

Transcend Information, Inc.

2025 ANNUAL REGULAR SHAREHOLDERS' MEETING MINUTES

**(This English version is a translation based on the original Chinese version.
Where any discrepancy arises between the two versions, the Chinese version shall prevail.)**

Time: 9:00 a.m., June 20, 2025

Place: Transcend Information, Inc. (No. 70, XingZhong Rd., NeiHu Dist., Taipei 114, Taiwan)

Attendance: Total share represented by shareholders present in person or by proxy are 361,048,841 shares (including 361,044,840 shares casted electronically), which is 83.99% of the total 429,843,675 outstanding shares (excluding 0 shares without voting right).

Attended Directors: At this shareholders' meeting, five directors attended in person, including Chairman Shu Chung-Won, Director Shu Dao-An, Independent Director Kuo Tsung-Ming (Convener of the Audit Committee), Independent Director Lin Jia-Xing, and Independent Director Chen Shi-Hong. The number of attendees exceeded half of the total nine board seats.

Attendees:

Chen, Chin-Chang, the independent auditors of the PricewaterhouseCoopers

Li, Dan, the lawyer of World Patent & Trademark Office

Chairman: Shu, Chung-Won,
the chairman of Board of Directors

Recorder: Chi, Wen-Hui

Call meeting to order: The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

Chairman's Remarks: (Omitted)

I. Report Items

(1) To report the business of 2024.

Please refer to Attachment I.

(2) Audit Committee's Review Report.

Please refer to Attachment II.

(3) To report 2024 employees' profit sharing bonus and directors' compensation.

Explanatory Notes:

A. The remuneration of 2024 profit to directors would be NT\$5,600,000. The estimated remuneration to directors is NT\$ 0 and the different amount should be NT\$5,600,000. The difference will be taken as a change in accounting estimate and adjusted in profit or loss for

2025.

- B. The remuneration of 2024 profit to employees would be NT\$ 28,289,111 (distributed in cash). The estimated remuneration to employees is NT\$ 28,914,553 and the different amount should be NT\$ 625,442. The difference will be taken as a change in accounting estimate and adjusted in profit or loss for 2025.

- (4) To report 2024 directors' remuneration.

Explanatory Notes:

For details regarding directors' remuneration, including the remuneration policy, individual remuneration components, and amounts, please refer to Attachment IX

- (5) The status of endorsements and guarantees provided by the Company.

Explanatory Notes:

The Company provided a guarantee for Transcend Japan Inc. amounting to JPY 1,000,000 thousands, and the actual amount of guarantee draw down is JPY 0 by the end of 2024. Pursuant to the Company's "Procedures for Endorsements and Guarantees", the limit of guarantee was NT\$ 7,711,400 thousands (approximate JPY 35,100,000 thousands). The guarantee period is from May 1, 2024 to April 30, 2025. Upon expiration, no extension will be applied for.

- (6) Cash distribution from 2024 retained earnings.

Explanatory Notes:

- A. To comply with Section 5 of Article 240 of the Company Act and Article 22-1 of the Company's Articles of Incorporation, the board of directors is authorized to distribute dividends and bonuses in whole or in part that may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors.
- B. For appropriations of 2024 earnings, the Company will distribute cash dividend of NT\$ 2,411,484,727 (NT\$5.61 per share).
- C. Please refer to page 5 for the chart of 2024 earnings distribution.
- D. Cash dividend will be distributed proportionately according to shareholders' shares ownership registered in the Common Stockholders' Roster on the record date for dividend distribution. The cash distribution will be rounded down to NT\$1 (any amount under NT\$1 will be discarded), and the remaining fraction will be incorporated into other revenues of the Company.
- E. To avoid the change in the total amount of common shares outstanding due to changes in share capital, it is proposed that the Chairman of the Board be authorized to adjust the cash to be distributed to each common share.

- (7) Cash distribution from capital surplus.

Explanatory Notes:

- A. To comply with Article 241 of the Company Act and Article 22-1 of the Company's Articles of Incorporation, the board of directors is authorized to distribute capital surplus in whole or in part that may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors.
- B. The capital surplus derived from the issuance of new shares at a premium totaling NT\$ 210,628,791 will be distributed in cash of NT\$0.49 per share.
- C. Cash distribution from capital surplus will be distributed proportionately according to shareholders' shares ownership registered in the Common Stockholders' Roster on the record date for dividend distribution. The cash distribution will be rounded down to NT\$1 (any amount under NT\$1 will be discarded), and the remaining fraction will be incorporated into other revenues of the Company.
- D. To avoid the change in the total amount of common shares outstanding due to changes in share capital, it is proposed that the Chairman of the Board be authorized to adjust the cash to be distributed to each common share.

(8) To approve the amendments to "Procedure for Board of Directors Meetings".

Explanatory Notes:

- A. In order to improve the board of directors' meeting procedures and to comply with the amendments to the " Regulations Governing Procedure for Board of Directors Meetings of Public Companies" made by Financial Supervisory Commission, the Company hereby proposes amendments to "Procedure for Board of Directors Meetings".
- B. Please refer to Attachment V: the comparison table for the "Procedure for Board of Directors Meetings".

II. Proposed Items

(1) Adoption of 2024 Business Report and Financial Statements.

(Proposed by the Board of Directors)

Explanatory Notes:

- A. The parent company only financial statement and consolidated financial statement of the Company for the year of 2024 have been audited by independent auditors, Mr. Chin-Chang Chen and Mr. Lin, Yi-Fan, of the Pricewaterhouse Coopers.
- B. The Business Report, Independent Auditors' Report and Financial Statements are hereby also attached. (Please refer to Attachment I, III and IV)
- C. It is submitted for ratification.

Resolution:

Shares represented at the time of voting: 361,048,841
(including votes casted electronically 361,044,840)

Voting Results*		% of the total represented share present
Votes in favor:	353,417,563 votes (353,416,562 votes)	97.88%
Votes against:	25,931 votes (25,931 votes)	0.00%
Votes invalid:	0 votes (0 votes)	0.00%
Abstention and no votes:	7,605,347 votes (7,602,347 votes)	2.10%

*including votes casted electronically (number in brackets)

RESOLVED, the above proposal was approved as proposed.

(2) Adoption of the proposal for distribution of 2024 earnings.

(Proposed by the Board of Directors)

Explanatory Notes:

- A. To appropriate legal reserve and special reserve from 2024 earnings in accordance with the regulations.
- B. Please refer to page 5 for the chart of 2024 earnings distribution.
- C. It is submitted for ratification.

Resolution:

Shares represented at the time of voting: 361,048,841
(including votes casted electronically 361,044,840)

Voting Results*		% of the total represented share present
Votes in favor:	353,513,350 votes (353,512,349 votes)	97.91%
Votes against:	27,029 votes (27,029 votes)	0.00%
Votes invalid:	0 votes (0 votes)	0.00%
Abstention and no votes:	7,508,462 votes (7,505,462 votes)	2.07%

*including votes casted electronically (number in brackets)

RESOLVED, the above proposal was approved as proposed.

Transcend Information, Inc.
The Chart of 2024 Earnings Distribution
For the year ended December 31, 2024
(Expressed in New Taiwan dollar)

Item	Amount	Remarks
Unappropriated retained earnings at beginning	4,499,666,124	
Add: Net income for 2024	2,314,431,752	
Adjustment on unappropriated earnings for 2024	106,055,903	
Reversal of Special reserve	230,363,484	
Less: Legal reserve (10%)	(242,048,766)	
Retained earnings available for appropriation as of December 31, 2024	6,908,468,497	
Less: Items of distribution -Cash dividend to shareholders	(2,411,484,727)	Cash dividend (NT\$5.61 per share)
Unappropriated retained earnings at end	4,496,983,770	

Chairman: Shu, Chung-Won

General Manager: Shu, Chung-Won

Accounting Supervisor: Chi, Wen Hui

III. Discussion Items

(1) To approve the amendments to “Procedures for Lending Funds to other Parties”.

(Proposed by the Board of Directors)

Explanatory Notes:

A. To comply with the amendment of “ Q&A on the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” made by Financial Supervisory Commission, the Company hereby proposes amendments to “Procedures for Lending Funds to other Parties”.

B. Please refer to Attachment VI: the comparison table for the “Procedures for Lending Funds to other Parties”.

C. It is submitted for approval.

Resolution:

Shares represented at the time of voting: 361,048,841
(including votes casted electronically 361,044,840)

Voting Results*		% of the total represented share present
Votes in favor:	353,498,558 votes (353,497,557 votes)	97.90%
Votes against:	39,996 votes (39,996 votes)	0.01%
Votes invalid:	0 votes (0 votes)	0.00%
Abstention and no votes:	7,510,287 votes (7,507,287 votes)	2.08%

*including votes casted electronically (number in brackets)

RESOLVED, the above proposal was approved as proposed.

(2) To approve the amendments to “Articles of Incorporation”.

(Proposed by the Board of Directors)

Explanatory Notes:

A. In accordance with the update to Article 14, Paragraph 6 of the Securities and Exchange Act, amendments are proposed to certain articles of the “Articles of Incorporation” to establish the allocation ratio of compensation for grassroots employees.

B. In light of the regulatory authorities' promotion of corporate governance and the increasing responsibilities of the Board of Directors, amendments are proposed to certain articles of the “Articles of Incorporation” to adjust the allocation ratio of director compensation, in order to reasonably reflect their supervisory and decision-making responsibilities, and to attract and retain professional talents.

C. Please refer to Attachment VII: the comparison table for the “Articles of Incorporation”.

D. It is submitted for approval.

Resolution:

Shares represented at the time of voting: 361,048,841
(including votes casted electronically 361,044,840)

Voting Results*		% of the total represented share present
Votes in favor:	353,504,160 votes (353,503,159 votes)	97.91%
Votes against:	28,494 votes (28,494 votes)	0.00%
Votes invalid:	0 votes (0 votes)	0.00%
Abstention and no votes:	7,516,187 votes (7,513,187 votes)	2.08%

*including votes casted electronically (number in brackets)

RESOLVED, the above proposal was approved as proposed.

(3) Issuance of Restricted Stock Awards.

(Proposed by the Board of Directors)

Explanatory Notes:

A. Terms of Restricted Stock Awards are as the following:

I. Expected total shares of issuance: A total no. of 3,000,000 common shares issued, each with a par value of NT\$10, for a total monetary amount of NT\$30,000,000.

II. Terms and conditions:

i. Expected issue price: The current issue is gratuitous.

ii. Vesting conditions:

Employees who, after subscribing for restricted stocks, are still employed as of each grant date and did not have any violation against the Company's employment agreement, employees' code of conduct, the depository agreement, corporate governance best practice principles, ethical corporate management best practice principles, work rules, non-competition and non-disclosure undertaking or other contractual agreements with the Company during the following period as recognized by the Company, shall be vested 100% if having been employed for two years since the grant date of each year.

Please refer to Attachment VIII: "Issuance Rules of Transcend 2025 Restricted Stock Awards Plan".

iii. Measures to be taken when employees fail to achieve the vesting conditions or in the event of inheritance:

The Company will redeem the issued restricted stock awards and cancel the full number of share in accordance with the terms of the issuance rules set by the Company.

B. Qualification requirements for employees:

I. Full-time employees of the Company and full-time employees of domestic or foreign controlled or affiliated companies who are already employed on the date that the restricted stock awards are awarded.

