

**QUANTA STORAGE INC.****Parent Company Only Financial Statements****With Independent Auditors' Report  
For the Years Ended December 31, 2024 and 2023**

**Address: 6F., No. 58-2, Huaya 2nd Rd., Guishan Dist.,  
Taoyuan City 333411, Taiwan (R.O.C.)**

**Telephone: (03)328-8090**

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

## Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Report	3
4. Balance Sheets	4
5. Statements of Comprehensive Income	5
6. Statements of Changes in Equity	6
7. Statements of Cash Flows	7
8. Notes to the Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of material accounting policies	10~25
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	25
(6) Explanation of significant accounts	25~53
(7) Related-party transactions	54~56
(8) Pledged assets	56
(9) Commitments and contingencies	56~57
(10) Losses Due to Major Disasters	57
(11) Subsequent Events	57
(12) Other	58~59
(13) Other disclosures	
(a) Information on significant transactions	60~63
(b) Information on investees	63~64
(c) Information on investment in mainland China	64~65
(d) Major shareholders	65
(14) Segment information	65
9. List of major account titles	66~76



安侯建業聯合會計師事務所  
KPMG

台北市110615信義路5段7號68樓(台北101大樓)  
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666  
傳真 Fax + 886 2 8101 6667  
網址 Web kpmg.com/tw

## Independent Auditors' Report

To the Board of Directors of Quanta Storage Inc.:

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matters

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

#### Revenue Recognition

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

#### Description of the key audit matter:

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

How the matter was addressed in our audit:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KPMG

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

#### Notes to Readers

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

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

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

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Assets</b>								<b>Liabilities and Equity</b>			
<b>Current assets:</b>								<b>Current liabilities:</b>			
1100	Cash and cash equivalents (Note (6)(a))	\$ 612,360	4	1,293,254	10	2120	Current financial liabilities at fair value through profit or loss (Note (6)(b))	\$ 8,692	-	3,803	-
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	2,537,716	18	2,664,377	20	2140	Current contract liabilities (Note (6)(s))	559,311	4	370,382	3
1120	Current financial assets at fair value through other comprehensive income (Note (6)(c))	960,139	7	876,896	6	2170	Accounts payable	913	-	26,186	-
1170	Accounts receivable, net (Notes (6)(e) and (7))	2,044,617	15	2,176,518	16	2180	Accounts payable to related parties (Note (7))	2,273,271	16	2,290,512	17
1200	Other receivables, net (Note (6)(e))	78,366	1	68,319	1	2200	Other payables	695,977	5	627,321	5
1210	Other receivables due from related parties, net (Notes (6)(e) and (7))	39,338	-	48,235	-	2230	Current tax liabilities	151,871	1	355,714	2
1310	Inventories (Note (6)(f))	874	-	772	-	2250	Current provisions (Notes (6)(n) and (9))	243,965	2	242,821	2
1476	Other current financial assets (Notes (6)(a) and (l))	-	-	67,960	-	2280	Current lease liabilities (Note (6)(m))	24,311	-	24,043	-
1479	Other current assets, others	42,418	-	17,850	-	2300	Other current liabilities	199,135	2	250,988	2
		<u>6,315,828</u>	<u>45</u>	<u>7,214,181</u>	<u>53</u>	2365	Current refund liabilities	9,964	-	12,989	-
								<u>4,167,410</u>	<u>30</u>	<u>4,204,759</u>	<u>31</u>
<b>Non-current assets:</b>								<b>Non-Current liabilities:</b>			
1535	Non-current financial assets at amortised cost, net (Note (6)(d))	1,116,998	8	230,000	2	2570	Deferred tax liabilities (Note (6)(p))	179,052	2	186,895	1
1550	Investments accounted for using equity method (Note (6)(g))	5,279,618	38	5,454,251	40	2580	Non-current lease liabilities (Note (6)(m))	50,585	-	15,510	-
1600	Property, plant and equipment (Note (6)(i))	975,860	7	523,878	4	2670	Other non-current liabilities, others	152	-	157	-
1755	Right-of-use assets (Note (6)(j))	73,792	1	39,161	-			<u>229,789</u>	<u>2</u>	<u>202,562</u>	<u>1</u>
1780	Intangible assets (Note (6)(k))	21,637	-	7,441	-		<b>Total liabilities</b>	<u>4,397,199</u>	<u>32</u>	<u>4,407,321</u>	<u>32</u>
1840	Deferred tax assets (Note (6)(p))	144,163	1	171,845	1						
1980	Other non-current financial assets (Note (8))	6,061	-	5,851	-		<b>Equity attributable to owners of parent (Notes (4), (6)(g) and (q)):</b>				
		<u>7,618,129</u>	<u>55</u>	<u>6,432,427</u>	<u>47</u>	3110	Ordinary share	2,783,589	20	2,783,589	21
						3200	Capital surplus	1,900,259	13	1,748,975	13
						3300	Retained earnings	4,577,718	33	4,806,961	35
						3400	Other equity interest	275,192	2	(100,238)	(1)
							<b>Total equity</b>	<u>9,536,758</u>	<u>68</u>	<u>9,239,287</u>	<u>68</u>
<b>Total assets</b>		<u>\$ 13,933,957</u>	<u>100</u>	<u>13,646,608</u>	<u>100</u>		<b>Total liabilities and equity</b>	<u>\$ 13,933,957</u>	<u>100</u>	<u>13,646,608</u>	<u>100</u>

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

**Statements of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

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

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

See accompanying notes to parent company only financial statements.

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

## QUANTA STORAGE INC.

## Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

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

See accompanying notes to parent company only financial statements.

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

**Statements of Cash Flows**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

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

See accompanying notes to parent company only financial statements.

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

**Notes to the Financial Statements**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**(1) Company history**

Quanta Storage Inc. (the “Company”) was incorporated on February 10, 1999, as a company limited by shares and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is 3F., No. 188, Wenhua 2nd Rd., Guishan Dist., Taoyuan City 333010, Taiwan (R.O.C.). In view of the future of operations, the address of the Company was changed to 6F., No. 58-2, Huaya 2nd Rd., Guishan Dist., Taoyuan City 333411, Taiwan (R.O.C.) and authorized by the Board of Directors on December 22, 2021. The Company has registered the relocation under the laws. The Company’s major business activities include researching, developing, producing, manufacturing, and selling data storage and processing equipment, electronic components, and optical instruments.

**(2) Approval date and procedures of the financial statements:**

The company financial statements were authorized for issue by the Board of Directors on February 26, 2025.

**(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its financial statements:

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

**(4) Summary of material accounting policies:**

The material accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) Hedging financial instruments are measured at fair value;

(ii) Functional and presentation currency

The functional currency of Company is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(c) Foreign currency transactions and operations

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies measured based on historical cost are translated using the exchange rate at the date of transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) an investment in equity securities designated as at fair value through other comprehensive income;
- 2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- 3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(d) Classification of current and non-current assets and liabilities

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in their fair value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Accounts receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI )

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- it is contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Some accounts receivables are held within a business model whose objective is achieved by both collecting contractual cash flows and selling by the Company, therefore, those receivables are measured at FVOCI. However, they are included in the ‘accounts receivables’ line item.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether the management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities, or expected cash outflows, or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

5) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes receivable and accounts receivable, other receivables, guarantee deposit paid and other financial assets).

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a delay or over;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization;  
or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

6) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recognized at the amount of consideration received less the direct issuing cost.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(g) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in process, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less, the estimated costs of completion and selling expenses.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The financial reports include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company from the date on which significant influence commences until the date on which significant influence ceases. When an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes of the Company's shareholding percentage in the associate, the Company recognizes equity changes attributable to the Company by its shareholding percentage as capital surplus.

Unrealized gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals to or exceeds its interest in an associates, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

If the Company's ownership interest in an associate is reduced while it continues to apply the equity method, the Company reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(i) Investment in subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the financial statements. Under equity method, the net income, other comprehensive income and equity in the financial statement are the same as those attributable to the owners of parent in the consolidated financial statements.

The changes in ownership of the subsidiaries, but not result in the loss of control, are recognized as equity transaction.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of assets less their residual values and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant, and equipment.

Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant, and equipment are as follows:

1) Machinery equipment	3 years
2) Testing equipment	3 ~ 5 years
3) Miscellaneous equipment	2 ~ 5 years
4) Lease improvements	3 ~ 5 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(k) Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments in the measurement of the lease liability are fixed payments, including in-substance fixed payments.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change of its assessment on whether it will exercise a extension or termination option; or
- 2) there is any lease modification in lease subject, scope of the lease, or other terms.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'rent income'.

(l) Intangible assets

(i) Recognition and measurement

Expenditure on research activities is recognized in profit or loss as incurred.

Other intangible assets, including computer software, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

- |                      |             |
|----------------------|-------------|
| 1) Computer software | 1 ~ 5 years |
|----------------------|-------------|

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(m) Impairment of non financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

Management periodically assesses the cost of obligation of all litigation and related legal costs. Provision for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recognized when it is probable the present obligation as a result of a past event will result in an outflow of resources and the amount can be reasonably estimated.

Provisions recognized are the best estimates of the expenditure for settling the present obligation at each reporting date.

(o) Revenue recognition

Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

1) Sale of goods

Revenue is recognized when the control over a product has been transferred to the customer. When the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

2) Rendering of services

The Company provides business advisory and management services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the amount of work incurred to date as a proportion of the total estimated amount of work of the transaction.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

3) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(q) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profits (losses) and does not give rise to equal taxable and deductible temporary differences; and
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted on the reporting date.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) the same taxable entity; or

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

- 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee compensation.

(s) Operating segments

The operating segment information is disclosed in the Company's consolidated financial statements; therefore, the Company does not disclose segment information in the financial statements.

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

In preparing these parent company only financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

There are no critical judgements in applying accounting policies that have significant effects on the amounts recognized in the parent company only financial statements.

After assessment, there are no judgments and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

**(6) Explanation of significant accounts:**

(a) Cash and cash equivalents

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Cash	\$ 73	73
Checking account deposits	11,800	7,823
Demand deposits	168,887	236,964
Foreign currency deposits	226,760	878,494
Time deposits	<u>204,840</u>	<u>169,900</u>
Cash and cash equivalents in the statement of cash flows	<u><u>\$ 612,360</u></u>	<u><u>1,293,254</u></u>

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

Time deposits with a maturity exceeding three months, were presented in other financial assets—current and non-current according to their respective maturity dates.

For the disclosure of currency risk and sensitivity analysis of the financial assets and liabilities of the Company, please refer to Note (6)(v).

