802 West Bay Road, Grand Cayman,KY1-1205,Cayman Islands.	USD40,520	Investment
Quanta Storage (BVI) Ltd.	2001.07	QMC Chambers, Wickhams Cay 1,Road Town, Tortola, British Virgin Islands.	USD30,520	Investment
Quanta Storage (Shanghai),Ltd. (QSS)	2001.11	No. 6, Alley 66, Sanzhuang Road, Songjiang Export Processing Zone, Shanghai.	USD20,000	Manufacturing and sales of computer peripheral storage devices and related components
Quanta Storage Holding(Hong Kong)Ltd.(QHH)	2007.11	Room 1501, No.15, Capital Centre, No.151 Gloucester Rd., Wan Chai, Hong Kong.	USD27,699	Investment
Techman Electronics Limited. (QIH)	2007.11	Room 1501, No.15, Capital Centre, No.151 Gloucester Rd., Wan Chai, Hong Kong.	USD3,308	Investment
Techman Robot Inc. (TRI)	2015.09	Relocated to 5F, No. 58-2, Huaya 2nd Road, Guishan District, Taoyuan City.	NTD900,000	Manufacturing and sales of industrial collaborative robots
Techman Electronics (Thailand) Co.,Ltd. (TMT)	2017.06	No.236-237 Moo 2, Tambol Nongchark, Amphur Banbung Chonburi 20170.	THB1,600,000	Manufacturing and sales of computer peripheral storage devices and related components
Techman Robot (Hong Kong) Limited. (TRH)	2019.04	Room 1501, No.15, Capital Centre, No.151 Gloucester Rd., Wan Chai, Hong Kong.	USD4,000	Investment
Techman Robot (Shanghai),Ltd. (TRS)	2019.04	Room 402-1, Building 6, No. 1158, Zhongxin Road, Jiuting Town, Songjiang District, Shanghai.	USD4,000	Maintenance and sales of industrial collaborative robots and related components
TM SMT SDN.BHD. (JVM)	2019.05	1-10-7 SUNTECH@PENANG CYBERCITY LINTANG MAYANG PASIR 3 11950 BAYAN BARU PULAU PINANG MALAYSIA.	MYR4,000	Sales of computer peripheral storage devices and related components
TM SMT (Thailand) Company Limited. (JVMT)	2020.08	No,196,Mu 10,304 Industrial Park, Tha Tum Sub-district, Si Maha Pho District, Prachin Buri Province.	THB 5,000	Sales of computer peripheral storage devices and related components

3. Information of Shareholders in common for companies presumed to have a relationship of control and subordination: None.

4. The industries covered by the business operated by the affiliates and description of the mutual dealings and division of work among such affiliates

Industries	Name of Affiliated Enterprise	description of the mutual dealings and division of work among such affiliates
Holding company	Quanta Storage International Ltd. (CAYMAN)	Investment Holding
	Quanta Storage (BVI) Ltd.	Investment Holding
	Quanta Storage Holding (Hong Kong) Ltd.(QHH)	Investment Holding
	Techman Electronics Limited.(QIH)	Investment Holding
	Techman Robot (Hong Kong) Limited.(TRH)	Investment Holding
Electronic Products Manufacturing	Quanta Storage (Shanghai),Ltd.(QSS)	Manufacturing and Sale
	Techman Robot Inc.(TRI)	Manufacturing and Sale
	Techman Electronics (Thailand) Co.,Ltd.(TMT)	Manufacturing and Sale
Electronic Products Trading and Sales	Techman Robot (Shanghai),Ltd.(TRS)	Trade purchases and sales
	TM SMT SDN.BHD.(JVM)	Trade purchases and sales
	TM SMT (Thailand) Company Limited.(JVMT)	Trade purchases and sales