- II. The number of granted shares shall be determined by seniority, position, performance, overall contribution operational conditions, and other conditions necessary for management. The results of shares distribution shall be reviewed by the Chairman and obtain approval in the meeting of the Board of Directors meeting. However, for employees who are directors or managers, the award of such shares is subject to approval by the Compensation Committee, and then submitted to the Board of Directors for discussion. For employees who are not directors or managers, the award of such shares is subject to approval by the Audit Committee, and then submitted to the Board of Directors for discussion.
 - III. The sum of the cumulative number of shares granted to each employee shall be in accordance with the applicable laws and regulations in Offering Regulations.
- C. Restricted rights before employees meet the vesting conditions:
- I. Before employees reach the vesting conditions, except by inheritance, employees may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted stock awards.
 - II. The right of attendance, proposal, expression, voting, and election in the shareholders' shall all be exercised by the trust depository institution on their behalf. After the employees meet vesting conditions, the stocks and dividends will be transferred from the trust account to the personal depository account of the employee according to the provisions of the trust agreement (cash dividends will be transferred to the employee's designated personal bank account). When employees fail to meet the vesting conditions, such shares will be redeemed by the Company without charge and will be canceled. However, the dividends or shares resulting from such shares will not need to be returned or surrendered by the employee.
 - III. In addition to the provisions of the preceding paragraph, no share distribution rights including but not limited to: dividends, bonuses, capital reserve rights and cash capital increase options.
- D. The reason why it is necessary to issue restricted stocks for employees:
To attract and retain necessary professional talents and excellent employees, motivate staff, enhance employees' feeling of belonging to the Company, and foster the best interests of the Company and its shareholders, so as to ensure the alignment of the Company's employees and shareholders' interests.
- E. Calculated expense amount and impact on dilution of EPS or other factors affecting shareholder's equity: If based on the March 4, 2025 closing price, NT\$87.8, the annual amortized expenses from 2026 to 2028 will be projected as: NT\$88,401 thousand, NT\$131,700 thousand and NT\$43,299 thousand, respectively with the total amounts of NT\$263.4 million. As of March 4, 2025, the Company's issued outstanding shares are 429,854,675 shares, the dilution from 2026 to 2028 will be projected as: NT\$0.21, NT\$0.31 and NT\$0.10, respectively. There is limited dilution of the Company's future EPS, and there is

no material impact on existing shareholder's equity.

F. Any other matters that need to be specified:

- I. It is allowed to report to the competent authority in several times within one year after resolution of the shareholder's meeting. The Company may issue the shares in batches within two year after receiving the competent authority's approval.
- II. The plan is passed by the resolution of the shareholder's meeting and the Board of Directors is authorized to handle all the issues regarding the issuance of Restricted Stock Awards. Any other matters not set forth in the plan, the Board of Directors authorizes the Chairman to amend or execute pursuant to the applicable laws and regulations.

Resolution:

Shares represented at the time of voting: 361,048,841
(including votes casted electronically 361,044,840)

Voting Results*		% of the total represented share present
Votes in favor:	339,958,061 votes (339,957,060 votes)	94.15%
Votes against:	9,998,505 votes (9,998,505 votes)	2.76%
Votes invalid:	0 votes (0 votes)	0.00%
Abstention and no votes:	11,092,275 votes (11,089,275 votes)	3.07%

*including votes casted electronically (number in brackets)

RESOLVED, the above proposal was approved as proposed.

IV. Other Business and Special Motion

There is no other special motion, the meeting was adjourned.

(There are no shareholder questions for any of the motions at this shareholders' meeting.)

V. Meeting Adjourned

Note: This document is extracted from the meeting; the details are subject to the audio and video recording.

**TRANSCEND INFORMATION, INC.
BUSINESS REPORT**

Looking back to 2024, the memory market was impacted by destocking and supply adjustments, leading to an overall price increase. However, the recovery of end-user demand was weaker than expected, and customers remained cautious in replenishing their inventories. Transcend maintained stable operations through a flexible pricing strategy, inventory management, and improved production efficiency.

In the first half of the year, the Company benefited from the appreciation of the US dollar and stable investment returns, ensuring steady operational growth. In the second half, market demand remained weak, and price increases slowed. In response, Transcend proactively adjusted its inventory allocation and continued to optimize production efficiency and cost control.

Transcend has strategically planned ahead in this ever-changing memory market, actively collaborated with suppliers, ensured stable supply through project implementation, maintained high production efficiency, and implemented a well-structured pricing strategy. Thanks to the dedication of all employees, the Company has maintained stable operating performance.

I would like to take this opportunity to thank all of our shareholders, customers, suppliers, and employees for their support and confidence in Transcend over the years.

2024 Business Report

(1) 2024 Business Report, Financial Highlights & Analysis

Transcend's consolidated revenue in 2024 was NT\$10.1 billion, a decrease of 3.93% from the previous year. Consolidated operating profit reached NT\$1.91 billion, marking a 0.84% increase compared to 2023. Net income after tax was NT\$2.31 billion, reflecting a 16.6% increase year-over-year. Earnings per share were NT\$5.39, calculated based on the weighted average of outstanding share capital of NT\$4.3 billion. Overall, business performance improved compared to 2023.

In addition, equity attributable to owners of the Company reached NT\$19.8 billion, accounting for 92.6% of total assets. The ratio of long-term capital to property, plant, and equipment was 1,289%, the current ratio was 1,111%, the return on assets was 10.6%, and the return on equity was 11.8%.

(2) Budget Execution

Transcend did not publicly disclose financial forecasts.

(3) Research & Development

As an industry-leading brand, Transcend continues to deepen its technological research and development, focusing on high-performance storage solutions to meet the market's demand for high-speed, durable, and highly secure products. With the rapid advancements in AI PCs, edge AI,

spatial computing, and high-performance computing, the demand for high-performance storage devices continues to grow.

Transcend is actively investing in embedded storage technology and strategic product development, striving to provide faster, more stable, and highly reliable solutions to meet the real-time data processing and access needs across various industries.

Transcend has introduced enterprise solid-state drives (eSSDs) and DDR5 6400 DRAM modules, designed to deliver high-performance, low-latency storage solutions for data centers and cloud computing. These products ensure stability and reliability for enterprise applications running in high-load environments.

Transcend continues to develop high-speed SSDs and high-performance storage products to meet diverse consumer needs. The ESD320A and ESD330C portable SSDs offer ultra-fast 10Gbps transfer speeds in a compact design, ideal for mobile professionals. The CFexpress 860 Type B memory card ensures smooth 8K RAW video recording and high-resolution image processing for photographers and content creators. For law enforcement and security applications, the DrivePro Body 40 body camera offers reliable video recording with electronic image stabilization, enhanced night vision, and a rugged design. Through continuous innovation, Transcend delivers secure, durable, and high-performance storage solutions for various user demands.

Transcend continues to strengthen its product competitiveness through technological innovation and quality enhancements, addressing the diverse storage needs of the market. Committed to delivering high-performance, secure, and durable storage solutions, Transcend drives sustainable growth for the Company and its customers.

2025 Business Plan

(1) Main Strategies

Driven by innovation and a spirit of self-transcendence, our corporate philosophy is: Quality First, Excellent Service, Effective Management, and Win-Win Cooperation.

(2) Estimated Sales Volume

Transcend estimates product sales for 2025 based on industry trends, market research, and future order forecasts.

Product Category	Estimated Sales Volume (in Thousand Units)
DRAM & Flash products	20,000
Others	2,000

(3) Fundamental Sales Policies

a. DRAM Modules

With the rapid development of AI PCs, high-performance computing (HPC), and cloud technology, the demand for higher bandwidth and lower power consumption in the memory

market continues to grow. Transcend is actively expanding its DDR5 6400 DRAM module lineup to provide high-performance solutions for data centers, servers, and AI computing. Additionally, as edge computing, automotive electronics, and Industrial IoT (IIoT) applications expand, Transcend continues to enhance its industrial-grade DRAM products, offering highly stable, durable, and wide-temperature memory modules to meet the demands of harsh operating environments.

To expand its market reach, Transcend leverages global distribution, OEM partnerships, and e-commerce platforms while forming strategic alliances with chip suppliers to ensure a stable supply chain. Through rigorous quality testing and compatibility validation, Transcend ensures reliable products with comprehensive technical support and warranties for enterprise, industrial, and consumer applications.

b. Flash Products

Despite ongoing global economic challenges and a slow recovery in end-market demand through 2024, supply chain adjustments and inventory reductions have gradually stabilized DRAM and NAND flash prices, driving market recovery. Consumer demand for SSDs, CFexpress memory cards, and portable SSDs continues to grow, driven by AI-driven image processing, gaming, and high-definition video applications.

In industrial applications, enterprise SSDs (eSSDs) are expected to see steady growth in shipments, benefiting from the constant development of AI computing, big data, and edge computing. Transcend continues to enhance the durability, security, and data protection mechanisms of its industrial SSDs to ensure stable performance in high-reliability environments such as servers, industrial control systems, and automotive applications.

Impacts of Future Development, External Environment, Regulatory Environment, and Overall Operating Environment

Transcend remains committed to its core business development while actively participating in corporate governance to ensure transparency and provide comprehensive information to shareholders and investors. Over the years, the Company has been dedicated to promoting youth sports development in Taiwan by sponsoring high school sports leagues and other athletic events. For more than a decade, Transcend has been a winner of the Sports Activist Awards from the Ministry of Education in Taiwan. Since 2015, the Company has actively promoted the Rural Baseball Seed Program, continuously supporting underprivileged children in Taiwan to play baseball and nurturing future sports talents.

The global IT industry continues to be driven by advancements in AI PCs, edge AI, high-performance computing, and cloud technology, fueling the demand for storage solutions that support AI training, inference computing, and high-speed data access applications. Looking ahead, Transcend will continue to strengthen its presence in the industrial market, expand its global sales channels, and introduce high-performance storage products tailored to market needs to enhance competitiveness and

profitability.

At the same time, the Company is committed to ESG and sustainable development by developing energy-efficient products, using eco-friendly packaging materials, and reducing its carbon footprint to build a green supply chain. By working closely with customers, Transcend aims to create a more sustainable future.

Finally, we extend our heartfelt gratitude to our shareholders for their long-term support and trust. We welcome your feedback and suggestions as we strive to create even greater value.

Chairman : Shu, Chung-Won

General Manager : Shu, Chung-Won

Accounting Supervisor : Chi, Wen Hui

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements and Earnings Distribution Proposal. Transcend Corporation's Financial Statements have been audited and certified by Mr. Chin-Chang Chen and Mr. Lin, Yi-Fan, the CPA of the Pricewaterhouse Coopers. The Business Report, Financial Statements and Earnings Distribution Proposal have been reviewed and considered to be complied with relevant rules by the undersigned, the audit committee of Transcend Corporation. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

The Audit Committee of Transcend Information, Inc.

Chairman of the Audit Committee: KUO, TSUNG-MING

March 6, 2025

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 24000581

To the Board of Directors and Shareholders of Transcend Information, Inc.

Opinion

We have audited the accompanying parent company only balance sheets of Transcend Information, Inc. (the "Company") as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at 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 *Independent auditors' responsibilities for the audit of the parent company only 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 for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

Valuation of inventories

Description

Refer to Notes 4(13), 5(2) and 6(5) to the parent company only financial statements for the information on the Company's inventory accounting policy, estimates and assumptions and allowance for inventory valuation losses.

The percentage of the Company's inventories to total assets is material and the Company applies judgements and estimates in determining the net realizable value of inventories at the balance sheet date. The Company mainly produces DRAM and flash memory. As these products have a short life cycle and belong to a highly competitive industry, the market prices change frequently. Since the Company's inventories and the allowance for inventory valuation losses are material to the financial statements, the valuation of inventories has been identified as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Obtained an understanding of the Company's operations and industry. Assessed the reasonableness of the policy and procedures to recognize allowance for inventory valuation losses.
- B. Obtained an understanding of the Company's inventory control procedures. Reviewed annual inventory count plan and observed the annual physical count of material inventory storage location in order to assess the effectiveness of internal controls over inventory.
- C. Obtained relevant evaluation reports of inventory and tested the logic and accuracy of information to assess the reasonableness of allowance for inventory valuation losses.

Estimation of allowance for sales discounts

Description

In consideration of business volume, the Company provides a variety of business incentives to specific customers or products, and based on that, the Company can estimate the allowance for sales discounts monthly. Refer to Notes 4(26) and 6(4) to the parent company only financial statements for the information on the estimation of allowance for sales discounts.

