



Transcend Information, Inc. Annual Report 2024

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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Transcend Information, Inc. annual report is available at <https://tw.transcend-info.com/about/stockholders>

Taiwan Stock Exchange Market Observation Post System: https://mops.twse.com.tw/mops/#/web/t57sb01_q5

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The name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: Not applicable

Corporate Website: <https://tw.transcend-info.com/>

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1. Letter to Shareholders

Dear Shareholders,

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

2. Corporate Governance Report

2.1. Background Information on Directors, General Managers, Vice General Managers, Assistant Managers and Heads of Various Department and Branches

2.1.1. Information on the company's directors

April 22, 2025

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C	Shu, Chung-Won	Male 71-80 years old	2024.06.21	3	2003.06.03	10,709,453	2.49%	10,709,453	2.49%	-	0.00%	-	0.00%	Department of Electrical Engineering, National Cheng Kung University Project Manager of Hewlett- Packard Development Company, L.P.	CEO of Transcend Information Inc. Chairman of Taiwan IC Packaging Corporation Director of C-Tech Corporation and Transcend Information Trading GmbH General Manager of Transcend Information Inc. President of Transcend Information Trading GmbH Independent Director of Sports Gear Co., Ltd.	Director	Shu, Chung-Cheng	Brother	Note
																	Director	Shu, Dao-An	Parents	
Director	R.O.C	Shu, Chung-Cheng	Male 71-80 years old	2024.06.21	3	2004.06.11	5,034,098	1.17%	5,034,098	1.17%	701,000	0.16%	-	0.00%	Department of Civil Engineering, National Taipei Institute of Technology General Manager of Transcend Information Inc.	Chairman of C-Tech Corporation, Cheng Chuan Technology Development Inc. and Shu Min Investment Inc. Executive Director of Transtech Trading (Shanghai) Co., Ltd. Director of Wan An Technology Inc., Won Chin Investment Inc., Wan Min Investment Inc., Wan Chuan Investment Inc., Saffire Investment Ltd. and Memhiro Pte. Ltd. Consultant of Transcend Information Inc.	Chairman and CEO and General Manager	Shu, Chung-Won	Brother	-
Director	R.O.C	Shu, Dao-An	Male 31-40 years old	2024.06.21	3	2024.06.21	153,000	0.04%	153,000	0.04%	-	0.00%	-	0.00%	National Taiwan University MBA, Global Business University of California, Los Angeles B.S., Electrical and Electronics Engineering Marketing Director of Transcend Information, Inc. Industrial Control Business Manager of Transcend Information, Inc. Product Manager of Transcend Information, Inc.	Procurement Director of Transcend Information, Inc.	Chairman and CEO and General Manager	Shu, Chung-Won	Parents	-
Director	R.O.C	Cheng, Yan-Wei	Male 71-80 years old	2024.06.21	3	2024.06.21	950,000	0.22%	950,000	0.22%	-	0.00%	-	0.00%	National Taipei Institute of Technology Chairman of the board of director of Hitron Technologies, Inc. Chairman of the board of director of Interactive Digital Technologies Inc.	Chairman of the board of directors of Artmo Inc. Director of Sports Gear Co., Ltd. Independent Director of TPK Holding Co., Ltd.	None	None	None	-
Director	R.O.C	Jiayun Investment Inc.	-	2024.06.21	3	2024.06.21	10,000	0.00%	10,000	0.00%	-	0.00%	-	0.00%	NA	None	None	None	None	-
		Representative: Yeh Ming-Han	Male 41-50 years old	2024.06.21	3	2024.06.21	-	0.00%	10,000	0.00%	-	0.00%	-	0.00%	Bachelor of Industrial Design, College of Engineering, Datong University Business Engineer of Hong Yi International Co., Ltd.	Special Assistant to the President of Realtek Semiconductor Corporation Chairman of Deji Investment Co., Ltd. Director of Hengxuan Co., Ltd. Legal representative of West Germany Organic Chemical Pharmaceutical Co., Ltd. Legal representative of the board of directors of Unitech Computer Co., Ltd. Legal representative of Jinglian Electronics Co., Ltd. Legal representative of Realtek Semiconductor Corporation	None	None	None	-

Note : Due to the needs of the company's operations and business development, the current Chairman, CEO and General Manager are the same person. After the re-election in 2024, four independent director seats were established to further improve the supervisory function of the board of directors. 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.

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Indeendent Director	R.O.C	Lin, Shu-Shan	Female 51-60 years old	113.06.21	3	113.06.21	27,599	0.01%	11,599	0.00%	-	0.00%	-	0.00%	Institute of Science and Technology Management, Jiaotong University Vice President, China Development Industrial Bank Product Manager, Philips Taiwan Institutional Director Representative of Wendell Industrial Co., Ltd. Institutional Director Representative of ANPEC Electronics Corporation Institutional Supervisor Representative of ASPEED Technology Inc.	Senior Vice President of CDIB Capital Management Corp. Managing Director of China Development Advantage Venture Capital Limited Partnership Managing Director of Innolux Development Venture Capital Limited Partnership Managing Director of Innolux Development II Venture Capital Limited Partnership Legal person director representative of TCLAD Technology Corp.	None	None	None	-
Indeendent Director	R.O.C	Kuo, Tsung-Ming	Male 61-70 years old	113.06.21	3	113.06.21	-	0.00%	-	0.00%	-	0.00%	-	0.00%	Institute of National Taiwan University EMBA Accounting Department of Accounting, Taipei University Deputy Director of PwC Taiwan and Certified Public Accountant Primary consultant for high-net-worth family business succession planning and consultation services COO, Tax and Legal Services, PwC Taiwan Adjunct Professor at the Executive Master of Business Administration Program, College of Management, Tunghai University Adjunct Associate Professor, In-service Master Program of Accounting, National Taipei University Director, Taiwan CPA Association Chairman, Accounting Department Association, National Taipei University Independent Director of XAVI Technologies Corp.	Independent Director: - BRIM Biotechnology, Inc. - China Bills Finance Supervisor: - Commonwealth Magazine Co., Ltd. - Common Life Publishing Co., Ltd. - Screenworks Asia LTD. - Tung Hua Books Co., Ltd - New Moon Education Co., Ltd - Kai Ming Bookstore Co., Ltd. - Commonwealth Education Media And Publishing Co., Ltd. - Parenting Education Co., Ltd.	None	None	None	-

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark (Note)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Indeendent Director	R.O.C	Lin, Jia-Xing	Male 61-70 years old	113.06.21	3	113.06.21	-	0.00%	-	0.00%	-	0.00%	-	0.00%	Department of Electrical Engineering, College of Engineering, Datong University Chairman of the board of director of Elpida Memory (Taiwan) Co., Ltd. Director of Kingmax Digital Inc Director of Walton Advanced Engineering, Inc. Micron Technology : Director of Worldwide Sale, SSG Director of Sale, Asia Director of Corporate Development, Asia Director of Sale, Great China Micron Technology Asia Pacific Taiwan Branch : Legal Representative	Independent Director: - Zimmit Taiwan Ltd. - Grandsys Inc.	None	None	None	-
Indeendent Director	R.O.C	Chen, Shi-Hong	Male 71-80 years old	113.06.21	3	92.06.03	38,463	0.01%	38,463	0.01%	27,278	0.01%	-	0.00%	Department of Electrical Engineering, College of Engineering, Datong University Director and General Manager of Hitachi Asia Pacific Co., Ltd. Taiwan Hitachi, Ltd. Taiwan Representative	None	None	None	Note	

Note: Independent Director Chen, Shi-Hong previously served as Supervisor of the Company from June 3, 2003 to June 14, 2012, and as Director of the Company from June 15, 2012 to June 11, 2015. He did not continue in the position thereafter.

2.1.2. The Major Shareholders of the Institutional Shareholders :

April 22 2025

Name of Institutional Shareholders	Major Shareholders	Shareholding ratio
Jiayun Investment Inc.	Yeh, Wei-Ting	99.99%

2.1.3. Top 10 Shareholders' Names and Shareholding Ratio of the Institutional Shareholders: Not applicable.

2.1.4. Disclosure of information as professional qualifications and independent status of directors and independent directors

Criteria Name	Professional Qualifications and Experience	Independent Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Shu, Chung-Won	<p>Department of Electrical Engineering, National Cheng Kung University. He is former Project Manager of Hewlett-Packard Development Company, L.P. Presently, he has been dedicated in the memory industry business management for more than 37 years since the establishment of the Company in 1988. In addition to the positions of Director and President at a subsidiary 100% owned by the Company, he also acted as the Chairman of the affiliated company of Taiwan IC Packaging Corporation and vertically integrates the industry value chain.</p> <p>He is equipped with extensive industry knowledge, practical experience, business management and leadership, and he is also equipped with insight on the industrial development trend. With regard to the promotion of overseas market business, he also understands various commercial environment, economy, culture and relevant risks. Accordingly, his valuable experience is able to propose comments and directives on matters related to corporate governance, operational management and risk management to the board of directors of the Company, thereby achieving the functions of strategic guidance and performance improvement.</p> <p>Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company.</p> <p>Not been a person of any conditions defined in Article 30 of the Company Law.</p>	<p>He is the CEO and General Manager of the Company, and concurrently acts as the Director and President of the affiliated company of Transcend Information Trading GmbH.</p> <p>Shu, Chung-Cheng is a second-degree relative of him and he also acts the Director of affiliated companies of Transtech Trading (Shanghai) Ltd., Won Chin Investment Inc., Saffire Investment Ltd., and Memhiro Pte. Ltd., while another second-degree relative, Shu Dao-An, serves as the Procurement Director at Transcend Information, Inc.</p> <p>The number of shares held by him and his second-degree relative Shu Chung-Cheng and Shu Dao-An is 15,896,551 shares, accounting for 3.70%, and he is listed as individual shareholder of the top 10 shareholding percentage.</p> <p>Act as the Chairman of Taiwan IC Packaging Corporation, an affiliated company invested under the equity method.</p> <p>He has not provided the services of commerce, law, finance and accounting to the Company or its affiliates in the last 2 years.</p> <p>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.</p>	1
Shu, Chung-Cheng	<p>Department of Civil Engineering, National Taipei Institute of Technology. Acted as the President of the Company from November 1998 to March 2020. Currently acts as a consultant of the Company. He has been dedicated in the memory industry business management for more than 27 years, and also acts as the Chairman or Director in related companies of the Company, in order to contribute</p>	<p>He is the Director of affiliated companies of Transtech Trading (Shanghai) Ltd., Won Chin Investment Inc., and Saffire Investment Ltd., Memhiro Pte. Ltd.</p> <p>Shu, Chung-Won is a second-degree relative of him and he also acts the Director and President of affiliated companies of Transcend Information Trading GmbH.</p>	0

Criteria Name	Professional Qualifications and Experience	Independent Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	<p>his expertise in corporate governance.</p> <p>He is equipped with extensive industry knowledge, practical experience, business management and crisis handling capabilities, and also has certain understanding on the overall business policy, objective of the overall operation as well as major business decision of the Company, such that he is able to promptly adopt changes, adjust strategies and implement timely responsive measures. Accordingly, with his valuable experience he is able to propose comments and directives on matters related to corporate governance, operational management and risk management to the board of directors of the Company, and provide references and adjustments for the management team.</p> <p>Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company.</p> <p>Not been a person of any conditions defined in Article 30 of the Company Law.</p>	<p>The number of shares held by him and his second-degree relative Shu, Chung-Won is 15,743,551 shares, accounting for 3.66%, and Shu, Chung-Won is listed as individual shareholder of the top 10 shareholding percentage.</p> <p>He acts as the Chairman of Cheng Chuan Technology and also acts as the Director of Won Chin Investment Inc., where both Cheng Chuan Technology and Won Chin Investment Inc. are business partners of the Company.</p> <p>He has not provided the services of commerce, law, finance and accounting to the Company or its affiliates in the last 2 years.</p> <p>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.</p>	
Shu, Dao-An	<p>National Taiwan University MBA, Global Business. Currently serving as the Procurement Director, responsible for managing the Company's procurement operations, ensuring the stable operation of the supply chain, maintaining safe inventory levels of procured items, and managing supplier relationships to enhance procurement efficiency and risk control. In the Board of Directors, serving in the capacity of a managerial officer, able to provide timely opinions and guidelines on corporate governance, business operations, and risk management.</p> <p>Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company.</p> <p>Not been a person of any conditions defined in Article 30 of the Company Law.</p>	<p>He is the Procurement Director of Transcend Information, Inc.</p> <p>Shu, Chung-Won is a second-degree relative of him and he also acts the Director and President of affiliated companies of Transcend Information Trading GmbH.</p> <p>The number of shares held by him and his second-degree relative Shu, Chung-Won is 10,862,453 shares, accounting for 2.53%, and Shu, Chung-Won is listed as individual shareholder of the top 10 shareholding percentage.</p> <p>He is not assuming any position of director, supervisor or employee of a company having a special relationship with the Company.</p> <p>He has not provided the services of commerce, law, finance and</p>	0

Criteria Name	Professional Qualifications and Experience	Independent Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		<p>accounting to the Company or its affiliates in the last 2 years.</p> <p>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.</p>	
Cheng, Yan-Wei	<p>National Taipei Institute of Technology. He currently acts as the Chairman of the board of directors of Artmo Inc., Director of Sports Gear Co., Ltd., and Independent Director of TPK Holding Co., Ltd. He once acted as the Chairman of the board of director of Hitron Technologies, Inc., and Chairman of the board of director of Interactive Digital Technologies Inc. He is equipped with the experience in corporate governance, finance, operation management capability and cooperate business development. He is able to provide recommendations to the management team, to improve the corporate governance quality of the board of directors.</p> <p>Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company.</p> <p>Not been a person of any conditions defined in Article 30 of the Company Law.</p>	<p>He is not an employee, director and supervisor of affiliates.</p> <p>His spouse, relative within the second degree of kinship or direct blood relative within the third degree of kinship is not an employee, director and supervisor of the Company or its affiliates.</p> <p>The number of shares of the Company held by him and his spouse, relatives within the second degree of kinship (or under the name of others) is 950,000 shares, accounting for 0.22%.</p> <p>He is not assuming any position of director, supervisor or employee of a company having a special relationship with the Company.</p> <p>He has not provided the services of commerce, law, finance and accounting to the Company or its affiliates in the last 2 years.</p> <p>Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</p> <p>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.</p>	1
JIAYUN Investment Inc. (Rep. Yeh Ming-Han)	<p>Bachelor of Industrial Design, College of Engineering, Datong University. He currently acts as the Special Assistant to the President of Realtek Semiconductor Corporation, Chairman of Dejjia Investment Co., Ltd., Director of Hengxuan Co., Ltd., Legal representative of West Germany Organic Chemical Pharmaceutical Co., Ltd., Legal representative of the board of directors of Unitech Computer Co., Ltd., Legal representative of Jinglian Electronics Co., Ltd., and Legal representative of Realtek Semiconductor Corporation. He once acted as the Business Engineer of Hong Yi International Co., Ltd..He is equipped with the experience in corporate governance, finance, operation</p>	<p>He is not an employee, director and supervisor of affiliates.</p> <p>His spouse, relative within the second degree of kinship or direct blood relative within the third degree of kinship is not an employee, director and supervisor of the Company or its affiliates.</p> <p>The number of shares of the Company held by him and his spouse, relatives within the second degree of kinship (or under the name of others) is 10,000 shares, accounting for 0.00%.</p> <p>He is not assuming any position of director, supervisor or</p>	0

Criteria Name	Professional Qualifications and Experience	Independent Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	<p>management capability and cooperate business development. He is able to provide recommendations to the management team, to improve the corporate governance quality of the board of directors.</p> <p>Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company.</p> <p>Not been a person of any conditions defined in Article 30 of the Company Law.</p>	<p>employee of a company having a special relationship with the Company.</p> <p>He has not provided the services of commerce, law, finance and accounting to the Company or its affiliates in the last 2 years.</p> <p>Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</p> <p>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.</p>	
Lin, Shu-Shan	<p>Institute of Science and Technology Management, Jiaotong University. She currently acts as the Senior Vice President of CDIB Capital Management Corp., Managing Director of China Development Advantage Venture Capital Limited Partnership, Managing Director of Innolux Development Venture Capital Limited Partnership, Managing Director of Innolux Development II Venture Capital Limited Partnership, and Legal person director representative of TCLAD Technology Corp. She once acted as the Vice President, China Development Industrial Bank, Product Manager, Philips Taiwan, Institutional Director Representative of Wendell Industrial Co., Ltd., Institutional Director Representative of ANPEC Electronics Corporation, and Institutional Supervisor Representative of ASPEED Technology Inc. She is equipped with the experience in corporate governance, finance, operation management capability and cooperate business development. She is able to provide recommendations to the management team, to improve the corporate governance quality of the board of directors, to implement audit committee supervisory authority and to strengthen the salary and remuneration management function.</p> <p>Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company.</p> <p>Not been a person of any conditions defined in Article 30 of the</p>	<p>She is not an employee, a director and supervisor of the Company or any of its affiliates.</p> <p>Her spouse, relative within the second degree of kinship or direct blood relative within the third degree of kinship is not an employee, director and supervisor of the Company or its affiliates.</p> <p>The number of shares of the Company held by him and his spouse, relatives within the second degree of kinship (or under the name of others) is 11,599 shares, accounting for 0.00%.</p> <p>She is not assuming any position of director, supervisor or employee of a company having a special relationship with the Company.</p> <p>She has not provided the services of commerce, law, finance and accounting to the Company or its affiliates in the last 2 years.</p> <p>Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</p> <p>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.</p>	0

Criteria Name	Professional Qualifications and Experience	Independent Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	Company Law.		
Kuo, Tsung-Ming	<p>Graduated from the National Taiwan University's EMBA Institute of Accounting, with professional background in financial accounting.</p> <p>He currently acts as an independent director of BRIM Biotechnology, Inc., an independent director of China Bills Finance Co., Ltd., a supervisor of Commonwealth Magazine Co., Ltd., a supervisor of Common Life Publishing Co., Ltd., a supervisor of Screenworks Asia LTD., a supervisor of Tung Hua Books Co., Ltd, a supervisor of New Moon Education Co., Ltd, a supervisor of Kai Ming Bookstore Co., Ltd., a supervisor of Commonwealth Education Media And Publishing Co., Ltd., and a supervisor of Parenting Education Co., Ltd. He once acted as the Deputy Director of PwC Taiwan and Certified Public Accountant, Primary consultant for high-net-worth family business succession planning and consultation services, chief operating officer of tax and legal services of PwC Taiwan, Adjunct Professor at the Executive Master of Business Administration Program at the College of Management of Tunghai University, Adjunct Associate Professor at the In-service Master Program of Accounting at National Taipei University, Director of the Taiwan CPA Association, Chairman of the Accounting Department Association of National Taipei University, and an Independent Director of XAVI Technologies Corp.</p> <p>He is equipped with the experience in corporate governance, finance, operation management capability and cooperate business development. He is able to provide recommendations to the management team, to improve the corporate governance quality of the board of directors and to implement audit committee supervisory authority.</p> <p>Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company.</p> <p>Not been a person of any conditions defined in Article 30 of the Company Law.</p>	<p>He is not an employee, director and supervisor of affiliates.</p> <p>His spouse, relative within the second degree of kinship or direct blood relative within the third degree of kinship is not an employee, director and supervisor of the Company or its affiliates.</p> <p>The number of shares of the Company held by him and his spouse, relatives within the second degree of kinship (or under the name of others) is 0 shares.</p> <p>He is not assuming any position of director, supervisor or employee of a company having a special relationship with the Company.</p> <p>He has not provided the services of commerce, law, finance and accounting to the Company or its affiliates in the last 2 years.</p> <p>Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</p> <p>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.</p>	2

Criteria Name	Professional Qualifications and Experience	Independent Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Lin, Jia-Xing	<p>Department of Electrical Engineering, College of Engineering, Datong University. He currently acts as an independent director of Zimmite Taiwan Ltd. and an independent director of Grandsys Inc. He once acted as the Chairman of the board of director of Elpida Memory (Taiwan) Co., Ltd., Director of Kingmax Digital Inc, Director of Walton Advanced Engineering, Inc., Micron Technology (Director of Worldwide Sale, SSG, Director of Sale, Asia, Director of Corporate Development, Asia, Director of Sale, Great China) and Legal Representative of Micron Technology Asia Pacific Taiwan Branch.</p> <p>He is equipped with the experience in corporate governance, finance, operation management capability and cooperate business development. He is able to provide recommendations to the management team, to improve the corporate governance quality of the board of directors, to implement audit committee supervisory authority and to strengthen the salary and remuneration management function.</p> <p>Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company.</p> <p>Not been a person of any conditions defined in Article 30 of the Company Law.</p>	<p>He is not an employee, director and supervisor of affiliates.</p> <p>His spouse, relative within the second degree of kinship or direct blood relative within the third degree of kinship is not an employee, director and supervisor of the Company or its affiliates.</p> <p>The number of shares of the Company held by him and his spouse, relatives within the second degree of kinship (or under the name of others) is 0 shares.</p> <p>He is not assuming any position of director, supervisor or employee of a company having a special relationship with the Company.</p> <p>He has not provided the services of commerce, law, finance and accounting to the Company or its affiliates in the last 2 years.</p> <p>Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</p> <p>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.</p>	2
Chen, Shi-Hong	<p>Department of Electrical Engineering, College of Engineering, Datong University. He once acted as director and general manager of Hitachi Asia Pacific (Taiwan) Co., Ltd. and Taiwan representative of Hitachi, Ltd. He is equipped with the experience in corporate governance, finance, operation management capability and cooperate business development. He is able to provide recommendations to the management team, to improve the corporate governance quality of the board of directors, to implement audit committee supervisory authority and to strengthen the salary and remuneration management function.</p> <p>Have Work Experience in the Areas of Commerce, Law, Finance, or</p>	<p>He is not an employee, director and supervisor of affiliates.</p> <p>His spouse, relative within the second degree of kinship or direct blood relative within the third degree of kinship is not an employee, director and supervisor of the Company or its affiliates.</p> <p>The number of shares of the Company held by him and his spouse, relatives within the second degree of kinship (or under the name of others) is 65,741 shares, accounting for 0.02%.</p> <p>He is not assuming any position of director, supervisor or employee of a company having a special relationship with the</p>	0

Criteria Name	Professional Qualifications and Experience	Independent Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	<p>Accounting, or Otherwise Necessary for the Business of the Company.</p> <p>Not been a person of any conditions defined in Article 30 of the Company Law.</p>	<p>Company.</p> <p>He has not provided the services of commerce, law, finance and accounting to the Company or its affiliates in the last 2 years.</p> <p>Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</p> <p>Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.</p>	

2.1.5. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors

The nomination and election of board members of the Company comply with the "Procedures for Election of Directors" and "Corporate Governance Best-Practice Principles", in order to ensure the diversity and independence of board members. According to Article 20 of the "Corporate Governance Best-Practice Principles" of the Company, the composition of the board of directors shall consider the diversity, focusing on gender equality, and directors shall be generally equipped with knowledge, skills and expertise necessary for executing their job duties. To realize the ideal of corporate governance, the board of directors as a whole shall possess the abilities, including operational judgment capability, accounting and financial analysis capability, business management capability, crisis handling capability, industrial knowledge, international market view, leadership capability, decision-making capability, etc.