5. The names of the directors, supervisors, and president of each affiliate

Unit: Thousand Shares

Name of the Enterprise	Position	Name or Representatives	Shareholding	
			Shares	Shares Ratio
Quanta Storage International Ltd. (Cayman)	Director	Quanta Storage Inc. Representatives: HO, SHI-CHI	-	100%
Quanta Storage (BVI) Ltd.	Director	QSI (CAYMAN) Representative: HO, SHI-CHI	-	100%
Quanta Storage Holding (Hong Kong) Ltd.(QHH)	Director	QSL(BVI) Representatives: HO, SHI-CHI	-	100%
Techman Electronics Limited.(QIH)	Director	QSL(BVI) Representatives: HO, SHI-CHI	-	100%
Quanta Storage (Shanghai),Ltd.(QSS)	Director	QHH Representatives: C.T. Huang/HO, SHI-CHI/ CHANG, CHIA-FENG	-	100%
	Supervisor	LEE,CHIH-JEN	-	100%
Techman Robot Inc.(TRI)	Director	Quanta Storage Inc. Representatives: HO, SHI-CHI / CHANG,CHIA-FENG	70,457	78.29%
		CHEN,SHANG-HAO	300	0.33%
		OMRON TAIWAN ELECTRONICS INC	1,000	11.11%
	Independent Director	KUO,CHUNG-HSIEH/ SONG,KAI- TAI/ WANG,SHU-FEN	0	0.00%
President	CHEN,SHANG-HAO	300	0.33%	
Techman Electronics (Thailand)Co.,Ltd.(TMT)	Director	Quanta Storage Inc. Representatives: HO, SHI-CHI/ CHANG, CHIA-FENG/ LEE,CHIH-JEN/ CHANG,LI-CHUN	16,000	100%
Techman Robot (Hong Kong) Limited.(TRH)	Director	Techman Robot Inc. Representatives: HO, SHI-CHI	-	100%
Techman Robot (Shanghai),Ltd.(TRS)	Director	Techman Robot Inc. Representatives: HO, SHI-CHI/ CHANG,CHIA-FENG/ CHEN,SHANG-HAO	-	100%
	Supervisor	Techman Robot Inc. Representatives: William.Wang		

Unit: Thousand Shares

Name of the Enterprise	Position	Name or Representatives	Shareholding	
			Shares	Shares Ratio
TM SMT SDN.BHD.(JVM)	Director	Quanta Storage Inc. Representatives: CHANG, CHIA-FENG / LEE,CHIH-JEN	-	51%
TM SMT (Thailand) Company Limited.(JVMT)	Director	JVM Representatives: CHANG, CHIA-FENG / LEE,CHIH-JEN	-	51%

6. The overview of the operations of the affiliates

Unit: NTD thousand

Overview of Operations Name of the Enterprise	Capital	Total assets	Total liabilities	Value	Operating revenue	Operating profit	Current profit and loss (After-Tax)	Basic earnings per share (NT\$) (After-Tax)
Quanta Storage International Ltd.	1,,328,448	1,595,963	0	1,595,963	0	(285)	(90,567)	Not applicable.
Quanta Storage (BVI) Ltd.	1,000,598	1,571,293	0	1,571,293	0	(83)	(92,222)	Not applicable.
Quanta Storage (Shanghai),Ltd.	655,700	2,490,882	940,571	1,550,311	2,672,132	7,332	23,828	Not applicable.
Techman Electronics (Changshu) Co., Ltd. (Note3)	0	0	0	0	0	0	(21,859)	Not applicable.
Quanta Storage Holding (Hong Kong) Ltd.	908,101	1,562,062	0	1,562,062	0	(113)	24,286	Not applicable.
Techman Electronics Limited.	108,443	2,847	0	2,847	0	(152)	(116,735)	Not applicable.
E-Forward Technology Ltd.(Note1)	0	0	0	0	0	(155)	212	Not applicable.
Quanta Storage Asia Ltd. (Note2)	0	0	0	0	0	(155)	230	Not applicable.
Techman Robot Inc.	900,000	2,439,754	667,520	1,772,234	1,449,892	31,177	93,775	Not applicable.
Techman Electronics (Thailand)Co.,Ltd.	1,446,975	3,350,385	1,039,208	2,311,176	3,210,103	93,644	92,955	Not applicable.
Techman Robot (Hong Kong) Limited.	120,943	25,731	0	25,731	0	0	(9,092)	Not applicable.
Techman Robot (Shanghai),Ltd.	131,140	222,879	197,148	25,731	277,103	(9,802)	(9,092)	Not applicable.
TM SMT SDN.BHD.	29,831	117,517	72,057	45,460	3,821	3,561	4,517	Not applicable.
TM SMT (Thailand) Company Limited.	5,028	4,695	29	4,666	0	(10)	(8)	Not applicable.

Note1 : E-Forward Technology Ltd. Completed its liquidation on March 05, 2024.

Note2 : Quanta Storage Asia Ltd. Completed its liquidation on March 06, 2024.

Note3 : Techman Electronics (Changshu) Co., Ltd. Completed its liquidation on December 04, 2024.

(II) Consolidated financial statements of Affiliates Enterprise:

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year 2024(starting from January 1, 2024 to December 31, 2024) are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Accounting Standard 27 endorsed by the FSC “Consolidated Financial Statements.” Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

(III) Independent Auditors' Review Opinion on Affiliation Reports

Independent Auditors' Review Opinion on Affiliation Reports

Quanta Storage Inc.

The Auditors have reviewed the 2024 Quanta Storage Inc. The content has been re-examined and completed by our accountant in accordance with the regulations of the Financial Supervisory Commission's Order No. 1130382569, dated June 26, 2024. Our work is to express an opinion on the 2024 Affiliation Report of Quanta Storage Inc., whether which was prepared in accordance with the regulation of "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" and not significantly in consistent with the notes for the financial statement for the same period audited on February 26, 2025.