(b) Financial assets and liabilities at fair value through profit or loss

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Mandatorily measured at fair value through profit or loss:		
Domestic listed convertible corporate bonds	\$ 46,563	20,601
Beneficiary certificate—open-ended fund	2,491,153	2,643,776
Held-for-trading financial liabilities:		
Foreign currency forward contracts	<u>(8,692)</u>	<u>(3,803)</u>
Total	<u>\$ 2,529,024</u>	<u>2,660,574</u>

The Company uses derivative instruments to hedge risks of foreign currency and interest rate the Company is exposed to arising from its operating, financing and investing activities. The following derivative instruments held by the Company, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

	<u>December 31, 2024</u>		
	<u>Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity dates</u>
Foreign currency forward contracts			
US dollars sold	USD 36,000	USD to NTD	January 7, 2025~ February 26, 2025
US dollars purchased	USD 19,000	NTD to USD	January 8, 2025~ January 21, 2025
	<u>December 31, 2023</u>		
	<u>Amount (in thousands)</u>	<u>Currency</u>	<u>Maturity dates</u>
Foreign currency forward contracts			
US dollars sold	USD 15,000	USD to NTD	January 11, 2024~ January 29, 2024
US dollars purchased	USD 24,000	NTD to USD	January 5, 2024~ February 6, 2024

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

- (i) As of December 31, 2024 and 2023, the Company held unsecured convertible corporate bonds issued by Yulon Finance Corporation. The maturity date of corporate bond is on November 20, 2028, and the conversion period runs from February 21, 2024, to November 20, 2028.
- (ii) As of December 31, 2024, the Company held unsecured convertible corporate bonds issued by WPG HOLDINGS LIMITED. The maturity date of corporate bond is on November 11, 2027, and the conversion period runs from February 12, 2025, to November 11, 2027.
- (iii) As of December 31, 2024, the Company held unsecured convertible corporate bonds issued by LUNGTEH SHIPBUILDING CO., LTD. The maturity date of corporate bond is on June 25, 2027, and the conversion period runs from September 26, 2024, to June 25, 2027.
- (iv) As of December 31, 2023, the Company held unsecured convertible corporate bonds issued by TAI-TECH Advanced Electronics CO., Ltd.. The maturity date of corporate bond is on October 31, 2026, and the conversion period runs from February 1, 2024, to October 31, 2026. All of them were sold in 2024.
- (v) For the informations of liquidity risk, please refer to Note (6)(v).
- (vi) The aforesaid financial assets were not pledged as collateral.
- (c) Financial assets at fair value through other comprehensive income

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Equity investments at fair value through other comprehensive income:		
Domestic listed stocks	<b>\$ 960,139</b>	<b>876,896</b>

- (i) Equity investments at fair value through other comprehensive income

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term strategic purposes.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2024 and 2023.

- (ii) For equity price risk and fair value information, please refer to Note (6)(v).
- (iii) The aforesaid financial assets were not pledged as collateral.
- (d) Financial assets at amortised cost

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Investments in debt instruments	<b>\$ 1,116,998</b>	<b>230,000</b>

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(i) Investments in debt instruments measured at amortized cost

The Company has assessed that these financial assets are held to maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

(ii) The company purchased corporate bonds issued by Fubon Life Insurance Co., Ltd. in June 2024 and September 2023, with face value of \$200,000 and \$90,000, respectively. The coupon rates were the same as effective interest rates which were 3.70%.

(iii) The company purchased corporate bonds issued by Nan Shan Life Insurance Co., Ltd. in June 2024 and October 2023, with face value of \$100,000 and \$90,000, respectively. The coupon rates were the same as effective interest rates which were 3.75%.

(iv) The company purchased a corporate bond issued by Shin Kong Life Insurance Co., Ltd. in October 2023, with the face value of \$50,000. The coupon rate was the same as effective interest rate which was 4%.

(v) The company purchased a corporate bond issued by Cathay Life Insurance Co., Ltd. in April 2024, with the face value of \$100,000. The coupon rate was the same as effective interest rate which was 3.70%.

(vi) The company purchased a secured corporate bond issued by Shin Kong Life Insurance Co., Ltd. in August 2024, with the face value of \$200,000. The coupon rate and the effective interest rate were 3.50% and 3.48%, respectively.

(vii) The company purchased a corporate bond issued by KGI Life Insurance Co., Ltd. in September 2024, with the face value of \$90,000. The coupon rate was the same as effective interest rate which was 3.75%.

(viii) The company purchased a U.S. dollar denominated corporate bond issued by Cathay Life Insurance Co., Ltd. in May 2024, with the face value of USD 6,000 thousand. The coupon rate was the same as effective interest rate which was 5.80%.

(ix) For fair value information, please refer to Note (6)(v).

(x) The aforesaid financial assets were not pledged as collateral.

(e) Accounts receivable and notes receivables

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Accounts receivable—measured as amortized cost	\$ 1,940,705	2,067,026
Accounts receivable—fair value through other comprehensive income	113,467	109,523
Less: Loss allowance	<u>(9,555)</u>	<u>(31)</u>
	<b><u>\$ 2,044,617</u></b>	<b><u>2,176,518</u></b>

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

The Company has assessed a portion of its accounts receivable that was held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; therefore, such accounts receivable were measured at fair value through other comprehensive income.

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The analysis of expected credit losses on accounts receivable was as follows:

	<b>December 31, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 1,769,644	0%	-
1 to 90 days past due	270,841	0%	-
More than 91 days past due	13,687	54.62%~72.03%	9,555
	<b>\$ 2,054,172</b>		<b>9,555</b>
	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 1,997,465	0%	-
1 to 90 days past due	178,930	0%	-
More than 91 days past due	154	1%	31
	<b>\$ 2,176,549</b>		<b>31</b>

The movement in the allowance for accounts receivable was as follows:

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 31	21,338
Impairment losses recognized (reversed)	9,524	(21,307)
Balance at December 31	<b>\$ 9,555</b>	<b>31</b>

As of December 31, 2024 and 2023, the Company's other receivables amounted to \$117,704 and \$116,554 respectively, primarily comprising interest receivable and materials purchased on behalf of related parties. As the amount overdue was not material, no impairment was recognized after assessment.

For credit risk information, please refer to Note (6)(v).

The aforesaid financial assets were not pledged as collateral.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

The Company entered into non-recourse factoring agreements with different financial institutions to sell its accounts receivables. Under the agreements, the Company does not have the responsibility to assume the default risk of the transferred accounts receivables, which meets the requirement for derecognition of financial assets. As of the reporting date, the factored and unexpired accounts receivables were as follows:

<b>December 31, 2024</b>							
<b>Purchaser</b>	<b>Derecognized Amount</b>	<b>Credit Unused</b>	<b>Amount advanced</b>	<b>Amount recognized in other receivables</b>	<b>Range of interest rates</b>	<b>Significant transferring terms</b>	
Financial institution	\$ -	USD 3,461	-	-	-	None	
<b>December 31, 2023</b>							
<b>Purchaser</b>	<b>Derecognized Amount</b>	<b>Credit Unused</b>	<b>Amount advanced</b>	<b>Amount recognized in other receivables</b>	<b>Range of interest rates</b>	<b>Significant transferring terms</b>	
Financial institution	\$ -	USD 3,567	-	-	-	None	

(f) Inventories

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Raw materials	\$ 874	692
Finished goods	-	80
	<b>\$ 874</b>	<b>772</b>

The details of cost of goods sold were as follows:

	<b>For the years ended December 31, 2024</b>	<b>2023</b>
Cost of goods sold	<b>\$ 5,651,079</b>	<b>7,585,653</b>

The aforesaid inventories were not pledged as collateral.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(g) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date was as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Subsidiaries	\$ 5,257,817	5,432,459
Associates	21,801	21,792
	<b><u>\$ 5,279,618</u></b>	<b><u>5,454,251</u></b>

(i) Subsidiaries

Quanta Storage International Ltd. (CAYMAN) had been approved capital reduction by the Board of Directors on February 19, 2024 and November 26, 2024, and returned investment funds \$119,700 and \$259,600 back to the Company, respectively.

Quanta Storage International Ltd. (CAYMAN) had been approved by the Board of Directors on November 26, 2024 and April 7, 2023, May 11, 2023 and October 18, 2023 to distribute earnings to the Company, totaling \$210,245 and \$1,547,203, respectively.

Please refer to the consolidated financial statements for other related information.

(ii) Associates

The Company's financial information for investments accounted for using equity method that are individually insignificant was as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Carrying amount of individually insignificant associates' equity	<b><u>\$ 21,801</u></b>	<b><u>21,792</u></b>
	<b><u>For the years ended December 31, 2024</u></b>	<b><u>2023</u></b>
Attributable to the Company:		
Gain (loss) from continuing operation	<b><u>\$ 9</u></b>	<b><u>(149)</u></b>

The Company had no contingent liability assumed jointly with other investors or severally from associates' liabilities.

(iii) Pledges

The aforesaid investments accounted for using the equity method were not pledged as collateral.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(h) Changes in ownership interests in subsidiaries

(i) Disposal of partial equity interests in subsidiaries without losing control

The Company disposed 1.66% shares of Techman Robot Inc., Ltd. with the price \$179,460 on September 20, 2024.

The impact of changes in equity of the Company due to changes in the ownership interests of subsidiaries is as follows:

	<b>2024</b>
	<b>Techman Robot Inc.</b>
Book value of the non-controlling interests	\$ (28,212)
Consideration transferred from the non-controlling interests	179,460
Other Equity	-
Capital Surplus— difference between consideration and carrying amount of subsidiaries acquired or disposed	<b>\$ 151,248</b>

(i) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company were as follows:

	<b>Land</b>	<b>Equipment</b>	<b>Equipment under acceptance</b>	<b>Office and miscellaneous equipment</b>	<b>Lease improvements</b>	<b>Construction in progress</b>	<b>Total</b>
Cost or deemed cost:							
Balance at January 1, 2024	\$ 466,506	1,311	63,169	21,994	12,423	26,283	591,686
Additions	-	-	13,580	96	328	450,605	464,609
Disposal and obsolescence	-	-	(2,433)	(842)	-	-	(3,275)
Balance at December 31, 2024	\$ 466,506	1,311	74,316	21,248	12,751	476,888	1,053,020
Balance at January 1, 2023	\$ 466,506	1,311	57,637	24,019	12,268	18,350	580,091
Additions	-	-	6,016	170	155	7,933	14,274
Disposal and obsolescence	-	-	(484)	(2,195)	-	-	(2,679)
Balance at December 31, 2023	\$ 466,506	1,311	63,169	21,994	12,423	26,283	591,686
Depreciation and impairments loss:							
Balance at January 1, 2024	\$ -	1,196	42,843	18,865	4,904	-	67,808
Depreciation for the year	-	99	8,251	1,278	2,999	-	12,627
Disposal and obsolescence	-	-	(2,433)	(842)	-	-	(3,275)
Balance at December 31, 2024	\$ -	1,295	48,661	19,301	7,903	-	77,160
Balance at January 1, 2023	\$ -	914	37,258	19,530	1,929	-	59,631
Depreciation for the year	-	282	6,069	1,530	2,975	-	10,856
Disposal and obsolescence	-	-	(484)	(2,195)	-	-	(2,679)
Balance at December 31, 2023	\$ -	1,196	42,843	18,865	4,904	-	67,808

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

Carrying value:	<u>Land</u>	<u>Equipment</u>	<u>Equipment under acceptance</u>	<u>Office and miscellaneous equipment</u>	<u>Lease improvements</u>	<u>Construction in progress</u>	<u>Total</u>
Balance at December 31, 2024	\$ <u>466,506</u>	<u>16</u>	<u>25,655</u>	<u>1,947</u>	<u>4,848</u>	<u>476,888</u>	<u>975,860</u>
Balance at January 1, 2023	\$ <u>466,506</u>	<u>397</u>	<u>20,379</u>	<u>4,489</u>	<u>10,339</u>	<u>18,350</u>	<u>520,460</u>
Balance at December 31, 2023	\$ <u>466,506</u>	<u>115</u>	<u>20,326</u>	<u>3,129</u>	<u>7,519</u>	<u>26,283</u>	<u>523,878</u>

For the purpose of constructing the office building and research and development center of the headquarter, the Company purchased land and building in Guishan District, Taoyuan City from the parent company, Quanta Computer Inc. The cost of acquisition was \$466,506 and \$14,840, which accounted for as land and construction in progress, respectively. The Company has fully paid and transferred the ownership. Please refer to Note (9)(a) for details of significant unrecognized contractual commitments associated with the acquisition of property, plant and equipment.