Specific management objectives and achievement of the Board's Diversity Policy:

Management Objectives	Achieved
There should be at least one female board member	Achieved
At least one-third of the directors have computer industry, marketing or technology expertise	Achieved
At least one-third of independent directors have legal, accounting or technological expertise	Achieved
At least one-third of the Board members shall be of either gender.	Not achieved. This is due to the Company's focus on professional qualifications, industry experience, and operational needs during the director nomination process, which resulted in the gender ratio not reaching one-third. In future Board elections, gender balance will be considered as a key factor in the nomination and selection of directors to enhance diversity in decision-making.

The Company's diversity policy for current Board members and its implementation are as follows:

Core of diversify Name	Basic composition											Industry experience				Professional ability		
	Nationality	Gender	Employee	Age					Tenure and seniority of independent directors			Bank	Business management	Marketing	R & D	Accounting and Financial Analysis	Information Technology	Risk Management
				31 ~ 40	41 ~ 50	51 ~ 60	61 ~ 70	Over 71	Below 3 years	3-9 years	Over 9 years							
Shu, Chung-Won	R.O.C	Male	V					V					V	V		V	V	
Shu, Chung-Cheng	R.O.C	Male						V					V	V			V	
Shu, Dao-An	R.O.C	Male	V	V									V	V			V	
Cheng, Yan-Wei	R.O.C	Male						V					V	V	V		V	
Jiayun Investment Inc. (Representative: Yeh Ming-Han)	R.O.C	Male			V								V	V			V	
Lin, Shu-Shan	R.O.C	Female				V			V			V	V		V		V	
Kuo, Tsung-Ming	R.O.C	Male					V		V				V		V		V	
Lin, Jia-Xing	R.O.C	Male					V		V				V	V			V	
Chen, Shi-Hong	R.O.C	Male						V	V				V				V	

All directors are equipped with extensive experience in leadership, decision, operation determination, business management, crisis handling, and are also equipped with industrial knowledge and international market view such that they are equipped with various capabilities necessary to execute the corporate governance. Independent directors, Mr. Kuo, Tsung-Ming and Ms. Lin, Shu-Shan, are equipped with the professional backgrounds in accounting and financial analysis, such they are able to provide professional recommendations to the Company from different viewpoints and aspects.

The current nine directors are of the nationality of the R.O.C., and the composition structure includes four independent directors, accounting for 44% of all directors. Two directors have the identity of an employee, accounting for 22%, and one independent directors are female directors, accounting for 11%. Furthermore, with regard to the age distribution, four director is above the age of 71 years old, two directors are of the age of 61–70 years old, and three directors are under the age of 60 years old.

(2) Independence of the Board of Directors

According to the provisions of the Securities and Exchange Act, the Company has obtained written declarations issued by all independent directors during their assumption of office, and they are confirmed to comply with the provision specified in Article 14-2 of the Securities and Exchange Act and relevant requirements specified in Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Following the re-election of directors at the 2024 shareholders' meeting, the Company added one independent director seat, bringing the total number of independent directors to four, all of whom are newly appointed. This adjustment aims to further strengthen the supervisory function of the Board and ensure the effective performance of independent oversight. Additionally, the Company pays only fixed remuneration to independent directors, which is not tied to the Company's performance. After evaluation, this arrangement does not compromise their independence.

The Company is of the opinion that the board of directors is able to evaluate the independence of directors according to actual condition, including the required recusal of directors due to conflict of interest, and to provide reports on important operation affairs, risk management, sustainable operation issues and corporate governance, and whether directors are able to express perspectives different from other directors. In addition, according to the provisions of Paragraph 3 and Paragraph 4 of Article 26-3 of the Securities and Exchange Act, the percentage of directors having the relationship of a spouse or relatives within the second degree is 33% only, less than half of the total number of directors, and it is evaluated as complying with the regulations.

2.1.6. Information on the company's Management Team

April 22, 2025

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark(s)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman, CEO and General Manager (Note 1)	R.O.C	Shu, Chun-Won	Male	1991.06.01	10,709,453	2.49%	-	0.00%	-	0.00%	<ul style="list-style-type: none"> • Department of Electrical Engineering, National Cheng Kung University • Project Manager of Hewlett-Packard Development Company, L.P. • Chairman of Transcend Information, Inc. 	(Note 2)	None	None	None	(Note 3)
Vice General Manager	R.O.C	LI, TSENG-HO	Male	2020.10.01	-	0.00%	4,000	0.00%	-	0.00%	<ul style="list-style-type: none"> • Master of Information Management, National Taiwan University of Science and Technology • R&D Vice General Manager of Transcend Information, Inc. 	None	None	None	None	-
Vice General Manager	R.O.C	Fang, Wen-Jeng	Male	2019.09.01	-	0.00%	25,967	0.01%	-	0.00%	<ul style="list-style-type: none"> • University of Southern California Electrical Engineering • Administration Vice General Manager of Transcend Information, Inc. 	None	None	None	None	-
Director & Vice General Manager	R.O.C	Chen, Po-Shou	Male	2019.07.01	-	0.00%	-	0.00%	-	0.00%	<ul style="list-style-type: none"> • San Jose State University Economics • Sales Vice General Manager of Transcend Information, Inc. 	None	None	None	None	-

April 22, 2025

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark(s)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
CFO & Corporate Governance Officer	R.O.C	Chi, Wen-Hui	Female	2023.01.19	-	0.00%	-	0.00%	-	0.00%	<ul style="list-style-type: none"> Master of Accountancy, National Cheng Kung University Financial and Accounting Manager of Transcend Information, Inc. 	None	None	None	None	-

Note 1: Due to the needs of the Company's operation and business development, presently, the Chairman, CEO and General Manager refer to the same person. However, a majority of the directors are not concurrently assuming the positions of employees or managerial officers. Four independent director seats have been established to further enhance the supervisory function of the Board.

Note 2: Chairman of Taiwan IC Packaging Corporation
 Director of C-Tech Corporation and Transcend Information Trading GmbH
 General Manager of Transcend Information Trading GmbH
 Independent Director of Sports Gear Co., Ltd.

Note 3: 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.

2.2. Remuneration of Directors, Independent Directors, General Manager and Vice General Managers

2.2.1. Remuneration of Directors and Independent Directors

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.

2.2.2. Remuneration of the General Manager and Vice General Managers

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

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D) (Note 1)				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
		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 and CEO and General Manager	Shu, Chung-Won	5,405	5,405	-	-	900	900	-	-	-	-	6,305 0.27%	6,305 0.27%	770
Vice General Manager	Li, Tseng-Ho	2,310	2,310	-	-	968	968	292	-	292	-	3,570 0.15%	3,570 0.15%	-
Vice General Manager	Fang, Wen-Jeng	2,243	2,243	-	-	799	799	212	-	212	-	3,254 0.14%	3,254 0.14%	-
Director and Vice General Manager(Note 2)	Chen, Po-Shou	2,189	2,189	-	-	929	929	286	-	286	-	3,404 0.15%	3,404 0.15%	-

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: Rescinded as director on June 21, 2024.

2.2.3. Employee Compensation for Managerial Officers

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

	Title	Name	Employee Compensation		Total	Ratio of Total Amount to Net Income (%)
			in Stock	in Cash		
Managerial Officers	Chairman and CEO and General Manager	Shu, Chung-Won	-	930	930	0.04
	Vice General Manager	Li, Tseng-Ho				
	Vice General Manager	Fang, Wen-Jeng				
	Director and Vice General Manager(Note 1)	Chen, Po-Shou				
	CFO and Corporate Governance Officer	Chi, Wen-Hui				

Note 1: Rescinded as director on June 21, 2024.

2.2.4. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to Directors, General Manager and Vice General Managers of the Company, to the net income:

Year Title	Ratio of total remuneration paid to Directors, General Manager and Vice General Manager to net income (%)			
	2024		2023	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Directors	0.87%	0.87%	0.93%	0.93%
General Manager and Vice General Managers	0.71%	0.71%	0.82%	0.82%

2.2.5. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance:

Transportation allowance is issued according to the attending status (listed for attendance) of the directors and independent directors of the Company in the board of directors' meetings. The determination of the remuneration of general directors is made based on the consideration of the overall business performance of the Company, future operational risk and development trend of the industry, along with the consideration of the contribution of each director on the operation of the Company and the annual performance evaluation result by the board of directors (including individual director), in order to issue reasonable remuneration. Furthermore, according to Article 22 of the Articles of Incorporation of the Company, when the Company has a profit for each fiscal year, an amount no more than 0.2% of the profit shall be appropriated as the remuneration of directors, and after the resolutions of the Remuneration Committee and the Board of Directors, the remuneration is then issued to each director.

The salaries of the CEO, General Manager, Vice General Managers and other managerial officers, etc., are issued based on the consideration of the standard adopted in the same industry, market status, professional competence and job duties. According to Article 22 of the Articles of Incorporation of the Company, when the Company has a profit for each fiscal year, an amount not less than 1% of the profit shall be appropriated as the remuneration of employees, and the personal annual work performance, including the achievement rate of revenue and profit of the entire company and his/her in-charge department, personal goal achievement rate, operational management capability, and whether there is any special contribution or negative events, etc., such that the amount of distribution is determined after comprehensive evaluation of all aspects.

Remuneration performance evaluation and reasonableness for directors and managerial officers are reviewed and approved by the Remuneration Committee and Board of Directors. The remuneration system is also reviewed according to the actual condition of business and relevant laws and regulations appropriately at all times.

2.3. Implementation of Corporate Governance

2.3.1. Operations of the Board of Directors

A total of 5 meetings of the Board of Directors were held in the previous period (2 meetings before the re-election and 3 meetings after the re-election). The attendance of directors were as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Shu, Chung-Won	5	0	100	2024.06.21 Renewal of office
Director	Shu, Chung-Cheng	4	0	80	2024.06.21 Renewal of office
Director	Shu, Dao-An	3	0	100	2024.06.21 New term of office
Director	Cheng, Yan-Wei	3	0	100	2024.06.21 New term of office
Director	Jiayun Investment Inc. (Representative: Yeh Ming-Han)	3	0	100	2024.06.21 New term of office
Independent Director	Lin, Shu-Shan	3	0	100	2024.06.21 New term of office
Independent Director	Lin, Jia-Xing	3	0	100	2024.06.21 New term of office
Independent Director	Chen, Shi-Hong	3	0	100	2024.06.21 New term of office
Independent Director	Kuo, Tsung-Ming	3	0	100	2024.06.21 New term of office
Director	Chui, Li-Chu	2	0	100	2024.06.21 Previous term of office
Director	Hsu, Chia-Hsian	2	0	100	2024.06.21 Previous term of office
Director	Chen, Po-Shou	2	0	100	2024.06.21 Previous term of office
Director	Wu, Kuan-De	2	0	100	2024.06.21 Previous term of office
Independent Director	Chen, Yi-Liang	2	0	100	2024.06.21 Previous term of office
Independent Director	Chen, Lo-Min	2	0	100	2024.06.21 Previous term of office
Independent Director	Wang, Yi-Hsin	2	0	100	2024.06.21 Previous term of office

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act.

(2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors.

The independent directors of the Company did not object to or reserve any resolution of the Board of Directors. Please refer to "2.3.11 Major resolutions of Shareholders' Meeting, Board of Directors Meetings,

Audit Committee meetings and Remuneration Committee meetings in the most recent year and up to the publication date of this Annual Report” for major resolutions of Board of Directors Meetings in the most recent year and up to the publication date of this Annual Report.

2. If there are directors’ avoidance of motions in conflict of interest, the directors’ names, contents of motion, causes for avoidance and voting should be specified:

At the second board meeting of 2024, the proposal for the issuance of restricted employee shares was reviewed. As Directors Chen, Po-Shou and Wu, Kuan-De also serve as employees of the Company, both recused themselves from the discussion and voting in accordance with the principle of conflict of interest. The proposal was unanimously approved by all other attending directors upon inquiry by the chairperson..

3. TWSE/TPEX-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self evaluations conducted by the Board of Directors:

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Once a year	January 1, 2024 to December 31, 2024	Board of Directors, individual directors, Audit committee and Remuneration committee	Self-assessment by directors, internal self-evaluation by the Board of Directors , Audit committee and Remuneration committee	<p>(1) Board performance evaluation: level of participation in company operations, the quality of Board decisions, Board composition and structure, appointment of directors and their continued development, and internal controls.</p> <p>(2) Individual director performance evaluation: grasp of company targets and missions, understanding of the director's role and responsibilities, level of participation in company operations, internal relationship management and communication, director's specialty and continued development, and internal controls.</p> <p>(3) Audit committee performance evaluation: Participation in company operations, understanding of the responsibilities of Audit committees, improvement of the decision-making quality of Audit committees, composition of Audit committees, and member selection and internal control.</p> <p>(4) Remuneration committee performance evaluation: Participation in company operations, understanding of the responsibilities of Remuneration committees, improvement of the decision-making quality of Remuneration committees, and composition of Remuneration committees, and member selection and internal control.</p>

The results of the Board performance evaluation for the year ended December 31, 2024 have been disclosed on corporate website at: https://tw.transcend-info.com/about/board_of_directors

4. Evaluation of targets for strengthening of the functions of the board during the current and immediately preceding fiscal years, and measures taken toward achievement thereof:

(1) The Company established Remuneration committee in 2011 and Audit Committee in 2012 to assist the

Board of Directors in carrying out its various duties. The board of directors also established the "Codes of Ethical Conduct for Directors and Managerial Officers" in 2013 in order to provide guidance to the conducts of directors and managerial officers for compliance with the moral standards, thereby achieving sound corporate governance.

- (2) To strengthen the independent directors' participation in the operation of the board of directors and to improve the understanding of the company affairs, at least three independent directors are required to attend a board of directors' meeting in person. (Note)
- (3) To implement corporate governance and to improve the function of the board of directors, performance goals are established in order to enhance the operational efficiency of the board of directors. The Company's board of directors approved the "Rules for Performance Evaluation of Board of Directors" on March 5, 2020 and implemented them in 2021. The evaluation period was from January 1, 2024 to December 31, 2024, and the evaluation result was reported to the board of directors on March 6, 2025. Please refer to the aforementioned Point 3 for the evaluation content and result.
- (4) To strengthen the effective operation of the board of directors, the Company established Corporate Governance Officer on May 6, 2021 to assist the Board of Directors in carrying out its various duties and compliance with the laws and regulations.

Note: Attendance of each independent directors during Board of Director meetings held in 2024.

Independent Directors	The First Meeting	The Second Meeting	The Third Meeting	The Forth Meeting	The Fifth Meeting
Lin, Shu-Shan	NA		Attendance in Person	Attendance in Person	Attendance in Person
Lin, Jia-Xing			Attendance in Person	Attendance in Person	Attendance in Person
Chen, Shi-Hong			Attendance in Person	Attendance in Person	Attendance in Person
Kuo, Tsung-Ming			Attendance in Person	Attendance in Person	Attendance in Person
Chen, Yi-Liang	Attendance in Person	Attendance in Person	NA		
Chen, Lo-Min	Attendance in Person	Attendance in Person			
Wang, Yi-Hsin	Attendance in Person	Attendance in Person			

2.3.2. Operations of the Audit Committee

1. Information on the members of the Audit Committee

Identity	Criteria	Professional Qualification and Experience	Independent Status
	Name		
Independent Director & Convener	Kuo, Tsung-Ming	Please refer to "2.1.4 Information disclosure of the professional qualifications of directors and independence of independent directors".	
Independent Director	Lin, Shu-Shan		
Independent Director	Lin, Jia-Xing		
Independent Director	Chen, Shi-Hong		

2. The Company established Audit Committee on June 2012, which is composed of the entire number of independent directors. After the re-election at the 2024, there are four members in total. The Committee operations by the Company’s Audit Committee Charter, and the main function of the Audit Committee is to supervise the following matters:
 - (1) Fair presentation of the financial reports of this Corporation.
 - (2) The hiring (and dismissal), independence, and performance of certificated public accountants of this Corporation.
 - (3) The effective implementation of the internal control system of this Corporation.
 - (4) Compliance with relevant laws and regulations by this Corporation.
 - (5) Management of the existing or potential risks of this Corporation.

3. The powers of the Committee are as follows:
 - (1) The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
 - (2) Assessment of the effectiveness of the internal control system.
 - (3) The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
 - (4) Matters in which a director is an interested party.
 - (5) Asset transactions or derivatives trading of a material nature.
 - (6) Loans of funds, endorsements, or provision of guarantees of a material nature.
 - (7) The offering, issuance, or private placement of equity-type securities.
 - (8) The hiring or dismissal of a certified public accountant, or their compensation.
 - (9) The appointment or discharge of a financial, accounting, or internal audit officer.
 - (10) Annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairman, managerial officer, and accounting officer.
 - (11) Other material matters as may be required by this Corporation or by the competent authority.

4. The key tasks of the Audit Committee of the Company for the year of 2024 includes: Review of all quarterly and annual financial statements, review of annual earning distribution proposal, examine the effectiveness of the internal control system, corporate governance related affairs, risk management matters, restricted stock issuance, independence and competency assessment of c CPAs, appointment of c CPAs and audit fees, etc. Please refer to “2.3.11 Major resolutions of Shareholders’ Meeting, Board of Directors Meetings, Audit Committee meetings and Remuneration Committee meetings in the most recent year and up to the publication date of this Annual Report” for major resolutions of Audit Committee meetings in the most recent year and up to the publication date of this Annual Report.

5. A total of 4 Audit Committee meetings were held in the previous period (2 meetings before the re-election and 2 meetings after the re-election). The attendance of the independent directors was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Independent Director	Lin, Shu-Shan	2	0	100	2024.06.21 New term of office
Independent Director	Lin, Jia-Xing	2	0	100	2024.06.21 New term of office
Independent Director	Chen, Shi-Hong	2	0	100	2024.06.21 New term of office

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Independent Director	Kuo, Tsung-Ming	2	0	100	2024.06.21 New term of office
Independent Director	Chen, Yi-Liang	2	0	100	2024.06.21 Previous term of office
Independent Director	Chen, Lo-Min	2	0	100	2024.06.21 Previous term of office
Independent Director	Wang, Yi-Hsin	2	0	100	2024.06.21 Previous term of office

Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, the content of the objections, reservations or material recommendations of independent directors, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:
 - (1) Matters referred to in Article 14-5 of the Securities and Exchange Act.
 - (2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.

None. Please refer to "2.3.11 Major resolutions of Shareholders' Meeting, Board of Directors Meetings, Audit Committee meetings and Remuneration Committee meetings in the most recent year and up to the publication date of this Annual Report" for major resolutions of Audit Committee meetings in the most recent year and up to the publication date of this Annual Report.
2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

None.
3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.):
 - (1) The internal auditors have communicated the result of the audit reports to the members of the Audit Committee periodically, and have presented the findings of all audit reports in the quarterly meetings of the Audit Committee. The internal auditors report the next Annual Audit Plan and get the approval of the Audit Committee in the last Audit Committee meeting every year. Should the urgency of the matter require it, the Company's chief internal auditor will inform the members of the Audit Committee outside of the regular reporting. There was no such special situation in 2024. The communication channel between the Audit Committee and the internal auditor has been functioning well.
 - (2) The Company's CPAs have presented the findings or the comments for the quarterly corporate financial reports, as well as those matters communication of which is required by law, in the regular quarterly meetings of the Audit Committee. Under applicable laws and regulations, the CPAs are required to communicate to the Audit Committee any material matters that they have discovered. There was no such special situation in 2024. The communication channel between the Audit Committee and the CPAs has been functioning well.

2.3.3. Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	v		The Company has established the Corporate Governance Best-Practice Principles based on the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”. The information has been disclosed on the Company’s website. http://tw.transcend-info.com/about/policies	None
2. Shareholding structure & shareholders’ rights				
(1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	v		The Company has established spokesperson and investor relationship unit to handle issues of shareholders’ suggestions or disputes.	None
(2) Does the company possess the list of its major shareholders as well as the	v		The Company reports the shareholding change status of insiders (directors, managerial officers and shareholders with shareholding over 10% of the total number of shares) in time, and also discloses the top 10 shareholders’ information in the shareholders’ meeting annual report every year. Furthermore, the financial statements also disclose the information of major	None

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
ultimate owners of those shares?			shareholders with the shareholding over 5% on a quarterly basis.	
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	v		The Company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness, and the procedures including the activities of trading, acquisition or disposal of assets, endorsement and loans between the Company and its affiliates, in order to implement the risk control mechanism thoroughly.	None
(4) Does the company establish internal rules against insiders trading with undisclosed information?	v		The Company has established and disclosed the “Codes of Ethical Conduct for Employees”, “Codes of Ethical Conduct for Directors and Managerial Officers” and ”Procedures for Handling Material Inside Information” on the Company’s website, in order to prohibit employees to allow themselves or any third party to gain personal benefits through the use of the Company’s assets, information of through one’s job duties.	None
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board of Directors establish a diversified policy, set goals and implement them accordingly?	v		<p>1. The nomination and election of board members of the Company comply with the “Procedures for Election of Directors” and ”Corporate Governance Best-Practice Principles” , in order to ensure the diversity and independence of board members. According to Article 20 of the”Corporate Governance Best-Practice Principles” of the Company, all directors are preferably required to possess knowledge, skills and literacy necessary for performing duties, and diversity directives have been established, for details on the implementation of diversification objectives and achievement, please refer to section 2.1.5.</p> <p>2. All directors are equipped with extensive experience in leadership, operation determination, business management, crisis handling, and are also equipped with industrial knowledge and international market view such that they are equipped with various capabilities necessary to execute the</p>	None.