Since the contracts are numerous and the result could affect the net revenue in the parent company only financial statements, the estimation of allowance for sales discounts has been identified as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Obtained an understanding of the Company's operations, industry and the procedures to recognize allowance for sales discounts.
- B. Obtained an understanding of the Company's sales procedures and interviewed management to assess the appropriateness of sales allowance contracts and internal control over estimation of allowance.
- C. Obtained the evaluation list of allowance for sales discounts, and tested material sales allowance contracts and recalculated it to assess the reasonableness of allowance determined by the Company.

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 parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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.

Independent auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 parent company only financial statements.

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

- A. Identify and assess the risks of material misstatement of the parent company only 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.
- B. 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.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. 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 parent company only 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.

- E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only 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 parent company only 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 auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chen, Chin-Chang

Lin, Yi-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 6, 2025

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TRANSCEND INFORMATION, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,651,284	8	\$ 1,214,553	5
1110	Financial assets at fair value through profit or loss - current	6(2)	1,457,699	7	-	-
1136	Financial assets at amortised cost - current	6(3)	4,206,465	19	8,060,820	36
1150	Notes receivable, net	6(4)	-	-	323	-
1170	Accounts receivable, net	6(4)	809,100	4	689,554	3
1180	Accounts receivable - related parties	7	255,382	1	688,923	3
1200	Other receivables		52,288	-	112,946	1
130X	Inventories	6(5)	5,334,123	25	4,940,866	22
1479	Other current assets		1,877	-	1,845	-
11XX	Total current assets		<u>13,768,218</u>	<u>64</u>	<u>15,709,830</u>	<u>70</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	1,135,236	5	461,734	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	1,028,444	5	626,628	3
1535	Financial assets at amortised cost - non-current	6(3)	322,570	2	301,602	1
1550	Investments accounted for using equity method	6(7)	1,248,316	6	1,242,066	6
1600	Property, plant and equipment	6(8)	1,301,076	6	1,316,764	6
1755	Right-of-use assets	6(9) and 7	90,757	-	128,309	1
1760	Investment property, net	6(11)	2,538,589	12	2,547,461	11
1840	Deferred income tax assets	6(24)	100,849	-	69,255	-
1900	Other non-current assets	6(12)	27,920	-	37,869	-
15XX	Total non-current assets		<u>7,793,757</u>	<u>36</u>	<u>6,731,688</u>	<u>30</u>
1XXX	Total assets		<u>\$ 21,561,975</u>	<u>100</u>	<u>\$ 22,441,518</u>	<u>100</u>

(Continued)

TRANSCEND INFORMATION, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2130	Current contract liabilities	6(19) and 7	\$ 269,652	1	\$ -	-
2170	Accounts payable		768,305	4	1,790,529	8
2180	Accounts payable - related parties	7	33,503	-	298,728	2
2200	Other payables		208,585	1	266,495	1
2220	Other payables - related parties	7	6	-	16,683	-
2230	Current income tax liabilities		178,946	1	491,425	2
2280	Lease liabilities - current	7	37,718	-	37,187	-
2300	Other current liabilities		3,666	-	3,751	-
21XX	Total current liabilities		<u>1,500,381</u>	<u>7</u>	<u>2,904,798</u>	<u>13</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(24)	187,573	1	173,377	1
2580	Lease liabilities - non-current	7	38,258	-	75,976	-
2600	Other non-current liabilities	6(13)	12,749	-	18,657	-
25XX	Total non-current liabilities		<u>238,580</u>	<u>1</u>	<u>268,010</u>	<u>1</u>
2XXX	Total liabilities		<u>1,738,961</u>	<u>8</u>	<u>3,172,808</u>	<u>14</u>
Equity						
Share capital		6(15)				
3110	Common stock		4,298,547	20	4,290,617	19
Capital surplus		6(16)				
3200	Capital surplus		2,897,800	13	3,044,619	13
Retained earnings		6(17)				
3310	Legal reserve		5,503,030	26	5,303,693	24
3320	Special reserve		230,363	1	357,817	2
3350	Unappropriated retained earnings		6,920,154	32	6,502,327	29
Other equity interest		6(18)				
3400	Other equity interest		(26,880)	-	(230,363)	(1)
3XXX	Total equity		<u>19,823,014</u>	<u>92</u>	<u>19,268,710</u>	<u>86</u>
Significant contingent liabilities and unrecognized contract commitments		9				
Significant events after the balance sheet date		11				
3X2X	Total liabilities and equity		<u>\$ 21,561,975</u>	<u>100</u>	<u>\$ 22,441,518</u>	<u>100</u>

The accompanying notes are an integral part of these parent company only financial statements.

TRANSCEND INFORMATION, INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

		Year ended December 31					
		2024		2023			
Items	Notes	AMOUNT	%	AMOUNT	%		
4000	Operating revenue	\$ 9,493,089	100	\$ 9,879,469	100		
5000	Operating costs	(6,992,509)	(74)	(7,409,205)	(75)		
5900	Gross profit	2,500,580	26	2,470,264	25		
5910	Unrealized profit from sales	(5,267)	-	(16,316)	-		
5920	Realized profit from sales	16,316	-	3,455	-		
5950	Realized gross profit	2,511,629	26	2,457,403	25		
	Operating expenses						
6100	Sales and marketing expenses	(323,053)	(3)	(317,083)	(3)		
6200	Administrative expenses	(189,655)	(2)	(181,690)	(2)		
6300	Research and development expenses	(142,058)	(2)	(132,973)	(2)		
6000	Total operating expenses	(654,766)	(7)	(631,746)	(7)		
6900	Operating profit	1,856,863	19	1,825,657	18		
	Non-operating income and expenses						
7100	Interest income	309,146	3	374,837	4		
7010	Other income	72,254	1	78,703	1		
7020	Other gains and losses	558,486	6	145,851	2		
7050	Finance costs	(1,297)	-	(1,822)	-		
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	4,545	-	47,306	-		
7000	Total non-operating income and expenses	943,134	10	644,875	7		
7900	Profit before income tax	2,799,997	29	2,470,532	25		
7950	Income tax expense	(485,565)	(5)	(485,697)	(5)		
8200	Profit for the year	\$ 2,314,432	24	\$ 1,984,835	20		
	Other comprehensive income (loss)						
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss						
8311	Gain (loss) on remeasurements of defined benefit plan	\$ 2,243	-	(\$ 2,159)	-		
8316	Unrealized gain on financial assets at fair value through other comprehensive income	332,219	4	173,465	2		
8330	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method	(172)	-	1,524	-		
	Components of other comprehensive income (loss) that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations	32,722	-	(46,041)	(1)		
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(6,544)	-	9,208	-		
8300	Other comprehensive income for the year	\$ 360,468	4	\$ 135,997	1		
8500	Total comprehensive income	\$ 2,674,900	28	\$ 2,120,832	21		
	Earnings per share (in dollars)						
9750	Basic earnings per share	\$ 5.39		\$ 4.63			
9850	Diluted earnings per share	\$ 5.39		\$ 4.62			

The accompanying notes are an integral part of these parent company only financial statements.

TRANSCEND INFORMATION, INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Notes	Capital Reserves				Retained Earnings				Other Equity Interest			Total equity	
	Common stock	Additional paid-in capital	Donated assets received	Net assets from merger	Restricted stock	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) on financial assets at fair value through other comprehensive income	Unearned Compensation		
For the year ended December 31, 2023													
		\$ 4,290,617	\$ 3,348,183	\$ 4,470	\$ 35,128	\$ -	\$ 5,057,967	\$ 190,514	\$ 6,981,474	(\$ 197,218)	(\$ 160,599)	\$ -	\$ 19,550,536
		-	-	-	-	-	-	1,984,835	-	-	-	-	1,984,835
	6(6)(18)	-	-	-	-	-	-	(635)	(36,833)	173,465	-	-	135,997
		-	-	-	-	-	-	1,984,200	(36,833)	173,465	-	-	2,120,832
Appropriations and distribution of 2022 earnings													
	6(17)	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	245,726	-	(245,726)	-	-	-	-	-
		-	-	-	-	-	-	(2,059,496)	-	-	-	-	(2,059,496)
		-	-	-	-	-	167,303	(167,303)	-	-	-	-	-
		-	(343,249)	-	-	-	-	-	-	-	-	-	(343,249)
Net gain on disposal of financial assets at fair value through other comprehensive income													
	6(6)(18)	-	-	-	-	-	-	9,178	-	(9,178)	-	-	-
		-	-	87	-	-	-	-	-	-	-	-	87
		\$ 4,290,617	\$ 3,004,934	\$ 4,557	\$ 35,128	\$ -	\$ 5,303,693	\$ 357,817	\$ 6,502,327	(\$ 234,051)	\$ 3,688	\$ -	\$ 19,268,710
For the year ended December 31, 2024													
		\$ 4,290,617	\$ 3,004,934	\$ 4,557	\$ 35,128	\$ -	\$ 5,303,693	\$ 357,817	\$ 6,502,327	(\$ 234,051)	\$ 3,688	\$ -	\$ 19,268,710
		-	-	-	-	-	-	-	2,314,432	-	-	-	2,314,432
	6(6)(18)	-	-	-	-	-	-	2,071	26,178	332,219	-	-	360,468
		-	-	-	-	-	-	2,316,503	26,178	332,219	-	-	2,674,900
Appropriations and distribution of 2023 earnings													
	6(17)	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	199,337	-	(199,337)	-	-	-	-	-
		-	-	-	-	-	-	(1,930,778)	-	-	-	-	(1,930,778)
		-	-	-	-	-	(127,454)	127,454	-	-	-	-	-
		-	(214,531)	-	-	-	-	-	-	-	-	-	(214,531)
Expired unclaimed dividends recognized as capital surplus													
		-	-	147	-	-	-	-	-	-	-	-	147
Dividends claimed after expiration													
		-	(10)	-	-	-	-	-	-	-	-	-	(10)
Net gain on disposal of financial assets at fair value through other comprehensive income													
	6(6)(18)	-	-	-	-	-	-	-	103,927	(103,927)	-	-	-
Share-based payment transactions													
	6(14)(15)(18)	7,930	7	-	67,568	-	-	58	-	-	(50,987)	-	24,576
		\$ 4,298,547	\$ 2,790,410	\$ 4,694	\$ 35,128	\$ 67,568	\$ 5,503,030	\$ 230,363	\$ 6,920,154	(\$ 207,873)	\$ 231,980	(\$ 50,987)	\$ 19,823,014

The accompanying notes are an integral part of these parent company only financial statements.