(i) Collateral

The aforesaid property, plant and equipment were not pledged as collateral.

(ii) Capitalization of interest

The Company has no interests shall be capitalized.

(j) Right-of-use assets

The cost, depreciation, and impairment of the leased land and buildings of the Company were as follows:

	<u>Building and construction</u>
Cost:	
Balance as of January 1, 2024	\$ 72,596
Additions	<u>58,798</u>
Balance as of December 31, 2024	<u>\$ 131,394</u>
Balance as of January 1, 2023	\$ 70,591
Additions	<u>2,005</u>
Balance as of December 31, 2023	<u>\$ 72,596</u>
Accumulated depreciation and impairment losses:	
Balance as of January 1, 2024	\$ 33,435
Depreciation for the year	<u>24,167</u>
Balance as of December 31, 2024	<u>\$ 57,602</u>

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

	<b>Building and construction</b>
Balance as of January 1, 2023	\$ 9,804
Depreciation for the year	23,631
Balance as of December 31, 2023	<b>\$ 33,435</b>
Carrying amount:	
Balance at December 31, 2024	<b>\$ 73,792</b>
Balance at January 1, 2023	<b>\$ 60,787</b>
Balance at December 31, 2023	<b>\$ 39,161</b>

## (k) Intangible assets

The cost, amortization and impairment of the intangible assets of the Company were as follows:

	<b>Software</b>	<b>Others</b>	<b>Total</b>
Cost:			
Balance at January 1, 2024	\$ 12,435	1,266	13,701
Additions	23,209	2,147	25,356
Disposal and obsolescence	(8,614)	(664)	(9,278)
Balance at December 31, 2024	<b>\$ 27,030</b>	<b>2,749</b>	<b>29,779</b>
Balance at January 1, 2023	\$ 15,254	6,033	21,287
Additions	7,840	1,266	9,106
Disposal and obsolescence	(10,659)	(6,033)	(16,692)
Balance at December 31, 2023	<b>\$ 12,435</b>	<b>1,266</b>	<b>13,701</b>
Accumulated amortization and impairment losses:			
Balance at January 1, 2024	\$ 6,094	166	6,260
Amortization for the year	9,758	1,402	11,160
Disposal and obsolescence	(8,614)	(664)	(9,278)
Balance at December 31, 2024	<b>\$ 7,238</b>	<b>904</b>	<b>8,142</b>
Balance at January 1, 2023	\$ 8,881	4,722	13,603
Amortization for the year	7,872	1,477	9,349
Disposal and obsolescence	(10,659)	(6,033)	(16,692)
Balance at December 31, 2023	<b>\$ 6,094</b>	<b>166</b>	<b>6,260</b>

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

	<u>Software</u>	<u>Others</u>	<u>Total</u>
Carrying value:			
Balance at December 31, 2024	\$ <u>19,792</u>	<u>1,845</u>	<u>21,637</u>
Balance at January 1, 2023	\$ <u>6,373</u>	<u>1,311</u>	<u>7,684</u>
Balance at December 31, 2023	\$ <u>6,341</u>	<u>1,100</u>	<u>7,441</u>

(i) Amortization recognized

The amortization of intangible assets were included in the statement of comprehensive income as follows:

	<u>For the years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Operating expenses	\$ <u>11,160</u>	<u>9,349</u>

(l) Other current financial assets

The Company's other current financial assets were detailed as follows:

	<u>December 31,</u>	<u>December 31,</u>
	<u>2024</u>	<u>2023</u>
Time deposits over three months	\$ <u>-</u>	<u>67,960</u>

The aforesaid financial assets were not pledged as collateral.

(m) Lease liabilities

The carrying amounts of the Company's lease liabilities were as follows:

	<u>December 31,</u>	<u>December 31,</u>
	<u>2024</u>	<u>2023</u>
Current	\$ <u>24,311</u>	<u>24,043</u>
Non-current	\$ <u>50,585</u>	<u>15,510</u>

For the maturities analysis, please refer to Note (6)(v).

The amounts recognized in profit or loss were as follows:

	<u>For the years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Interest expenses on lease liabilities	\$ <u>1,018</u>	<u>720</u>
Expenses relating to short-term leases	\$ <u>160</u>	<u>-</u>

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

The amounts recognized in the statement of cash flows for the Company was as follows:

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Total cash outflow for leases	<b>\$ 24,633</b>	<b>24,141</b>

(i) Building and construction

The Company leases land and buildings for its office and plant space. The leases typically run for a period of 3 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration at the end of the contract term.

(ii) Other leases

The Company also leases office equipment, which are short-term or low-value items. The Company has selected not to recognize right-of-use assets and lease liabilities for these leases.

(n) Provisions

	<b>Current provisions</b>
Balance at January 1, 2024	\$ 242,821
Effect of movement in exchange rates	1,144
Balance at December 31, 2024	<b>\$ 243,965</b>
Balance at January 1, 2023	\$ 233,817
Effect of movement in exchange rates	9,004
Balance at December 31, 2023	<b>\$ 242,821</b>

The provisions of the Company was for litigations. Please refer to Note (9) for related informations.

(o) Employee benefits

(i) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$12,275 and \$12,843 for the years ended December 31, 2024 and 2023, respectively.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(p) Income taxes

(i) Income tax expense

The components of income tax were as follows:

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Current income tax expense:		
Current period	\$ 172,892	454,282
Adjustment for prior periods	(21,496)	(14,844)
	<u>151,396</u>	<u>439,438</u>
Deferred tax expense:		
Temporary differences	(28,438)	(202,853)
Income tax expense from continuing operations	<u>\$ 122,958</u>	<u>236,585</u>

Income tax benefit recognized in other comprehensive income:

	<b>For the years ended December 31</b>	
	<b>2024</b>	<b>2023</b>
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation	<u>\$ 48,277</u>	<u>-</u>

Reconciliation of income tax and profit before tax were as follows:

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Profit excluding income tax	<u>\$ 771,979</u>	<u>1,348,648</u>
Income tax using the Company's domestic tax rate	\$ 154,396	269,730
Withholding tax on overseas income	-	(117,811)
Tax-exempt income	(44,893)	(9,934)
Permanent differences	18,558	(2,278)
Changes in temporary differences	8,250	89,353
Additional income tax on unappropriated earnings	8,143	22,369
Overestimate of income tax in prior periods	(21,496)	(14,844)
Income tax expense	<u>\$ 122,958</u>	<u>236,585</u>

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(ii) Deferred Tax Assets and Liabilities

1) Recognized deferred tax assets and liabilities

Changes in deferred tax assets and liabilities were as follows:

	<u>Unrealized investment profit (loss)</u>	<u>Cumulative translation adjustment</u>	<u>Others</u>	<u>Total</u>
<b>Deferred Tax Liabilities:</b>				
Balance at January 1, 2024	\$ 185,250	-	1,645	186,895
Recognized in profit or loss	(58,529)	-	2,409	(56,120)
Recognized in other comprehensive income	<u>-</u>	<u>48,277</u>	<u>-</u>	<u>48,277</u>
Balance at December 31, 2024	<u>\$ 126,721</u>	<u>48,277</u>	<u>4,054</u>	<u>179,052</u>
Balance at January 1, 2023	\$ 376,885	-	482	377,367
Recognized in profit or loss	<u>(191,635)</u>	<u>-</u>	<u>1,163</u>	<u>(190,472)</u>
Balance at December 31, 2023	<u>\$ 185,250</u>	<u>-</u>	<u>1,645</u>	<u>186,895</u>
<b>Deferred Tax Assets:</b>				
Balance at January 1, 2024		\$ 132,376	39,469	171,845
Recognized in profit or loss		<u>(5,906)</u>	<u>(21,776)</u>	<u>(27,682)</u>
Balance at December 31, 2024		<u>\$ 126,470</u>	<u>17,693</u>	<u>144,163</u>
Balance at January 1, 2023		\$ 134,368	25,096	159,464
Recognized in profit or loss		<u>(1,992)</u>	<u>14,373</u>	<u>12,381</u>
Balance at December 31, 2023		<u>\$ 132,376</u>	<u>39,469</u>	<u>171,845</u>

(iii) Assessment of tax

The Company's tax returns for the years through 2022 were assessed and approved by the Tax Authority.

(iv) Global minimum top-up tax

Some countries that the Company operates in have enacted new legislation to implement the global minimum top-up tax. The Company is closely monitoring developments related to the implementation of the international tax reforms introducing a global minimum top-up tax in the countries which it operates in. As of December 31, 2024, the application of this new tax law was assessed to have no material impact on the Company. The Company recognizes the supplemental tax as current income tax when it is actually incurred, and the Company applies the temporary mandatory relief from deferred tax related to the supplement tax.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(q) Capital and other equity

As of December 31, 2024 and 2023, the number of authorized ordinary shares were 278,359 thousand shares with par value of \$10 per share. The total value of authorized ordinary shares was amounted to \$2,783,589. All issued shares were paid up upon issuance.

(i) Capital surplus

The components of capital surplus were as follows :

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Additional paid-in capital	\$ 1,343,102	1,343,102
Changes in ownership interests in subsidiaries	405,400	405,400
Difference between consideration and carrying amount of subsidiaries acquired or disposed	151,248	-
Others	<u>509</u>	<u>473</u>
	<u>\$ 1,900,259</u>	<u>1,748,975</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. Capital surplus included the income was derived from the issuance of new shares at a premium and income from the endowments received by the Company. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the amount of capital reserves to be reclassified under share capital shall not exceed 10 percent of the actual share capital amount.