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
			<p>corporate governance. Independent directors, Mr. Kuo, Tsung-Ming and Ms. Lin, Shu-Shan, are equipped with the professional backgrounds in accounting and financial analysis, such they are able to provide professional recommendations to the Company from different viewpoints and aspects.</p> <p>3. Independent directors account for 44% of the Board, directors who are also employees account for 22%, and female independent directors account for 11%. All independent directors are newly appointed. In terms of age distribution, four directors are aged over 71, two are aged between 61 and 70, and three are under the age of 60.</p> <p>4. The board of directors has disclosed the policy for the formation of diverse board members on the Company’s website and the Market Observation Post System (MOPS).</p>	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	v		Presently, the Company has established the Remuneration Committee and Audit Committee, and these two committees are composed of the independent directors. Other types of functional committees are continuously being assessed.	None
(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced	v		The Company has established and disclosed the “Rules for Performance Evaluation of Board of Directors” on the Company’s website, and the evaluation period is from January 1 to December 31 of each year. The result is reported to the board of directors before the end of March of the following year in order to be used as a reference for review and improvement. The evaluation result on the performance of the board of directors of the Company will be used as a reference for election or nomination of directors. The result of 2024 board of directors performance evaluation has been reported to the board of directors’ meeting on March 6, 2025. Please refer to “2.3.1 Operations of the Board of Directors”.	None

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
when determining the remuneration of individual directors and nominations for reelection? (4) Does the company regularly evaluate the independence of CPAs?	v		The Company periodically evaluates the independence and suitability of the CPAs based on Audit Quality Indicators (AQIs) on an annual basis, and the recently result has been approval by the board of directors on November 5, 2024. After examination of the CPAs’ independence and suitability evaluation checklist, and the evaluation items include that the CPAs have no direct or material indirect financial benefit relationships with the Company, not assuming the position of director, managerial officer or any job position that has material impact on the audit work of the Company, not engaging in any financing or guarantee activities with the Company or directors of the Company, not acting or representing as an agent of the Company, or involving any defense or coordination for the Company, not providing non-audit services other than certification and financial tax services to the Company that may have direct impact on the audit word, and not relatives to all of the aforementioned personnel, etc. Accordingly, the independence and suitability of the CPAs of the Company has been evaluated properly and confirmed to comply with the requirements	None
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to	v		The Company assigns FAD as the main promotional unit for corporate governance. The board of directors appointed the CFO of the Company to act as the Corporate Governance Officer to be in charge of corporate governance related affairs. The officer is equipped with the experience of the supervisor role in the financial, stock affairs and corporate governance related affairs units of publicly listed companies for more than three years. The main responsibilities and authorities of the corporate governance unit are to provide documents and information necessary for directors to perform duties, to assist the Company and directors in the compliance with the laws and regulations, and to handle affairs for board of directors’ meetings and shareholders’ meetings. The key operational tasks for the current year are as follows:	None

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																
	Yes	No																		
providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?			<p>1. Organize 2024 board of directors' meetings, functional committees' meetings, and shareholders' meetings, including planning and establishment of agenda, mailing of meeting notice within the statutory time-limit, providing all documents and data necessary for the meetings, and also prepare meeting minutes after such meetings.</p> <p>2. Assist and organize continuing educational courses for directors.</p> <p>3. Perform 2024 board of directors' performance evaluation, and submitted the evaluation result to the board of directors' meeting on March 6, 2025.</p> <p>4. Summarize amendments of latest laws of the competent authority, and revise internal regulations of the Company accordingly.</p> <p>5. Provide appropriate and timely company information to directors.</p> <p>6. Make public announcements on all material resolutions reached by the Company and material information of the Company according to the laws.</p> <p>7. Update and disclose all corporate governance information, including the composition of board of directors and functional committees, audit plan of each year, organization and management team of the Company, important internal regulations of the Company and interested party section, etc.</p> <p>8. Handle directors liability insurance related affairs.</p> <p>9. Other matters related to corporate governance.</p> <p>Continuing Education Training of Corporate Governance Officer in 2024</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Host by</th> <th>Training/Speech Title</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td>2024/04/19</td> <td>Taiwan Academy of Banking and Finance</td> <td>Corporate Governance Forum</td> <td>3</td> </tr> <tr> <td>2024/06/06</td> <td>Taiwan Stock Exchange</td> <td>GHG Protocol Corporate Standard and Scope 3 Standard Advocacy Course</td> <td>7</td> </tr> <tr> <td>2024/07/03</td> <td>Taiwan Stock Exchange</td> <td>2024 Cathay Sustainable Finance and Climate Change Summit</td> <td>6</td> </tr> </tbody> </table> <p>The Company has established the Corporate Governance Officer section on the Company's website, please refer to https://tw.transcend-info.com/about/directors</p>	Date	Host by	Training/Speech Title	Hours	2024/04/19	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3	2024/06/06	Taiwan Stock Exchange	GHG Protocol Corporate Standard and Scope 3 Standard Advocacy Course	7	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	
Date	Host by	Training/Speech Title	Hours																	
2024/04/19	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3																	
2024/06/06	Taiwan Stock Exchange	GHG Protocol Corporate Standard and Scope 3 Standard Advocacy Course	7																	
2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6																	

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities ?	v		<p>The definition of interested parties of the Company includes employees, suppliers, shareholders and customers. The Company has established various communication and compliant channels, such as the spokesperson system, contact mailbox and website, etc., and feedback information of the aforementioned interested parties are collected, in order to provide the latest information and communication channels of the Company. In addition, international trend and regulations, customer demands and methods adopted in the same industry are also considered, and issues concerned by all interested parties are identified, in order to list out the responsiveness and communication method for each issue.</p> <p>The Company has established the Interested Party section on the Company’s website, please refer to: https://tw.transcend-info.com/about/stakeholders</p>	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	v		The Company has appointed the Stock Affairs Department of Yuanta Securities Co., Ltd. to handle shareholders’ meeting affairs starting from February 1, 2025.	None
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and	v		<p>1. The Company has established official corporate website to disclose relevant information timely. The website address is: http://tw.transcend-info.com/</p> <p>2. Financial information disclosure status: The Chinese and English versions of the Company’s website are established with the Investor Information section, disclosing financial information, and the information is</p>	None

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
the status of corporate governance?			<p>updated periodically for investors’ reference. https://tw.transcend-info.com/about/month_sales https://us.transcend-info.com/about/month_sales</p> <p>3. Corporate governance information disclosure status: The Company has disclosed the information on the composition of the committees, including board of directors, annual audit plan, company organization and management team, important internal regulations and interested party section of the Company on the Company’s website. http://tw.transcend-info.com/about/board_of_directors</p>	
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	v		<p>1. The Company has assigned dedicated personnel to be responsible for the collection and disclosure of the Company’s information, and spokesperson system is implemented according to the regulations. The presentation files and full audio and video recording of institutional investors’ conferences are also published on the Company’s website. http://tw.transcend-info.com/about/conference</p> <p>2. The Company has set up the English website to provide investors from all countries to make inquiries and to understand relevant information. Please refer to: https://us.transcend-info.com/</p>	None
(3) Does the company announce and report annual financial statements within two months after the end of each	v		The Company convened the board of directors’ meeting on March 6, 2025 to approve the annual financial statements for 2024, and the annual financial statements were publicly announced and reported on the same day. And financial statements for Q1, Q2 and Q3 of the fiscal year were reported to the board of directors’ meetings on May 9, 2024, August 1, 2024 and November 5, 2024 respectively. And they were also publicly announced and reported on the same day.	The Company makes public announcement and reports the annual and quarterly financial statements according to

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?				the time limits specified in Article 36 of the Securities and Exchange Act.
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and	v		<p>1. Employees’ rights and interests, employee care execution status: Please refer to “4.5 Labor Relations” of this Annual Report.</p> <p>2. Investor relationship, supplier relationship, interested parties’ rights and customer policy execution status: The Company has set up the Interested Party section on the Company’s website. https://tw.transcend-info.com/about/stakeholders</p> <p>3. Continuing education status of directors and supervisors: Please refer to “2.3.5.Continuing Education/Training of Directors in 2024” of this Annual Report.</p> <p>4. Risk Management Policies and risk evaluation measures execution status: Please refer to “5.6 Analysis of Risk Management” of this Annual Report and the Company’s website: https://tw.transcend-info.com/about/risk_management_policy</p> <p>5. Customer policy execution status: The Company rigorously complies with the customer confidentiality rules and the Ethical Corporate Management Best-Practice Principles. In addition, the Company maintains excellent supply relationship with customers and has established different internal teams to service customers.</p> <p>6. Status on the Company’s purchase of liability insurance for directors and supervisors: The Company has purchased directors’ and officers liability insurance, which has been approved by the board of directors on November 5, 2024 and has been publicly announced on MOPS.</p> <p>7. The Company emphasizes the cultivation of senior management talents and promotes R&D Vice General Manager, Sales Vice General Manager, Vice President of Administration and Directors of all divisions. The Company also focuses on the management capability and professional competence of senior managers, and plan to through the transfer of different duties, senior managers are able to develop</p>	None

Evaluation Item	Implementation Status		Abstract Illustration	Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?			different attributes and capabilities, thereby achieving integration and utilization to enhance decision making and understanding of management principles. Accordingly, candidates for board of directors and chairman of the board can be appropriately selected from the senior managers.	
<p>9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.</p> <p>(1) Status of improvement:</p> <p>A. The Company conducted a re-election of directors at the 2024 shareholders' meeting in compliance with regulatory requirements. In view of the Chairman concurrently serving as CEO and President, an additional independent director seat was established, bringing the total number of independent directors to four, all of whom are newly appointed. This change addresses the issue of independent directors serving more than three consecutive terms, and further enhances board operations and director functionality, thereby strengthening the Company's commitment to sustainable corporate value.</p> <p>(2) For the one item without scores, explanations are provided in the following:</p> <p>A. The 2023 Annual Report did not voluntarily disclose the individual compensation of directors, the President, and Vice Presidents. The Company has been disclosed such information in the 2024 Annual Report (covering 2023) and will report individual directors' compensation at the 2024 Annual Shareholders' Meeting scheduled for June 20, 2025, in order to enhance information transparency.</p> <p>B. At present, the Company has only established an Audit Committee and a Remuneration Committee. To further improve board decision-making quality and governance effectiveness, the Company will evaluate the establishment of additional functional committees to strengthen its corporate governance framework.</p>				

2.3.4. Composition, Responsibilities and Operations of the Remuneration Committee

To achieve sound corporate governance and to enhance remuneration management function, the Company has established the Remuneration Committee in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange". The number of members of the Remuneration Committee of the Company is three, and the members are to be appointed in accordance with the resolution of the board of directors. The committee is formed by three external experts satisfying the professional qualification and independence requirements. For the Remuneration Committee meetings of the Company, at least two regular meetings are convened annually in order to periodically review the remuneration regulations of the Company and to provide recommendations on amendments, to periodically review the performance evaluation of directors and managerial officers and the policy, system, standard and structure for the salary and remuneration, as well as to periodically evaluate and establish salary and remuneration of directors and managerial officers of the Company. For the content of the performance evaluation standards for directors and managerial officers, please refer to "2.2.4. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to Directors, General Manager and Vice General Managers of the Company, to the net income" and "2.2.5. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance".

1. Information on the members of the Remuneration Committee

May 16, 2025

Identity	Criteria	Professional Qualification and Experience	Independent Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
	Name			
Independent Director & Convener	Chen, Shi-Hong	Please refer to "2.1.4. Information disclosure of the professional qualifications of directors and independence of independent directors".		0
Independent Director	Lin, Shu-Shan			0
Independent Director	Lin, Jia-Xing			2

2. Operation of Remuneration Committee:

- (1) There are 3 members in the Remuneration Committee. Term of service: August 1, 2024 to June 20, 2027.
- (2) A total of 3 Remuneration Committee meetings were held in the previous period (2 meetings before the re-election and 1 meetings after the re-election). The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Chen, Shi-Hong	1	0	100%	2024.06.21 New term of office
Member	Lin, Shu-Shan	1	0	100%	2024.06.21 New term of office
Member	Lin, Jia-Xing	1	0	100%	2024.06.21 New term of office
Convener	Chen, Yi-Liang	2	0	100%	2024.06.21 Previous term of office
Member	Wang, Yi-Hsin	2	0	100%	2024.06.21 Previous term of office
Member	Chen, Lo-Min	2	0	100%	2024.06.21 Previous term of office

Other mentionable items:

- If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion:
None. Please refer to "2.3.11 Major resolutions of Shareholders' Meeting, Board of Directors Meetings, Audit Committee meetings and Remuneration Committee meetings in the most recent year and up to the publication date of this Annual Report" for major resolutions of Remuneration Committee meetings in the most recent year and up to the publication date of this Annual Report.
- Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified:
None.

2.3.5. Continuing Education/Training of Directors in 2024

Title	Name	Date	Organizer	Training/Speech Title	Hours
Chairman	Shu, Chung-Won	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
Director	Shu, Chung-Cheng	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
		2024/04/19	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3
Director	Shu, Dao-An	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
		2024/09/04	Taiwan Corporate Governance Association	Net Zero Emissions Advocacy Seminar	3
		2024/09/20	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3
Director	Cheng, Yan-Wei	2024/04/19	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3
		2024/04/30	Taiwan Independent Directors Association	2024 Elite Independent Director Training Program	3
Director Representative	Yeh, Ming-Han	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
Independent Director	Kuo, Tsung-Ming	2024/04/26	Taipei Foundation of Finance	Corporate Governance – AI Era: ChatGPT and New Industry Trends	2
		2024/06/07	Taipei Foundation of Finance	Corporate Governance – Challenges and Opportunities from Semiconductor History	2
		2024/06/25	Taiwan Securities Association	Emerging Securities Crimes and Market Manipulation [Corporate Governance]	3
Independent Director	Lin, Shu-Shan	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	3
		2024/04/19	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3
Independent Director	Lin, Jia-Xing	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
Independent Director	Chen, Shi-Hong	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6
		2024/04/19	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3

2.3.6. Implementation of sustainable development promotion and difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Assessment Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Does the company establish the governance structure for promoting the sustainable development, and set up a unit that specializes (or is involved) in the promotion of sustainable development, and does the board of directors authorize the senior management for handling such mater, and the supervision status of the board of directors?	v		<p>Transcend Information appoints the Administration Vice General Manager Office - Administration Department to be the main unit for promoting the sustainable development, and the directors of other divisions assume the positions of team leader according to the nature of business. The Marketing division is dedicated in the social participation and feedback activities in addition to the promotion of sustainable development. The Marketing division also discusses routine business promotion affairs and performs information collection and summarization as well as reviews the execution status of the sustainable development with the Chairman.</p> <p>The division also provides report to the board of directors on important promotion items once annually. The board of directors reviews the management directives, execution status and future plans, and also provides opinions to the management team for reference to make adjustment, the result of 2024 execution status of the sustainable development has been reported to the board of directors’ meeting on November 5, 2024.</p> <p>Please refer to the Company’s website for detailed information: https://tw.transcend-info.com/about/social_responsibility</p>	None
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	v		<ol style="list-style-type: none"> 1. This risk assessment boundary mainly focuses on the Taiwan headquarters and factory site as the core of the assessment, and overseas business offices are excluded. 2. During the pursuit of sustainable operation and profit, the Company also conducts relevant risk assessment on environment, society and corporate governance related to the company operation in accordance with the materiality principle. By actively fulfilling sustainable development responsibilities, and through communication with internal and external stakeholders, review of domestic and international relevant reports in the same industry and evaluation documents of all department, as well as incorporates such matters into the management directives and operating activities of the Company, thereby achieving the goal of sustainable operation. 3. To enhance the corporate governance and to 	None

Assessment Item	Implementation Status		Abstract Explanation	Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
			<p>establish sound risk management operation, the board of directors has approved the Risk Management Policies on November 10, 2020, in order to provide guidance on effective identification, measurement, supervision and control of all kinds of risks to all units of the Company during the performance of duties, and to also control the possible risks within the acceptable level, thereby achieving the goal of reasonable risk and compensation as well as the objective of sustainable operation of the Company.</p> <p>Reported various business risks and proposed control strategy and method in the board of director’ s meeting on November 5, 2024, please refer to the Company’s website: https://tw.transcend-info.com/about/risk_management_policy</p>	
<p>3. Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?</p>	v		<p>Transcend adopts a product life cycle perspective and, based on the characteristics of our industry, has planned and implemented an environmental management system in accordance with the ISO 14001:2015 standard. We continue to pass third-party certifications, enabling us to reduce negative environmental impacts and enhance our environmental performance.</p> <p>In terms of products: During the manufacturing process, Transcend utilizes components that comply with the EU RoHS environmental standards. Our products have also obtained QC 080000 certification, further minimizing environmental impact.</p> <p>All of Transcend’s manufacturing facilities in Taiwan are certified to both ISO 14001 and QC 080000. For detailed certification information, please refer to the Company’s website: https://tw.transcend-info.com/about/green</p> <p>Additionally, in line with the Task Force on Climate-related Financial Disclosures (TCFD) framework, we disclose our practices based on its four core elements: Governance, Strategy, Risk Management, and Metrics and Targets. For more information, please refer to Section “2.3.7.1 Implementation of climate-related information” of this Annual Report, our Sustainability Report, and the TCFD section of our website: https://tw.transcend-info.com/about/TCFD</p>	None

Assessment Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(2) Does the company endeavor to promote energy utilizing more efficiently and use renewable materials which have low impact on the environment?	v		<p>1. Energy saving:</p> <p>i. The R&D department continued its efforts in designing and developing energy-efficient products. In 2024, the power consumption of the DrivePro Body 40 was successfully improved, achieving an energy saving of 10.1%.</p> <p>ii. In 2024, pipeline modifications were made to the chiller system to enhance operating efficiency. Annual electricity savings are estimated at 138,240 kWh.</p> <p>In June 2023, the factory acquired a 100HP air compressor to replace a high-load unit. Piping trials continued through 2024, and the annual electricity consumption is expected to be reduced by approximately 70,540 kWh, with an estimated energy-saving rate of 18.8%.</p> <p>2. Resource recycling: The wastepaper, waste plastics, waste metals and lighting fixtures generated by the Company daily are recycled by qualified recycling vendor periodically.</p>	None
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	v		<p>1. Transcend assesses the potential risks and opportunities arising from climate change by evaluating their likelihood and analyzing the degree of impact. In alignment with the TCFD framework, we disclose our approach to climate-related governance, strategy, risk management, and metrics and targets. For further details, please refer to Section “2.3.7.1 Implementation of climate-related information” of this Annual Report, our Sustainability Report, and our official website: https://tw.transcend-info.com/about/TCFD</p> <p>2. While facing the potential impacts of climate change, the Company also identifies related opportunities for operational improvement. For example, during machinery replacement projects, Transcend applies for government energy-saving subsidies and incentives. To support environmental sustainability, we are committed to enhancing green manufacturing and developing technologies beneficial to the environment, such as low-profile PCBs, new eco-friendly packaging, and redesigned products with reduced power consumption. These process optimizations help reduce energy loss and contribute to building a low-carbon future. For more information, please refer to the Company’s website: https://tw.transcend-info.com/about/energysaving</p>	None

Assessment Item	Implementation Status		Abstract Explanation	Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																		
	Yes	No																				
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	v		<p>1. This data covers the Taiwan headquarters and factory site; however, overseas business offices are excluded.</p> <p>2. Policies on the Management of Greenhouse Gas Emissions, Water Usage, and Waste Reduction</p> <p>i. Greenhouse gas emissions: Unit: KgCO₂e</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Scope 1</th> <th>Scope 2</th> <th>Emission per unit revenue</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>31,989</td> <td>4,063,150</td> <td>0.0004</td> </tr> <tr> <td>2023</td> <td>33,628</td> <td>4,166,108</td> <td>0.0004</td> </tr> </tbody> </table> <p>The Company has established a greenhouse gas reduction policy, which includes specific reduction targets, implementation measures, and progress updates. For detailed information, please refer to Section “2.3.7.1 Implementation of climate-related information” of this Annual Report.</p> <p>ii. Water consumption: Unit: million tons</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Water consumption</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>28.11</td> </tr> <tr> <td>2023</td> <td>29.16</td> </tr> </tbody> </table> <p>Water Conservation Management Policy The Company does not generate industrial wastewater; all water usage is for domestic purposes such as sanitation, drinking, and cleaning. To ensure the sustainable use of water resources, we promote water-saving measures by enhancing equipment efficiency and encouraging responsible water usage behavior. These efforts aim to reduce water consumption and contribute to environmental sustainability.</p> <p>Reduction Target Gradually reduce domestic water consumption and improve the efficiency of water resource utilization.</p> <p>Implementation Measures</p> <p>I. Optimization of Water Equipment: Replace existing fixtures with high-efficiency water-saving devices such as low-flow faucets and automatic sensor taps to enhance water use efficiency.</p> <p>II. Enhancing Employee Awareness: Strengthen internal communication and training to raise employee awareness about water conservation and encourage water-saving practices.</p> <p>III. Water Monitoring and Management: Conduct regular audits and monitoring of water usage to detect anomalies early and adjust management strategies accordingly.</p>	Year	Scope 1	Scope 2	Emission per unit revenue	2024	31,989	4,063,150	0.0004	2023	33,628	4,166,108	0.0004	Year	Water consumption	2024	28.11	2023	29.16	None
Year	Scope 1	Scope 2	Emission per unit revenue																			
2024	31,989	4,063,150	0.0004																			
2023	33,628	4,166,108	0.0004																			
Year	Water consumption																					
2024	28.11																					
2023	29.16																					

Assessment Item	Implementation Status		Abstract Explanation	Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons									
	Yes	No											
			<p style="text-align: center;">Performance</p> <p>The Company continues to implement water-saving initiatives and reviews water usage regularly to ensure effective reduction in water consumption and to minimize unnecessary waste.</p> <p>i i. Total weight of waste: Unit: tons</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Year</th> <th style="width: 35%;">Hazardous industrial waste</th> <th style="width: 50%;">General industrial waste</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2024</td> <td style="text-align: center;">10.114</td> <td style="text-align: center;">182.627</td> </tr> <tr> <td style="text-align: center;">2023</td> <td style="text-align: center;">11.777</td> <td style="text-align: center;">183.514</td> </tr> </tbody> </table> <p>Waste Reduction and Management Policy The Company promotes waste reduction and management initiatives to ensure efficient resource utilization and minimize environmental impact. Our strategy focuses on reducing total waste volume and enhancing resource recovery and reuse.</p> <p>Reduction Target To achieve a 30% reduction in waste generated from production and operations by 2030, compared to the 2020 baseline year, by progressively improving resource utilization.</p> <p>Implementation Measures</p> <p>I. Source Reduction: Optimize production processes and procurement strategies to minimize raw material waste and packaging use.</p> <p>II. Recycling and Reuse: Establish a comprehensive waste classification and recycling system to increase the reuse rate of recyclable materials.</p> <p>III. Monitoring and Performance Management: Conduct regular audits of waste generation and disposal to ensure compliance with government regulations and the Company’s sustainability goals.</p> <p>Performance As of 2024, the Company has gradually reduced general industrial waste through production optimization and resource recovery measures:</p> <p>I. Paperless Initiatives: Implemented digital systems for internal documents such as transfer slips and PO receipts, introduced card-swipe authentication for copiers, and promoted printing only essential documents. These efforts saved approximately 667,432 sheets of paper in 2024, representing a 57.3% reduction compared to 2020.</p> <p>II. Ongoing Recycling Programs: Continued to recycle paper, plastics, and other materials by providing dedicated recycling bins on every</p>	Year	Hazardous industrial waste	General industrial waste	2024	10.114	182.627	2023	11.777	183.514	
Year	Hazardous industrial waste	General industrial waste											
2024	10.114	182.627											
2023	11.777	183.514											