TRANSCEND INFORMATION, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31	
		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 2,799,997	\$ 2,470,532
Adjustments			
Adjustments to reconcile profit (loss)			
Unrealized profit from sales		5,267	16,316
Realized profit from sales		(16,316)	(3,455)
Net gain on financial assets at fair value through profit or loss	6(2)(22)	(276,030)	(38,186)
Share of profit or loss of associates and joint ventures accounted for using the equity method	6(7)	(4,545)	(47,306)
Gain on disposal of property, plant and equipment	6(22)	(95)	-
Depreciation	6(23)	104,466	127,671
Interest income	6(20)	(309,146)	(374,837)
Interest expense	6(9)	1,297	1,822
Dividend income	6(6)(21)	(19,758)	(21,134)
Share-based payment		23,967	-
Changes in assets and liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss - current		(1,450,000)	-
Notes receivable		323	544
Accounts receivable		(119,546)	31,419
Accounts receivable - related parties		433,541	(265,076)
Other receivables		55,587	(84,132)
Inventories		(393,257)	(1,870,953)
Other current assets		(32)	(575)
Changes in liabilities relating to operating activities			
Contract liabilities		269,652	-
Accounts payable		(1,022,224)	1,318,816
Accounts payable - related parties		(265,225)	(144,863)
Other payables		(57,910)	57,095
Other payables - related parties		(16,677)	(1,009)
Other current liabilities		(85)	665
Net defined benefit liability		(1,139)	(884)
Cash (outflow) inflow generated from operations		(257,888)	1,172,470
Dividends received		18,938	19,874
Interest received		314,488	368,607
Income tax paid		(821,986)	(553,781)
Net cash flows (used in) provided by operating activities		(746,448)	1,007,170
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through profit or loss - non-current		386,517	-
Acquisition of financial assets at fair value through profit or loss - non-current		(791,688)	(372,085)
Proceeds from disposal of financial assets at amortised cost		6,080,880	4,573,010
Acquisition of financial assets at amortised cost		(2,246,944)	(4,407,329)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(6)	488,749	71,776
Acquisition of financial assets at fair value through other comprehensive income		(558,346)	-
Proceeds from disposal of property, plant and equipment		95	-
Acquisition of property, plant and equipment	6(26)	(31,834)	(20,241)
Increase in guarantee deposits paid		(138)	(135)
Acquisition of investment property	6(11)	-	(489)
Increase in other non-current assets		(433)	(9,576)
Dividends received	6(7)	42,503	1,000,240
Net cash flows provided by investing activities		3,369,361	835,171
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in guarantee deposits received		(2,526)	1,272
Payment of lease liabilities		(38,484)	(38,484)
Cash dividends paid (including cash payment from capital surplus)	6(16)	(2,145,309)	(2,402,745)
Expired unclaimed dividends recognized as capital surplus		147	87
Dividends claimed after expiration		(10)	-
Net cash flows used in financing activities		(2,186,182)	(2,439,870)
Net increase (decrease) in cash and cash equivalents		436,731	(597,529)
Cash and cash equivalents at beginning of year		1,214,553	1,812,082
Cash and cash equivalents at end of year		\$ 1,651,284	\$ 1,214,553

The accompanying notes are an integral part of these parent company only financial statements.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR 24000580

To the Board of Directors and Shareholders of Transcend Information, Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Transcend Information, Inc. and subsidiaries (the "Group") as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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 *Independent auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Valuation of inventories

Description

Refer to Notes 4(14), 5(2) and 6(5) to the consolidated financial statements for the information on the Group's inventory accounting policy, estimates and assumptions and allowance for inventory valuation losses.

The percentage of the Group's inventories to total assets is material and the Group applies judgements and estimates in determining the net realizable value of inventories at the balance sheet date. The Group mainly produces DRAM and flash memory. As these products have a short life cycle and belong to a highly competitive industry, the market prices change frequently. Since the Group's inventories and the allowance for inventory valuation losses are material to the financial statements, the valuation of inventories has been identified as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Obtained an understanding of the Group's operations and industry. Assessed the reasonableness of the policy and procedures to recognize allowance for inventory valuation losses.
- B. Obtained an understanding of the Group's inventory control procedures. Reviewed annual inventory count plan and observed the annual physical count of material inventory storage location in order to assess the effectiveness of internal controls over inventory.
- C. Obtained relevant evaluation reports of inventory and tested the logic and accuracy of information to assess the reasonableness of allowance for inventory valuation losses.

Estimation of allowance for sales discounts

Description

In consideration of business volume, the Group provides a variety of business incentives to specific customers or products, and based on that, the Group can estimate the allowance for sales discounts monthly. Refer to Notes 4(27) and 6(4) to the consolidated financial statements for the information on the estimation of allowance for sales discounts.

Since the contracts are numerous and the result could affect the net revenue in the consolidated financial statements, the estimation of allowance for sales discounts has been identified as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Obtained an understanding of the Group's operations, industry and the procedures to recognize allowance for sales discounts.
- B. Obtained an understanding of the Group's sales procedures and interviewed management to assess the appropriateness of sales allowance contracts and internal control over estimation of allowance.
- C. Obtained the evaluation list of allowance for sales discounts, and tested material sales allowance contracts and recalculated it to assess the reasonableness of allowance determined by the Group.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Transcend Information, Inc. as at and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Independent auditors' responsibilities for the audit of the consolidated financial statements

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

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

- A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chen, Ching Chang

Lin, Yi-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 6, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2024		December 31, 2023		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,970,580	9	\$ 1,858,719	8
1110	Financial assets at fair value through profit or loss - current	6(2)	1,457,699	7	-	-
1136	Financial assets at amortised cost - current	6(3)	4,286,788	20	8,130,839	37
1150	Notes receivable, net	6(4)	-	-	323	-
1170	Accounts receivable, net	6(4)	1,237,431	6	1,247,331	6
1200	Other receivables		52,288	-	113,104	1
130X	Inventories	6(5)	5,424,702	26	5,003,689	22
1479	Other current assets		19,457	-	41,262	-
11XX	Total current assets		<u>14,448,945</u>	<u>68</u>	<u>16,395,267</u>	<u>74</u>
Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current	6(2)	1,135,236	5	461,734	2
1517	Financial assets at fair value through other comprehensive income - non-current	6(6)	1,028,444	5	626,628	3
1535	Financial assets at amortised cost - non-current	6(3)	322,570	1	301,602	1
1550	Investments accounted for using equity method	6(7)	81,781	-	105,138	-
1600	Property, plant and equipment	6(8), 7 and 8	1,558,755	7	1,509,348	7
1755	Right-of-use assets	6(9) and 7	121,367	1	168,708	1
1760	Investment property, net	6(11)	2,538,589	12	2,580,696	12
1840	Deferred income tax assets	6(24)	116,552	1	80,796	-
1900	Other non-current assets	6(12)	48,026	-	59,364	-
15XX	Total non-current assets		<u>6,951,320</u>	<u>32</u>	<u>5,894,014</u>	<u>26</u>
1XXX	Total assets		<u>\$ 21,400,265</u>	<u>100</u>	<u>\$ 22,289,281</u>	<u>100</u>

(Continued)

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2170	Accounts payable		\$ 769,307	4	\$ 1,791,770	8
2180	Accounts payable - related parties	7	32,748	-	39,913	-
2200	Other payables		239,796	1	301,355	2
2230	Current income tax liabilities		190,604	1	494,669	2
2280	Lease liabilities - current	7	54,438	-	52,944	-
2300	Other current liabilities		13,494	-	22,189	-
21XX	Total current liabilities		<u>1,300,387</u>	<u>6</u>	<u>2,702,840</u>	<u>12</u>
Non-current liabilities						
2570	Deferred income tax liabilities	6(24)	187,573	1	173,377	1
2580	Lease liabilities - non-current	7	53,134	-	101,640	1
2600	Other non-current liabilities	6(13)	36,157	-	42,714	-
25XX	Total non-current liabilities		<u>276,864</u>	<u>1</u>	<u>317,731</u>	<u>2</u>
2XXX	Total liabilities		<u>1,577,251</u>	<u>7</u>	<u>3,020,571</u>	<u>14</u>
Equity attributable to shareholders of parent						
Share capital						
3110	Common stock	6(15)	4,298,547	20	4,290,617	19
Capital surplus						
3200	Capital surplus	6(16)	2,897,800	13	3,044,619	13
Retained earnings						
3310	Legal reserve	6(17)	5,503,030	26	5,303,693	24
3320	Special reserve		230,363	1	357,817	2
3350	Unappropriated retained earnings		6,920,154	33	6,502,327	29
Other equity interest						
3400	Other equity interest	6(18)	(26,880)	-	(230,363)	(1)
3XXX	Total equity		<u>19,823,014</u>	<u>93</u>	<u>19,268,710</u>	<u>86</u>
Significant contingent liabilities and unrecognized contract commitments						
3X2X	Total liabilities and equity		<u>\$ 21,400,265</u>	<u>100</u>	<u>\$ 22,289,281</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

	Items	Notes	Year ended December 31			
			2024		2023	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19) and 7	\$ 10,083,525	100	\$ 10,496,172	100
5000	Operating costs	6(5)(23) and 7	(6,991,338)	(69)	(7,451,567)	(71)
5900	Gross profit		<u>3,092,187</u>	<u>31</u>	<u>3,044,605</u>	<u>29</u>
	Operating expenses	6(23) and 7				
6100	Sales and marketing expenses		(754,842)	(8)	(742,597)	(7)
6200	Administrative expenses		(289,653)	(3)	(279,454)	(3)
6300	Research and development expenses		(142,058)	(1)	(132,973)	(1)
6450	Expected credit impairment (loss) gain	6(4)	(80)	-	65	-
6000	Total operating expenses		<u>(1,186,633)</u>	<u>(12)</u>	<u>(1,154,959)</u>	<u>(11)</u>
6900	Operating profit		<u>1,905,554</u>	<u>19</u>	<u>1,889,646</u>	<u>18</u>
	Non-operating income and expenses					
7100	Interest income	6(3)(20)	315,368	3	394,761	4
7010	Other income	6(6)(10)(11)(21)	72,254	1	78,703	1
7020	Other gains and losses	6(2)(22)	562,815	5	133,172	1
7050	Finance costs	6(9)	(3,055)	-	(3,320)	-
7060	Share of loss of associates and joint ventures accounted for using the equity method	6(7)	(23,185)	-	(22,128)	-
7000	Total non-operating income and expenses		<u>924,197</u>	<u>9</u>	<u>581,188</u>	<u>6</u>
7900	Profit before income tax		<u>2,829,751</u>	<u>28</u>	<u>2,470,834</u>	<u>24</u>
7950	Income tax expense	6(24)	(515,319)	(5)	(485,999)	(5)
8200	Profit for the year		<u>\$ 2,314,432</u>	<u>23</u>	<u>\$ 1,984,835</u>	<u>19</u>
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gain (loss) on remeasurements of defined benefit plans	6(13)	\$ 2,243	-	(\$ 2,159)	-
8316	Unrealized gain on financial assets at fair value through other comprehensive income	6(6)(18)	332,219	4	173,465	1
8320	Share of other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	6(7)	(172)	-	1,524	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(18)	32,722	-	(46,041)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(18)(24)	(6,544)	-	9,208	-
8300	Other comprehensive income for the year		<u>\$ 360,468</u>	<u>4</u>	<u>\$ 135,997</u>	<u>1</u>
8500	Total comprehensive income		<u>\$ 2,674,900</u>	<u>27</u>	<u>\$ 2,120,832</u>	<u>20</u>
	Net profit attributable to:					
8610	Shareholders of parent		<u>\$ 2,314,432</u>	<u>23</u>	<u>\$ 1,984,835</u>	<u>19</u>
	Comprehensive income attributable to:					
8710	Shareholders of parent		<u>\$ 2,674,900</u>	<u>27</u>	<u>\$ 2,120,832</u>	<u>20</u>
	Earnings per share (in dollars)	6(25)				
9750	Basic earnings per share		<u>\$ 5.39</u>		<u>\$ 4.63</u>	
9850	Diluted earnings per share		<u>\$ 5.39</u>		<u>\$ 4.62</u>	

The accompanying notes are an integral part of these consolidated financial statements.