In our opinion, we did not find any violation of the regulation of "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" and significantly inconsistent with the notes for the financial statements for the same period in the above Affiliated Report.

KPMG Certified Public Accountants

Certified Public Accountants:

LIEN,SHU-LING

CHEN,YI-CHUN

February 26, 2025

REPRESENTATION LETTER

The company's 2024 Affiliated Report is prepared under the regulation of "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", and there is no significantly inconsistent with the notes for the financial statements for the same period in the above Affiliated Report.

Hereby declare,

Name of the Company: Quanta Storage Inc.

Responsible Person: HO, SHI-CHI

February 26, 2025

I. The Relationship between the Subordinate Company and the Controlling Company :

Unit: Share, %

Name of Controlling Company	Reason of Controlling	Details of Shareholding and Pledges of the Controlling Company			Any controlling company appointees engaged as managerial officers of the subordinate company	
		No. of shares held	Shares Ratio	Shares on Pledge	Position	Name
Quanta Computer Inc.	1. Evaluate under the equity method 2. Proportion of director seats	82,881,664	29.77%	None	Director Director Director	Alan Tsai C.T. Huang Elton Yang

II. Transactions of Purchase (Sale) of Goods: None

Unit: NT\$ Thousand, %

Transactions Between the Controlling Company		Transaction Terms and Conditions Between the Controlling Company		Ordinary Transaction Terms and Condition	Reasons in Differences	Note/Accounts Receivable (Payable)		Accounts Receivable Past due		Remarks
		Unit Price (NT\$)	Payment Terms			Balance	Percentage to Total Note/Accounts Receivable (Payable)	Amount	Actions Taken	
Purchase/Sale Amount	Percentage to the Total Purchases (Sales)			Unit Price (NT\$)	Payment Terms					
-	-	-	-	-	-	-	-	-	-	-

III. Transaction Details of Properties: None

Unit: NT\$ Thousand

Type of Transactions (Acquisition or Disposal)	Name of the Property	transaction date or date of factual occurrence	Transaction Amount	terms of delivery or payment	details of the receipt/payment of the transaction price	Losses and gains on disposal of property	Reasons for selecting the controlling company as the transaction counterpart	Information on the last preceding transfer			Method by which the transaction was decided upon and reference basis upon which the price was determined	Reference basis for price determination	The specific purpose of the acquisition or disposal and the usage status of the object of the transaction	Other special stipulations
								Owners of the Property	Relationship with the Company	Date of Transfer				
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

IV. Situations on Financing: None

Unit: NT\$ Thousand

Transaction Type (funds lent or borrowed)	Maximum Balance	Ending balance	Interest Rate	Total Interest for the Current Period	Financing Period	Reason for the Financing	Collateral Obtained(Provided)		Method by which the transaction was decided upon	Allowance Set Aside For Bad Debt
							Name	Amount		
-	-	-	-	-	-	-	-	-	-	-

V. Condition on Assets Leasing: None

Unit: NT\$ Thousand

Type of Transaction (rental or lease)	Subject Matter		Lease term	Nature of Leasing	Method by the leasing price was determined	Method of Collection (Payment)	Comparison with Ordinary Leasing Price Levels	Total Leasing Price for the Current Period	Collection or Payment Status for the Current Period	Other special stipulations
	Name	Location								
-	-	-	-	-	-	-	-	-	-	-

VI. Conditions on Endorsements and Guarantees: None

Unit: NT\$ Thousand

Maximum Balance	Ending balance		Reasons of Endorsements or Guarantees	Terms and conditions or dates for rescinding the endorsement or guarantee			obligation or withdrawing the collateral	Contingency loss amounts stated in the financial statements	Whether endorsement or guarantee operations breach applicable operational rules
	Amount	Percentage of the net value of financial statements		Name	Amount	Value			
-	-	-	-	-	-	-	-	-	-

- II. Carry out of a private placement of securities during the most recent fiscal year** or during the current fiscal year up to the date of publication of the annual report, disclose the date on which the placement was approved by the board of directors or by a shareholders meeting, the amount thus approved, the basis for and reasonableness of the pricing, the manner in which the specified persons were selected, the reasons why the private placement method was necessary: N/A.
- III. Other Necessary Supplementary Disclosure:** None.

Seven. Any situations which might materially affect shareholders' equity or the price of the Company's securities during the most recent year or during the current year up to the date of printing of the annual report: No any such conditions of the Situations Listed in Subparagraph 2, Paragraph 2 , Article 36 of the Securities and Exchange Act, which might materially Affect Shareholders' Equity or the Price of the Company's Securities, has occurred During the Most Recent Fiscal Year or During the Current Fiscal Year Up to the Date of Publication of the Annual Report.

Quanta Storage Inc.

Responsible Person: HO, SHI-CHI