(ii) Retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, unless the amount in the legal reserve has already reached the total paid-in capital. In addition, special reserve shall be appropriated according to related regulations and the Company's operating needs, after which any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The Company, taking into consideration long-term financial planning and demand for capital, adopted a residual dividend policy. The retained earnings are set aside for the demand in capital, after which the remainder is distributed as cash dividends, wherein the annual distribution of cash dividends shall be no less than 50 percent of the total dividends appropriated. The Company's dividend policy was formulated by the Board of Directors considering factors such as the Company's operation and investment planning, the budget for capital expenditure, and changes in the internal and external context.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

The Company distributes its earnings in cash and distributes the aggregate or a portion of the legal reserve and the capital surplus to shareholders in cash in proportion to shareholdings pursuant to Article 241(i) of the Company Act, before which a resolution has to be made during a board meeting attended by at least two-thirds of the total number of directors. Aside from that, such distribution shall be reported to the shareholders' meeting.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Ruling issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity and the balance of the special surplus reserve mentioned in the preceding paragraph. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2023 and 2022 had been approved during the Board of Directors on March 4, 2024 and March 15, 2023, respectively. The relevant dividend distributions to shareholders were as follows:

	For the years ended December 31,			
	2023		2022	
	Dividend per share (NTD)	Amount	Dividend per share (NTD)	Amount
Dividends distributed to ordinary shareholders:				
Earnings distribution	\$ 3.20	890,748	2.70	751,569
Capital surplus, additional paid-in capital	-	-	0.50	139,179
Total		<u>\$ 890,748</u>		<u>890,748</u>

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(iii) Other equity interest after tax

	<b>Exchange differences on translation of foreign financial statement</b>	<b>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</b>
Balance at January 1, 2024	\$ (97,671)	(2,567)
Exchange differences on foreign operations	288,926	-
Differences on subsidiaries accounted for using equity method	1,222	2,039
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	83,243
Balance at December 31, 2024	<u>\$ 192,477</u>	<u>82,715</u>
Balance at January 1, 2023	\$ (69,750)	(83,029)
Exchange differences on foreign operations	(27,531)	-
Differences on subsidiaries accounted for using equity method	(390)	(46)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	80,508
Balance at December 31, 2023	<u>\$ (97,671)</u>	<u>(2,567)</u>

(r) Earnings per share

(i) Basic earnings per share

1) Profit attributable to ordinary shareholders of the Company

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Profit attributable to ordinary shareholders	<u>\$ 649,021</u>	<u>1,112,063</u>

2) Weighted average number of ordinary shares

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Weighted average number of ordinary shares	<u>278,359</u>	<u>278,359</u>

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

## (ii) Diluted earnings per share

## 1) Profit attributable to ordinary shareholders of the Company

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Profit attributable to ordinary shareholders	<b>\$ 649,021</b>	<b>1,112,063</b>

## 2) Weighted average number of ordinary shares (diluted)

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Weighted average number of ordinary shares outstanding (basic)	278,359	278,359
Effect of employee stock bonus	530	1,357
Weighted average number of ordinary shares (diluted)	<b>278,889</b>	<b>279,716</b>

## (s) Revenue from contracts with customers

## (i) Disaggregation of revenue

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Primary geographical markets:		
Mainland China	\$ 3,367,101	4,464,762
Thailand	1,736,031	1,759,325
United States	1,062,562	1,492,113
Japan	136,327	126,991
Korea	46,876	557,322
Netherlands	33,241	225,130
Other countries	313,552	527,124
	<b>\$ 6,695,690</b>	<b>9,152,767</b>
Major products/service lines:		
Sales of merchandise (storage devices)	\$ 6,496,763	9,009,475
Rendering of Services	198,927	143,292
	<b>\$ 6,695,690</b>	<b>9,152,767</b>

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(ii) Contract balances

	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>January 1, 2023</b>
Contract liabilities	<b>\$ 559,311</b>	<b>370,382</b>	<b>261,905</b>

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

The amount of revenue recognized for the years ended December 31, 2024 and 2023 that were included in the contract liability balance at the beginning of the period were \$89,293 and \$66,368, respectively.

For details on notes and accounts receivables and allowance for impairment, please refer to Note (6)(e).

(t) Remuneration to employees and directors

In accordance with the Articles of Incorporation, the Company should contribute no less than 5% of the profit as employee remuneration and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2024 and 2023, the Company estimated its employee remuneration amounting to \$48,651 and \$85,914, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Articles of Incorporation. These remunerations were expensed under operating costs or operating expenses during 2024 and 2023. Any differences between the amounts actually paid and the amount previously estimated would be treated as a change in accounting estimate, and recognized as profit or loss in the next year. Related information would be available at the Market Observation Post System website.

The amount of employee remuneration of 2024 and 2023 resolved by the Board of Directors was identical to that of the estimation in the statement.

(u) Non-operating income and expenses

(i) Interest income

The details of the Company's interest income were as follows:

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Interest income from bank deposits	\$ 35,463	51,853
Interest income from financial assets measured at amortized cost	28,435	2,039
Other interest income	67	76
Total Interest income	<b>\$ 63,965</b>	<b>53,968</b>

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

## (ii) Other income

The details of the Company's other income were as follows:

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Dividend income	36,095	35,942
Other income	10,538	4,534
	<b>\$ 46,633</b>	<b>40,476</b>

## (iii) Other gains and losses

The details of the Company's other gains and losses were as follows:

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Foreign exchange gains (losses)	\$ 47,390	(8,685)
Gains from financial assets at fair value through profit or loss	47,971	56,782
Others	(175)	(8)
	<b>\$ 95,186</b>	<b>48,089</b>

## (iv) Finance costs

The details of the Company's finance costs were as follows:

	<b>For the years ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Interest expense	<b>\$ 1,018</b>	<b>720</b>

## (v) Financial instruments

## (i) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk. As of December 31, 2024 and 2023, the maximum amounts of credit risk exposure were to \$7,395,595 and \$7,431,410, respectively.

As of December 31, 2024 and 2023, the accounts receivable from three of the Company's major customers amounted to \$1,693,067 and \$1,843,320, respectively, representing 82% and 85% of accounts receivable. Thus, credit risk is significantly centralized.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 6 months</u>	<u>6 to 12 months</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>More than 5 years</u>
<b>December 31, 2024</b>							
Non derivative financial liabilities							
Accounts payable	\$ 2,274,184	2,274,184	2,274,184	-	-	-	-
Other payables	695,977	695,977	695,977	-	-	-	-
Lease liabilities	74,896	77,359	12,838	12,838	25,675	26,008	-
Derivative financial liabilities							
Foreign currency forward contract							
Outflow	10,191	10,191	10,191	-	-	-	-
Inflow	(1,499)	(1,499)	(1,499)	-	-	-	-
	<u>\$ 3,053,749</u>	<u>3,056,212</u>	<u>2,991,691</u>	<u>12,838</u>	<u>25,675</u>	<u>26,008</u>	<u>-</u>
<b>December 31, 2023</b>							
Non derivative financial liabilities							
Accounts payable	\$ 2,316,698	2,316,698	2,316,698	-	-	-	-
Other payables	627,321	627,321	627,321	-	-	-	-
Lease liabilities	39,553	40,155	12,237	12,237	14,461	1,220	-
Derivative financial liabilities							
Foreign currency forward contract							
Outflow	26,496	26,496	26,496	-	-	-	-
Inflow	(22,693)	(22,693)	(22,693)	-	-	-	-
	<u>\$ 2,987,375</u>	<u>2,987,977</u>	<u>2,960,059</u>	<u>12,237</u>	<u>14,461</u>	<u>1,220</u>	<u>-</u>

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risks

1) Exposure to foreign currency risks

The Company's significant exposure to foreign currency risk were as follows:

	<u>December 31, 2024</u>			<u>December 31, 2023</u>		
	<u>Foreign currency (In thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency (In thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 76,879	32.785	2,520,488	104,209	30.705	3,199,724
EUR	7,415	34.14	253,134	7,161	33.98	243,345
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	76,702	32.785	2,514,665	81,391	30.705	2,499,102
EUR	7,146	34.14	243,964	7,146	33.98	242,821

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivables and other receivables that are denominated in foreign currency. A strengthening (weakening) of 5% of the NTD against USD as of December 31, 2024 and 2023, would have (decreased) increased and increased (decreased) the net profit after tax by \$600 and \$28,046, respectively. The analysis is performed on the same basis for both period.

3) Foreign exchange gains and losses on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gains (losses) on monetary items is disclosed by total amount. For years 2024 and 2023, foreign exchange gains (losses) (including realized and unrealized portions) amounted to losses \$47,390 and losses \$8,685, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 5 basis points when reporting to management internally, which also represents the Company management's assessment of on the reasonably possible interest rate change.

There were no borrowing with variable rate for the year ended December 31, 2024 and 2023.

(v) Other market price risk

If the equity price changes, and if it is based on the same basis for both years and assumes that all other variables remain the same, the impact to comprehensive income will be as follows:

Securities price at the reporting date	For the years ended December 31,			
	2024		2023	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Stock, equity certificate and debt instruments - Increasing 7%	\$ <u>67,210</u>	<u>3,259</u>	<u>61,383</u>	<u>1,442</u>
Stock, equity certificate and debt instruments - Decreasing 7%	\$ <u>(67,210)</u>	<u>(3,259)</u>	<u>(61,383)</u>	<u>(1,442)</u>
Beneficiary certificate—Increasing 1%	\$ <u>-</u>	<u>24,912</u>	<u>-</u>	<u>26,438</u>
Beneficiary certificate—Decreasing 1%	\$ <u>-</u>	<u>(24,912)</u>	<u>-</u>	<u>(26,438)</u>

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(vi) Fair value information

1) Categories of financial instruments and fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for non-hedging, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2024				Total
	Book Value	Fair Value			
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Mandatorily measured at fair value through profit or loss	\$ 2,537,716	2,537,716	-	-	2,537,716
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	960,139	960,139	-	-	960,139
Accounts receivable	113,467	-	-	-	-
Subtotal	<u>1,073,606</u>	<u>960,139</u>	<u>-</u>	<u>-</u>	<u>960,139</u>
Financial assets at amortized cost					
Cash and cash equivalents	612,360	-	-	-	-
Debt commodity investments	1,116,998	-	1,122,051	-	1,122,051
Notes and accounts receivable	1,931,150	-	-	-	-
Other Receivables	117,704	-	-	-	-
Other financial assets	6,061	-	-	-	-
Subtotal	<u>3,784,273</u>	<u>-</u>	<u>1,122,051</u>	<u>-</u>	<u>1,122,051</u>
Total	<u>\$ 7,395,595</u>	<u>3,497,855</u>	<u>1,122,051</u>	<u>-</u>	<u>4,619,906</u>

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

		<b>December 31, 2024</b>				
		<b>Fair Value</b>				
	<b>Book Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	
Financial liabilities at fair value through profit or loss						
Forward foreign exchange contracts	\$ 8,692	-	8,692	-	8,692	
Financial liabilities measured at amortized cost						
Accounts payable	2,274,184	-	-	-	-	
Other payables	695,977	-	-	-	-	
Lease liabilities	74,896	-	-	-	-	
Subtotal	<u>3,045,057</u>	-	-	-	-	
Total	<u>\$ 3,053,749</u>	-	<u>8,692</u>	-	<u>8,692</u>	
		<b>December 31, 2023</b>				
		<b>Fair Value</b>				
	<b>Book Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	
Financial assets at fair value through profit or loss						
Mandatorily measured at fair value through profit or loss	\$ 2,664,377	2,664,377	-	-	2,664,377	
Financial assets at fair value through other comprehensive income						
Domestic listed stocks	876,896	876,896	-	-	876,896	
Accounts receivable	109,523	-	-	-	-	
Subtotal	<u>986,419</u>	<u>876,896</u>	-	-	<u>876,896</u>	
Financial assets at amortized cost						
Cash and cash equivalents	1,293,254	-	-	-	-	
Debt commodity investments	230,000	-	268,782	-	268,782	
Notes and accounts receivable	2,066,995	-	-	-	-	
Other Receivables	116,554	-	-	-	-	
Other financial assets	73,811	-	-	-	-	
Subtotal	<u>3,780,614</u>	-	<u>268,782</u>	-	<u>268,782</u>	
Total	<u>\$ 7,431,410</u>	<u>3,541,273</u>	<u>268,782</u>	-	<u>3,810,055</u>	

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

	December 31, 2023				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at fair value through profit or loss					
Foreign currency forward contracts	\$ 3,803	-	3,803	-	3,803
Financial liabilities at amortized cost					
Accounts payable	2,316,698	-	-	-	-
Other payables	627,321	-	-	-	-
Lease liabilities	39,553	-	-	-	-
Subtotal	2,983,572	-	-	-	-
Total	<u>\$ 2,987,375</u>	<u>-</u>	<u>3,803</u>	<u>-</u>	<u>3,803</u>

2) Valuation techniques for financial instruments not measured at fair value

The Company's financial liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement.