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to owners of the parent											Total equity	
	Notes	Capital Reserves			Retained Earnings				Other Equity Interest				
		Common stock	Additional paid-in capital	Donated assets received	Net assets from merger	Restricted stock	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		Unearned compensation
<u>For the year ended December 31, 2023</u>													
Balance at January 1, 2023		\$ 4,290,617	\$ 3,348,183	\$ 4,470	\$ 35,128	\$ -	\$ 5,057,967	\$ 190,514	\$ 6,981,474	(\$ 197,218)	(\$ 160,599)	\$ -	\$ 19,550,536
Net income for the year		-	-	-	-	-	-	1,984,835	-	-	-	-	1,984,835
Other comprehensive income (loss)	6(6)(18)	-	-	-	-	-	-	(635)	(36,833)	173,465	-	-	135,997
Total comprehensive income (loss)		-	-	-	-	-	-	1,984,200	(36,833)	173,465	-	-	2,120,832
<u>Appropriations and distribution of 2022 earnings</u>													
Legal reserve	6(17)	-	-	-	-	245,726	-	(245,726)	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(2,059,496)	-	-	-	-	(2,059,496)
Special reserve		-	-	-	-	-	167,303	(167,303)	-	-	-	-	-
Cash payment from capital surplus		-	(343,249)	-	-	-	-	-	-	-	-	-	(343,249)
Net gain on disposal of financial assets at fair value through other comprehensive income	6(6)(18)	-	-	-	-	-	-	9,178	-	(9,178)	-	-	-
Expired unclaimed dividends recognized as capital surplus		-	-	87	-	-	-	-	-	-	-	-	87
Balance at December 31, 2023		<u>\$ 4,290,617</u>	<u>\$ 3,004,934</u>	<u>\$ 4,557</u>	<u>\$ 35,128</u>	<u>\$ -</u>	<u>\$ 5,303,693</u>	<u>\$ 357,817</u>	<u>\$ 6,502,327</u>	<u>(\$ 234,051)</u>	<u>\$ 3,688</u>	<u>\$ -</u>	<u>\$ 19,268,710</u>
<u>For the year ended December 31, 2024</u>													
Balance at January 1, 2024		\$ 4,290,617	\$ 3,004,934	\$ 4,557	\$ 35,128	\$ -	\$ 5,303,693	\$ 357,817	\$ 6,502,327	(\$ 234,051)	\$ 3,688	\$ -	\$ 19,268,710
Net income for the year		-	-	-	-	-	-	2,314,432	-	-	-	-	2,314,432
Other comprehensive income	6(6)(18)	-	-	-	-	-	-	2,071	26,178	332,219	-	-	360,468
Total comprehensive income		-	-	-	-	-	-	2,316,503	26,178	332,219	-	-	2,674,900
<u>Appropriations and distribution of 2023 earnings</u>													
Legal reserve	6(17)	-	-	-	-	199,337	-	(199,337)	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	(1,930,778)	-	-	-	-	(1,930,778)
Reversal of special reserve		-	-	-	-	-	(127,454)	127,454	-	-	-	-	-
Cash payment from capital surplus		-	(214,531)	-	-	-	-	-	-	-	-	-	(214,531)
Expired unclaimed dividends recognised as capital surplus		-	-	147	-	-	-	-	-	-	-	-	147
Dividends claimed after expiration		-	-	(10)	-	-	-	-	-	-	-	-	(10)
Net gain on disposal of financial assets at fair value through other comprehensive income	6(6)(18)	-	-	-	-	-	-	103,927	-	(103,927)	-	-	-
Share-based payment transactions	6(14)(15)(18)	7,930	7	-	-	67,568	-	-	58	-	-	(50,987)	24,576
Balance at December 31, 2024		<u>\$ 4,298,547</u>	<u>\$ 2,790,410</u>	<u>\$ 4,694</u>	<u>\$ 35,128</u>	<u>\$ 67,568</u>	<u>\$ 5,503,030</u>	<u>\$ 230,363</u>	<u>\$ 6,920,154</u>	<u>(\$ 207,873)</u>	<u>\$ 231,980</u>	<u>(\$ 50,987)</u>	<u>\$ 19,823,014</u>

The accompanying notes are an integral part of these consolidated financial statements.

TRANSCEND INFORMATION, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31	
		2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 2,829,751	\$ 2,470,834
Adjustments			
Adjustments to reconcile profit (loss)			
Net gain on financial assets at fair value through profit or loss	6(2)(22)	(276,030)	(38,186)
Share of profit or loss of associates and joint ventures accounted for using the equity method	6(7)	23,185	22,128
Expected credit impairment loss (gain)	6(4)	80	(65)
(Gain) loss on disposal of property, plant and equipment	6(22)	(26)	2
Depreciation	6(23)	134,901	158,441
Interest income	6(20)	(315,368)	(394,761)
Interest expense	6(9)	3,055	3,320
Dividend income	6(6)(21)	(19,758)	(21,134)
Share-based payments	6(14)(23)	24,576	-
Changes in assets and liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss-current		(1,450,000)	-
Notes receivable		323	544
Accounts receivable		9,812	(29,347)
Other receivables		55,745	(28,291)
Inventories		(421,013)	(1,860,625)
Other current assets		21,805	(24,552)
Changes in liabilities relating to operating activities			
Accounts payable		(1,022,463)	1,319,093
Accounts payable - related parties		(7,165)	12,471
Other payables		(61,559)	29,407
Other current liabilities		(8,695)	(3,159)
Net defined benefit liability		(1,139)	(884)
Cash (outflow) inflow generated from operations		(479,983)	1,615,236
Dividends received		18,938	19,874
Interest received		320,710	388,531
Income tax paid		(847,488)	(709,760)
Net cash flows (used in) provided by operating activities		(987,823)	1,313,881
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through profit or loss - non-current		386,517	-
Acquisition of financial assets at fair value through profit or loss - non-current		(791,688)	(372,085)
Proceeds from disposal of financial assets at amortised cost		6,080,880	4,592,690
Acquisition of financial assets at amortised cost		(2,236,829)	(4,413,471)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(6)	488,749	71,776
Acquisition of financial assets at fair value through other comprehensive income		(558,346)	-
Proceeds from disposal of property, plant and equipment		95	-
Acquisition of property, plant and equipment	6(26)	(75,980)	(24,173)
Decrease in guarantee deposits paid		160	1,893
Acquisition of investment property	6(11)	-	(489)
Decrease (increase) in other non-current assets		658	(11,978)
Dividends received	6(7)	-	10,968
Net cash flows provided by (used in) investing activities		3,294,216	(144,869)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in guarantee deposits received		(3,175)	(291)
Cash dividends paid (including cash payment from capital surplus)	6(17)	(2,145,309)	(2,402,745)
Payment of lease liabilities		(56,225)	(49,430)
Expired unclaimed dividends recognized as capital surplus		147	87
Dividends claimed after expiration		(10)	-
Net cash flows used in financing activities		(2,204,572)	(2,452,379)
Effect of exchange rate changes		10,040	(45,226)
Net increase (decrease) in cash and cash equivalents		111,861	(1,328,593)
Cash and cash equivalents at beginning of year		1,858,719	3,187,312
Cash and cash equivalents at end of year		\$ 1,970,580	\$ 1,858,719

The accompanying notes are an integral part of these consolidated financial statements.

TRANSCEND INFORMATION INC.

COMPARISON TABLE FOR THE “Procedure for Board of Directors Meetings”

Proposed Amendment	Currently in Effect	Explanation
<p>Article 12 Board Meetings</p> <p>When the scheduled meeting time arrives and less than half of all directors are present, the chairperson may announce a postponement of the meeting <u>on the same day</u>.</p> <p>The meeting may be postponed up to two times. If after two postponements a quorum is still not met, the chairperson may reconvene the meeting in accordance with the procedures set out in Paragraph 1 of Article 3.</p> <p>In the preceding paragraph and Subparagraph 2, Paragraph 2 of Article 16, “all directors” refers to those actually in office.</p>	<p>Article 12 Board Meetings</p> <p>When the scheduled meeting time arrives and less than half of all directors are present, the chairperson may announce a postponement of the meeting.</p> <p>The meeting may be postponed up to two times. If after two postponements a quorum is still not met, the chairperson may reconvene the meeting in accordance with the procedures set out in Paragraph 1 of Article 3.</p> <p>In the preceding paragraph and Subparagraph 2, Paragraph 2 of Article 16, “all directors” refers to those actually in office.</p>	<p>Clarified that the chairperson may only postpone the meeting on the same day.</p>
<p>Article 13</p> <p>The board of directors shall proceed according to the agenda set forth in the meeting notice. However, changes may be made with the consent of a majority of directors present.</p> <p>Without the consent of a majority of directors present, the chairperson may not unilaterally announce adjournment.</p> <p>If during the meeting, the number of directors present falls below a majority of those in attendance, and a motion is proposed by those still present, the chairperson shall announce a temporary suspension of the meeting, and the provisions of Paragraph 1 of</p>	<p>Article 13</p> <p>The board of directors shall proceed according to the agenda set forth in the meeting notice. However, changes may be made with the consent of a majority of directors present.</p> <p>Without the consent of a majority of directors present, the chairperson may not unilaterally announce adjournment.</p> <p>If during the meeting, the number of directors present falls below a majority of those in attendance, and a motion is proposed by those still present, the chairperson shall announce a temporary suspension of the meeting, and the provisions of Paragraph 1 of</p>	<p>Clarified the method for selecting a proxy for the chairperson: If the chairperson is unable to exercise their duties, they shall designate a director to act as proxy; if no proxy is designated, one shall be elected among the directors.</p>

Proposed Amendment	Currently in Effect	Explanation
<p>the preceding article shall apply mutatis mutandis.</p> <p><u>If during the meeting the chairperson is unable to preside or fails to adjourn the meeting in accordance with Paragraph 2, the method for appointing a proxy shall follow Paragraph 3 of Article 10.</u></p>	<p>the preceding article shall apply mutatis mutandis.</p>	

TRANSCEND INFORMATION INC.

COMPARISON TABLE FOR THE “Procedures for Lending Funds to other Parties”

Proposed Amendment	Currently in Effect	Explanation
<p><u>Article 9: Disguised Financing Activities</u></p> <p><u>1. Accounts receivable (including from related and unrelated parties) that remain uncollected for more than three months past the normal credit term and involve a material amount.</u></p> <p><u>2. Amounts other than accounts receivable, such as “Other Receivables,” “Prepayments,” “Refundable Deposits,” etc., where the amount is material or of a special nature, and any of the following situations occur and persist for more than three months without recovery: Payment was made without a contractual relationship; The payment amount does not match the obligations stated in the contract; The reason for the payment no longer exists.</u></p> <p><u>If the combined amount of the above two items reaches 20% of the Company’s paid-in capital for a single counterparty, the matter shall be submitted to the most recent audit committee meeting for resolution and submitted to the board of directors for a resolution on whether it constitutes a nature of loaning of funds. Unless the Company can provide evidence that there was no intention of lending funds (such as taking legal action or proposing feasible control measures), the amounts shall be deemed as having the nature of fund lending.</u></p> <p><u>Amounts determined by the board of directors to be of fund-lending nature shall be included in the total and individual limits for lending of funds as stipulated in Article 3, and be handled in accordance with the public announcement and reporting procedures set forth in Article 8. If inclusion of such amounts causes the lending limit to be exceeded, it shall be handled in accordance with Article 7.</u></p>	None.	This article is newly added to align with the updates to the FSC’s “Q&A on the Regulations Governing Loaning of Funds and Making of Endorsements/ Guarantees by Public Companies”

TRANSCEND INFORMATION INC.
COMPARISON TABLE FOR THE “Articles of Incorporation”

Proposed Amendment	Currently in Effect	Explanation
<p>Article 22: If the Company has earnings after the annual final accounting, it shall pay remuneration to employees at the minimum of <u>2%</u> of the profit, <u>of which no less than 50% shall be distributed to grassroots employees</u>, and pay remuneration to directors at the maximum of <u>0.5%</u> of the profit. However, the Company's accumulated losses shall have been covered. Employees' remuneration could be paid by cash or stock. Employees shall mean the employees of parent or subsidiaries of the company meeting certain specific requirements. Such specific requirements shall be prescribed by the board of directors.</p>	<p>Article 22 : If the Company has earnings after the annual final accounting, it shall pay remuneration to employees at the minimum of 1% of the profit, and pay remuneration to directors at the maximum of 0.2% of the profit. However, the Company's accumulated losses shall have been covered. Employeeesthe Company's accumulated losses shall have been covered.shall pay remuneration to employees at the minimum of 1% of the profit, and pay remuneration to directors at the cific requirements shall be prescribed by the board of directors.</p>	<p>To specify the ratio of employee remuneration allocated to grassroots employees and to adjust the percentage for directors' remuneration.</p>
<p>Article 24: These Articles of Incorporation were adopted on August 23, 1989. The first amendment was made on January 28, 1991. (Amendments 2 to 28 omitted.) The 29th amendment was made on June 19, 2020. <u>The 30th amendment was made on June 20, 2025.</u></p>	<p>Article 24: These Articles of Incorporation were adopted on August 23, 1989. The first amendment was made on January 28, 1991. (Amendments 2 to 28 omitted.) The 29th amendment was made on June 19, 2020.</p>	<p>To add the date and number of the most recent amendment.</p>

TRANSCEND INFORMATION INC.
ISSUANCE RULES OF TRANSCEND 2025 RESTRICTED STOCK AWARDS PLAN

Article 1 : Purpose

In order to attract and retain professional talent needed for the Company, incentivize employees and increase employee cohesion for mutually improving both the Company's and shareholders' interests and ensuring alignment of employee interests and shareholders' interests, the following issuance rules of Transcend 2023 Restricted Stock Awards Plan ("the Rules") are stipulated in accordance with Paragraph 9, Article 267 of the Company Act, and Exchange Act and the Regulations Governing the Offering Issuance of Securities by Securities Issuers ("the Regulation") released by the Financial Supervisory Commission.