Assessment Item	Implementation Status		Abstract Explanation	Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
			<p>floor for items such as paper, cans, and PET bottles, along with employee awareness campaigns. In 2024, the two plants collectively recycled 101,506 kg of materials (an 8.59% decrease compared to 2023).</p> <p>3. The Company evaluates the risks and opportunities of all units in order to establish environmental objective plans and to execute follow-up appropriately every year. The environmental energy-saving and sustainability initiatives over the past three years are as follows: 2023: Improvement for Drive Pro 10, and factory introduced a new high-efficiency cooling system and the replacement project of the chilled water system. 2024: Completed the replacement project of air compressor and improvement for Drive Pro 3X function. 2025: Reduction of drive pro body 30 packaging (waste reduction) and engineering modification of ice water main pipeline at the second factory. The Company establishes environmental objective plans and executes follow-up appropriately every year. For relevant objective plans and specific execution measures, please refer to the Company’s website for details: https://tw.transcend-info.com/about/energysaving</p>	
4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	v		<p>The Company is committed to complying with the national labor laws, “RBA Responsible Business Alliance Code of Conduct” and other applicable industrial standards and international conventions. The Company also continues to improve the working environment and employee welfare for all employees. To achieve such commitment, the Company periodically identifies employee occupational safety and health risks, material environmental concerns, and entrusts a third-party authentication institution to perform audit periodically. Please refer to the Company’s website for detailed information: https://tw.transcend-info.com/about/human</p>	None
(2) Does the company have reasonable employee benefit measures (including salaries, leave,	v		<p>1. The Company has established the salary management regulations and employee bonus distribution system. In addition to the distribution of year-end bonus, the Company also distributes</p>	None

Assessment Item	Implementation Status		Abstract Explanation	Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
and other benefits), and do business performance or results reflect on employee salaries?			<p>performance bonus quarterly depending on the profit of the Company in order to share the business outcome with employees, thereby encouraging and rewarding employees for their effort at work. Based on the long-term philosophy of "shared prosperity and mutual benefit" with employees, the company implemented the "Employee Stock Trust Plan" in 2022, encouraging employees to participate in long-term, stable investments to share in the company's operational results, while also gradually accumulating personal wealth. In 2024, the company issued "Restricted Employee Rights New Shares" for the first time, including senior management and some senior or high-performing employees as recipients. By observing individual employee performance, the company can continuously and flexibly adjust rewards, achieving long-term incentives and sustainable business operations.</p> <p>2. The Company has established the employee welfare committee to plan and provide various welfare to employees, such as wedding gift money, childbirth gift money, funeral condolence, group meal compensation, annual and holiday gifts. To allow employees to achieve a balance between work and living, the Company has set up recreation facilities and a gym in order to allow employees to relax and relieve pressure. Furthermore, the Company also plans free annual health examinations and arranges for a physician to provide on-site periodic consultation in order to care for and protect the employees' health properly.</p> <p>3. The Company promotes the equal remuneration criteria for same job duties and equal promotion opportunities for employees of different genders. In 2024, the number of female employees accounted for 51% of all employees, and the number of female supervisors accounted for 16% of all management staff.</p> <p>4. Please refer to “4.5.1 Employee benefit plans, continuing education, training, retirement systems, the status of their implementation, and the status of labor agreements and measures for preserving employees' rights and interests” and corporate website:https://tw.transcend-info.com/about/employee_benefit</p>	

Assessment Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	v		<p>1. Environmental Safety and Health Policy The Company is committed to continuously promoting various handling/control mechanism plans, to fulfill corporate responsibilities in environmental protection and employee safety and health, prevention of occupational injuries and disease, reduction of environmental/safety and health management risks, and maintaining the competitiveness and improvement status of the Company. In addition, the Company also aims to convey its philosophy to all staff working for the organization and even to all stakeholders, in order to establish the cornerstone for the sustainable operation of the Company.</p> <p>2. Health and Safety of Employees in the Workplace The Company, according to the hazard identification and risk opportunity assessment, effectively controls hazards and reduces risks, in order to improve the safety and health performance. In addition, the Company has also established the safety and health related operation control, in order to ensure that operations comply with the regulations and management system requirements. The Company also continues to implement the five main plans (human factor engineering, abnormal workload, illegal infringement, labor health service and maternity protection plans), and performs monitoring and performance measurement analysis and evaluation, and periodically convenes safety committee review meetings, in order to ensure the effective operation of safety and health, and to provide physical and mental protection to employees, thereby achieving zero-hazard safety and health working environment.</p> <p>In 2024, the Company continues to participate in the “Healthy Workplace” of the Health Promotion Administration, “2024 National Occupational Safety and Health Week Event” of Occupational Safety and Health Administration and Health Administration and continued to accumulate “disaster-free working hours” (no major occupational accidents).</p> <p>3. Labor Working Environment Monitoring and Testing The Company implements workplace monitoring semi-annually in order to protect employees from</p>	None

Assessment Item	Implementation Status		Abstract Explanation	Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
			<p>physical and chemical hazards in the workplace and to ensure exposure concentration complies with the regulatory standards. The chemical exposure concentrations of the Company are far lower than 1/2 of the acceptable concentration standards for hazardous substances in the air specified by the laws.</p> <p>4. Health Management and Health Promotion The Company sets up the health management room and also employs full-time nursing personnel according to the provisions of health protection laws in order to handle on-site worker health service affairs. In addition, the Company also contracts a specialized physician for labor health service in order to provide the monthly on-site service in the plant.</p> <p>The Company provides regular physical examination before the on-boarding of all new employees, and all of the expenses for the aforementioned examination are borne by the Company. In 2024, the Company continually provided all employee health examination and items superior to the regulatory requirements, and employee relatives and friends are also entitled to the health examination based on the benefit plan, in order to achieve greater health benefits. After health examination, the internal professional nurse classifies the health reports of all employees for health management, and provides active care and conducts tracking on abnormal health items, in order to allow employees to understand their personal health conditions.</p> <p>The internal nurse promotes various health promotion activities and targets annually according to the employee health abnormality items, and evaluates the outcome and provides recommendations, in order to improve potential and existing health issues of employees, thereby preventing occurrence of diseases, improving personal health condition and promoting employee health. In the future, the Company will continue to implement the same activities in conjunction with appropriate reward measures to allow employees to understand health and to achieve balance between work and life.</p> <p>5. Safety and Health Education and Training The Company organizes safety and health education</p>	

Assessment Item	Implementation Status		Abstract Explanation	Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
			<p>and training annually, in order to improve the safety and health knowledge of employees. In 2024, there was a total of five types of courses organized for the internal education and training, and a total of 1,067 employees participated the training. There was a total of seven types of license courses, and a total of 31 employees participated in such courses.</p> <p>6. Corporate Certification Status The Company and all factory sites in Taiwan have obtained the dual system certifications of ISO 45001 and CNS 45001 (TOSHMS).</p> <p>7. Occupational Accident Prevention and Improvement In 2024, there were 2 cases of occupational disasters for 2 employees (accounting for 0.21% of the total number of employees at the end of 2024), which did not achieve the goal of zero occupational disasters. The Company has conducted a thorough investigation and review of the incident, and implemented improvements to prevent the recurrence of similar issues. Measures taken include revising relevant procedural documents, strengthening safety promotion, optimizing the work environment and processes, and enhancing mechanical equipment protection to ensure a safe and healthy working environment for our employees.</p> <p>8. Fire prevention and improvement There was no fire incidents in 2024 and we will continually promote fire protection system management. Please refer to the Company’s website for detailed information: https://tw.transcend-info.com/about/healthy_safety</p>	
(4) Does the company provide its employees with career development and training sessions?	v		The Company establishes annual education and training plan to provide knowledge necessary for employees to perform works. Supervisors of all units also provide training planning necessary for the career and competence development of their department staff. In 2024, training sessions were held 93 times, and a total of 3,390 people participated in these sessions.	None
(5) Do the company's products and services comply with relevant laws and international standards in relation to customer health	v		Regarding customer health and safety, customer privacy, marketing, and labeling of products and services, the Company complies with all applicable laws and international standards. Safety regulations are based on the requirements of international legal	None

Assessment Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?			standards, voluntary guidelines, and eco-label certifications, such as CE/UKCA/FCC/BSMI/NCC/MIC/KC/EAC. Relevant information and labeling are disclosed on products, user manuals, and the official website. Additionally, the Company has established policies and procedures including the “Warranty Policy,” “Terms of Use,” “Privacy Policy,” and “Customer Service Satisfaction Survey Procedures” to safeguard consumer rights and provide proper complaint mechanisms.	
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	v		<p>1. The Company has established the “Supplier Selection and Management Work Guideline,” and the standard selection process has been implemented before the addition of new suppliers, and suppliers are also requested to sign the following documents of “environmental protection regulations compliance guarantee” , “supplier ethics undertaking” , “supplier social responsibility undertaking” ,” New Supplier Evaluation Form” and “Review Supply chain security of Authorized Economic Operator” , or the supplier is requested to provide relevant responsibility statements. in order to comply with the regulations of environmental protection, occupational safety and health or labor rights, Supply chain security.</p> <p>2. The Company has established the GMP system to inform suppliers of the latest hazardous substance standard and relevant environmental protection regulations of the Company in real time.</p> <p>3. Supplier evaluation is performed annually. For the 2024 supplier evaluation result, all of the suppliers qualified the evaluation standard and complied with the supplier code of practice.</p> <p>Please refer to the Company’s website for detailed information: https://tw.transcend-info.com/about/vendor_management</p>	None
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as ESG	v		1. When we prepared our sustainability report, we made reference to the R.O.C.'s Blueprint for Sustainability Reporting Standards (IFRS) and the core option and the content and quality principles of the GRI Sustainability Reporting Standards, and prepared the report on the basis on the four principles of Materiality, inclusivity, responsibility, and impact of the AA1000 Accountability Standard	None.

Assessment Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
reports? Do the reports above obtain assurance from a third party verification unit?			as well as in response to the Sustainability Accounting Standards Board (SASB) standards, through which prominent issues of concern to stakeholders can be covered as much as possible, and sustainable behaviors of our corporate operations demonstrated. 2. Although not verified by external third parties, the accuracy of all financial, environmental, and social statistics herein are ensured by our stringent internal control and audit mechanism.	
6. Describe the difference, if any, between actual practice and the sustainable development principles, if the company has implemented such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies: The Company has established the “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”, having no major difference from the laws and regulations, and there have been no major abnormalities in the actual operation.				
7. Other useful information for explaining the status of sustainable development practices: (1) Environmental protection: Please refer to “4.4. Environmental Protection Expenditures”. (2) Consumers’ rights and interests: The Company has established the dedicated Customer Service Center to handle customer complaint issues. The direct-sale stores of the Company also provide the service of product return and exchange to consumers. (3) The Company has established an annual performance appraisal system to evaluate employee performance, motivate potential, and build consensus on work objectives. To maintain two-way communication, regular employee interviews are arranged, allowing employees to express their opinions and ideas while enabling supervisors to adjust work content and assignments accordingly. In March 2025, the Human Resources Department conducted the annual performance appraisal covering individual performance from March 2024 to February 2025. The appraisal content included job responsibilities, task assignments, work performance, and capabilities. A total of 927 employees participated, achieving a coverage rate of 96.3%. Upon completion of the appraisal, supervisors conducted one-on-one interviews with employees to review past performance and current expectations, and assist in setting future goals. The appraisal results and employee performance serve as references for promotion, salary adjustments, performance bonuses, employee awards, and other HR-related decisions to foster employee growth and enhance organizational competitiveness. Considering the key role of supervisors within teams, the Company carried out a leadership competency assessment in April 2025 using a two-way evaluation method to encourage mutual improvement and growth. The assessment focused on two key aspects: team leadership and personnel management skills, and individual professionalism and policy implementation capabilities. Due to some employees being on leave during the assessment period, 250 employees participated, with a coverage rate of 89.9%. The survey showed an overall supervisor satisfaction score of 4.2 out of 5. To enhance the Company’s competitiveness and organizational effectiveness, employee feedback results are submitted directly to the Chairman for prompt clarification and improvement, demonstrating the Company’s commitment to valuing every employee’s voice. For more details on employee rights and benefits, please refer to “4.5.1 Implementation of various employee welfare measures, continuing education, training, and retirement systems, and maintenance of the collective bargaining agreement and various employee rights” (4) Safety and health: The Company has obtained the ISO 14001 environmental management system, the ISO 45001 occupational safety and health management system certification for the workplace, and has also				

Assessment Item	Implementation Status			Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>qualified the TOSHMS certification standard (CNS 45001).The Company has also received the“Healthy Workplace Certification – Health Promotion Badge” from the Ministry of Health and Welfare.</p> <p>(5) Products: In terms of the quality management, the Company has obtained the ISO 9001 quality management system certification. With outstanding product design and research and development strength, the Company has received the honor of Taiwan Excellence Award for consecutive years, thereby establishing a quality brand image.</p> <p>(6) Specific promotion plan and implementation outcome for corporate social responsibility: Transcend upholds sustainable development as a core value and promotes ESG initiatives across Environmental, Social, and Governance dimensions, integrating CSR into its operational strategies to achieve mutual prosperity for the Company and society.</p> <p>A. Environmental – Green Manufacturing and Carbon Reduction</p> <p>I. Eco-friendly Products & Energy-saving Design: Transcend actively develops high-performance, low-power consumption products to increase energy efficiency and reduce e-waste.</p> <p>II. Eco Packaging: Plastic-free packaging designs are implemented to reduce material use and environmental impact.</p> <p>III. Energy-saving & Carbon Reduction Policies: Production processes are optimized to enhance resource efficiency and minimize carbon emissions.</p> <p>B. Social – Sports Sponsorship and Employee Care</p> <p>I. Sports Development Support: Long-term sponsorship of secondary school sports leagues; awarded the Ministry of Education's Sports Promoter Award for over ten consecutive years.</p> <p>II. Rural Baseball Seed Program: Since 2015, the Company has provided equipment and training to young baseball players in rural Taiwan, helping children pursue their sports dreams.</p> <p>III. Employee Wellbeing and Workplace Health: A safe and supportive work environment ensures employee welfare and work-life balance.</p> <p>C. Governance – Sound Operations and Transparency</p> <p>I. Information Transparency & Corporate Governance: Transcend adheres to corporate ethics, ensures disclosure of timely and accurate financial and operational data, and protects investor interests.</p> <p>II. Compliance & Risk Management: By following international laws and industry standards, the Company maintains robust internal control and risk management systems to ensure stability and long-term sustainability.</p> <p>Transcend will continue to deepen its commitment to environmental protection, social responsibility, and corporate governance, striving to achieve sustainability goals and generate greater social value through corporate action.</p>	

2.3.7. Climate-related information for TWSE/TPEX listed companies

2.3.7.1. Implementation of climate-related information

Disclosure of **governance, strategy, risk management, metrics and targets** related to climate-related risks and opportunities in accordance with the TCFD framework is as follows.

Item	Implementation Status
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	<p>Governance: The Company has established a part-time unit under the Office of the Executive Vice President – General Management Office – to promote sustainability development. On May 4, 2023, the second Board meeting authorized the unit and the Executive Vice President to be responsible for sustainability-related affairs (e.g., management guidelines, specific promotion plans, and implementation), and regularly report to the Board. The General Management Office, Accounting & Finance Division, Engineering Department, and Quality Assurance Department hold annual and ad hoc meetings to assess climate-related risks and opportunities and report to the Chairman. Upon approval by the Chairman, the results are reported annually to the Board to ensure sufficient discussion of climate-related issues.</p>
2. Describe how the identified climate risks and opportunities affect the Company’s business, strategy and finance (short-, medium-, and long-term).	<p>Strategy:</p> <p>(1) Short-term: Adopt halogen-free (HF) PCBs. By 2025: 50% adoption rate of halogen-free PCBs. By 2027: 100% adoption rate of halogen-free PCBs.</p> <p>(2) Mid-term: Reduce the use of plastic and paper in product packaging and adopt integrated packaging designs to achieve plastic reduction and environmental sustainability goals. By 2026: 10% packaging reduction rate. By 2028: 30% packaging reduction rate</p> <p>(3) Long-term: Select energy-efficient electronic components to reduce product power consumption and extend product lifespan. By 2030: Achieve 10% energy savings in products. Additionally, introduce AI into production processes to enhance manufacturing efficiency, product quality, and performance. By 2034: Achieve 5% AI-driven manufacturing processes.</p>
3. Describe the financial impact of extreme climate events and transformation actions.	<p>After risk identification, the Company evaluates the feasibility of improvement, sets reasonable management goals, and formulates response plans for annual evaluation and review. Identified risks and opportunities are discussed with relevant units to formulate response strategies and assess financial impact:</p> <p>(1) Equipment replacement reduces energy costs and is aligned with government incentive programs. In 2024, the Company completed the rooftop cooling tower replacement project at Factory A, improving heat dissipation efficiency. Total investment: NT\$5 million.</p> <p>(2) While natural disasters are unavoidable, insurance helps mitigate losses. In 2024, the Company paid approx. NT\$4.85 million in property insurance.</p> <p>(3) Product teams continue to develop green products including low-power DRAM modules, high-performance SSD/UFD/SD storage devices, dashcams, and body cameras, aligning with ESG trends to expand market opportunities.</p>
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>Risk Management: In accordance with the TCFD-recommended transition and physical risk framework, the Company defines risk categories and assesses operational impacts and likelihood.</p> <p>(1) The Company has established a “Risk Management Policy,” which was reported to the Board on November 5, 2024, with corresponding strategies. Given abnormal global climate and frequent natural disasters in Taiwan, the Company has long invested in global property insurance</p>

Item	Implementation Status
	to transfer most risks to third parties. (2) On environmental fronts, the Company promotes green production, establishes EHS targets, allocates R&D budget and equipment, and regularly evaluates progress and benefits.
5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	The Company currently does not use scenario analysis to assess climate resilience.
6. If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, as well as the indicators and targets used to identify and manage physical and transformation risks.	<p>Risk Categories:</p> <p>(1) Transition Risk: Carbon tax or fee imposition by government – mitigation via upgrading to energy-efficient, low-emission equipment.</p> <p>(2) Physical Risk: Extreme weather events (typhoon, drought, flooding) – enhance disaster preparedness, establish emergency response procedures, and conduct regular drills.</p> <p>(3) Supply Chain Risk: Limited green/energy-saving components may increase costs.</p> <p>Opportunities:</p> <p>(1) Low-carbon Products and Services: In response to ESG demands, the Company is enhancing green design, production, and product efficiency. In 2024, the Company invested 1.0%-1.5% of annual revenue in R&D for energy-saving memory modules and low-power product redesigns.</p>
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	The Company currently does not use internal carbon pricing.
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, and the planning period shall be explained. annual progress; if using carbon offsets or renewable energy certificates (RECs) to achieve Explain the source and volume of carbon reduction credits or the number of RECs.	<p>Indicators and Targets:</p> <p>(1) Electricity Reduction Target: 5% reduction by 2026 using 2020 as baseline.</p> <p>(2) Carbon Reduction Target: 7% by 2026 and 24% by 2030 using 2020 as baseline.</p> <p>(3) Green Packaging Target: 30% packaging reduction rate by 2028.</p> <p>(4) Product Target: 10% product energy-saving improvement by 2030.</p>
9. Greenhouse gas inventory and assurance, and reduction goals, strategies, and concrete action plans.	<p>The Company follows the “Sustainable Development Roadmap for TWSE/TPEX Listed Companies” and ISO 14064-1 standards. GHG inventory and assurance milestones: parent company assurance by 2028, consolidated subsidiaries by 2029. The Company has set a 24% carbon reduction target by 2030 and is implementing:</p> <p>(1) ISO 14064-1 adoption and enhanced carbon management mechanisms.</p> <p>(2) Equipment upgrades and operational energy optimization.</p> <p>(3) Monitoring global carbon-related laws and ensuring regulatory compliance, preparing for carbon fees and trading.</p> <p>(4) Internal green education and awareness programs to promote company-wide energy-saving actions and support sustainability goals.</p>

2.3.8. Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?</p>	v		<p>The "Ethical Corporate Management Best-Practice Principles" of the Company has been approved in the board of directors' meeting in 2014, and the regulations of the "Codes of Ethical Conduct for Directors and Managerial Officers" and "Codes of Ethical Conduct for Employees", etc. have also been approved in the board of directors' meeting in 2013. The Company requests directors and all employees to comply with such provisions accordingly. Please refer to the Company's website: https://tw.transcend-info.com/about/policies</p>	None
<p>(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p>	v		<p>The Company has established the "Ethical Corporate Management Best-Practice Principles", "Codes of Ethical Conduct for Directors and Managerial Officers" and "Codes of Ethical Conduct for Employees", and all of these provisions have covered the operating activities of relatively higher risk of unethical conduct described in the content of all subparagraphs of Paragraph 2 of Article 7 of the "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies" and other operating scope.</p> <p>Ethical corporate management and ethical code of conduct are the core guidelines for the Company. The contents of these provisions are published on the Company's website for relevant personnel's review at any time.</p> <p>The Company provides internal and external reporting channels. In case where a violation is found to be true, different level of disciplinary action is imposed depending upon the severity of the violation.</p>	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	v		The Company has established the “Ethical Corporate Management Best-Practice Principles”, “Codes of Ethical Conduct for Directors and Managerial Officers” and ”Codes of Ethical Conduct for Employees” . All of these provisions are published on the Company’s website for relevant personnel’s review. The Company also requests all employees and directors to comply with these provisions accordingly.	None
2. Fulfill operations integrity policy (1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	v		Prior to engaging in business dealings with suppliers, the Company conducts evaluation and review process on all aspects of the suppliers, and requests the suppliers to provide the “Supplier Ethics Undertaking.” Prior to engaging in business dealings with customers, the Company evaluates the financial and credit status according to the credit investigation policy of the Company. In case where transaction counterparty involves in unethical conducts, the Company may terminate or rescind contracts at any time.	None
(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	v		The Company assigns the Financial and Accounting Department and the Administration Department to be the concurrent units responsible for the establishment of ethical corporate management policies and execution of supervision, and according to the job duties and scope of each unit, including the establishment and revision of the “Ethical Corporate Management Best-Practice Principles,” organizing ethical corporate management related propaganda and educational training, etc., in order to ensure the thorough implementation of ethical corporate management principles. Important items and relevant affairs promotion status are reported to the board of directors once annually.	None
(3) Does the company establish policies to prevent conflicts of interest and provide	v		The Company has established the “Codes of Ethical Conduct for Directors and Managerial Officers”, “Codes of Ethical Conduct for Employees”, “Employee Code of Conduct and Reward and	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
appropriate communication channels, and implement it?			Discipline Management Regulations”, “Regulations Governing Procedure for Board of Directors Meetings” and “Audit Committee Charter.” All of these provisions have clearly specified matters requiring recusal in case of encountering the situation of conflict of interest. The Company provides complaint channel, such that in case where any director, managerial officer or employee is verified to have violated the code of ethical conduct, then such violator shall be punished in accordance with the disciplinary measures specified in the code of ethical conduct.	
(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	v		The Company prepares the financial statements in accordance with the International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS) and interpretations. For the 2024 consolidated financial statements, the PwC Taiwan has issued the audit report with unqualified opinion. The Company establishes an internal control system for all operating activities. The internal audit unit performs audit work according to the audit plan and also reports to the Audit Committee and board of directors periodically.	None
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	v		To establish the corporate culture of ethical management and sound development, the Company has constructed a proper business operation structure and has established the “Ethical Corporate Management Best-Practice Principles,” and these principles are implemented in the daily operation. The new employees’ orientation training includes ethical management related education courses, and the content mainly covers the courses employee ethical conduct, employee code of conduct, ethics and fair trade and duty of confidentiality, etc. In 2024, two orientation training sessions were held, and a total of 53 people participated in these sessions. The period of each training session is 0.5 hours. The course materials will be updated to Company’s website for employees’s reference after the orientation training. The Company also places the course contents handling operation and insider trading related courses in the Company’s system and	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			website as references for directors, managerial officers and employees.	
3. Operation of the integrity channel				
(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	v		The Company has established the “Regulations for Company’s Whistleblowing Reports on Illegal and Unethical Conducts” and has also set up specific whistleblowing mailbox and employee suggestion box in order to allow internal and external personnel to file complaint or whistleblowing reports to the Company. After the receiving unit clarifies relevant facts and evidence, it is reported to the management level for handling.	None
(2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant ost-investigation confidentiality measures?	v		The content of the “Regulations for Company’s Whistleblowing Reports on Illegal and Unethical Conducts” established by the Company specifies the handling procedures related to the filing of complaints, investigation and post-investigation measures, and the whistleblower’s identity is kept strictly confidential.	None
(3) Does the company provide proper whistleblower protection?	v		The “Regulations for Company’s Whistleblowing Reports on Illegal and Unethical Conducts” of the Company also specifies that the whistleblower shall not be subject to unfavorable disposal due to the whistleblowing report, and the Company shall provide sufficient protection to all whistleblowers.	None
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	v		The Company has disclosed relevant ethical management principles on the Company’s website and MOPS. The Company has also set up the Ethical Management section on the Company’s website and has disclosed ethical management related information in the annual report. https://tw.transcend-info.com/about/integrity	None
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: The Company has established the “Ethical Corporate Management Best-Practice Principles” in 2014, having no major difference from the ““Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies,” and there have been no major abnormalities in the actual operation.				