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

Fair value measurement of financial instruments was based on quoted market prices if these prices were available in an active market. The fair value of listed equity instruments and debt instruments with actively traded market quotations publicly available are based on the market prices that were published at main stock exchanges and announced by the TPEX for bonds determined to be popular securities.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

The categories and nature of the fair value for the Company's financial instruments which have active market are presented as follows:

Open-end funds, listed stock, and debt instruments with quoted market price are financial assets which had standard terms and be traded in an active market. The fair value is determined by the market quoted prices respectively.

b) Derivative financial instruments

Fair value of forward currency is determined by the forward currency exchange rate.

4) Transfers between Level 1 and Level 2

There were no transfers in either direction in 2024 and 2023,

(w) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

The following discussed the information of risk exposure, objectives, policies and process of risk measurement and management of the Company. For more disclosures about the quantitative effects of these risk exposures, please refer to respective notes in the accompanying financial statements.

(ii) Structure of risk management

The Company's finance management department provides business services for the overall internal department. It sets the objectives, policies and processes for managing the risk and the methods used to measure the risk arising from both the domestic and international financial market operations. The Board of Directors regulated the use of derivative financial instruments in accordance with the Company's policy about risks arising from financial instruments such as currency risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investments of excess liquidity. The internal auditors of the Company continue with the review of the amount of the risk exposure in accordance with the Company's policies and the risk management policies and procedures. The Company has no transactions in financial instruments (including derivative financial instruments) for the purpose of speculation. The financial management department reports to the Board of Directors on a quarterly basis.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, time deposits and investments in securities.

1) Accounts receivable and other receivables

The Company's credit policy is transacting with creditworthy customers, and obtains collateral to mitigate risks arising from financial loss due to default. The Company assesses the ratings based on other publicly available financial information and transactions records with its major customers. The Company continues to monitor the exposure to credit risk and the credit rating of counterparties, and divide the total transaction amounts among all qualified customers, with management reviewing and approving annually the credit facilities of counterparties, so as to control credit risk exposure.

The Company's exposure to credit risk is mainly influenced by the condition of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and the country in which customers operate, as these factors may have an influence on credit risk.

The Company continuously assesses the financial position of customers from whom the accounts receivable are due, ; if necessary, it also purchases credit guarantee insurance or requests advance sales receipts. Except for the Company's three largest customers, the Company does not have significant credit exposure to any single counterparty or any Company of counterparties with similar characteristics. Counterparties that are an associate to each other are defined by the Company as a counterparties with similar characteristics.

2) Investment

The credit risk exposure in the bank deposits, fixed income investments and other financial instruments are measured and monitored by the Company's finance department. As the Company only deals with banks with good credit rating as well as other external parties, corporate organizations, government agencies and financial institutions above investment grade, contract performance shall not be in significant doubt, hence no significant credit risk.

3) Guarantees

The Company's policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2024 and 2023, the subsidiaries applied for credit lines of bank loans, the Company was required to provide letters of support for Techman Electronic (Thailand) Co., Ltd., stating the commitment to maintain the agreed percentage of ownership in the aforementioned associates.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

In general, the Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash flows on operating expenses, including financial liabilities, over the succeeding 60 days. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Besides, the Company's unused credit lines of bank loans amounted to NTD 1,600,000 thousand and USD 75,000 thousand as of December 31, 2024 and 2023.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company buys and sells derivatives, and also incurs financial liabilities, in order to manage market risk. All such transactions are carried out within the guidelines set by the Risk Management Committee.

1) Currency risk

The Company is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities, primarily the NTD, USD, and CNY. The currencies used in these transactions are the NTD, USD, CNY, and EUR.

Loan interest was denominated in the currency of the principal. The Company utilizes loans to hedge related currency risk; the gain or loss on foreign currency assets and liabilities arising from the movements in exchange rates will roughly offset each other, which is a natural hedge. This provided an economic hedge without derivatives being entered into. Therefore, hedge accounting was not applied in these circumstances.

2) Interest rate risk

The Company's exposure to changes in interest rates is mainly attributable to short-term and long-term loans at variable rates. Any change in interest rates will cause the effective interest rates of short-term and long-term loans to change and the future cash flows to fluctuate over time.

3) Price risk of equity instruments please refer to Note (6)(v).

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(x) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

The debt-to-equity ratios were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Total liabilities	\$ 4,397,199	4,407,321
Less: cash and cash equivalents	<u>(612,360)</u>	<u>(1,293,254)</u>
Net debt	3,784,839	3,114,067
Total equity	<u>9,536,758</u>	<u>9,239,287</u>
Total capital	<u><u>\$ 13,321,597</u></u>	<u><u>12,353,354</u></u>
Debt to equity ratio	<u><u>28.41 %</u></u>	<u><u>25.21 %</u></u>

As of December 31, 2024, the Company's capital management has remained constant.

(y) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2024 and 2023, were as follows:

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Non-cash changes		December 31, 2024
			Others	Changes in exchange rate	
Lease liabilities	<u>\$ 39,553</u>	<u>(23,455)</u>	<u>58,798</u>	<u>-</u>	<u>74,896</u>
	January 1, 2023	Cash flows	Non-cash changes		December 31, 2023
Total amount of liabilities arising from financing activities	<u>\$ 60,969</u>	<u>(23,421)</u>	<u>2,005</u>	<u>-</u>	<u>39,553</u>

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

**(7) Related-party transactions:**

(a) Parent company and ultimate controlling company

Quanta Computer Inc. is both the parent company and the ultimate controlling party of the Group. It owns 29.77% percent of all shares outstanding of the Company and has issued the Consolidated Financial Statements Available for Public Use.

(b) Names and relationship with related parties

The followings are related parties that have had transactions with the Company during the periods covered in the financial statements:

<u>Name of related party</u>	<u>Relationship with the Company</u>
Quanta Computer Inc. (QCI)	Parent company
Quanta Storage International Ltd. (QSI (CAYMAN))	Subsidiary of the Company
Techman Electronics (Thailand) Co., Ltd. (TMT)	"
Techman Robot Inc.(TRI)	"
Quanta Storage (BVI) Ltd. (QSL (BVI))	Subsidiary of QSI (CAYMAN)
Quanta Storage Holding (HK) Ltd. (QHH)	Subsidiary of QSL (BVI)
Techman Electronic (HK)Limited(QIH)	"
Quanta Storage (Shanghai) Inc.(QSS)	Subsidiary of QHH
EBN Technology Corporation (EBN)	Associate of the Company
RoyalTek Company Ltd. (RTK)	"

(c) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Company to related parties were as follows:

	<b><u>For the years ended December 31,</u></b>	
	<b><u>2024</u></b>	<b><u>2023</u></b>
Associates	\$ 2,356	-
Other subsidiaries	-	3,599
	<b><u>\$ 2,356</u></b>	<b><u>3,599</u></b>

Prices sold to related parties were negotiated, which do not have counter parties to compare with. The term of payment was 90 days.

For 2024 and 2023, the Company eliminated duplicate sales and purchase with subsidiaries, which amounted to \$178,843 and \$222,168, respectively.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

## (ii) Purchases

The amounts of significant purchases by the The Company from related parties were as follows:

	<u>For the years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
TMT	\$ 2,978,350	4,274,896
QSS	<u>2,648,127</u>	<u>3,413,603</u>
	<u>\$ 5,626,477</u>	<u>7,688,499</u>

Prices purchased from related parties were negotiated, which do not have counter parties to compare with. The term of payment was 90 days.

For 2024 and 2023, the unrealized losses of purchases were \$30,917 and \$46,714, respectively, which were accounted as adjustments of investment income.

## (iii) Receivables from Related Parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Other receivables	TMT (Note)	\$ 37,691	48,113
"	Other subsidiaries	<u>1,647</u>	<u>122</u>
		<u>\$ 39,338</u>	<u>48,235</u>

Note: Other receivables to subsidiaries were mainly for purchasing raw materials.

Receivables from related parties were not pledged as collateral, and assessed not to estimate any allowance for doubtful debts.

## (iv) Payables to Related Parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Accounts payables	TMT	\$ 1,187,887	890,423
"	QSS	<u>1,085,384</u>	<u>1,400,089</u>
		<u>\$ 2,273,271</u>	<u>2,290,512</u>

## (v) Advance receipts

<u>Account</u>	<u>Relationship</u>	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Contract liabilities	Associates	<u>\$ 4,847</u>	<u>-</u>

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(vi) Other non-operating revenues

For 2024 and 2023, other non-operating revenues from subsidiaries and associates amounted to \$9,677 and \$2,770, respectively.

(vii) Intangible assets transactions

For 2024 and 2023, the unrealized profit of which disposed intangible assets to the subsidiaries amounted to \$152 and \$157, respectively.

(d) Key Management Personnel Compensation

Compensation to key management personnel comprised:

	<u>For the years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 49,308	58,144
Post-employment benefits	756	683
	<u>\$ 50,064</u>	<u>58,827</u>

**(8) Pledged assets:**

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Refundable deposits	Deposits for customs and factory lease	<u>\$ 6,061</u>	<u>5,851</u>

**(9) Commitments and contingencies:**

(a) Significant unrecognized contractual commitments

(i) The contractual commitments for the acquisition of property, plant and equipment not recognized by the Company were as follows:

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Acquisition property, plant and equipment	<u>\$ 1,094,149</u>	<u>4,450</u>

(ii) Promissory notes issued by the Company as guarantee for purchasing, borrowings, foreign exchange forward contracts and export bills advance were as follows:

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Guarantee Notes Submitted		
NTD	<u>\$ 1,650,000</u>	<u>1,650,000</u>
USD	<u>\$ 85,650</u>	<u>85,600</u>

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

- (b) As of December 31, 2024 and 2023, the guarantee notes received from vendor performance and construction contracts amounted to \$106,993 and \$0, respectively.
- (c) Contingencies:
- (i) In October 2017, the Company received the investigation result of the antitrust lawsuit from the European Union Court, pursuant to which a fine of 7,146 thousand euros was imposed on them. In September 2019, an appeal was filed for the case. On June 16, 2022, the European Union Court ruled in the final appeal to uphold the previous verdict, pursuant to which a fine of 7,146 thousand euros was imposed on the Company. In addition, the Court ruled that Company was entitled to claim from the European Commission half of the costs related to the 1st instance proceedings and the full amount of the costs related to the 2nd instance. The amount of penalty imposed on the Company, which was fully recognized in 2017, has not caused any significant influence on the Company's finance and business.
- (ii) 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.