Article 2 : Duration of issuance

With two year following the day the approval notice from the competent authority is delivered, the Company may issue the restricted stock awards once or multiple times. The actual date of issuance and related matters shall be determined by the Chairman of the Company ("the Chairman") as authorized by the Company's Board of Directors ("the Board of Directors").

Article 3 : Qualification requirements for employees

1. Employees eligible for subscription are limited to full-time official employees of the Company and employees of domestic and foreign controlling or subordinate companies who have been employed as of the issue date of restricted stocks. The so-called "controlling or subordinate companies" shall be determined based on the criteria stipulated under Articles 369-2 and 369-3, Paragraph 2, Article 369-9, and Article 369-11.
2. The actual number for eligible employees' subscriptions will be based on seniority, job level, work performance, overall contribution, operation situations and other reference factors needed for management, in consideration of the Company's operational needs and development strategies needed for business, and will be reviewed by the Chairman and submitted to the Board of Directors for approval. For directors and managerial officers who are employees, the number for subscriptions shall be first approved by the Remuneration Committee and then approved by the Board of Directors. For employees who are not directors or managerial officers, the number for subscriptions shall be first approved by the Audit Committee and then approved by the Board of Directors.
3. The cumulative number of new shares acquired by a single employee through restricted stock awards shall not exceed 0.3 percent of the Company's total outstanding stocks in combination with the cumulative number of stocks for subscription in the employee stock warrants issued by the Company and granted to such employee under Paragraph 1, Article 56-1 of the Regulation, and shall not exceed 1 percent of the Company's total outstanding stocks in combination with the cumulative number of stocks for subscription in the employee stock warrants issued by the Company and granted to such employee under Paragraph 1, Article 56 of the Regulation. However, with special approval from the central authority of the relevant industry, the total number of employee stock warrants and employee restricted stocks acquired by a single employee may be exempted from the aforesaid restrictions. If the authority updates relevant provisions, such updated provisions shall apply.

Article 4 : Total amount of issuance

The total number of shares issued by the Company under this plan shall be 3,000,000 common shares, each share having a par value of NT\$10, for a total amount of NT\$30,000,000.

Article 5 : Vesting conditions for restricted stock awards and restricted contents thereof

1. Issue price: The current issue is gratuitous.
2. Class of issued shares: the Company's newly issued common shares.
3. Vesting conditions:
 - i. Employees who, after subscribing for restricted stocks, are still employed as of each grant date and did not have any violation against the Company's employment agreement, employees' code of conduct, the depository agreement, corporate governance best practice principles, ethical corporate management best practice principles, work rules, non-competition and non-disclosure undertaking or other contractual agreements with the Company during the following period as recognized by the Company, shall be vested 100% if having been employed for two years since the grant date of each year, while the vesting unit is one share.
 - ii. Where an employee subscribes for restricted stocks but voluntarily resigns, is terminated, is dismissed, retires, or is transferred to an affiliated enterprise within two years of the grant date, his or her subscribed but unvested stocks shall be taken back by the Company for free.
 - iii. Where an employee subscribes for restricted stocks but violates the Company's employment agreement, work rules or other regulations of the Company, his or her unvested stocks may be taken back by the Company for free depending on the seriousness of such violations.
 - iv. Where an employee is disabled or deceased due to occupational accidents or is deceased, his or her unvested stocks shall be handled as follows:
 - a. Disabled due to occupational accidents and thus dismissed: Unvested stocks are deemed meeting all vesting conditions as of the date when the dismissal becomes valid.
 - b. Deceased due to occupational accidents: Unvested stocks are deemed meeting all vesting conditions as of the date of the decease. The successor(s) of the deceased, after completing all necessary procedures according to the law and providing relevant supporting documents, may apply for receiving the deceased's stocks to be succeeded or benefits that have been disposed of.
 - c. Deceased: Unvested stocks are deemed not meeting vesting conditions as of the date of the decease. The Company will take them back according to the law and cancel registration.
 - v. Leave without pay: Where an employee applies for leave without pay due to the government's laws and regulations, serious personal illness, major family causes or studying abroad, and obtains special approval from the Company, the benefits of his or her unvested stocks may be resumed after reinstatement, but the period for meeting vesting conditions shall be deferred in accordance with the period of leave without pay.
 - vi. Restricted stocks that are taken back by the Company for free will be cancelled registration by the Company.
 - vii. After employees subscribe for restricted stocks, rights which are restricted before vesting conditions are met are as follows:
 - a. Except for succession, employees who subscribed for restricted stocks and have not met vesting conditions shall not sell, pledge, transfer, gift to others, create an encumbrance on or otherwise dispose of the same.
 - b. Attending, submitting proposals, giving speeches, and exercising voting rights and rights of election at a shareholders' meeting are conducted in accordance with the trust and depository agreement. After an employee meets vesting conditions, stock dividends and cash dividends will be transferred from the trust account to the employee's personal account at the TDCC pursuant to the trust and depository agreement

(cash dividends are to be transferred to the employee's personal bank account). The unvested stocks of an employee who does not meet vesting conditions will be taken back for free and cancel registration; the stock dividends or cash dividends accrued therefrom, however, are not required to be refunded or repaid by the employee.

- c. Except for the trust requirement in the preceding paragraph, employees who subscribed for restricted stocks pursuant to the Rules and have not met vesting conditions shall have the same rights in, among others, receiving stock dividends, cash dividends and additional paid-in capital and subscribing for new shares upon capital increase by cash as the Company's outstanding common stocks.
- viii. Other material conditions: Restricted stocks shall be promptly and directly entrusted to a depository institute appointed by the Company after issuance. The Company or a person appointed by the Company shall represent employees to sign a trust agreement with the entrusted depository institute of the stocks.

Article 6 : Execution and confidentiality of the agreement

1. Employees who subscribe for restricted stocks, after notification by the responsible unit of the Company, must execute a "Consent Letter for Receiving Restricted Stocks" and complete relevant depository procedures so as to be deemed receiving restricted stocks. Those who do not execute relevant documents are deemed waiving the right to restricted stocks.
2. Rightholders who subscribe for restricted stocks and their derivative benefits pursuant to the Rules shall comply with the Rules and the "Consent Letter for Receiving Restricted Stocks"; violators are deemed not meeting vesting conditions. Moreover, employees who execute the consent letter shall comply with confidentiality obligations, not disclosing relevant contents of this case and personal interests to any third party; violators are deemed not meeting vesting conditions, and the Company may take back unvested stocks for free and cancel registration.

Article 7 : Tax

Any tax incurred from granting the restricted stock awards under the Plan shall be governed by the applicable R.O.C laws and regulations.

Article 8 : Implementation procedures

The relevant procedures and detailed operation timeline will be informed to granted employees by the responsible unit of the Company.

Article 9 : Implementation and revision

1. The Rules shall obtain approval by the majority votes in a meeting of Board of Directors which two-thirds or more directors are present, and then executed after effective registration with the competent authority. If modifications of the issuance rules are required due to amendment to the laws and regulations or instructions from the competent authority, the Chairman is authorized to make any necessary amendment to the Rules. The amendment to the Rules shall be proposed to be reviewed and approved by the Board of Directors for ratification and issuance.
2. For the matters not stipulated in the Rules, relevant applicable laws and regulations shall be referred.

Directors' Remuneration for the Year 2024

Dec.31,2024; Unit:NT\$ thousands

Title	Name	Remuneration								Total compensation and Ratio of total compensation (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Total compensation and Ratio of total compensation (A+B+C+D) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G) (Note1)						
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements			
																Cash	Stock	Cash	Stock			
Chairman	Shu, Chung-Won	-	-	-	-	1,120	1,120	50	50	1,170 0.05%	1,170 0.05%	6,305	6,305	-	-	-	-	-	-	7,475 0.32%	7,475 0.32%	770
Director	Shu, Chung-Cheng	-	-	-	-	1,120	1,120	40	40	1,160 0.05%	1,160 0.05%	-	-	-	-	-	-	-	-	1,160 0.05%	1,160 0.05%	-
Director (Note2)	Chui, Li-Chu	-	-	-	-	560	560	20	20	580 0.03%	580 0.03%	-	-	-	-	-	-	-	-	580 0.03%	580 0.03%	-
Director (Note2)	Hsu, Chia-Hsian	-	-	-	-	560	560	20	20	580 0.03%	580 0.03%	-	-	-	-	-	-	-	-	580 0.03%	580 0.03%	-
Director (Note2)	Chen, Po-Shou	-	-	-	-	280	280	20	20	300 0.01%	300 0.01%	1,559	1,559	-	-	143	-	143	-	2,002 0.09%	2,002 0.09%	-
Director (Note2)	Wu, Kuan-De	-	-	-	-	280	280	20	20	300 0.01%	300 0.01%	1,513	1,513	-	-	120	-	120	-	1,933 0.08%	1,933 0.08%	-
Director (Note2)	Shu, Dao-An	-	-	-	-	560	560	30	30	590 0.03%	590 0.03%	1,055	1,055	-	-	74	-	74	-	1,719 0.07%	1,719 0.07%	-
Director (Note2)	CHENG, YAN-WEI	-	-	-	-	560	560	30	30	590 0.03%	590 0.03%	-	-	-	-	-	-	-	-	590 0.03%	590 0.03%	-
Director (Note2)	Jiayun Investment Inc. (Representative: Yeh Ming-Han)	-	-	-	-	560	560	30	30	590 0.03%	590 0.03%	-	-	-	-	-	-	-	-	590 0.03%	590 0.03%	-
Independent Director (Note2)	Chen, Yi-Liang	480	480	-	-	-	-	60	60	540 0.02%	540 0.02%	-	-	-	-	-	-	-	-	540 0.02%	540 0.02%	-
Independent Director (Note2)	Chen, Lo-Min	480	480	-	-	-	-	60	60	540 0.02%	540 0.02%	-	-	-	-	-	-	-	-	540 0.02%	540 0.02%	-

Independent Director (Note2)	Wang, Yi-Hsin	480	480	-	-	-	-	60	60	540 0.02%	540 0.02%	-	-	-	-	-	-	-	-	540 0.02%	540 0.02%	-
Independent Director (Note2)	Lin, Shu-Shan	520	520	-	-	-	-	40	40	560 0.02%	560 0.02%	-	-	-	-	-	-	-	-	560 0.02%	560 0.02%	-
Independent Director (Note2)	Lin, Jia-Xing	520	520	-	-	-	-	40	40	560 0.02%	560 0.02%	-	-	-	-	-	-	-	-	560 0.02%	560 0.02%	-
Independent Director (Note2)	Chen, Shi-Hong,	520	520	-	-	-	-	40	40	560 0.02%	560 0.02%	-	-	-	-	-	-	-	-	560 0.02%	560 0.02%	-
Independent Director (Note2)	Kuo, Tsung-Ming	520	520	-	-	-	-	40	40	560 0.02%	560 0.02%	-	-	-	-	-	-	-	-	560 0.02%	560 0.02%	-

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration:

The meeting attendance fees for the company's directors and independent directors are determined based on the number of meetings attended. Independent directors receive a fixed remuneration, which is paid monthly. The remuneration for general directors is determined with reference to the company's overall operating performance, future industry risks and development trends, as well as each director's contributions to the company's operations and the results of the annual board (including individual director) performance evaluation. Reasonable remuneration is provided accordingly. Additionally, according to Article 22 of the company's Articles of Incorporation, if the company has profits for the year, no more than 0.2% of the annual profit shall be allocated as directors' compensation.