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies)				
(1) The Company periodically reviews the update status of the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and timely reviews and conducts evaluation to determine necessary amendments.				
(2) In the provisions of the “Codes of Ethical Conduct for Directors and Managerial Officers”, “Codes of Ethical Conduct for Employees” and the “Employee Code of Conduct and Reward and Discipline Management Regulations,” the Company has specified that unethical conducts are prohibited, conflict of interests shall be avoided and obtaining of improper personal benefits and interests shall be prevented.				
(3) In the “Audit Committee Charter” and “Regulations Governing Procedure for Board of Directors Meetings,” the Company has specified the directors’ recusal system for conflict of interest.				
(4) To implement the education on ethical management, the Company includes the ethical management in the course content of new employees’ orientation training, thereby allowing new employees to understand the Company’s policy and direction on ethical management.				
(5) The Company has established the “Patent Management Regulations”, “Intellectual Property Right Management Control Operation” and “Intellectual Property Right Management Audit Operation”to obtain, protect and manage the intangible assets. In order to make the knowledge of IPR more accessible, Company has introduced the basic concepts to all employees by topic on a quarterly basis, and conducted related training programs specifically for the R&D team once per month.				

2.3.9. Other Important Information Regarding Corporate Governance

The Company has established the “Procedures for Handling Material Inside Information”. The Company informs all employees via e-mail when newly establishment of the procedures and subsequent amendments, and also makes public announcement through the intranet of the Company for employees’ review and use. All departments and employees handling possible material information and disclosure of such information are required to comply with these procedures as well as laws and regulations. “Procedures for Handling Material Inside Information” has been disclosed on the Company’s website.

Please refer to: <http://tw.transcend-info.com/about/policies>

2.3.10. Implementation of Internal Control Systems

2.3.10.1. Statement of Internal Control Systems

The Company has announced its 2024 Statement on Internal Control System on the MOPS on March 6, 2025. For more details, please refer to MOPS > Individual Company > Corporate Governance > Company Rules/Internal Control > Statement of Internal Control Announcement:

<https://mops.twse.com.tw/mops/#/web/t06sg20>

2.3.10.2. If CPA was Engaged to Conduct a Special Audit of Internal Control System, Provide Its Audit Report: None.

2.3.11. Major resolutions of Shareholders' Meeting, Board of Directors Meetings, Audit Committee meetings and Remuneration Committee meetings in the most recent year and up to the publication date of this Annual Report:

2.3.11.1. Major resolutions of Shareholders' Meeting

Date	Material Decisions	Resolutions and Implementation Status
2024.06.20	(1) Adoption of 2023 Business Report and Financial Statements	Approved after voting.
	(2) Adoption of the proposal for distribution of 2023 earnings	Approved after voting. To appropriate legal reserve NT\$199,337,882 and special reserve NT\$127,453,351 from 2023 earnings in accordance with the regulations.
	(3) Amend the Company's "Rules of Procedure for Shareholders' Meetings"	Approved after voting.
	(4) Re-election of Directors	Approved after voting.
	(5) Lift the Non-Competition Restrictions on Directors	Approved after voting.

2.3.11.2. Material resolutions of Board of Directors Meetings

Date	Material Decisions	Resolutions and Implementation Status
2024.02.29 (The First Time in 2024)	(1) 2023 Business Report and Financial Statements.	Approved by all presented directors and proposed to Shareholders' meeting for ratification.
	(2) Proposal for distribution of 2023 earnings.	Approved by all presented directors and proposed to Shareholders' meeting for ratification.
	(3) Cash distribution from 2023 retained earnings.	Approved by all presented directors. To appropriate cash dividend NT\$1,930,777,538 (NT\$4.50 per share) from 2023 earnings and submit a report to Shareholders' meeting.
	(4) Cash distribution from capital surplus.	Approved by all presented directors. The capital surplus derived from the issuance of new shares at a premium totaling NT\$214,530,838 will be distributed in cash of NT\$0.50 per share. And submit a report to Shareholders' meeting.
	(5) Extension of the period of endorsement and guarantee to subsidiary Transcend Japan Inc.	Approved by all presented directors. The handling department has executed such matter according to the regulations.
	(6) Election of directors.	Approved by all presented directors and proposed to Shareholders' meeting for election.
	(7) Amendments to "Rules and Procedures of Shareholders' Meeting" .	Approved by all presented directors and proposed to Shareholders' meeting for discussion.
2024.05.09 (The Second Time in 2024)	(1) Issuance the first of restricted stock awards by the company	Stakeholders recused themselves from the discussion due to conflicts of interest. Approved by all presented directors.
	(2) The Qualification Review of the Elected Directors and Independent Directors Candidate for the 2024 Annual Regular Shareholders' Meeting	Approved by all presented directors and proposed to Shareholders' meeting for re-election.
	(3) To release the prohibition on directors from participation in competing business.	Approved by all presented directors and proposed to Shareholders' meeting for discussion.
2024.06.21	(1) Election of the Chairman of the Board	All the directors present agreed to elect Mr. Shu,

Date	Material Decisions	Resolutions and Implementation Status
(The Third Time in 2024)		Chung-Won as the chairman of the board.
2024.08.01 (The Fourth Time in 2024)	(1) Amend the “Procedures for Lending of Funds to Others”	Approved by all presented directors and proposed to Shareholders’ meeting for discussion.
	(2) Appoint Members of the Compensation Committee	Approved by all presented directors.
	(3) Ratify the Change of General Manager	Approved by all presented directors.
2024.11.05 (The Fifth Time in 2024)	(1) 2025 Annual Audit Plan Proposal	Approved by all presented directors. The Audit Office is requested to execute such matter according to the regulations.
	(2) Directors’ Liability Insurance	Approved by all presented directors. The handling department has executed such matter according to the regulations.
	(3) Evaluate the Independence and Competency of the CPA for FY2025	Approved by all presented directors.
	(4) Establish “Sustainable Information Management Procedures” and “Procedures for Preparation and Verification of Sustainability Reports”	Approved by all presented directors.
	(5) Amend the “Rules of Procedure for Board Meetings”	Approved by all presented directors.
	(6) Amend the “Audit Committee Charter”	Approved by all presented directors.
	(7) Amend the “Risk Management Policy”	Approved by all presented directors.
2025.03.06 (The First Time in 2025)	(1) 2024 Business Report and Financial Statements.	Approved by all presented directors and proposed to Shareholders’ meeting for ratification.
	(2) Proposal for distribution of 2024 earnings.	Approved by all presented directors and proposed to Shareholders’ meeting for ratification.
	(3) Cash distribution from 2024 retained earnings.	Approved by all presented directors. To appropriate cash dividend NT\$2,411,484,727 (NT\$5.61 per share) from 2024 earnings and submit a report to Shareholders’ meeting.
	(4) Cash distribution from capital surplus.	Approved by all presented directors. 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. And submit a report to Shareholders’ meeting.
	(5) Amend the Company’s “Articles of Incorporation”	Approved by all presented directors and proposed to Shareholders’ meeting for discussion.
	(6) Issue New Restricted Stock Awards for Employees	Approved by all presented directors and proposed to Shareholders’ meeting for discussion.
2025.05.08 (The Second Time in 2025)	(1) Second Issuance of Restricted Stock Awards for Employees Reported in 2023	Stakeholders recused themselves from the discussion due to conflicts of interest. Approved by all presented directors.

2.3.11.3. Material resolutions of Audit Committee Meetings

Date	Material Decisions	Resolutions and Implementation Status
2024.02.29 (The First Time in 2024)	(1) 2023 Business Report and Financial Statements.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
	(2) Proposal for distribution of 2023 earnings.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
	(3) Cash distribution from 2023 retained earnings.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion. To appropriate cash dividend NT\$1,930,777,538 (NT\$4.50 per share) from 2023 earnings.
	(4) Cash distribution from capital surplus.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion. The capital surplus derived from the issuance of new shares at a premium totaling NT\$214,530,838 will be distributed in cash of NT\$0.50 per share.
	(5) Extension of the period of endorsement and guarantee to subsidiary Transcend Japan Inc.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
2024.05.09 (The Second Time in 2024)	(1) Issuance the first of restricted stock awards by the company	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
	(2) To release the prohibition on directors from participation in competing business.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
2024.08.01 (The Third Time in 2024)	(1) Amend the "Procedures for Lending of Funds to Others"	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
2024.11.05 (The Fourth Time in 2024)	(1) 2025 Annual Audit Plan Proposal	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
	(2) Evaluate the Independence and Competency of the CPA for FY2025	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
2025.03.06 (The First Time in 2025)	(1) 2024 Business Report and Financial Statements.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
	(2) Proposal for distribution of 2024 earnings.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
	(3) Cash distribution from 2024 retained earnings.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion. To appropriate cash dividend NT\$2,411,484,727 (NT\$5.61 per share) from 2024 earnings.
	(4) Cash distribution from capital surplus.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion. 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.
	(5) Issue New Restricted Stock Awards for Employees	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
2025.05.08 (The Second Time in 2025)	(1) Second Issuance of Restricted Stock Awards for Employees Reported in 2023	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.

2.3.11.4. Material resolutions of Remuneration Committee Meetings

Date	Material Decisions	Resolutions and Implementation Status
2024.02.29 (The First Time in 2024)	(1) Distribution of 2023 employees' profit sharing bonus and directors' compensation.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
	(2) Remuneration of managerial officers in 2024.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
	(3) Remuneration of directors in 2024.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
2024.05.09 (The Second Time in 2024)	(1) Remuneration of managerial officers in 2024.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
	(2) Remuneration of directors in 2024.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
	(3) Issuance the first of new restricted employee shares by the company	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
2024.11.05 (The Second Time in 2024)	(1) Remuneration of managerial officers in 2024.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
	(2) Remuneration of directors in 2024.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
2025.03.06 (The First Time in 2025)	(1) Distribution of 2024 employees' profit sharing bonus and directors' compensation.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
	(2) Remuneration of managerial officers in 2025.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
	(3) Remuneration of directors in 2025.	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
	(4) Amend the Company's "Articles of Incorporation"	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.
2025.05.08 (The Second Time in 2025)	(1) Second Issuance of Restricted Stock Awards for Employees Reported in 2023	Approved by all presented committee members and proposed to Board of directors' meeting for discussion.

2.3.12. Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors in the Most Recent Year up to the Publication Date of this Annual Report:

None.

2.4. Information on CPA fees

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee (Note)	Total	Remark
Pricewaterhouse Coopers	Chen, Chin-Chang	2024.01.01~2024.12.31	3,670	7,739	11,409	-
	Lin, Yi-Fen					

Note: The non-audit services are for Transfer Pricing Report, Group Organizational Structure Adjustment Service Fee, Tax Compliance Audit service and other Tax Consulting services.

- 2.4.1. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed.
Not applicable.
- 2.4.2. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed.
None.
- 2.5. Replacement of CPA
Not applicable.
- 2.6. Where the company's chairman, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed.
None.
- 2.7. Any transfer of equity interests and/or pledge of or change in equity interests by a director, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year and during the current fiscal year up to the date of publication of this Annual Report.
None.
- 2.7.1. For information on changes in equity transfers, please refer to MOPS > Individual Company > Shareholding Changes/Securities Issuance > Equity Transfer Information > Post-reporting Forms of Insider Shareholding Changes:
https://mops.twse.com.tw/mops/#/web/query6_1
- 2.7.2. For information on changes in equity pledges, please refer to MOPS > Individual Company > Shareholding Changes/Securities Issuance > Insider Pledge/Release of Pledge > Insider Pledge/Release Announcements:
https://mopsov.twse.com.tw/mops/web/STAMAK03_1
- 2.7.3. Equity Transfer with Related Parties
Not applicable.
- 2.7.4. Equity Pledge with Related Parties
Not applicable.

2.8. Relationship information, if among the company's Top 10 shareholders any one is a related party, spouse or a relative within the second degree of kinship of another

Name	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees	
	Shares	%	Shares	%	Shares	%	Name	Relationship
Won Chin Investment Inc. Representative: Shu, Chung-Yu	74,783,600	17.40%	-	-	-	-	Wan An Technology Inc.	Same person as the Chairman
							Wan Min Investment Inc.	Same person as the Chairman
							Wan Chuan Investment Inc.	Same person as the Chairman
							Cheng Chuan Technology Development Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Won Chin
							Ho Cheng Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Won Chin
							Shin Chuang Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Won Chin
Capital Tip Customized Taiwan Select High Dividend Exchange Traded Fund	40,205,000	9.35%	-	-	-	-	None	None
Wan An Technology Inc. Representative: Shu, Chung-Yu	34,251,854	7.97%	-	-	-	-	Won Chin Investment Inc.	Same person as the Chairman
							Wan Min Investment Inc.	Same person as the Chairman; Investment of Wan An on Wan Min is evaluated under equity method
							Wan Chuan Investment Inc.	Same person as the Chairman; Investment of Wan An on Wan Chuan is evaluated under equity method
							Cheng Chuan Technology Development Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Wan An
							Ho Cheng Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Wan An; Investment of Wan An on He Cheng is evaluated under equity method
							Shin Chuang Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Wan An

Name	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees	
	Shares	%	Shares	%	Shares	%	Name	Relationship
							Shumin Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Wan An
Cheng Chuan Technology Development Inc. Representative: Shu, Chung-Cheng	32,971,701	7.67%	-	-	-	-	Won Chin Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Cheng Chuan
							Wan An Technology Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Cheng Chuan
							Wan Min Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Cheng Chuan
							Wan Chuan Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Cheng Chuan
							Ho Cheng Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Cheng Chuan
							Shin Chuang Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Cheng Chuan
							Shumin Investment Inc.	Same person as the Chairman; Investment of Cheng Chuan on Shumin is evaluated under equity method
Wan Chuan Investment Inc. Representative: Shu, Chung-Yu	29,505,896	6.86%	-	-	-	-	Won Chin Investment Inc.	Same person as the Chairman
							Wan An Technology Inc.	Same person as the Chairman; Wan Chuan is an investee of Wan An under equity method
							Wan Min Investment Inc.	Same person as the Chairman
							Ho Cheng Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Wan Chuan
							Shin Chuang Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Wan Chuan
							Cheng Chuan Technology Development Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Wan Chuan
							Shumin Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Wan Chuan

Name	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees	
	Shares	%	Shares	%	Shares	%	Name	Relationship
Wan Min Investment Inc. Representative: Shu, Chung-Yu	29,216,397	6.80%	-	-	-	-	Won Chin Investment Inc.	Same person as the Chairman
							Wan An Technology Inc.	Same person as the Chairman; Wan Min is an investee of Wan An under equity method
							Wan Chuan Investment Inc.	Same person as the Chairman
							Cheng Chuan Technology Development Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Wan Min
							Ho Cheng Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Wan Min
							Shin Chuang Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Wan Min
							Shumin Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Wan Min
Ho Cheng Investment Inc. Representative: Shu, Chung-Mei	14,426,462	3.36%	-	-	-	-	Shin Chuang Investment Inc.	Same person as the Chairman
							Won Chin Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Ho Cheng
							Wan An Technology Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Ho Cheng; Ho Cheng is an investee of Wan An under equity method
							Wan Min Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Ho Cheng
							Wan Chuan Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Ho Cheng
							Cheng Chuan Technology Development Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Ho Cheng
							Shumin Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Ho Cheng
Shin Chuang Investment Inc. Representative: Shu, Chung-Mei	13,947,294	3.24%	-	-	-	-	Ho Cheng Investment Inc.	Same person as the Chairman
							Won Chin Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the

Name	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees	
	Shares	%	Shares	%	Shares	%	Name	Relationship
								Chairman of Shin Chuang
							Cheng Chuan Technology Development Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Shin Chuang
							Wan An Technology Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Shin Chuang
							Wan Min Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Shin Chuang
							Wan Chuan Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Shin Chuang
							Shumin Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Shin Chuang
HI-JET Incorporation Representative: Yeh,Chia-Wen	7,065,000	1.64%	-	-	-	-	None.	None
Shumin Investment Inc. Representative: Shu, Chung-Cheng	6,437,842	1.50%	-	-	-	-	Won Chin Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Shumin
							Wan An Technology Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Shumin
							Cheng Chuan Technology Development Inc.	Same person as the Chairman; Shumin is an investee of Cheng Chuan under equity method
							Wan Min Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Shumin
							Wan Chuan Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Shumin
							Ho Cheng Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Shumin
							Shin Chuang Investment Inc.	The Chairman of the company listed here is a relative within two degrees of kinship of the Chairman of Shumin

2.9. The total number of shares and total equity stake held in any single enterprise by the company, its directors, managerial officers, and any companies controlled either directly or indirectly by the company.

December 31, 2024; Unit: Shares

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors/ Managerial officers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Taiwan IC Packaging Corporation	21,928,036	12.51%	4,471,641	2.55%	26,399,677	15.06%
Saffire Investment Ltd.	6,600,000	100%	-	-	6,600,000	100%
Transcend Information Inc. (USA)	625,000	100%	-	-	625,000	100%
Transcend Japan Inc.	6,400	100%	-	-	6,400	100%
Transcend Korea Inc.	40,000	100%	-	-	40,000	100%

Note: Invested by the company using the equity method.

3. Capital Overview
3.1. Capital and Shares
3.1.1. Source of Capital

Year and Month	Face Value Per Share (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Source of Capital	Property other than cash as payment for share payment	Other
-	10	500,000,000	5,000,000	429,061,675	4,290,617	Cash establishment	-	-
2024/05	10	500,000,000	5,000,000	429,867,675	4,298,677	Issuance of 806,000 shares of New Restricted Employee Shares	-	Approved on June 12, 2024, under Letter No. 11330088410 issued by the Ministry of Economic Affairs.
2024/11	10	500,000,000	5,000,000	429,854,675	4,298,547	Cancellation and retirement of 13,000 shares of New Restricted Employee Shares		
2025/03	10	500,000,000	5,000,000	429,843,675	4,298,437	Cancellation and retirement of 11,000 shares of New Restricted Employee Shares		
2025/05	10	500,000,000	5,000,000	430,712,675	4,307,127	Issuance of 880,000 shares of New Restricted Employee Shares Cancellation and retirement of 11,000 shares of New Restricted Employee Shares		Note 1

Note 1 : The capital increase base date is May 8, 2025 and capital reduction base date is May 9, 2025. The change of registration is pending approval by the Ministry of Economic Affairs.

Note 2 : The source is in the last year up to the publication date of this annual report.

Type of Stock	Authorized Capital			Remark
	Shares Outstanding (Note)	Un-issued Shares	Total Shares	
Common Stock	430,712,675	69,287,325	500,000,000	25,000,000 shares are reserved for employee stock options.

Note: Listed Shares.

Information for Shelf Registration: None.

3.1.2. List of Major Shareholders

Name of major shareholders	Shares	Shareholding (Shares)	Percentage (%)
Won Chin Investment Inc.		74,783,600	17.40%
Capital Tip Customized Taiwan Select High Dividend Exchange Traded Fund		40,205,000	9.35%
Wan An Technology Inc.		34,251,854	7.97%
Cheng Chuan Technology Development Inc.		32,971,701	7.67%
Wan Chuan Investment Inc.		29,505,896	6.86%
Wan Min Investment Inc.		29,216,397	6.80%
Ho Cheng Investment Inc.		14,426,462	3.36%
Shin Chuang Investment Inc.		13,947,294	3.24%
HI-JET Incorporation		7,065,000	1.64%
Shumin Investment Inc		6,437,842	1.50%
Total		282,811,046	65.79%

3.1.3. Dividend Policy and Implementation Status

1. Dividend Policy

According to Article 22-1 of the Company's Articles of Incorporation, 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 Section 1 of 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.

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. Under the circumstances of no material investment plans and other special situation, the proportion of dividend distributed shall not be less than 80% of after-tax profit, and cash dividends shall account for at least 5% of the total dividend distributed. The Company currently distributes dividend all in cash, and there is no consideration for the distribution of stock dividends.

2. Proposed Distribution of Dividend:

The appropriation for cash dividends from 2024 earnings and cash payment from capital surplus have been approved by the Board of Directors during its meeting on March 6, 2025.

Unit: NT\$

Dividends per Share		year	2024
Cash Dividend	Retained Earnings		5.61
	Capital surplus		0.49
Free Share Assignment	Retained Earnings		0.00
	Capital surplus		0.00
Total			6.10

3. Major Change Expected in the Dividend Policy:

None.

3.1.4. Impacts of free share assignment intended through the current shareholders meeting on the Company's operational performance and earnings per share:
Not applicable.

3.1.5. Compensation for Employees and Directors

1. The percentage or range of compensation for employees and directors based on the Article of Incorporation:

Bases on Article 22 of the Article of Incorporation, where the Company has a profit before tax for each fiscal year, the Company shall first reserve certain amount of the profit to recover losses for preceding years, and then set aside no less than 1% of the remaining profit for distribution to employees as compensation and no more than 0.2% of the remaining profit for distribution to directors as compensation.