The Company has made certain provisions with respect to certain of the above lawsuits as the management deems appropriate, considering factors such as the nature of the litigation or claims, the materiality of the amount of possible loss, the progress of the cases and the opinions or views of legal counsel and other advisors. Management will reassess all litigation and claims at each reporting date based on the facts and circumstances that exist at that time, and will make additional provisions or adjustments to previous provisions. The ultimate amount cannot be ascertained until the relevant cases are closed. The ultimate resolution of the legal proceedings and/or lawsuits cannot be predicted with certainty. The Company is willing to defend the aforesaid litigations actively; however, due to the unpredictable nature of lawsuits and the probable loss that cannot be precisely estimated, the Company cannot rule out the possibility that it fails to win or settle all the related cases. The fines, judgment amounts, or settlements may result in significant adverse effects on the Company's business, operations, or prospects.

**(10) Losses Due to Major Disasters: None**

**(11) Subsequent Events:None**

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

**(12) Other:**

The summary of current-period employee benefits, depreciation, and amortization, by function, was as follows:

By item	By function	For the year ended December 31, 2024			For the year ended December 31, 2023		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		-	339,756	339,756	-	356,297	356,297
Labor and health insurance		-	24,259	24,259	-	26,008	26,008
Pension		-	12,275	12,275	-	12,843	12,843
Remuneration of directors		-	3,000	3,000	-	3,000	3,000
Others		-	12,925	12,925	-	12,137	12,137
Depreciation		-	36,794	36,794	-	34,487	34,487
Amortization		-	11,160	11,160	-	9,349	9,349

For the years ended December 31, 2024 and 2023, the number of employees and employee benefits expenses of the Company were as follows:

	<u>2024</u>	<u>2023</u>
Number of employees	<u>199</u>	<u>232</u>
Number of directors who were not employees	<u>6</u>	<u>6</u>
The average employee benefits	<u>\$ 2,017</u>	<u>1,802</u>
The average salaries and wages	<u>\$ 1,760</u>	<u>1,577</u>
The adjustment rate of average employee salaries	<u>11.60 %</u>	<u>(26.69)%</u>
Remuneration of supervisors	<u>\$ -</u>	<u>-</u>

The remuneration policy (including directors, managers and employees) of the Company are as below:

**(a) Directors and Managers**

- (i) The Company has established the "Remuneration Committee" to ensure the remuneration policy comply with laws and regulations and in order to attract talents.
- (ii) The Company formulates and regularly reviews the directors and managers' performance evaluation and the policies, systems, standards and structures of the remuneration. The information should be disclosed in the annual report.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

- (iii) The performance evaluation and remuneration of directors and managers should refer to the usual level of payment in the industry and consider the time invested, the responsibilities, the achieved goals, the performance of other positions, and the given salary remuneration for the same position in recent years, and consider the reasonableness of the relationship between personal performance and the Company's operating performance and future risks with the Company's short-term and long-term business goals and the Company's financial status.
  - (iv) Directors and managers should not be guided to engage in behaviors that exceed the risk appetite of the Company in pursuit of remuneration.
  - (v) The ratio of the short-term performance of directors and managers and the payment time of part of the variable salary payment should be determined in consideration of the characteristics of the industry and the nature of the Company's business.
- (b) Employees
- (i) The remuneration of employees includes basic salary (base pay and allowances), year-end bonus and employee dividends.
  - (ii) The employee remuneration policies are in reference to the salary market, salary payment, the operation and structure of the Company, and will be adjusted according to the changes of salary market, macro-economic environment, industrial boom and relevant laws and regulations.
  - (iii) The salary of employees is determined based on their education level, professional knowledge, skills, seniority, and the required occupational competence, responsibility, and complexity of different positions. The outcome should not be influenced by age, gender, race, religion, political stance, marital status, and union affiliation.
  - (iv) Year-end bonus and employee dividends:  

The Company contributes the year-end bonus and employee dividends based on the operational performance. The employee performance evaluation is taken as reference to the distribution of bonus and dividends.
  - (v) Annual salary adjustment:  

The Company considers the operational performance, domestic economic growth rate, salary level of the industrial job market, and employee performance evaluation to annually adjust the salary.

(Continued)

## QUANTA STORAGE INC. Notes to the Financial Statements

### (13) Other disclosures:

#### (a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” of the Company for the year ended December 31, 2024:

(i) Lending to other parties: None

(ii) Guarantees and endorsements for other parties:

No. (None 1)	Name of the guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged on guarantees and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 3)	Parent company endorsements guarantees to third parties on behalf of subsidiary	Subsidiary endorsements guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 3)										
1	Quanta Storage (shanghai) Ltd.	Techman Robot (shanghai) Inc.	3	155,031	5,838	5,838	-	-	0.38 %	620,124	N	N	Y

Note 1: the description of number column:

1. 0 is issuer.
2. Investees are listed by name and numbered starting with 1.

Note 2: Maximum amount for guarantees and endorsements:

1. The total amount of guarantees and endorsements cannot exceed 40% of the Company's net asset value for the current year. For companies that are more than 90% directly or indirectly owned by the Company, the amount of each guarantee and endorsement cannot exceed 10% of the Company's net asset value. The amount of each guarantee and endorsement cannot exceed 10% of the Company's net asset value for the current year.
2. The total amount of guarantees and endorsements of the Company and its subsidiaries cannot exceed 40% of the Company's net asset value for the current year. The amount of guarantees and endorsements of the Company and its subsidiaries for each company cannot exceed 10% of the Company's net asset value for the current year.

Note 3: Relationship with the Company

1. The companies has business relations.
2. Subsidiaries in which the Company directly or indirectly holds more than 50% of its total outstanding common shares.
3. The parent company which directly or indirectly holds more than 50% of its voting rights.
4. Subsidiaries in which the Company directly or indirectly holds more than 90% of its voting rights.
5. Companies in the same type of business and providing mutual endorsements/ guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.
6. Shareholders making endorsements and/or guarantees for their mutually invested company in proportion to their shareholding percentage.
7. Companies in the same type of business providing guarantees of pre-sale contracts according to the regulation.

Note 4: The total amount of guarantee and endorsement cannot exceed 150% of the Company's net asset value from the most recent audited or reviewed report.

(iii) Information regarding securities held at balance sheet date (excluding investment in subsidiaries, associates and joint ventures):

(Amounts Expressed in Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Note
				Number of shares	Book value	Percentage of shares	Market value	
The Company	<u>Common Stock</u>							
	Taiwan Mobile Co., Ltd.	-	Current financial assets at FVOCI	2,556,000	290,106	0.07 %	290,106	
	Far EasTone Telecommunications Co., Ltd.	-	"	3,709,000	331,585	0.10 %	331,585	
	Chuanghwa Telecom Co., Ltd.	-	"	2,720,000	335,920	0.04 %	335,920	
"	Far Eastern New Century Corporation	-	"	80,000	2,528	- %	2,528	
"	<u>Open-ended fund certificates</u>							
	Fubon Chi-Hsiang Money Market Fund	-	Current financial assets- mandatorily measured at FVTPL	28,587,076	466,875	- %	466,875	
	Taishin 1699 Money Market Fund	-	"	46,926,829	663,897	- %	663,897	
	Franklin Templeton Sinoam Market Fund	-	"	20,089,544	216,593	- %	216,593	
	SinoPac TWD Money Market Fund	-	"	10,946,108	158,789	- %	158,789	
	UPAMC James Bond Money Market Fund	-	"	56,632,228	984,999	- %	984,999	

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance			Note
				Number of shares	Book value	Percentage of shares	
	<u>Debt Instrument</u>						
The Company	Fubon Life Insurance Co., Ltd. Common Corporate Bonds	-	Non-current financial assets measured at amortized cost	-	290,000	- %	292,211
"	Shin Kong Life Insurance Co., Ltd. Common Corporate Bonds	-	"	-	50,000	- %	49,994
"	Shin Kong Life Insurance Co., Ltd. Secured Subordinated Corporate Bonds	-	"	-	200,288	- %	199,970
"	Nan Shan Life Insurance Co., Ltd. Common Corporate Bonds	-	"	-	190,000	- %	191,455
"	Cathay Life Insurance Co., Ltd. Common Corporate Bonds	-	"	-	100,000	- %	101,458
"	Cathay Life Insurance Co., Ltd. U.S. dollar-denominated Corporate Bonds	-	"	-	196,710	- %	196,640
"	KGI Life Insurance Co., Ltd. Common Corporate Bonds	-	"	-	90,000	- %	90,323
	<u>Convertible corporate bonds</u>						
"	Yulon Finance Corporation unsecured convertible corporate bonds	-	Current financial assets- mandatorily measured at FVTPL	100,000	9,500	- %	9,500
"	LUNGTEH SHIPBUILDING CO., LTD., Unsecured Convertible Corporate Bonds	-	"	159,000	16,743	- %	16,743
"	WPG HOLDINGS LIMITED Unsecured Convertible Corporate Bonds	-	"	200,000	20,320	- %	20,320
	<u>Open-ended fund certificates</u>						
TRI	Taishin 1699 Money Market Fund	-	Current financial assets- mandatorily measured at FVTPL	35,181,696	497,733	- %	497,733
	<u>Preferred stock</u>						
"	KGI Financial Holding Co., Ltd. Preferred Share B	-	"	479,000	3,779	- %	3,779
"	Fubon Financial Holding Co., Ltd. Preferred Shares A	-	Current financial assets at FVOCI	892,000	56,374	- %	56,374
"	Cathay Financial Holding Co., Ltd. Preferred Shares A	-	"	892,000	54,412	- %	54,412
	<u>Debt Instrument</u>						
"	Fubon Life Insurance Co., Ltd. 2023 First Issue of Common Corporate Bonds	-	Non-current financial assets measured at amortized cost	-	90,000	- %	90,886
"	Amazon.com, Inc. U.S. dollar-denominated Corporate Bonds	-	"	-	29,401	- %	27,199
"	TSMC Arizona Corporation U.S. dollar-denominated Corporate Bonds	-	"	-	28,104	- %	28,085
"	TSMC GLOBAL LTD. U.S. dollar-denominated Corporate Bonds	-	"	-	55,386	- %	55,059
"	Apple Inc. U.S. dollar-denominated Corporate Bonds	-	"	-	57,270	- %	58,658

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Note
				Number of shares	Book value	Percentage of shares	Market value	
TRI	Cathay Life Insurance Co., Ltd. Common Corporate Bonds	-	Non-current financial assets measured at amortized cost	-	30,000	- %	30,437	
"	Cathay Life Insurance Co., Ltd. Common Corporate Bonds	-	"	-	65,570	- %	65,547	
"	Shin Kong Life Insurance Co., Ltd. Common Corporate Bonds	-	"	-	90,087	- %	89,997	
"	Fubon Life Insurance Co., Ltd. 2024 Second Issue of Common Corporate Bonds	-	"	-	80,000	- %	80,091	

- (iv) Accumulated buying/selling of the same marketable securities for which the dollar amount reaches \$300 million or 20% or more of paid-in capital:

(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
The Company	Jih Sun Money Market Fund	Current financial assets-mandatorily measured at FVTPL	-	-	107,178,500	1,634,954	30,821,099	471,670	137,999,599	2,117,787	2,104,514	13,273	-	-
"	Union Money Market Fund	"	-	-	-	-	56,238,316	765,346	56,238,316	766,382	765,346	1,036	-	-
"	Fubon Chi-Hsiang Money Market Fund	"	-	-	22,016,766	354,545	72,035,969	1,168,698	65,465,659	1,060,501	1,057,305	3,196	28,587,076	466,875
"	Franklin Templeton Sinoam Money Market Fund	"	-	-	-	-	55,978,474	598,915	35,888,930	385,672	383,658	2,014	20,089,544	216,593
"	SinoPac TWD Money Market Fund	"	-	-	-	-	63,328,010	916,013	52,381,902	759,322	757,547	1,775	10,946,108	158,789
"	UPAMC James Bond Money Market Fund	"	-	-	-	-	56,632,228	984,264	-	-	-	-	56,632,228	984,999
TRI	Jih Sun Money Market Fund	Current financial assets-mandatorily measured at FVTPL	-	-	20,883,435	318,566	9,813,751	150,000	30,697,186	470,764	468,241	2,523	-	-

- (v) Acquisition of individual real estate with amount exceeding the lower of \$300 million or 20% of the capital stock :

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	Construction in progress	2024/02/19	1,018,980	264,935	XU YUAN Construction Co., Ltd.	Non-related parties	Not applicable	Not applicable	Not applicable	-	Negotiation	Construction of headquarters building	None
"	Construction in progress	2024/10/31	418,952	-	CTCI Smart Engineering Corporation	Non-related parties	Not applicable	Not applicable	Not applicable	-	Negotiation	Construction of headquarters building-Mechanical and electrical engineering	None

- (vi) Disposition of real estate for which the dollar amount reaches \$300 million or 20% or more of the capital stock : None

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

- (vii) Related party transactions for purchases and sales with amounts exceeding the lower of \$100 million or 20% of the capital stock:

(Amounts Expressed in Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Reasons why and description of how the transaction conditions differ from general transactions		Accounts/notes receivable (payable)		Notes
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending Balance	Percentage of total accounts/ notes receivable (payable)	
The Company	TMT	Affiliate	Sale	(178,706)	(2.60)%	Credit for 90 days	-	-	37,691	1.74 %	
"	"	"	Purchase	3,156,217	54.07 %	"	-	-	(1,187,887)	(49.74)%	
"	"	"	Purchase	2,648,570	45.37 %	"	-	-	(1,085,384)	(45.45)%	
QSS	QUANTA STORAGE INC.	Parent Company	Sale	(2,648,570)	(99.87)%	"	-	-	1,085,384	100.00 %	
TMT	"	"	Sale	(3,156,217)	(97.72)%	"	-	-	1,187,887	100.00 %	
"	"	"	Purchase	178,706	6.69 %	"	-	-	(37,691)	(4.34)%	
TRI	ORT	Other related parties	Sale	(393,189)	(27.12)%	Credit for 60 days	-	-	62,394	19.79 %	
"	TRS	Affiliate	Sale	(248,945)	(17.17)%	Credit for 120 days	-	-	141,531	44.90 %	
"	OMC	Other related parties	Sale	(146,166)	(10.08)%	Credit for 60 days	-	-	26,031	8.26 %	
TRS	TRI	Affiliate	Purchase	248,945	99.35 %	Credit for 120 days	-	-	(141,531)	(95.08)%	

Note 1: The related-party transactions above include intra-group transactions.

Note 2: The purchase/sale prices and terms listed above are not comparable to the one for other trading partners.

- (viii) Receivables from related parties with amount exceeding the lower of \$100 million or 20% of the capital stock:

(Amounts Expressed in Thousands of New Taiwan Dollars)

Name of related party	Related-party	Nature of relationship	Ending balance	Turnover rate	Past-due receivables from related party		Amount received in subsequent period	Loss allowance
					Amount	Action taken		
QSS	QUANTA STORAGE INC.	Parent Company	1,085,384	2.13	-	-	-	-
TMT	"	"	1,187,887	3.04	-	-	268,490	-
TRI	TRS	Affiliate	141,531	2.31	42,194	Subsequently collected	42,194	-

- (ix) Derivative transactions: Please refer to Note (6)(b) for related information.

- (b) Information on investees:

The following is the information on investees for the year 2024 (excluding information on investees in Mainland China):

(Amount Expressed in thousands of New Taiwan dollars)

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Balance as of			Net income (losses) of the investee	Investment income (losses)	Note
				December 31, 2023	December 31, 2022	Shares	Ratio of shares	Book value			
The Company	QSI (CAYMAN)	Cayman	Investment company	1,328,448	1,715,311	-	100.00 %	1,595,620	(90,567)	(89,803)	Subsidiary (Note 2 and 5)
"	NU Inc.	Taiwan	Wholesale and retail of computers and peripherals	86,709	86,709	3,862,227	29.80 %	21,801	1,040	9	Investment holding
"	EBN	"	Manufacture of electronic components	10,978	10,978	1,001,000	2.98 %	-	(5,103)	-	"
"	TMT	Thailand	Manufacture and sale of computer storage devices and components of peripherals	1,446,975	1,446,975	15,999,998	100.00 %	2,280,261	92,955	108,752	Subsidiary (Note 2)
"	TRI	Taiwan	Manufacture and sale of industrial collaborative robots	616,960	796,420	70,457,000	78.29 %	1,358,751	93,775	68,914	"
"	JVM	Malaysia	Sale of computer storage devices and components of peripherals	15,214	15,214	2,040,000	51.00 %	23,185	4,517	2,304	Subsidiary
QSI (CAYMAN)	QSL (BVI)	BVI	Investment company	1,000,598	1,262,878	-	100.00 %	1,571,293	(92,222)	Note 1	Affiliate (Note 3)

(Continued)

## QUANTA STORAGE INC. Notes to the Financial Statements

Name of the investor	Name of investee	Location	Major operations	Initial investment amount		Balance as of			Net income (losses) of the investee	Investment income (losses)	Note
				December 31, 2023	December 31, 2022	Shares	Ratio of shares	Book value			
QSI (CAYMAN)	E-Forward (SAMOA)	SAMOA	Manufacture and sale of computer storage devices and components of peripherals	-	32,785	-	- %	-	212	Note 1	Affiliate (Note 4)
QSL(BVI)	QHH	Hong Kong	Investment company	908,101	908,101	-	100.00 %	1,562,062	24,286	"	Affiliate
	QIH	"		108,443	583,140	-	100.00 %	2,847	(116,735)	"	Affiliate (Note 3)
E-Forward (SAMOA)	QSA	SAMOA	Sale and after-sales service of computer storage devices and components of peripherals	-	32,785	-	- %	-	230	"	Affiliate (Note 4)
TRI	TRH	Hong Kong	Investment company	120,943	120,943	-	100.00 %	25,731	(9,092)	"	Affiliate
JVM	JVMT	Thailand	Sale of computer storage devices and components of peripherals	5,028	5,028	-	100.00 %	4,666	(8)	"	"

Note 1: The profit or loss of investee company is already included in the profit or loss of its investing company.

Note 2: The difference to the subsidiary is mainly unrealized gross profit from sales.

Note 3: QSL (BVI) and QIH approved capital reduction by the Board of Directors on November 26, 2024, with the amounts of USD 8,000 thousand, the amounts returned and the registration of capital reduction has been completed on November 27, 2024, and approved by the Investment Commission, MOEA.

Note 4: The liquidation process of E-Forward (SAMOA) and QSA was completed on March 5, 2024 and March 6, 2024, respectively.

Note 5: QSI (CAYMAN) approved capital reduction by the Board of Directors on February 19, 2024, and November 26, 2024, with the amounts of USD 3,800 thousand and USD 8,000 thousand, respectively. The amounts returned and the registration of capital reduction has been completed on February 23, 2024, and November 27, 2024, and approved by the Investment Commission MOEA.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(Amount Expressed in thousands of New Taiwan dollars)

Name of the investee	Main Businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024	Net income (loss) of the investee	Direct /indirect shareholding (%) by the Company	Current investment gains and losses (Note 2)	Carrying Amount	Accumulated Inward Remittance of Earnings
					Outflow	Inflow						
Quanta Storage(Shanghai) Inc.(QSS)	Manufacture and sale of computer storage devices and components of peripherals	655,700 (USD20,000)	(2)	655,700 (USD20,000)	-	-	655,700 (USD20,000)	23,828	100.00 %	23,828	1,550,311	3,316,471 (USD101,158)
Techman Electronic (Changshu) Limited (TECHMAN) (Note 6)	"	- (USD-)	(2)	262,280 (USD8,000)	-	262,280 (USD8,000)	- (USD-)	(21,859)	- %	(21,859)	-	687,906 (USD20,982)
Techman Robot (Shanghai) Ltd. (TRS) (Note 5)	After-sales service and sale of industrial collaborative robots and components of peripherals	131,140 (USD4,000)	(2)	131,140 (USD4,000)	-	-	131,140 (USD4,000)	(9,092)	100.00 %	(9,092)	25,731	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 4)
786,840 (USD24,000)	819,625 (USD25,000)	-
		-

Note 1: There are four kinds of investments:

- (1) Direct investment in Mainland China with remittance through a third region.
- (2) Indirect investments in Mainland China through companies registered in a third region.
- (3) Indirect investment Mainland China through an existing company registered in the third region.
- (4) Direct investment in Mainland China
- (5) Others.

Note 2: Recognized profit or loss from investment in the current period:

- (1) As the investee was still in the pipeline, no investment profit (loss) has been generated yet.
- (2) Recognition basis of investment gains or losses were grouped under the following three categories:
  - 1) Financial statements of the investee company were audited and certified by an international accounting firm in cooperation with an R.O.C. accounting firm.
  - 2) Financial statements of the investee were audited and certified by the external accountant of the parent.
  - 3) Others

Note 3: In accordance with the Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China revised on August 29, 2008, the Company obtained the certificate of qualified operating headquarters issued by the Industrial Development Bureau, Ministry of Economic Affairs, and therefore no limitations on investment in Mainland China.

Note 4: Amounts denominated in foreign currencies are translated into New Taiwan Dollars using the exchange rates at the reporting date.

Note 5: The investment amount approved by the Investment Commission of Techman Robot (Shanghai) Co., Ltd. is USD 2,000 thousand in December 2020. As of December 31, 2024, USD 1,000 thousand has not been remitted.

Note 6: The liquidation process of Quanta Storage (Changshu) Ltd. has completed in December 2024, the amounts returned USD 8,000 thousand. The investment amount approved by the Investment Commission, MOEA in December 2024.

(Continued)

**QUANTA STORAGE INC.**  
**Notes to the Financial Statements**

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which have been written off in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Major shareholders: None

Shareholder's Name	Shareholding	Shares	Percentage
Quanta Computer Inc.		82,881,664	29.77 %

Note: (1) The information of major shareholders in this table is calculated by Taiwan Depository & Clearing Corporation based on the last business day at the end of each quarter, disclosing shareholders with more than 5% of the Company's ordinary shares and preferred shares that have been delivered without physical registration (including treasury shares). As for the share capital reported in the Company's financial statements and the Company's actual number of shares delivered without physical registration, there may be differences due to different calculation bases.