2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors: NT\$2,805 thousands.

Note 1: The compensation of employees approved by the Board of Directors for the year ended December 31, 2024 is NT\$28,289,111.

Note 2: The company held a board election on June 21, 2024. As a result, the following directors were dismissed on June 21, 2024: Chui, Li-Chu, Hsu, Chia-Hsian, Chen, Po-Shou, Wu, Kuan-De, Chen, Yi-Liang, Chen, Lo-Min, and Wang, Yi-Hsin. The following directors were appointed on the same date: Shu, Dao-An, Cheng, Yan-Wei, Jiayun Investment Inc. (Representative: Yeh Ming-Han), Lin, Shu-Shan, Lin, Jia-Xing, Chen, Shi-Hong, and Kuo, Tsung-Ming.

**TRANSCEND INFORMATION, INC.
RULES AND PROCEDURES OF SHAREHOLDERS' MEETING**

Article 1: To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2: The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3: Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 30 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, this Corporation shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and

no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4: For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends to attend the meeting in person or to exercise voting rights electronically, a written notice of proxy cancellation shall be submitted to this Corporation before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail..

Article 5: The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6: Shareholders and their proxies (collectively, "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7: If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8: This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9: Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more

than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10: If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12: Voting at a shareholders meeting shall be calculated based on the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means. When voting rights are exercised by electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that this Corporation avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by electronic means shall prevail. When a shareholder has exercised voting rights both by electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, the shareholders shall vote by a poll for each proposal. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14: The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of this Corporation.

Article 16: On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17: Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public

address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18: When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19: These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

TRANSCEND INFORMATION, INC.
ARTICLES OF INCORPORATION (Before amendment)

Section I - General Provisions

Article 1 : The Corporation shall be incorporated, as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 創見資訊股份有限公司 in the Chinese language, and Transcend Information, Inc. in the English language.

Article 2 : The scope of business of the Corporation shall be as follows:

1. CC01110 Computers and Computing Peripheral Equipments Manufacturing
2. CC01120 Data Storage Media Manufacturing and Duplicating
3. F113050 Wholesale of Computing and Business Machinery Equipment
4. F118010 Wholesale of Computer Software
5. F119010 Wholesale of Electronic Materials
6. F401010 International Trade
7. I301010 Software Design Services
8. CC01080 Electronic Parts and Components Manufacturing
9. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
10. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
11. ZZ99999 In addition to licensing business, business law may prohibit or restrict non-business.

Article 3 : The Corporation shall have its head office in Taipei City, Taiwan, Republic of China, and shall be free, upon the resolutions of Board of Directors to set up branch offices in Republic of China and abroad wherever and whenever the Corporation deems it necessary or advisable to carry out any or all of its activities.

Article 4 : The total amount of the Corporation's reinvestment shall not be subject to the restriction of not more than forty percent of the Corporation's paid-up capital as provided in the Company Law but shall not be more than the Corporation's paid-up capital. The Corporation may provide endorsement and guarantee and act as a guarantor. Any matters regarding the reinvestment shall be resolved in accordance with the resolutions of the Board of Directors.

Article 5 : Public announcements of the Corporation shall be made in accordance with the Article 28 of the Company Act.

Section II - Capital Stock

Article 6 : The total capital stock of the Corporation shall be in the amount of 5,000,000,000 New Taiwan Dollars, divided into 500,000,000 shares, at ten New Taiwan Dollars each. The Board of directors is authorized to issue the shares in separate installments as required. A total of 25,000,000 shares among the above total capital stock should be reserved for issuing

employee stock options. The Board of directors is authorized to issue employee stock options from time to time.

Article 6-1 : If the Corporation issue employee stock options on the exercise price under the market price, it shall be issued after the resolution of the Shareholders' meetings in accordance with relevant rules and regulations of the Republic of China. Employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, are entitled to receive employee stock options. Such specific requirements shall be prescribed by the board of directors.

Article 6-2 : The Corporation may issue shares without printing share certificate(s), but shares issued shall be registered with a securities depository enterprise.

Article 7 : All stock transaction conducted by shareholders of the Corporation shall follow the "Guidelines for Stock Operations for Public Companies".

Article 8 : Registration for transfer of shares shall be suspended 60 days immediately before the date of regular meeting of shareholders, and 30 days immediately before the date of any special meeting of shareholders, or within 5 days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation.

Article 8-1 : When the Company issue new shares, employees who are entitled to subscribe for new shares include employees of parent or subsidiaries of the Company meeting certain specific requirements. When the Company issue restricted stocks, employees who are entitled to receive restricted stock include employees of parent or subsidiaries of the Company meeting certain specific requirements. When the Company buy back stocks to transfer to employees, employees who are entitled to receive buyback stocks include employees of parent or subsidiaries of the Company meeting certain specific requirements.

Section III - Shareholders' meetings

Article 9 : Shareholders' meetings of the Corporation are of two types, namely: (1) regular meetings and (2) special meetings. Regular meetings shall be convened at least once a year, and within 6 months after the close of each fiscal year. Special meetings shall be convened in accordance with applicable laws and regulations whenever necessary. Written notices shall be sent to all shareholders, at least 30 days in advance; and at least 15 days in advance, in case of special meetings.

Article 10 : If a shareholder is unable to attend a meeting, he/she may appoint a proxy to attend it by using the proxy form issued by the Company and specifying the scope of proxy. Shareholder attendance by proxy shall be subject to the Company Law and also to the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies issued by the competent authority.

Article 11 : Each share of stock shall be entitled to one vote.

Article 12 : Except as provided in the Company Law of the Republic of China, shareholders' meetings may be held if attended by shareholders more than one half of the total issued and outstanding capital stock of the Corporation, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting. Pursuant to Article 177-1 of the Company Act, the shareholders may vote via written form or an electronic voting system, and the manner or voting shall be clearly stated in each meeting notice.

Section IV - Directors

Article 13 : The Corporation shall have seven to eleven Directors. The Board of Directors is authorized to determine the number of Directors, to be elected by the shareholders meeting from among candidates with legal capacity. The term of office for Directors shall be 3 years, and all Directors shall be eligible for re-election. Once the term of office is expired and it can't elect directors immediately, directors can extend and continue the performance of their duties until the election of directors to take office. The aggregate shareholding percentages of the entire bodies of directors shall comply with the regulations prescribed by the securities supervisory authorities. The board of directors is authorized to resolve the rates of directors' remuneration based on the extent of their participation in the Company's business operations or value of their contribution, at a level consistent with general practices in the industry.

The company shall acquire liability insurance for all directors within their term of office, and report to Board at the next board meeting.

Article 13-1 : To harmonize with Article 14-2 of the Securities and Exchange Act, there shall be at least three independent directors among the Company's directors. A candidate nomination system shall be adopted, and the shareholders meeting shall elect all directors (including independent directors) from among those listed on the slate of director candidates. The relevant regulations of the competent securities authority shall be followed regarding the professional qualifications, shareholding, moonlighting restrictions, nomination and election, and other compliance requirements regarding independent directors.

Article 13-2 : In compliance with Articles 14-4 of the ROC Securities and Exchange Law, the Corporation shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee shall exercise their functions in accordance with the ROC Company Law, Securities and Exchange Law, other relevant regulations and the procedure of corporation.

Article 14 : The board of directors shall consist of the directors of the company, and the chairman of the board of directors shall be elected from among the directors by a majority of directors in attendance at a meeting attended by at least two-thirds of the directors. The chairman of the board of directors shall represent the Company in external matters. The board of director may set up any functional committee.

Article 15 : Board of Directors Meetings shall be convened by the Chairman of the Board of Directors. Except as otherwise provided in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors.

Article 15-1 : Each director shall be given at least 7 days advance notice of the convening of a board of directors meeting of the Corporation. In emergency circumstances, however, a meeting may be convened on shorter notice. The meeting notice referred to in the preceding paragraph shall specify the reasons for convening the meeting, and shall be made in writing, by e-mail, or by facsimile.

Article 16 : The Chairman of the Board of Directors shall preside over all meetings of the Board of Directors. If the Chairman of the Board of Directors is on leave or cannot exercise powers or perform duties for any reason, an acting chairman shall be designated in accordance with Article 208 of the Company Act. Directors shall attend meetings of the board of directors in person. If a director is unavailable to attend a meeting in person, the director may appoint a proxy for the given meeting specifying the scope of the authorized powers to authorize another director to attend the meeting on the director's behalf, provided that a director may represent only one other director at a meeting.

Article 17 : Duties of the Board of the Directors are as follows:

1. To propose concerning appropriation of net profits or covering of losses.
2. To propose increasing or decreasing capital
3. To establish or dissolve branches
4. To approve budget and final reports
5. Other duties in accordance with Company Act or given by the resolution of shareholders' meeting

Section V - Managerial Officers

Article 20 : The Company may have managerial officers, whose appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Section VI - Accounting

Article 21 : After the close of each fiscal year, the Board of Directors shall prepare 1. Business Report 2. Financial Statements and 3. Proposal Concerning Appropriation of Net Profits or Covering of Losses, and submitted to the regular shareholders' meeting for acceptance:

Article 22 : If the Company has earnings after the annual final accounting, it shall pay remuneration to employees at the minimum of 1% of the profit, and pay remuneration to directors at the maximum of 0.2% of the profit. However, the Company's accumulated losses shall have been covered.

Employees' remuneration could be paid by cash or stock. Employees shall mean the employees of parent or subsidiaries of the company meeting certain specific requirements. Such specific requirements shall be prescribed by the board of directors.

Article 22-1 : If the Company has earnings after the annual final accounting, it shall be allocated in the following order:

1. To pay taxes.

2. To cover accumulated losses, if any.
3. To appropriate 10% legal reserve unless the total legal reserve accumulated has already reached the amount of the Company's authorized capital.
4. To appropriate or reverse special reserve in accordance with the regulations
5. To reserve certain amount, on the premise that there is no effect on the Company's normal operations and no violation of regulations, for maintaining stability of dividends.
6. For any remainder, adding on accumulated unappropriated retained earnings, the board of directors shall propose the earnings distribution proposal and shall handle in accordance with the following provision: the board of directors is authorized to distribute dividends and bonuses or legal reserve and capital reserve in whole or in part which be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting in accordance with Section 5 of Article 240 and Article 241 of the Company Act. In case of the dividends and bonuses or legal reserve and capital reserve in whole or in part be distributed in the form of new shares to be issued by the company, shall be proposed to the shareholders' meeting for review and approval by a resolution in accordance with Article 240 of the Company Act.

Regarding the special reserve under subparagraphs 4, the Company shall set aside special reserve, equal to the debit balance which happens at the current year on other equity items (including unrealized loss on financial instrument, cumulative translation adjustment, and unrecognized pension cost, which can be combined if there are unrealized gain.), from the current earnings after tax and unappropriated retained earnings prior year. If the debit balance is cumulative before, the Company shall set aside special reserve not to distribute it from the unappropriated retained earnings prior year. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

Article 22-2: The Company distributes dividends taking into consideration the Company's economic environment and growth phases, future demands of funds, long-term financial planning, and the cash flows that the stockholders desire. Cash dividends shall account for at least 5% of the total dividend distributed.