The compensation may be paid in stock or cash. For remuneration in the form of shares, the employees of subsidiaries meeting specific condition are also entitled to the payment. The Board is authorized to decide such qualifications and allocation.

2. Basis for estimating the amount of compensation for employees and directors, basis for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period:

If the actual amounts approved by board of directors differ from the estimated amount, the difference will be recorded in the year when board of directors makes the resolution as a change in accounting estimate.

3. Distribution of Compensation of Employees and Directors for 2024 Approved in the Board of Directors Meeting:

The compensation of employees and directors for the year ended December 31, 2024 has been approved by the Board of Directors during its meeting on March 6, 2025.

Unit: NT\$

Compensation of Employees and Directors for 2024	Approved in the Board of Directors Meeting	Estimated Amount
Employee Compensation – in Cash	28,289,111	28,914,553
Directors' Compensation – in Cash	5,600,000	-

Note 1: The difference between the actual amounts approved by board of directors and the estimated amount will be taken as a change in accounting estimate and adjusted in profit or loss for 2025.

Note 2: The Company did not distribute the compensation of employees and directors in stocks.

4. The actual distribution of employee and director compensation for the previous fiscal year

(with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee and director compensation, additionally the discrepancy, cause, and how it is treated:

Unit: NT\$

Compensation of Employees and Directors for 2023	Approved in the Board of Directors Meeting (Actual distribution Amount)	Estimated Amount
Employee Compensation – in Cash	24,962,283	25,696,351
Directors' Compensation – in Cash	2,300,000	-

Note: The above-mentioned actual distribution of compensation of employees and directors was in line with the resolution of the Board of Directors. The difference between the actual distribution amounts and the estimated amount was taken as a change in accounting estimate and adjusted in profit or loss for 2024.

3.1.6. Buy-back of Treasury Stock

None.

3.2. Status of Corporate Bonds

None.

3.3. Status of Preferred Shares

None.

3.4. Status of Overseas Depositary Receipts

None.

3.5. Status of Employee Stock Option

None.

3.6. Status of New Restricted Employee Shares

(1) Status of New Restricted Employee Shares

As of May 16, 2025

Type of restricted stock awards	First issuance of restricted stock awards in 2023	
Effective date and total shares	September 8, 2023 and total shares: 3,000,000 shares	
Date of issue	First issue date on May 9, 2024	The second issue date on May 8, 2025
Number of new shares from restricted stock awards issued	806,000 shares	880,000 shares
Number of new shares from restricted stock award that can be issued	1,314,000 shares	
Issue price	None	
Shares issued through restricted stock awards as a percentage of current outstanding shares (Note 1)	0.19%	0.20%
Vesting conditions of restricted stock awards	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	

	<p>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.</p>	
Restricted rights of restricted stock awards	<p>1. 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.</p> <p>2. 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.</p> <p>3. 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.</p>	
Custody of restricted stock awards	Restricted stock awards that are issued will be placed in a trust until vesting conditions are met.	
Handling restricted stock award allocated or subscribed to by employees who fail to meet vesting conditions	Restricted stocks that are taken back by the Company for free will be cancelled registration by the Company.	
Number of restricted shares taken back or bought back	35,000 shares	-
Number of shares with restrictions lifted	-	-
Number of shares with restrictions not yet lifted	771,000 shares	880,000 shares
Number of shares with restrictions not yet lifted as a percentage of current outstanding shares (%) (Note 1)	0.18%	0.20%
Impact on shareholders equity	No material impact on shareholder equity	No material impact on shareholder equity

Note 1 : The calculation is based on the most recent change registration of 429,843,675 shares approved by the Ministry of Economic Affairs on April 10, 2025.

(2) Names of managers who have received restricted share awards cumulatively and Top 10 employees in terms of the number of shares they acquired and the status of acquisition

First issuance of restricted stock awards in 2023	Title	Name	Shares obtained through restricted stock awards	Shares obtained through restricted stock awards as a percentage of current outstanding shares (Note 1)	Restrictions that were lifted				Restrictions not yet lifted				
					Number of unrestricted shares	Issue price	Issuance amount	Number of unrestricted shares as a percentage of current outstanding shares (Note 1)	Number of unrestricted shares	Issue price	Issuance amount	Number of restricted shares as a percentage of current outstanding shares (Note 1)	
First issue date on May 9, 2024	Manager	Vice President	Li, Tseng-Ho	89,000	0.02%	0	0	0	0.00%	89,000	0	0	0.02%
		Vice President	Fang, Wen-Jeng										
		Vice President	Chen, Po-Shou										
		CFO & Corporate Governance Officer	Chi, Wen-Hui										
	Employees	General Manager of U.S. Branch	Teri Chang	191,000	0.04%	0	0	0	0.00%	191,000	0	0	0.04%
		Factory Director	Wu, Kuan-De										
		Director	Michael Lee										
		Director	Sean Chen										
		Director	Fenny Lin										
		Director	Blue Lan										
		Director	Eric Wang										
		Director	Tedd Lin										
		Director	Shinji Hsu										
Director	Cloud Hu												
The second issue date on May 8, 2025	Manager	Vice President	Li, Tseng-Ho	87,000	0.02%	0	0	0	0.00%	87,000	0	0	0.02%
		Vice President	Fang, Wen-Jeng										
		Vice President	Chen, Po-Shou										
		CFO & Corporate Governance Officer	Chi, Wen-Hui										
	Employees	General Manager of U.S. Branch	Teri Chang	241,000	0.06%	0	0	0	0.00%	241,000	0	0	0.06%
		Factory Director	Wu, Kuan-De										
		Director	Fenny Lin										
		Director	Eric Wang										
		Director	Sean Chen										
		Director	Michael Lee										
		Director	Oliver Lin										
		Director	Daniel Cheng										
		Director	Cloud Hu										
Director	Shinji Hsu												
Manager	Kylie Cheng												

Note 1 : The calculation is based on the most recent change registration of 429,843,675 shares approved by the Ministry of Economic Affairs on April 10, 2025.

3.7. Status of New Shares Issuance in Connection with Mergers or Acquisitions

None.

3.8. Implementation of the Capital Allocation Plans

Any uncompleted public issue or private placement of securities, or issues and placements that were completed but have not yet fully yielded the planned benefits: None.

4. Operational Highlights

4.1. Business Activities

4.1.1. Business Scope

1. Main areas of business operations

The main areas of business operations of the Company registered on the registration alternation form issued by the Ministry of Economic Affairs are as follows:

- (1) Computers and Peripheral Equipment Manufacturing.
- (2) Data Storage Media Manufacturing and Duplicating.
- (3) Wholesale of Computers and Clerical Machinery Equipment.
- (4) Wholesale of Computer Software.
- (5) Wholesale of Electronic Materials.
- (6) International Trade.
- (7) Information Software Services.
- (8) Electronics Components Manufacturing.
- (9) Restrained Telecom Radio Frequency Equipment and Materials Import.
- (10) Restrained Telecom Radio Frequency Equipment and Materials Manufacturing.
- (11) All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Revenue distribution in the Most Recent Two Fiscal Years

Unit: NT\$ thousands

Item	2024		2023	
	Amount	%	Amount	%
FLASH+DRAM products	8,632,682	85.61	9,005,185	85.79
Others	1,450,843	14.39	1,490,987	14.21
Total	10,083,525	100.00	10,496,172	100.00

(1) Main Products

A. DRAM Modules

UDIMM, SODIMM, ECC UDIMM, ECC SODIMM, RDIMM, and the application scope includes memory modules for desktop/notebook computers, memory modules for servers/workstations, memory modules for routers, and memory modules for commercial and industrial applications, etc.

B. Flash Products

SSD with the interface of PATA/SATA/PCIe, form factor including 2.5", M.2, mSATA, mSATA mini, half-slim, and external SSD. Type of memory cards includes CF Card, CFast Card, SD Card and microSD Card, flash memory modules with the interface of PATA/SATA/USB for special industrial application platform, and portable disks complying with the standards of USB 2.0, USB3.1 and USB3.2 specifications.

C. Multimedia Products

Dashcam and body camera, etc.

D. Hard Disk Products

Various types of portable hard disk storage devices, etc.

E. Card Readers and Accessories

Various types of card readers, hubs, adapter cards and external DVD writers, etc.

(2) New products development

A. DRAM Modules

DRAM modules of higher frequency, DRAM modules of higher capacity, DRAM modules for gaming sports, wide temperature DRAM modules for industrial purposes, and memory modules for servers / workstations / desktop computers / notebook, etc.

B. Flash Products

i. SSD: Capacity expansion, higher transmission speed, various form factors, high speed portable SSD, high-endurance SSD for embedded products, wide temperature SSD, SSD with power loss protection, SSD with AES function, and Enterprise-class SSD.

ii. Memory cards: Memory cards for surveillance cameras, high speed memory cards, memory cards with high Read/Write numbers, wide temperature memory cards for embedded products.

iii. USB portable disks: Type-C series of portable disks, flash memory portable disks built-in with multiple functions, flash memory portable disks with high speed, flash memory portable disks with ultra-high capacity, and flash portable disks equipped with encryption specification, etc.

C. Multimedia Products

Motorcycle Dashcams, various body cameras, and personal portable recording devices and accessories, etc.

D. Hard Disk Products

2.5," various types of high capacity SSD (Solid State Disk), various 2.5"/3.5" large capacity portable hard disks of stylish appearance and different functions, and external DVD writers, etc.

E. Card Readers and Accessories

Type-C interface related peripheral products, such as Hub, card reader, and Docking Station, etc. Card readers equipped with stylish appearance and support the latest memory card specification, and card readers equipped with encryption function. Card readers which are applicable to OTG portable disks, etc.

4.1.2. Industry Overview

1. The Current Status and Development of the Industry

(1) DRAM Memory Industry Overview

Still widely used in industrial applications, and the demand for commercial applications continues to increase. With the broad applications of Internet of Things (IoT) and the increasing need of industrial computers, cloud computers and servers, in conjunction with increase of the applications in the fields of the edge computing, media streaming and auto electronics, etc. The adoption of AI services in various terminal applications has also led to an increase in the capacity of memory modules. The market demand is also shifting from DDR4 to DR5. The commercial market is expected to have a more significant growth this year. Transcend will continue to develop modules of higher frequency and larger capacity, and work in the industrial market.

(2) Flash Memory Industry Overview

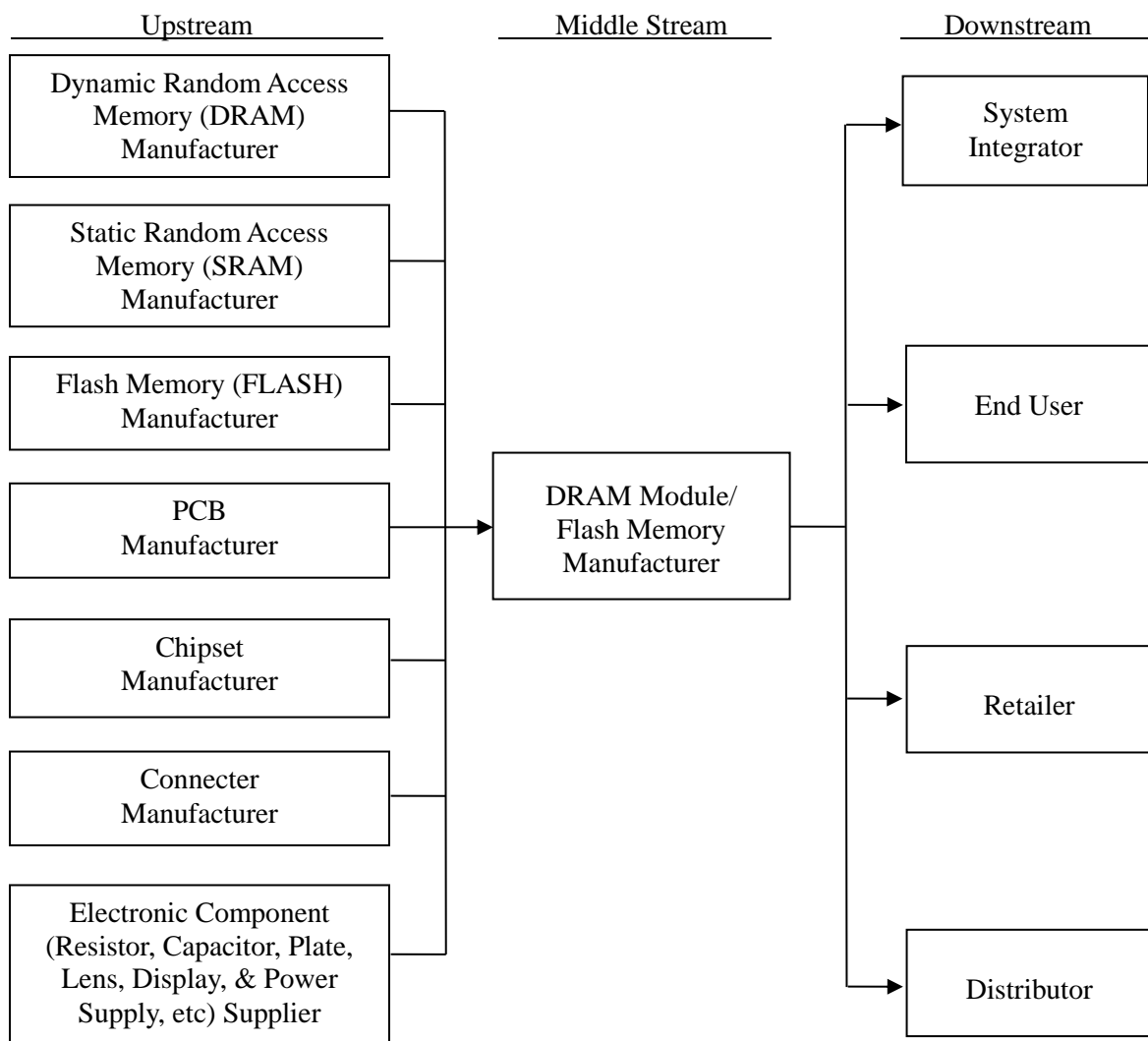
Memory cards are small in size and have a variety of applications. In addition to smart phones, digital cameras and gaming devices used by consumers, the demand of surveillance cameras, network cameras and cloud cameras for commercial use

continues to grow such that memory cards are maintained with a certain sales volume; however, the demand for USB portable disks, except for developing countries, has slowed down due to the development of cloud storage.

SSDs have greater speed than traditional hard disks, and they are also equipped with the advantages of compact, lightweight, energy saving and shock resistant, etc. In terms of price, consumer acceptance has increased significantly. Furthermore, the introduction of USB Type-C as the benchmark device in the market last year further increased the market acceptance of portable SSDs and enabled the rapid growth of this product line. Diverse machine requirements include different form factors and customization demands will also drive the demand for SSDs.

Under the rapid development and the transformation of manufacturing process of 3D Nand in recent years, the production costs of suppliers have decreased, which is beneficial to the transformation of need and the continuous growth of the demand for Nand flash. Various AI products have been introduced one after another, which has greatly increased the demand for data processing and drove the demand for Flash to grow significantly. Accordingly, for flash products, Transcend will still focus on the development of fields of SSD and industrial applications as the main targets.

2. The Links Between Upstream, Midstream and Downstream of the Industry Supply Chain



3. Development Trends and Competition status of Products

The popularity of 5G infrastructure has driven the rapid development of powerful Internet technologies, such as AI and IoT platform. Such applications bring about massive amounts of data and the market demand for real-time computing and powerful storage, which will drive the sales of DRAM and Flash. The latest advancements in AI technology have driven upstream manufacturers to significantly shift their CAPEX toward DRAM, particularly investing in HBM. This transition tests the downstream manufacturers' ability to manage inventory and control costs effectively.

Overall, the consumer market remains weak, and the entry of Chinese manufacturers into the competition has further amplified the uncertainty in supply and demand. Industrial applications are equipped with the characteristics of higher quality, stable and long-term focus on research and development, capability for high customization and flexibility in operation as well as stable supply, etc., the entry barrier is high.

Transcend has deep-rooted in the management of the industrial application market and continue to invest in research and development. Under the ever-changing market environment, the Company has been able to achieve continuous growth. The Company has not only been ranked 62nd by the U.S. Bloomberg Businessweek among Top 100 Technology Company Worldwide but also been ranked by Ministry of Economic Affairs as Top 25 International Brand in Taiwan for the 18th consecutive year, indicating that under such increasingly severe international market, the Company has been able to demonstrate its stable brand development and management strength.

The competitive advantages of the Company are well demonstrated in the following four aspects:

(1) Supply and Logistics

- A. Rigorous supply chain management
- B. Global timely logistics: virtual warehouse
- C. Excellent inventory management

(2) Innovation and Production

- A. Professional internal research, development and design teams
- B. Own factory manufacturing and rigorous quality control

(3) Product and Inventory

- A. Diverse product lines offering a wide range of products
- B. Professional pre-sale service
- C. Complete after-sale service
- D. Global inventory real-time management

(4) Comprehensive Backend Support

- A. Rigorous financial and accounting management
- B. Brand reputation and global marketing support
- C. Product return and exchange management and repair technical service

As a leading manufacturing well-known for its professional storage media, all employees of the Company continue to pursuit greater achievements. To development of channel service, we also establish a broader vision: with our technology advantages in the products of memory cards, flash memory products, storage equipment products, multimedia products and industrial products, along with the global logistics and marketing network providing quality and professional pre-sale and after-sale services, we have been able to successfully establish a sound brand image and has become the leading manufacturer in global consumer electronics and embedded products.

4.1.3. Technologies, Research and Development Overview

1. A Listing of Research and Development Expenditures as well as Technologies and/or Products Successfully Developed in 2024 and as of the date of this Annual Report

Unit: NT\$ thousands

Year	R&D Expenses	R&D Achievements
2024	142,058	[SSD] MTS570P: Equipped with Power Loss Protection (PLP) technology. In the event of unexpected power failure, built-in tantalum capacitors continue supplying power to the controller and DRAM, ensuring complete data storage and delivering highly reliable storage performance.
		[SSD] MTE730P M.2 22110: Also features PLP, maintaining data integrity during unstable power conditions.
		[Memory Card] CFexpress 860 Type B: Designed for professional videographers and photographers. Offers high-speed continuous write performance and large capacity, suitable for RAW photos and 8K video. Durable for field or extreme sports shooting.
		[Memory Card] CFexpress 900 Type B: Delivers exceptional read/write speed, enabling uninterrupted high-resolution video recording and continuous shooting.
		[Memory Card] CFast 610: Offers remarkable speed for ultra-high-quality filming. Designed for high-end cameras used in the film industry.
		[Memory Card] CFast 735: Features SATA III 6Gb/s interface, high capacity, compact design, operates from -5°C to 70°C. Includes SLC Mode (up to 100K P/E cycles), ensuring write stability. Widely applied in gaming machines, medical instruments, and transportation systems. Includes a write-protection switch for data safety. In addition, the CFX735 is equipped with a write-protection switch, which is simple yet powerful. With just a flick of the switch, you can prevent data from being accidentally modified, deleted, or changed without authorization.
		[Memory Card] 1TB MicroSD: First-time release of 1TB capacity to meet surveillance and photography needs.
		[Memory Module] DDR5 5600 U-DIMM / SO-DIMM 24/48GB: Supports new-generation CPUs for higher industrial memory demands.
		[Memory Module] DDR5 6400 CUDIMM / CSODIMM: Includes CKD, TVS, and PMIC; designed for high-frequency industrial applications.
2025 Q1	44,360	[Body Camera] DrivePro 40B: Equipped with Sony sensor and infrared technology. Capable of 2K 60fps video day and night. Designed for law enforcement use with GPS, anti-shake, IP68 protection, 11-hour recording time, and large storage.
		[Enterprise SSD] ETD210T: Designed for enterprise servers. Built with high-quality eTLC NAND, SATA III interface, and large DRAM cache. Offers excellent random access performance, low latency, high durability, and PLP for data integrity. ETD210T can meet stringent enterprise-level requirements, providing excellent quality of service (QoS), ultra-low latency and ultra-high endurance to maintain system stability. In addition, the built-in Power Loss Protection (PLP) function ensures data integrity even in the event of a sudden power outage.
		[Enterprise SSD] ETD410T U.2: Ideal for data centers and high-performance servers. Uses eTLC NAND, PCIe Gen4 x4 interface, and large DRAM cache for superior throughput.
		[SSD] MTE255S: Delivers ultra-high-speed performance and stability. it is the best choice for advanced video editors, gamers, and software engineers.
The above information for the year 2024 has been summarized for the period from January 1 to December 31, 2024. The information for year 2025 has been summarized for the period from January 1 to March 31, 2025.		

2. Ongoing R&D Projects

Product Line	Ongoing Projects	Current Progress	Expected Mass Production Time	Key Success Factors
DRAM Products	DRAM modules of higher frequency, DRAM modules of higher capacity, DRAM modules for gaming sports, and wide temperature DRAM modules for embedded products, etc.	Development in progress	Some products have entered the mass production stage, and others under development progress are expected to enter the mass production stage starting from 2025.	<ol style="list-style-type: none"> (1) Specialized specification for different fields (2) Increase of data transmission speed (3) Increase of product reliability and compatibility, increase of operating temperature
Flash Products	Capacity expansion, higher transmission speed, various form factors, high speed USB portable disks, SSD with high R/W numbers, wide temperature SSD for embedded products, SSD for special purposes such as power failure protector and encryption function.	Development in progress	Some products have entered the mass production stage, and others under development progress are expected to enter the mass production stage starting from 2025.	<ol style="list-style-type: none"> (1) Increase of access capacity and R/W speed (2) Increase of data security and encryption level (3) Compact and light with great portability (4) Implementation of new memory manufacturing process
Strategy Products	Storage devices with various new specifications/interface s, dual lens Dash Cam, body camera equipment and accessories, and other peripheral application products.	Development in progress	Some products have entered the mass production stage, and others under development progress are expected to enter the mass production stage starting from 2025.	<ol style="list-style-type: none"> (1) Product specifications and functions with unique characteristics in comparison to other products in the market (2) Proper control of product mass production and market launch schedule (3) Completeness of accessories (4) Exclusive functions for regional market and special groups (5) Increase of data security and encryption level (6) Simplify product complexity
<p>The R&D budget for the ongoing projects accounts for approximately 80% of the total R&D budget in 2024. And the R&D budget is estimated to account for 1.0%–1.5% of the whole-year revenue in 2024.</p>				

4.1.4. Long-term and Short-term Business Development Plans

1. Short-term Business Development Plan

(1) Embedded Business Management

The Company has focused on embedded market and invested a great amount of resources in the development of embedded products for a long period of time, and the Company has always adopted the business philosophy of excellent quality and customer-oriented approach; consequently, the Company has been able to successfully gain customers' trust and support and became the leading brand in the embedded field. Transcend further actively invests in the embedded products business and copes with the development trend of industrial computer and automation, etc., thereby expanding the business performance in the embedded field.