(2) In a situation where a shareholder entrusted the holdings, the individual account of the settlor opened by the trustee was disclosed. As for the shareholder's declaration of insider's equity holding more than 10% of the shares in accordance with the Securities and Exchange Act, his shareholding includes his own shareholding plus the shares delivered to the trust and the right to use the trust property, etc. For information on insider equity declaration, please refer to the website of Market Observation Post System.

**(14) Segment information: Please refer to the consolidated financial report for the year ended December 31, 2024.**

**Quanta Storage Inc.**  
**Statement of Cash and Cash Equivalents**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>
Petty cash		\$ 73
Cash in banks	Checking accounts	11,800
	Demand deposits	168,887
	Foreign Demand deposits (EUR\$7,415, JPY\$3,705, CNY\$326 and USD\$5,354 and KRW\$30,490)	226,760
	Time deposits (EUR)	204,840
	Maturity date from January 23.2025 to February 24.2025	
	Interest rate: 3.06%~3.20%	
Total		<u>\$ <b>612,360</b></u>

**Quanta Storage Inc.**

**Statement of Non-current financial assts at amortized cost**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Par value</u>	<u>Total</u>	<u>Interest value</u>	<u>Book value</u>	<u>Note</u>
Debt instruments	Fubon Life Insurance Co., Ltd. 112 No.1 Unsecured Accumulated subordinated Ordinary Corporate Bond A	90	\$ 1,000	90,000	3.70 %	90,000	
	Fubon Life Insurance Co., Ltd. 113 No.1 Unsecured Accumulated subordinated Ordinary Corporate Bond A	200	1,000	200,000	3.70 %	200,000	
	Shin Kong Insurance Co., Ltd. 112 No.1 Unsecured Accumulated subordinated Ordinary Corporate Bond	50	1,000	50,000	4.00 %	50,000	
	Shin Kong Life Insurance Co., Ltd. 113 No.1 Secured Accumulated subordinated Ordinary Corporate Bond C	200	1,000	200,000	3.50 %	200,288	The effective interest rate 3.48%
	Nan Shan Life Insurance Co., Ltd. 112 No.1 Unsecured Accumulated subordinated Ordinary Corporate Bond A	90	1,000	90,000	3.75 %	90,000	
	Nan Shan Life Insurance Co., Ltd. 113 No.1 Unsecured Accumulated subordinated Ordinary Corporate Bond A	100	1,000	100,000	3.75 %	100,000	
	Cathay Life Insurance Co., Ltd. 113 No.1 Unsecured Accumulated subordinated Ordinary Corporate Bond A	100	1,000	100,000	3.70 %	100,000	
	Cathay Life Insurance Co., Ltd. 113 No.2 USD Denominated Unsecured Accumulated subordinated Ordinary Corporate	60,000	USD 0.1	196,710	5.80 %	196,710	
	KGI Life Insurance Co., Ltd. 113 No.1 Unsecured Accumulated subordinated Ordinary Corporate Bond	90	1,000	90,000	3.75 %	90,000	
				<u>1,116,710</u>		<u>1,116,998</u>	

**Quanta Storage Inc.**

**Statement of Current Financial Assets at Fair Value through Profit or Loss**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

Name of Financial instruments	Summary	Number of units	Book value	Total	Interest rate	Market value		Changes in market value attributable to changes in credit risk	Note
						Unit price	Total		
Beneficiary certificates	Fubon Chi-Hsiang Money Market Fund	28,587,076	\$ -	-	- %	16.33	466,875	-	
	Taishin 1966 Money Market Fund	46,926,829	-	-	- %	14.15	663,897	-	
	Franklin Templeton Sinoam Money Market Fund	20,089,544	-	-	- %	10.78	216,593	-	
	SinoPac TWD Money Market Fund	10,946,108	-	-	- %	14.51	158,789	-	
	UPAMC James Bond Money Market Fund	56,632,228	-	-	- %	17.39	984,999	-	
Foreign currency forward contracts	US dollars sold	-	-	-	- %	-	(10,191)	-	
	US dollars purchased	-	-	-	- %	-	1,499	-	
Convertible Corporate Bonds	Yulon Finance Corporation Unsecured Convertible Corporate Bond	100,000	100	10,000	- %	95.00	9,500	-	
	LUNGTEH SHIPBUILDING CO., LTD., Unsecured Convertible Corporate Bonds	159,000	100	15,900	- %	105.30	16,743	-	
	WPG HOLDINGS LIMITED Unsecured Convertible Corporate Bonds	200,000	100	20,000	- %	101.60	20,320	-	
				<b>45,900</b>			<b>2,529,024</b>		

**Quanta Storage Inc.**

**Statement of Current Financial Assets at Fair Value through Other Comprehensive Income**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

<u>Name of security</u>	<u>Summary</u>	<u>Number of shares</u>	<u>Book value</u>	<u>Total</u>	<u>Interest rate</u>	<u>Cost of acquisition</u>	<u>Accumulated impairment</u>	<u>Market value</u>		<u>Note</u>
								<u>Unit price</u>	<u>Total</u>	
<u>Common Stock</u>										
Taiwan Mobile Co., Ltd.		2,556,000	\$ 10	25,560	- %	291,011	-	113.50	290,106	
Far EasTone Telecommunications Co., Ltd.		3,709,000	10	37,090	- %	291,178	-	89.40	331,585	
Chunghwa Telecom Co., Ltd.		2,720,000	10	27,200	- %	295,145	-	123.50	335,920	
Far Eastern New Century Co., Ltd.		80,000	10	<u>800</u>	- %	<u>2,083</u>	<u>-</u>	31.60	<u>2,528</u>	
				<u>\$ 90,650</u>		<u>879,417</u>	<u>-</u>		<u>960,139</u>	

**Quanta Storage Inc.**  
**Statement of Trade Receivables**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Notes</u>
<u>Non related parties</u>			
A		\$ 1,229,884	
B		291,769	
C		171,414	
D		126,951	
Others		234,154	The amount of individual client does not exceed 5%
Subtotal		<u>2,054,172</u>	
Less: Allowance for impairment		<u>(9,555)</u>	
Total		<u><u>\$ 2,044,617</u></u>	

**Quanta Storage Inc.**

**Statement of Changes in Investments Accounted for Using the Equity Method**

**December 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

Name of investee	Balance as of January 1, 2021		Additions		Disposal		Balance as of December 31, 2021			Market value or net asset value		Collateral or guarantee	Note
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Ratio of shares	Amount	Price per share (TWD)	Price per share (TWD)		
Quanta Storage International Ltd. (CAYMAN)	-	\$ 2,082,040	-	-	-	486,420	-	100.00 %	1,595,620	-	1,595,963	None	The difference is Unrealized profit from sales
NU INC.	3,862,227	21,792	-	9	-	-	3,862,227	29.80 %	21,801	-	21,801	"	
EBN Technology Corporation	1,001,000	-	-	-	-	-	1,001,000	2.99 %	-	-	-	"	
Techman Electronics (Thailand) Co.,Ltd.	15,999,998	2,016,630	-	263,631	-	-	15,999,998	100.00 %	2,280,261	-	2,311,177	"	The difference is Unrealized profit from sales
TM SMT SDN BHD. (JVM)	2,040,000	19,023	-	4,162	-	-	2,040,000	51.00 %	23,185	-	23,185	"	
TECHMAN ROBOT INC. (TRI)	71,957,000	1,314,766	-	72,197	1,500,000	28,212	70,457,000	78.29 %	1,358,751	-	1,385,167	"	The difference is Unrealized profit from sales
		<u>\$ 5,454,251</u>		<u>339,999</u>		<u>514,632</u>			<u>5,279,618</u>		<u>5,337,293</u>		

Note: The market values for non public listed companies are the net asset values.

**Quanta Storage Inc.**  
**Statement of Current Contract Liabilities**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Notes</u>
Unearned revenue		\$ 73,735	
Advance payment received		<u>485,576</u>	
		<u><u>\$ 559,311</u></u>	

**Statement of Accounts Payable**

<u>Supplier Name</u>	<u>Description</u>	<u>Amount</u>	<u>Notes</u>
<u>Related parties:</u>			
QSS		\$ 1,085,384	
TMT		<u>1,187,887</u>	
Sub-total		<u>2,273,271</u>	
<u>Non-related parties:</u>			
A		785	
B		68	
Others		<u>60</u>	The amount doesn't exceed 5%
Sub-total		<u>913</u>	
Total		<u><u>\$ 2,274,184</u></u>	

**Quanta Storage Inc.**  
**Statement of Other Payables**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>
Other Payables	Employee compensation and performance bonus payable	\$ 409,821
"	Equipment payable	87,804
"	Salary and year-end bonus payable	72,246
"	Others	<u>126,106</u>
Total		<u>\$ <b>695,977</b></u>

**Quanta Storage Inc.**  
**Statement of Operating Costs**  
**December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Amount</u>	
	<u>Sub-total</u>	<u>Total</u>
Direct material		
Raw material as of January 1, 2024	\$ 692	
Add: Purchases	59,178	
Less: Sales	(56,134)	
Transfer to operating expenses	(2,862)	
Raw material as of December 31, 2024	<u>(874)</u>	
	-	
Direct labor	-	
Manufacturing overhead	-	
Processing fee	<u>-</u>	
Manufacturing cost	-	
Semi-finished goods as of January 1, 2024	-	
Add: Purchases	7,795	
Less: Sales	(7,157)	
Transfer to operating expenses	<u>(638)</u>	
Cost of goods manufactured	-	
Finished goods as of January 1, 2024	80	
Add: Purchases	5,591,299	
Less: Transfer to operating expenses	(3,591)	
Sales	<u>(8,323)</u>	
Cost of goods sold	\$	5,579,465
Add: Sales raw material and semi-finished goods		63,291
Sales finished goods		<u>8,323</u>
Operating cost	\$	<u><u>5,651,079</u></u>

**Quanta Storage Inc.**  
**Statement of Selling Expenses**  
**For the year ended December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Notes</u>
Salary		\$ 85,020	
Professional service fees		6,477	
Others		35,994	The amount doesn't exceed 5%
Total		<u>\$ 127,491</u>	

**Statement of Administrative Expenses**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Notes</u>
Salary		\$ 74,296	
Operation management fee		11,555	
Depreciation expense		9,003	
Others		52,752	The amount doesn't exceed 5%
Total		<u>\$ 147,606</u>	

**Quanta Storage Inc.**  
**Statement of Research and Development Expenses**  
**For the year ended December 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Notes</u>
Salary		\$ 170,948	
Research expense		44,750	
Depreciation expense		21,849	
Others		45,406	The amount doesn't exceed 5%
Total		<u>\$ 282,953</u>	

Note: 1. Please refer to Note 6(l) for statement of other current financial asset.

2. Please refer to Note 6(i) for statement of changes in cost and accumulated depreciation of property, plant and equipment.

3. Please refer to Note 6(j) for statement of changes in cost and accumulated depreciation of right-of-use assets.