Section VII - Supplementary Provisions

Article 23 : In regard to all matters not provided for in these Articles of Incorporation, the Company Act of the Republic of China shall govern.

Article 24 : These Articles of Incorporation were adopted on August 23, 1989.

The first amendment was made on January 28, 1991.

The second amendment was made on May 25, 1992.

The third amendment was made on September 1, 1992.

The fourth amendment was made on July 30, 1994.

The fifth amendment was made on June 8, 1995.

The sixth amendment was made on July 8, 1997.

The seventh amendment was made on August 15, 1997.

The eighth amendment was made on September 12, 1997.

The ninth amendment was made on June 20, 1998.

The 10th amendment was made on September 15, 1998.

The 11th amendment was made on June 12, 1999.

The 12th amendment was made on April 15, 2000.

The 13th amendment was made on April 9, 2001.

The 14th amendment was made on June 10, 2002.

The 15th amendment was made on June 3, 2003.

The 16th amendment was made on June 11, 2004.

The 17th amendment was made on June 13, 2005.

The 18th amendment was made on June 14, 2006.

The 19th amendment was made on June 11, 2007.

The 20th amendment was made on June 13, 2008.

The 21st amendment was made on June 16, 2009.

The 22nd amendment was made on June 17, 2010.

The 23rd amendment was made on June 10, 2011.

The 24th amendment was made on January 5, 2012.

The 25th amendment was made on June 13, 2013.

The 26th amendment was made on June 12, 2014.

The 27th amendment was made on June 14, 2016.

The 28th amendment was made on June 12, 2019.

The 29th amendment was made on June 19, 2020.

Transcend Information, Inc.
Chairman: Shu, Chung-Won

TRANSCEND INFORMATION, INC.

Procedures for Lending Funds to other Parties (Before amendment)

Approved by the Shareholders' Meeting on June 19, 2020

Purpose:

These procedures are established to provide a guideline for the Company's fund-lending activities.

Section I: Content

Article 1: Borrowers

1. Entities that have business dealings with the Company.
2. Entities that have a short-term need for financing from the Company.

The term "short-term" refers to a period of one year. However, if the company's business cycle exceeds one year, the business cycle shall apply.

The "amount of financing" refers to the accumulated balance of short-term financing funds provided by the Company.

Article 2: Reasons and Necessity for Loaning Funds to Others

1. If the Company engages in fund-lending due to business dealings with other companies or firms, such lending shall comply with the provisions of Paragraph 2 of Article 3.

2. Lending funds due to short-term financing needs is limited to the following circumstances:

- (1) Where a company in which the Company holds more than 50% of shares requires short-term financing due to business needs.
- (2) Where another company or firm requires short-term financing for material procurement or operational turnover.
- (3) Other circumstances where fund lending is approved by the Board of Directors of the Company.

Article 3: Aggregate and Individual Limits on Loaning of Funds

1. Total Loanable Amount: The total amount of funds loaned by the Company shall not exceed 20% of the Company's net worth.

2. Limit per Borrower:

- (1) For companies or firms with business dealings with the Company, the individual loan amount shall not exceed the total transaction amount between both parties in the twelve months before the lending date (transaction amount refers to the higher of purchases or sales between the parties), and shall not exceed 10% of the Company's net worth.
- (2) For companies or firms that require short-term financing, the individual loan amount shall not exceed 10% of the Company's net worth.

3. Exceptions: The restrictions in Paragraphs 1 and 2 do not apply to intercompany loans between overseas companies where the Company directly or indirectly holds 100% of the voting shares or to loans from such

overseas subsidiaries to the Company. However, the total loan amount shall not exceed 40% of the lending company's net worth, and the limit per borrower shall not exceed 20% of the lending company's net worth. The loan term shall not exceed five years.

Article 4: Loan Procedures

1. Application:

When applying for financing, the borrower shall submit an official request to the Company's financial unit, specifying the loan amount, term, and purpose.

2. Credit Investigation:

The Company shall require the borrower to submit relevant company and financial documents in writing when applying for financing (except for affiliated enterprises).

After receiving the application, the Finance and Accounting Department shall investigate and evaluate the borrower's business operations, financial status, debt repayment ability, credit standing, profitability, and loan purpose, and prepare a report.

The Finance and Accounting Department shall assess the borrower based on the following criteria:

- (1) Necessity and reasonableness of the loan.
- (2) Whether the loan amount is necessary based on the borrower's financial condition.
- (3) Whether the accumulated loan amount is within the approved limit.
- (4) Potential impact on the Company's operational risk, financial status, and shareholders' equity.
- (5) Whether collateral should be obtained and the assessment of its value.
- (6) Inclusion of the borrower's credit investigation and risk evaluation records.

3. Loan Approval:

- (1) If the credit investigation or evaluation results indicate that the borrower has poor credit standing or inappropriate loan usage, the responsible personnel shall report the rejection with justifications for approval.
- (2) If the evaluation results are satisfactory, the responsible personnel shall prepare a credit report and submit it for review by the President or Chairman before seeking approval from the Board of Directors. The financial unit shall then process the loan.
- (3) Once the loan is approved, the financial unit shall notify the borrower of the loan conditions, including amount, term, interest rate, collateral, and guarantor, and require the borrower to complete the contract signing within the specified period.

4. Contract Signing and Verification:

- (1) The responsible personnel shall draft a loan contract based on the approved terms and proceed with the signing process.
- (2) After the borrower and joint guarantor have signed and sealed the contract, the responsible personnel shall conduct a verification process.

5. Security Measures:

- (1) Except for land, all collateral shall be insured. Vehicles used as collateral shall be fully insured, and the insurance policy shall name the Company as the beneficiary.

- (2) The Company may require a promissory note as collateral. In necessary cases, mortgages on movable or immovable property shall be established. If a borrower provides a guarantor with sufficient financial strength and creditworthiness instead of collateral, the Board of Directors shall review the credit report of the guarantor. If the guarantor is a company, its articles of incorporation must explicitly permit such guarantees.

6. Authorization Scope:

Fund lending shall be subject to credit evaluation by the Finance and Accounting Department and must be approved by the Board of Directors. The Board shall consider the opinions of independent directors and document their consent or objections in meeting minutes.

Loans between the Company and its parent or subsidiaries, or between subsidiaries, shall be approved by the Board of Directors. The Chairman may be authorized to disburse loans within a specified limit and for a term not exceeding one year.

7. Disbursement:

Loans may only be disbursed after approval, contract signing, submission of promissory notes or loan documents, completion of collateral registration, and insurance procedures.

Article 5: Loan Term and Interest Rate Calculation

1. Each loan shall not exceed one year. Extensions are subject to Board approval and may only be granted once.
2. Interest rates shall not be lower than either the Taiwan Bank's short-term loan prime rate on the lending date or the Company's borrowing cost. Interest shall be paid monthly on the 5th day unless otherwise approved by the Board.
3. Interest rates for loans to affiliated enterprises are not subject to the above restrictions and shall be determined by the Board.

Article 6: Post-Lending Control and Handling of Overdue Loans

1. The financial unit shall maintain loan records and monitor the financial and credit status of borrowers and guarantors. Any significant changes shall be reported to the Chairman for appropriate action.
2. Loan repayments must include principal and accrued interest before promissory notes or mortgage releases are processed.
3. Overdue loans must be repaid immediately. Extensions are limited to three months and require Board approval. If overdue, the Company may dispose of collateral or pursue legal action.

Article 7: Internal Control

1. The Company shall maintain a record book for fund-lending details.
2. The internal audit department shall audit fund-lending activities at least quarterly and report any major violations to the Audit Committee.

3.If a borrower no longer meets the eligibility criteria or exceeds loan limits, an improvement plan shall be submitted to the Audit Committee.

Article 8: Public Disclosure

1. The Company shall publicly disclose and report the balance of funds loaned by the Company and its subsidiaries for the previous month by the 10th of each month.

2. The Company shall publicly disclose and report within two days from the occurrence of any of the following circumstances:

(1) The total outstanding balance of funds loaned by the Company and its subsidiaries reaches 20% or more of the Company's net worth as stated in the most recent financial statements.

(2) The total outstanding balance of funds loaned by the Company and its subsidiaries to a single entity reaches 10% or more of the Company's net worth as stated in the most recent financial statements.

(3) A public company or its subsidiaries extend a new loan amounting to NT\$10 million or more and reaching 2% or more of the public company's net worth as stated in the most recent financial statements.

3. The "date of occurrence" referred to in this procedure shall mean whichever is earlier among the contract signing date, payment date, board resolution date, or any other date that confirms the loan recipient and amount.

4. If the Company's subsidiary is not a domestically listed public company and any of the aforementioned reporting obligations arise, the Company shall handle the public disclosure and reporting on behalf of the subsidiary.

Section II: Other Matters

1.Subsidiaries must establish fund-lending procedures and comply accordingly.

2.The Company shall assess loans and set aside sufficient bad debt reserves.

3.The definition of "subsidiary" and "parent company" shall follow relevant financial reporting standards.

4.Any matters not specified in these procedures shall comply with relevant laws and the Company's regulations.

Section III: Effectiveness and Amendments

The formulation and amendments of the Company's Procedures for Lending Funds to Others shall be approved by the Audit Committee and the Board of Directors before being submitted to the shareholders' meeting for approval. If any director expresses dissent and such dissent is recorded or stated in writing, the Company shall present the dissenting opinion to the shareholders' meeting for discussion.

The formulation or amendment of these procedures shall require the approval of more than half of all Audit Committee members before being submitted to the Board of Directors for resolution.

If the preceding requirement is not met, the procedures may be approved by at least two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

TRANSCEND INFORMATION, INC.
SHAREHOLDINGS OF ALL DIRECTORS

1. Minimum Required Shareholding and Shareholding of all Directors:

Title	Minimum Required Shareholding by all Directors	Current Shareholding (Shares)
Directors	16,000,000	16,856,551

Note 1: The period of Book closure is from April 22, 2025 to June 20, 2025.

Note 2: The Company has four independent directors, and the minimum required shareholding by all Directors except for independent directors is downsized to 80% of the minimum required based on Article 2, paragraph 2 of “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”.

2. Company’s current Directors’ shareholding are as follows on April 22, 2025:

Title	Name	Current Shareholding (Shares)	Note
Chairman	Shu, Chung-Won	10,709,453	Note 1
Director	Shu, Chung-Cheng	5,034,098	
Director	Shu, Dao-An	153,000	
Director	Cheng, Yan-Wei	950,000	
Director	Jiayun Investment Inc. (Representative: Yeh Ming-Han)	10,000	
	Shareholdings of All Directors (Excluding Independent Directors)	16,856,551	
Independent Director	Lin, Shu-Shan	11,599	
Independent Director	Kuo, Tsung-Ming	0	
Independent Director	Lin, Jia-Xing	0	
Independent Director	Chen, Shi-Hong,	38,463	
	Total	16,906,613	

Note 1: As of April 22, 2025, the personal shareholding of Director Shu, Chung-Won was 2,709,453 shares, and he retained the right to decide the exercise of the 8,000,000 shares. The total amount was 10,709,453 shares.

**TRANSCEND INFORMATION, INC.
OTHER MATTERS FOR EXPLANATION**

Explanation on Shareholder Proposals for This Annual Regular Shareholders' Meeting:

1. In accordance with Article 172-1 of the Company Act, shareholders holding 1% or more of the total issued shares may submit proposals to the Company for discussion at the shareholders' meeting. However, only one proposal is allowed per shareholder. Any submissions exceeding one proposal will not be included in the agenda.
2. The Company accepted shareholder proposals in writing for this year's Annual Regular Shareholders' Meeting during the period from April 13 to April 23, 2025, and has duly announced the details on the Market Observation Post System (MOPS).
3. The Company did not receive any shareholder proposals in writing.