(2) Adjustment of R&D Department

The Company is equipped with a complete R&D team, and in the future, the Company will continue to actively recruit outstanding R&D talents in order to continuously develop and launch comprehensive and multi-function product series based on the attitude of pursuit for excellence and perfection, in order to provide quality products to consumers and to establish brand loyalty, to satisfy the market trend and to meet consumer demands, as well as to effectively reduce cost and improve production efficiency at the same time.

2. Long-term Business Development Plan

(1) Brand Management and Channel Planning

A. Global Comprehensive Planning

The Company establishes its headquarters in Taipei, and subsidiaries or service centers are also established in Germany, the Netherlands, United Kingdom, United States, Japan, Hong Kong, Beijing, Shanghai, Shenzhen and South Korea. The Company's products are sold in more than 130 countries, and more than 80% of the Company's customers are from markets outside Taiwan. To continue to enhance the planning and establishment of sales channel, collaborate with online and offline global channel distributors/retailers closely, and deep-rooted in 3 channel systems (traditional IT channel, camera channel and Telecommunication Channel), the Company will continue to establish sales points at all major areas worldwide, thereby raising the brand image and visibility of the Company.

B. Investment in Marketing Activities

The Company promotes the market with the own brand of "Transcend." ,and has always been active in the development of marketing activities. Through collaboration with local channel distributors/retailers in different regions, the Company provides the marketing budget and organizes various marketing activities, such as online and offline advertisement, new product launch, product media testing, distributor training and contest and show, etc., while matching with the local customs and culture, thereby achieving local market development and expand the brand of Transcend. Consequently, maximum marketing effect through limited resources can be achieved.

C. Deep-rooted in Local Market

The Company recruits outstanding talents at overseas subsidiaries and implements the strategy of recruiting local sales specialists and management personnel in order to develop the market in depth and to enhance management performance through the local talent's language advantages and cultural understanding. The Company also engage in close collaboration with local channel distributors/retailers to develop marketing channels.

(2) Continue to Optimize Operational System

A. Completeness and Diversity of Product Lines

The greatest advantage of the Company lies in the diversity of products capable of satisfying the one-stop shopping demand of customers. The product lines of the Company include standard and special memories, various types of flash memory cards, portable disks, SSDs, portable hard disks, Dashcam, body cameras, and personal cloud storage devices, with the number of product types reaching more than 2,000.

B. Product Customization Service and Comprehensive Embedded Solution

The Company provides complete product customization service to satisfy demands of different customer groups. Plentiful embedded product lines demonstrating diverse solutions for embedded purposes. In addition, the Company upholds the principle of excellence and perfection to continuously optimize the quality control system. The Company will continue to collaborate with outsourcing wafer packaging vendors equipped with ISO/IATF16949 certification, in order to ensure the best protection for customers and to push the Company's products to the global market.

For diverse and comprehensive product functions, the Company aims to satisfy the purchase characteristics of different consumer groups through various sales channels in order to further expand the depth and breadth of the sales level, thereby achieving the benefit of economics of scale and increasing the global market share.

(3) Complete Pre-Sale and After-Sale service

Since customers emphasize the after-sale service and product quality, rather than mere price difference, brand value becomes apparent when products are of excellent quality. The function and performance differences among memory products are reducing; therefore, the Company aims to demonstrate the strength and to differentiate from the competitors through kind product consultation and complete after-sale service while continuously improving the product quality, thereby establishing the brand recognition and trust of Transcend among distributors and users.

In the industrial application market, which differs from traditional retail markets, there is a need for long-term stable supply. Amidst the rapid evolution of DRAM/Flash production processes, Transcend provides a professional pre-sales service team to assist customers in selecting suitable products to meet the requirements of quality, product performance, and long-term stable supply.

4.2. Markets and Overview of Production and Sales

4.2.1. Market Analysis

1. Main Products and Sales Region

The Company has diverse and comprehensive products. The product lines of the Company cover channel products and embedded products, including special and standard memories, various types of small flash memory cards, portable disks, portable hard disks, Dashcam, body camera and personal cloud storage devices, etc. Under the complete global planning, the Company has 12 business locations worldwide and Taiwan as the main production base, and the region of sales further includes all global markets. Through comprehensive sales strategy and excellent quality, the brand of Transcend is promoted worldwide.

Sales region in the last two years :

Unit: NT\$ thousands

Area	2024		2023	
	Amount	%	Amount	%
Taiwan	2,258,670	22.40	2,282,102	21.74
Asia	3,237,620	32.11	3,631,219	34.59
Americas	1,571,713	15.59	1,408,222	13.42
Europe	2,325,093	23.06	2,544,180	24.24
Others	690,429	6.84	630,449	6.01
Total	10,083,525	100.00	10,496,172	100.00

2. Market Share

Regarding the DRAM memory industry and the flash memory industry, due to the fine product categories (SDRAM, DDR, DDR2, DDR3, DDR4, DDR5, flash memory card, portable disk, Dashcam, body camera, personal cloud storage device, and SSD, etc.), and due to the difference between the contract market and spot market, the market share cannot be estimated precisely. According to the results of various market survey institutions, the global market share of Transcend continues to increase. Looking into the future, the Company will continue to increase the market share and achieve the goal of reasonable profit through continuous effort.

3. Future Market Demand/Supply Conditions and Growth Potential

(1) DRAM Module

The carrying rate of DRAM modules continues to rise, with the shipment proportion of mainstream 16GB and 32GB modules expected to keep increasing. Meanwhile, the growing number of cloud computers, servers, and data centers, along with the gradual popularization of next-generation DDR5, is expected to drive a new wave of demand and contribute to business growth.

(2) Flash Products

As the application of SSD becomes more popular, including broad applications in portable hard disks and built-in storage devices of handheld video recorders, the consumption volume of SSD will continue to increase. Regarding the field of embedded products, applications related to AI and data center in 2024 have grown, and the demand for workstation and server have increased. All of these applications require massive data storage; therefore, the data storage demand will continue to increase, which will further drive the shipping volume of SSD.

For memory cards, the applications will continue to be widely used as storage medium for channel products, such as 3C consumer electronics of smart phones, digital video recorders, tablet computers, Notebook, Ultrabook, multimedia players, gaming devices, surveillance cameras, home care cameras and automobile navigators, etc. In addition, with the continuous shipping of new applications, it is expected that there will still be a stable demand for memory cards.

4. The Company's Competitive Niche

(1) Internationalization of sales network, distribution of market channels

Since the establishment, the Company has been committed to the own brand management and channel planning and continuously exerts efforts in differentiating the Company from traditional domestic professional OEM manufacturer. In terms of

the sales and marketing strategies, the Company aims to establish the brand image of high quality for the brand of “Transcend,” and in the professional storage field, the Company targets the “End Customers,” supply distributors, system operators and retail market, thereby reducing the channel gap and allowing both the Company and customers to obtain greater profits. In addition, with the continuous improvement of the Company’s position in the industry and through providing comprehensive product lines and complete after-sale service system, the Company is able to increase customer sales continuously, including strategic collaboration with international front line channel operators. Presently, the Company has over 5,000 loyal customers worldwide and has established a solid and stable sales network with cooperation of subsidiaries in various countries.

(2) Establish brand image, deep-rooted in local market

“Transcend” is one of the few successful domestic brands that have received high praise internationally. For both domestic and international memory product markets, Transcend is the brand representing stability and high quality, and such brand image has been deep-rooted in the mind of consumers. Through advertising on social media, internet, magazines, newspapers, and large outdoor signage, as well as new release, sports event sponsorship, and public welfare activity engagement, Transcend's brand image can be nurtured, which is beneficial to the improvement of the brand awareness; nevertheless, the Company still values excellent product and quality service as the most essential factors to achieve high brand value. Furthermore, through the Transcend online shopping website, the Company is able to obtain the comments and feedback from the end consumers directly, thereby using such comments and feedback as the reference for product and service improvement.

(3) Utilize purchase advantage effectively, expand product competitiveness

The Company has been established for more than thirty years, and the type and quantity of purchase items are enormous and continue to increase. Through excellent partnership with upstream vendors of DRAM and NAND Flash established for a long period of time over the past years, the Company is able to achieve the best cost structure, thereby increasing the product price competitiveness. In addition, through the in-depth collaboration with the upstream vendors, the Company is able to introduce new products in the market faster than competitors, in order to seize the business opportunities in the market effectively and to become the leading brand in the market.

(4) Continue to develop strategy products, strengthen brand value

The Company started the business based on the niche memory modules, following which the Company then entered the standard memory module and flash memory market. As the Company’s planning in the global traditional sales channel becomes more complete, the Company actively engages in the development of strategic products of Dash Cam, body camera, external portable hard disks, card readers, personal cloud storage device and SSDs, etc., such that through diverse product series along with the addition of other sales channels, the Company is able to satisfy the purchase characteristics of different consumer groups and to further expand the depth and breadth of sales level.

5. Favorable and Unfavorable Factors for Future Development and Response to Such Factors
Favorable Factors

(1) Complete product lines, diverse product types

With more than thirty years of development, the Company invests great research and

development budget and human resource for the establishment of complete product lines, and the main products include various memories, digital memory cards, USB portable disks, external hard disks, card readers, personal cloud storage devices, Dashcam, body camera and SSDs, etc. There are more than 1000 types of products available for all kinds of electronic product applications, thereby satisfying the customers' demand of "one-stop shopping."

With more than thirty years of experience and qualified technical personnel, the R&D team of the Company also synchronizes with the market trend, and will continue to develop and launch innovative products satisfying the market demands.

(2) Establish brand image, deep-rooted in local market

Over the past years, the Company has invested important resources in both product appearance design and product packaging continuously, in order to design and provide products meeting the global trend. In addition, the Company has received great recognition with numerous international industrial design awards, and also provides multi-language instruction manuals and product catalogues for various countries in order to be deep-rooted in the local market. Accordingly, the Company has successfully obtained great support from consumers on the Company's products.

(3) Internationalization of sales network, distribution of market channels

The Company is devoted to the own brand management and marketing, and customers around the globe are considered to be the market for the Company. Through the establishment of international market channels and after extensive years of market development and deep-rooted in new emerging markets and countries, the Company has accumulated more than 5,000 loyal customers worldwide, and through the cooperation of branch offices in various countries, the Company has established a solid and stable sales network. The overseas customers of the Company accounts for nearly 80%, demonstrating the solid international sales network of the Company.

(4) Equipped with comprehensive global logistics management capability

The Company has established subsidiaries or sales offices at Germany, the Netherlands, the United Kingdom, the United States, Japan, Hong Kong, Beijing, Shanghai, Shenzhen and South Korea. Due to the great number of product types, customers are widely distributed worldwide. To effectively control inventory and to manage the sales targets, the Company and all overseas sales offices are established with computer information system with complete functions. Accordingly, the headquarters is able to sufficiently and promptly understand the order receipt and inventory status of all overseas sales offices through network, in order to reduce the cost associated with overstock and to successful delivery, thereby improving product image and competitiveness.

(5) Increase product value with outstanding industrial design

Transcend has already realized the importance of industrial design, and the Company is staffed with a professional industrial design team in pursuit of outstanding industrial design in order to improve product value. The Company has received numerous important industrial grant awards of Germany iF design award, reddot design award, Japan Good Design award, etc., and also received the honor of "Taiwan Excellence Award" for the twentieth consecutive year, a remarkable record achieved by the Company.

(6) Professional and dedicated R&D team

The Company has established a professional and dedicated R&D team for each product, whether standard products in large quantities or highly customized products,

the Company's own R&D team is able to promptly satisfy all aspects of demands of customers in terms of the product compatibility, reliability and yield rate, etc., thereby establishing an irreplaceable team and strength that cannot be overcome or surpassed by operators in the same industry.

Unfavorable Factors and Actions

(1) Violent price fluctuation of critical raw materials of DRAM chips, affecting operational stability

The prices of the critical raw materials of DRAM, NAND Flash chips of the Company fluctuate violently, and if a downstream operator cannot effectively manage the chip supply sources and control the inventory, then under the situation where the demand for chips is higher than supply and the market price surges, such operator would not be able to handle customers' strong demand and to provide sufficient products. Furthermore, when the chips are under the condition of supply over demand and the market price plunges, then the production cost and overstock cost would become overly high due to the high purchase price of the original raw materials. Consequently, market price fluctuation often results in the control difficulty of the sales price and cost, such that the stability of the operation is affected in certain extent.

→ Action

The Company has constructed a complete information system, and the inventory level can be reasonably controlled and enhanced through the assistance of such system. Furthermore, the Company focuses on the operation and long-term collaboration relationship with the suppliers and customers, and the Company also appropriately controls risks and adjusts strategies according to the market condition periodically, thereby ensuring reasonable price and maintaining a health inventory level.

(2) Low entrance barrier for standard memory card products and flash memory card products, leading to price war

Most of the operators in the same industry expand production capacity to seek high revenue; however, the market demand is not as optimistic as expected. To fill up the production capacity gap newly created, a lot of the operators are lowering their prices for competition, or even selling products for minimum profit or no profit, leading to the situation of chaotic market prices that is unfavorable to the product development and promotion. Unless a company is able to manage niche products and channels, or is equipped with brand value, it would be difficult to achieve stable development. Transcend is equipped with both of these characteristics and values them as the long-term goal.

→ Action

In addition to standard products, for DRAM and NAND Flash related products, the Company also offers special products at a certain ratio. The Company also develops numerous industrial control products and strategic products in order to increase the difference from the competitors and to improve profitability while providing the one-stop shop service to customers.

4.2.2. Main Usage and Manufacturing Processes of Main Products

1. Main Products and Their Main Usage

(1) Digital memory card/USB portable disk products

For flash memory card/USB portable disk, the main application is to increase the data

storage memory capacity of various digital equipment, such as multimedia mobile phones, digital cameras, tablets, PC/NB, surveillance cameras, gaming devices and smart phones.

(2) Solid State Drive (SSD)

The company's main products are SSDs. SSD is equipped with the characteristics that are absent in traditional hard disks, and such characteristics include shock resistant, high Read/Write speed, quiet and low power consumption, etc. Presently, for both notebook computers and desktop computers, the ratio of SSD has increased significantly, and the individual upgrades with SSD made by end users in the after-market also indicate great popularity. As the price of SSD becomes widely accepted by consumers, flash memories are expected to have the greatest popularity and application in the future.

(3) Memory products

The memory modules are another main products, its function is to expand the computer data processing capacity and to increase the processing speed, and the main applications include personal computer system, network system, industrial computers, as well as equipment, such as desktop computers, notebook computers, laser printers, servers, workstations, routers and fax machines.

(4) Dashcam

As the global automotive market continues to grow, consumers focus more on the personal driving safety. Transcend continued to launch a variety of Dashcam and kept develop in the Dashcam market.

(5) Body Camera

In addition to the automotive market, Transcend has launched Body Camera, which is the best partner for military and police security. The Company continuously launched new models and achieves further growth in the security and surveillance market.

(6) Storage equipment

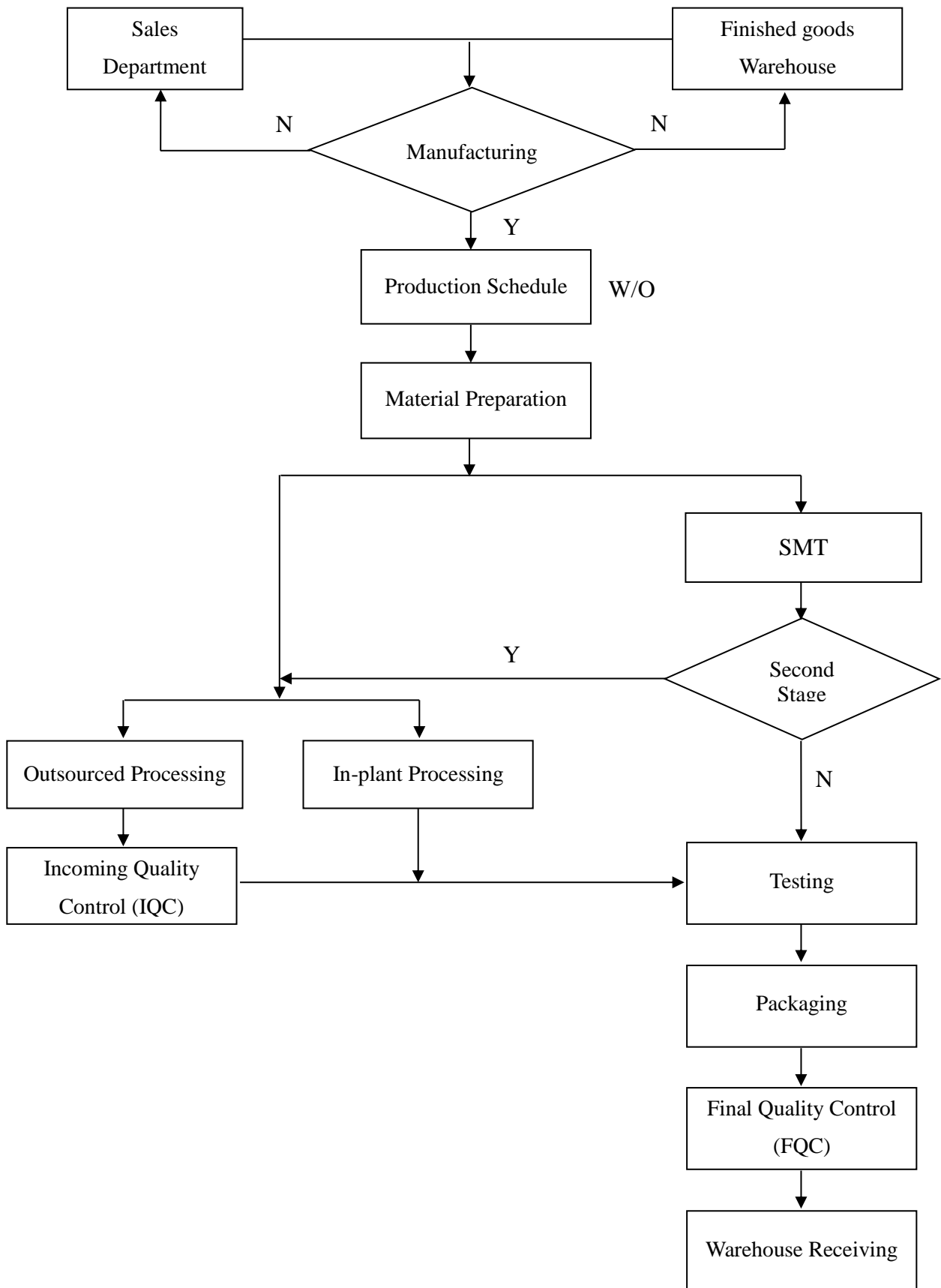
To satisfy the demand for information and personnel mobility, portable hard disks are equipped with the characteristics of compact size, high capacity and portability. The personal data portability and the design of confidentiality and security are increased in order to provide a comprehensive portable data solution for professionals in various sectors. As the industrial control application demand increases, Transcend launches numerous storage products satisfying different industrial applications, such as Portable SSD, flash memory modules and industrial grade CF/SD memory cards.

(7) Accessories and card readers

As the popularity of digital camera, smartphones and multimedia devices increase, the demand for transmitting and exchanging videos, music and various multimedia data effectively and swiftly among personal computers and other portable devices are increasing. Transcend launches various types of portable card readers and adapters, providing direct and convenient access interfaces, such that they offer the best choices to users having the preference of using high speed memory cards for transmission of digital data, music and photos. In addition, in view of the great popularity of smartphones and tablets nowadays, Transcend further launches high speed products and OTG/Type-C flash drives products, allowing users to enjoy faster transmission speed and achieving greater convenience in cross-platform data transmission, also making the overall storage product series more complete.

2. Main Products and Their Manufacturing Processes

Flow Chart of Manufacturing Processes



4.2.3. Supply Status of Major Raw Materials

Major Raw Materials	Purchasing Strategy and Supply Situation
DRAM	The Company maintains long-standing and positive cooperative relationships with major suppliers in the industry, and has signed memorandums of cooperation. Even in cases where resources are concentrated on new processes by the original manufacturers, we are able to secure stable supply, ensuring seamless delivery to downstream customers.
Nand Flash	The Company maintains excellent relationship with leading operators in the industry. In addition to obtaining stable supply source and cost advantages through purchase strategy, the Company has established long-term technical collaboration relationship with suppliers in order to maintain strong competitiveness for, NAND FLASH related products of the Company.
Hard Drive	Due to limited output, original manufacturers have raised prices; however, the company maintains a close partnership with key suppliers, ensuring clear advantages in supply, quality, and cost.
Controller	The Company selects cooperating partners carefully, and all of the cooperating partners are well-known operators with excellent company structure, thereby ensuring the product quality and cost advantages.
PCB	All of the cooperating partners of the Company are global top hundred PCB suppliers, and the Company also places orders according to the capacity and competitive advantage of suppliers, such that the effects of quality and cost can be achieved at the same time while maintaining stable product supply.
Optical Disk Device	The overall market for optical drive indicates slow decline. The Company and suppliers are long-term partners, and adopts the strategic collaboration method to ensure the quality, stable supply and price competitiveness.
Mechanical Part	Most of the designs of mechanical parts are customized. The Company is able to select stable long-term cooperating partners through detailed cost structure analysis and comparison in order to maintain stable quality and to continue to contact new suppliers for cost comparison, thereby ensuring price competitiveness.

4.2.4. Company Names, Amount and Percentage of Major Suppliers and Customers which were commanding 10%-plus Share of annual order volume in the Last Two Years

1. Major Suppliers

Unit: NT\$ thousands

Item	2023				2024				2025(as of March 31, 2025) (Note 3)			
	Company Name	Amount	Ratio to Annual Net Supplies (%)	Relation with Transcend	Company Name	Amount	Ratio to Annual Net Supplies (%)	Relation with Transcend	Company Name	Amount	Ratio to Quarterly Net Supplies (%)	Relation with Transcend
1	A	2,664,300	30.88	None	A	2,049,854	30.28	None	B	434,547	25.40	None
2	B	2,581,645	29.93	None	B	1,516,200	22.40	None	A	416,186	24.32	None
3	C	961,972	11.15	None	C	1,074,483	15.87	None	C	251,721	14.71	None
	Others	2,418,741	28.04		Others	2,129,418	31.45		Others	608,545	35.57	
	Net Total Supplies	8,626,658	100.00		Net Total Supplies	6,769,955	100.00		Net Total Supplies	1,710,999	100.00	

Note 1: Due to the restrictions of commercial confidentiality and non-disclosure of contracts, the names of suppliers are shown by codes.

Note 2: Changes of increase/decrease were due to the business needs.

Note 3: The financial statements of 2025 Q1 have already been reviewed by the CPAs.

2. Major Customers

The sales income of one customer from the company between 2023 and 2024 did not show 10% of the consolidated net operating income.

4.3. The Number of Employees, Average Service Year, Average Age and Educational Level Distribution Ratio in Last Two Years and up to the Publication Date of this Annual Report

Year		2023	2024	As of April 22, 2025
Number of Employee	Direct	609	588	576
	Indirect	568	571	556
	Total	1,177	1,159	1,132
Average Age		40.2	40.7	41.0
Average Years of Service		10.8	11.4	11.7
Education	Ph.D.	0.0%	0.0%	0.0%
	Masters	14.2%	14.8%	14.8%
	Bachelor's Degree	59.9%	59.6%	59.7%
	Senior High	22.6%	22.4%	22.2%
	Below Senior	3.3%	3.2%	3.3%

4.4. Environmental Protection Expenditures

For all selected raw materials, auxiliary materials and packaging materials, internal professional personnel has performed product compliance inspection in order to ensure that the products comply with the international environmental protection laws and regulations.

The main manufacturing processes of the Company's products include component mounting, board cutting, assembly, testing, packaging and sales to the customer end. During the manufacturing process, no waste gas or wastewater is discharged, and only industrial wastes are generated from the process. The industrial wastes are collected and classified according to their properties, and qualified supplier approved by the Environmental Protection Administration is entrusted to handle the cleaning and disposal of the wastes. The qualification certificate of the supplier entrusted is reviewed rigorously, and testing and reporting are performed in accordance with the laws and regulations in order to ensure that the industrial wastes are properly handled.

1. Any losses and disposition suffered by the company in the most recent fiscal year and up to this Annual Report publication date due to environmental pollution incidents: None.
2. Material Environmental Protection Expenditures: None.

4.5. Labor Relations

4.5.1. Implementation of various employee welfare measures, continuing education, training, and retirement systems, and maintenance of the collective bargaining agreement and various employee rights:

1. Employee benefit plans:

- (1) Insurance: To provide greater living protection to employees, in addition to the enrollment of labor and health insurances for employees according to the laws, the Company plans the group insurance for employees, and it covers term life insurance, accidental injury insurance, hospitalization and medical insurance, and cancer health insurance, etc. For employees traveling on business trips, additional business travel safety insurance is applied in order to provide greater protection to employees.
- (2) Entertainment activities: The Company has established the Employees' Welfare Committee according to the laws, and the activities of year-end party, family day and sports contest, etc., are organized annually in order to achieve physical and

mental relaxation and to achieve coherence. Furthermore, the activity center is also installed with various fitness and recreation facilities, such as, table football, table tennis, snooker, fitness room and other equipment for employees' use during their free time. Employees are also encouraged to participate in club activities and to establish friendship and communication through club activities.

- (3) Other benefits: Employees' health is considered a fundamental aspect for the Company's development. In addition to providing annual health examination to employees, the Company also sets up basketball courts, fitness room, ping pong table, billiards table and foosball table to provide diverse sports and recreation facilities. Employees are offered with the employee discount prices for the purchase of the Company's products for own use. The employee cafeteria and café also offer meals at discount prices to employees. The Company irregularly provides gifts and issues marriage and maternity cash gift and funeral consolation money. Furthermore, through cross-industry alliance with other vendors, the Company provides more preferential information to the living of employees.

2. Employee continuing education and training:

As the Company is in the highly competitive technology industry, talents are the key factors determining the success of a corporate. Transcend has also valued talents as the most powerful and significant backup to the company. Through various learning methods of professional competence improvement courses, work transfer, overseas business trips and trade shows, etc., arranged by the Company, Transcend is able to cultivate employees equipped with functions of greater diversity and depth, thereby achieving the goals of the organization.

In terms of the training courses, each year, the Company organizes orientation training for new employees and also organizes competence improvement courses for professional abilities of personnel in each departments, as well as organizes or assigns personnel to participate in relevant external trainings according to laws and regulations.

3. Retirement systems:

To meet the requirements specified by the laws and regulations, the Company contributes 6% of the insured monthly salary and deposits into the pension personal account at the Bureau of Labor Insurance monthly for new employees on-board since July 1, 2005 and existing employees who chose the new retirement pension system. For existing employees who chose the old retirement pension system and maintained their service years under the old system, the Company appropriates an appropriate pension reserve and deposits in the dedicated account at Bank of Taiwan, and the Supervisory Committee members are responsible for the supervision of the reserve fund.

4. Other labor agreements:

The agreements between the labor and management of the Company are handled in accordance with the Labor Standards Act, and are explained in conjunction with the personnel management regulations upon the time when employees joining the Company for service. Relevant regulations are added or revised depending upon the operational needs of the Company.

4.5.2. Any Losses due to Labor Disputes and Any Estimated Losses and Countermeasures

1. Any losses and disposition suffered by the company in the most recent fiscal year and up to this Annual Report publication date due to labor disputes: None.
2. Any estimated losses and countermeasures: There are currently no labor disputes expected to result in any losses.

4.6. Information Security Management

4.6.1. Information Security Management Strategy and Structure

1. Information Security Risk Management Structure

The Company established the “Information Security Execution Team” in May 2019 to be responsible for the establishment of policies, execution, recording and review of information security events and information security accidents, and to also accept the annual information cycle supervision of the Auditing Office. The Administrative Vice President concurrently acts as the information officer to take the role of convener in order to convene meetings annually, and to also report information security governance status to the board of directors.

2. Information Security Policy

To improve the information security management system, and to ensure the confidentiality, legality, reliability and integrity of the Company’s information, personnel, assets, software and hardware, the Company establishes the information security policy according to the ISMS information security management system, and the objective is to reduce information risk to the acceptable level through control methods, in order to improve the information security risk management of the Company.

Information security control measures:

- (1) Establish information asset list, and perform classification control according to the information risk assessment.
- (2) All new employees are required to participate in the information security education and training, in order to improve employees’ understanding and concept on the information security. In addition, educational promotion on information security precautions are also executed periodically.
- (3) The internal and external networks of the Company are installed with firewall, and employees are prohibited to use private network equipment to connect to the external network or intranet of the Company.
- (4) Mainframes of confidentiality are installed in an isolated network environment. For database and file access, use authorities are established and remote backup is performed periodically.
- (5) Perform information asset inspection operation and system abnormality drill periodically, in order to maintain the system reliability.
- (6) Establish information security event management standard and information security event reporting procedure.
- (7) All employees using information provided by the Company to perform relevant information job duties and suppliers with business dealings or visitors shall bear the responsibility and obligation to protect the information assets obtained or used, and it is prohibited to perform access, modification or illegal disclosure without authorization.
- (8) Personal computers shall be installed with anti-virus software and updated with the latest virus codes. In addition, software management policy shall be established, and any unauthorized software shall be prohibited from use.
- (9) Employees possessing accounts, passwords and authorizations provided by the Company shall bear the custody responsibility properly and shall also update passwords periodically according to the request.
- (10) All employees of the Company shall comply with the laws and regulations as well as the requirements of the information security policy of the Company. The supervising unit shall bear the supervision responsibility, implement the system and improve employees’ understanding on the information security and legal concepts.

3. Specific Management Plan

- (1) It is necessary to identify the information security event root cause and adopt an effective strategy, as well as establishing the method and procedure to improve future incident handling according to the information security incident classification.
- (2) The information security execution team proposes the information security incident statistical information according to the internal audit information cycle requirements of the Auditing Office, in order to facilitate the continuous improvement of the information security management system.
- (3) Important information security event handling result shall be periodically summarized, and under condition where no personal privacy and trade secret is involved, announcement can be published on the monthly report or intranet to describe the incident occurrence cause, process, handling method, improvement and precaution recommendations, etc., in order to use it as reference information for information security education and information security event prevention.
- (4) Based on the consideration that information security risk is a new emerging type of risk, the Company is currently under the evaluation stage. In the future, the Company will continue to improve the information security system management and will also conduct information security evaluation periodically. Through repetitive drills and continuous review and improvement, the information security hazard awareness of employees and response capability of information security handling personnel of the Company can be enhanced, thereby preventing occurrence of information security events.

4. Information Security Management Resources

The Administrative Vice President concurrently acts as the information officer to take the role of convener in order to convene meetings in regularly every year, to review report records and to review information security policy and future development direction. In addition, the information security governance status has been reported to the board of directors on November 05, 2024.

Please refer to the Company's website for details:

https://tw.transcend-info.com/about/information_security_management

4.6.2. Losses, possible impacts and countermeasures as a result of major information security incidents in the last year up to the publication date of this annual report, state the reasons if losses cannot be reasonably estimated:

On February 7, 2025, the Company's subsidiary, Transcend Information, Inc., experienced a cyberattack that affected part of its information systems. The impact was limited to the corruption of certain non-core business files on local servers. The systems resumed normal operations on the same day, and the incident is assessed to have no material impact on the Company's operations.

Countermeasures: Enhanced connection security and stricter access controls have been implemented for remote employees.

4.7. Important Contracts

Agreement	Counterparty	Contract Period	Major Contents	Restrictions
Lease	Won Chin Investment Inc.	2022.6.12-2027.6.11	Land Lease Contract	None
Lease	Cheng Chuan Technology Development Inc.	2022.6.12-2027.6.11	Land Lease Contract	None
License	Intel Corporation	2014.4.18-	Thunderbolt Technology License Agreement	None

5. Review and Analysis of Financial Position, Financial Performance, and Risk Management

5.1. Analysis of Financial Position

Unit: NT\$ thousands

Year	2024	2023	Difference		
			Amount	%	Analysis
Current Assets	14,448,945	16,395,267	(1,946,322)	(11.87)	
Funds and Investments (Note 1)	2,568,031	1,495,102	1,072,929	71.76	(1)
Property, Plant and Equipment	1,558,755	1,509,348	49,407	3.27	
Intangible Assets	-	-			
Other Assets (Note 2)	2,824,534	2,889,564	(65,030)	(2.25)	
Total Assets	21,400,265	22,289,281	(889,016)	(3.99)	
Current Liabilities	1,300,387	2,702,840	(1,402,453)	(51.89)	(2)
Non-current Liabilities	276,864	317,731	(40,867)	(12.86)	
Total Liabilities	1,577,251	3,020,571	(1,443,320)	(47.78)	
Capital Stock	4,298,547	4,290,617	7,930	0.18	
Capital surplus	2,897,800	3,044,619	(146,819)	(4.82)	
Retained Earnings	12,653,547	12,163,837	489,710	4.03	
Other Adjustments	(26,880)	(230,363)	203,483	(88.33)	(3)
Total Stockholders' Equity	19,823,014	19,268,710	554,304	2.88	
Analysis of Deviation over 20%:					
(1) It was mainly due to the investments made in US dollar bonds and ETF funds in 2024, such that funds and investments increased at the end of the period.					
(2) It was mainly due to the increase of inventory purchase amount, such that accounts payable increased at the end of the period.					
(3) It was mainly due to the increase in the stock price, such that unrealized gain on financial assets at fair value through other comprehensive income increased.					

Note 1: Including Investments accounted for using equity method, Non-current financial assets at fair value through profit or loss, and Non-current financial assets at fair value through other comprehensive income.

Note 2: Including Deferred tax assets, Investment property, Right-of-use assets and Other non-current assets.

5.2. Analysis of Financial Performance

5.2.1. Main reasons for any material change in operating revenue, operating income and income before tax in the most recent two years

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference Amounts	%	Analysis
Operating Revenue	10,083,525	10,496,172	(412,647)	(3.93)	
Operating Costs	(6,991,338)	(7,451,567)	460,229	(6.18)	
Gross profit	3,092,187	3,044,605	47,582	1.56	
Operating Expenses	(1,186,633)	(1,154,959)	(31,674)	2.74	
Operating Profit	1,905,554	1,889,646	15,908	0.84	
Non-operating income (expenses)					
Other income	387,622	473,464	(85,842)	(18.13)	
Other gains and losses	562,815	133,172	429,643	322.62	(1)
Financial cost	(3,055)	(3,320)	265	(7.98)	
Share of loss of associates and joint ventures accounted for using the equity method	(23,185)	(22,128)	(1,057)	4.78	
Total non-operating income (expenses)	924,197	581,188	343,009	59.02	
Profit before income tax	2,829,751	2,470,834	358,917	14.53	
Income tax expense	(515,319)	(485,999)	(29,320)	6.03	
Profit for the year	2,314,432	1,984,835	329,597	16.61	

Analysis of Deviation over 20% and Difference amounts over NT\$ 20,000,000:
(1) Mainly due to the increase in the market price of ETF funds, resulting in the recognition of related valuation gains.

5.2.2. Sales Volume Forecast and Basis for 2025

Item	Sales Volume Forecast in 2025/Unit: thousands
FLASH+DRAM products	20,000
Others	2,000

The Company established the forecast for the possible sales volume of each type of product based on the industry economic condition in 2025, market research and future orders.

In 2024, the topic of AI continues to heat up, various terminal applications are blooming, and the demand for storage devices is also booming. In response to market demands, Transcend will promptly adjust purchasing and inventory policies in order to flexibly adapt inventory levels. Based on estimations from different market research institutions, end customers have gradually completed their inventory adjustments, and the supply and demand of markets will return to normal. In addition, the rapid growth of applications of AI and datacenters will keep the industrial application realm as a whole at a high growth speed, where relevant applications require big data storage so the demands for SSD products are estimated to continue to grow. In 2025, we will continue to enhance development and market expansion for SSDs, industrial flash products, external storage devices, dashcams, and wearable multimedia devices.

5.3. Analysis of Cash Flow

5.3.1. Cash Flow Analysis for the Current Year

	2024	2023	Unit:NT\$ thousands Increase (Decrease)
Net cash flows from operating activities	(987,823)	1,313,881	(2,301,704)
Net cash flows from investing activities	3,294,216	(144,869)	3,439,085
Net cash flows from financing activities	(2,204,572)	(2,452,379)	247,807
	<u>101,821</u>	<u>(1,283,367)</u>	<u>1,385,188</u>

Regarding the change of cash flow from operating activities, the amount in 2024 decreased by approximately NT\$ 2.3 billion from the amount in 2023. It was mainly due to the increase in inventory purchase amount in 2023 and the corresponding accounts payable being consumed in 2024.

Regarding the change of cash flow from investing activities, the amount in 2024 increased by approximately NT\$3.44 billion from the amount in 2023, and this was mainly due to the disposal of financial assets at amortised cost in 2024 which caused higher cash inflow.

5.3.2. Liquidity Analysis for the Coming Year and Remedy for Cash Deficit

1. Operating activities: The overall gross profit is expected to grow continuously and the operating activities will generate net cash inflow.
2. Investing activities: The Company will continue to perform appropriate investment with idle funds in order to gain stable investment profit, and it is expected to generate net cash inflow.
3. Financing activities: Net cash outflow primarily from cash dividend payment.

Remedy for Liquidity Shortfall: Not applicable.

5.4. The Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year

In 2024, the Company had no major capital expenditure. Up to the end of March 2025, the consolidated cash and short-term investment position were approximately NT\$ 8.7 billion. After the deduction of relevant cash outflow items, the capital was still sufficient; therefore, there was no risk of capital shortage.

5.5. Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for Profits or Losses Generated Thereby, Improvement Plans, and Investment Plans for the Coming Year

None.

5.6. Analysis of Risk Management

5.6.1. The Organization Structure of Risk Management

The organizational structure of risk management of the Company is as follows:

Organization name	Scope of responsibility
Board of Directors	<ol style="list-style-type: none"> 1. Establish risk management policy, structure and culture 2. Ensure the effectiveness of risk management mechanism
Audit Committee	<ol style="list-style-type: none"> 1. Composed of independent directors, it supervises the implementation and improvement progress of risk management.
Senior management level	<ol style="list-style-type: none"> 1. Execute risk management decision making 2. Cross-department risk management interaction and communication 3. Material risk early warning, assess potential loss, handle follow-up strategy or report of risk mitigation and summarize material risk event handling result
Audit Office	<ol style="list-style-type: none"> 1. Monitor and periodically assess whether the risk control of all departments is performed properly 2. Issue an audit report according to the audit result, and propose improvement suggestions and follow up improvement progress
All departments of headquarters (Note)	<ol style="list-style-type: none"> 1. Execute daily risk management activities 2. Execution of corporate management and risk decision making 3. Perform risk control activity assessment

Note: The authorities and responsibilities of all departments of headquarters are as follows:

- (1) FAD: Responsible for the Company's financial analysis, accounting affairs, statements preparation, difference analysis, fund management, planning of the Company's taxes, finance, stock affairs and investments as well as monitoring of the cash flow of all subsidiaries, in order to reduce financial risks.
- (2) PUR: Responsible for understanding the quality condition and price trend of raw materials, component parts, machine equipments and office supplies necessary for the products and operation of the Company in order to perform price negotiation and purchase. It is also responsible for maintaining the safety stock of the purchase items and assisting the handling of slow-moving materials, in order to reduce risks of purchase management and slow-moving inventory.
- (3) PM & Marketing: Responsible for the Company's reasonable pricing and fair distribution of products, summarizing and analyzing the product information and pros/cons of each product line, and assisting the management of demands for customization, in order to reduce the risk of product planning management; responsible for matters related to the brand marketing activities, strengthening of brand image, product and market information collection, establishment and execution of marketing plans, contact and application of broadcast media, planning of the Company's website and assistance to sales activity arrangement and design, etc., in order to reduce risks related to brand marketing.
- (4) Sales: Responsible for the establishment of market sales plan, development and maintenance of customers, business management and promotion, collection and response to new business opportunities, in order to reduce the market risks of new customer development, etc.
- (5) R&D / Tech Support: Responsible for the research, development and design related matters for

various products, research and development target estimation and management, new product research and development, handling and tracking of abnormalities, in order to reduce risks related to research, development and design.

- (6) Production: Responsible for relevant works of production schedule control, product packaging, repair and shipping operation, etc., in order to reduce risk of production capacity and shipping, etc.; responsible for the manufacturing, testing, repair of products and production technologies, improvement of manufacturing quality etc., in order to reduce risks related to production and manufacturing.
- (7) ADM: Responsible for the management of corporate legal affairs, contracts, patents and intellectual property rights, human resource management and organization development, etc., in order to reduce risks of legal, administration and human resource management.
- (8) Information System: Responsible for planning of information system, network establishment and maintenance and various computer software and hardware installation and configuration management related matters, in order to reduce risks of information security.
- (9) Quality Assurance: Responsible for the establishment of the Company's quality assurance system, promotion of ISO system and QA management system, direct internal and external audit and certifications, in order to reduce quality management related risks.

5.6.2. Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

1. Interest rate

Unit: NT\$ thousands

Item	2024		2023	
	Amount	%	Amount	%
Interest income	315,368	16.55%	394,761	20.89%
Profit from operations	1,905,554	100.00%	1,889,646	100.00%

The Company has a sound financial system. If there is any bank borrowing, the Company enhances the close contact with the bank with respect to the loan interest rate in order to understand the interest rate trend, thereby obtaining the most preferable loan and reference for asset allocation. Regarding the short-term idle capital utilization, the Company mostly uses the USD and NTD time deposits, money market fund and financial instruments with low risk as the investment targets.

2. Foreign exchange rates

Unit: NT\$ thousands

Item	2024		2023	
	Amount	%	Amount	%
Exchange Gains (loss)	271,600	14.25%	89,591	4.74%
Profit from operations	1,905,554	100.00%	1,889,646	100.00%

The increase in exchange gains in 2024, which were mainly due to the impact of the depreciation of NTD to USD.

Due to the impact on the Company's profit of changes in exchange rate, the Company establishes the following countermeasures:

- (1) The export ratio of the Company is approximately 78%, and the main currencies are

USD and EUR. On the other hand, the main currency for purchase is USD. Through appropriate proportion among these two types of currencies and through the offsets between accounts receivable and accounts payable, the exchange rate fluctuation among different currencies could be canceled out, such that the exchange rate change would then achieve a certain level of natural hedging effect for the Company.

- (2) The Company will adjust the foreign exchange position depending on the exchange rate trend, and use appropriate financial tools to perform reasonable hedging operation.
- (3) The Company also considers the exchange rate factor during the sales order quotation in order to ensure the reasonable profit of the Company.
- (4) The Company maintains close contact with the foreign exchange department of the financial institution, understands the exchange rate trend and promptly adjusts the foreign exchange position in order to hedge the foreign exchange risk.
- (5) The Company complies with the provisions of the "Procedures for Acquisition and Disposal of Assets" and determines the reasonable hedge ratio and hedging tool according to the foreign exchange market trend.

3. Inflation

The main businesses of the Company refer to the manufacturing and sales of computer peripherals and storage application products, and there have been no material impacts due to inflation. The Company periodically adjusts the pricing strategy and pays attention to the market price change in order to prevent possible risks associated with inflation.

5.6.3. Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

1. The Company did not engage in any high-risk or high-leveraged investments in 2024.
2. The Company did not engage in any financial derivatives transactions in 2024. In the future, the Company will perform periodic assessment depending upon the operation status of the Company and the change of the market trend in order to flexibly adjust relevant hedging strategies.
3. Status of the Company's loaning of funds to others in 2024: None.
4. Status of the Company's endorsements and guarantees in 2024: The Company provides a guarantee for Transcend Japan Inc. amounting to JPY 2,000,000 thousands. Pursuant to the Company's "Procedures for Endorsement and Guarantee," the maximum limit of guarantee up to the end of 2024 was NT\$ 7,711,400 thousands.

5.6.4. Future Research & Development Projects and Corresponding Budget

1. R&D projects and current status of pending R&D projects in the most recent year
Please refer to "4.1.3. Research and Development Overview."
2. R&D budget for further investment
Please refer to "4.1.3. Research and Development Overview."
3. Main factors affecting success of R&D

Since the entrance barrier for consumer products is relatively low, for new product development, product launch must be made at the right time in order to seize the business opportunity. Accordingly, for R&D, it is necessary to shorten the schedule, and the product function must be able to satisfy the fast and diverse demands from end-users at

the same time. The Company will cultivate more senior and specialized R&D talents. In addition, the embedded products require stable quality, and customization must be performed according to the customer demands. The Company has established a dedicated unit for such product lines in order to enhance the R&D strength.

5.6.5. Effects of and Response to Changes on Important Domestic and Foreign Policies and Laws Relating to Corporate Finance and Business

During 2024 and as of the date of publication of this annual report, changes in related laws have not had a significant impact on our finance and operations. The Company consistently pays close attention to any changes in local and foreign policies and makes appropriate amendments to our systems when necessary.

5.6.6. Effects of and Response to Changes in Technology (including information security risks) and the Industry Relating to Corporate Finance and Business

In the post-pandemic era, consumer demands will shift from individuals to corporations as a result of the diminished pandemic dividend from life normalization, while demand for memory is expected to continue to grow due to the development of 5G, AIoT, corporate servers, and industrial computer applications. Transcend will continue to adopt the product strategy for both channel and project sales, to strengthen research and development energy, to improve product integrity and performance, in order to implement reasonable pricing strategy and outstanding customer service, thereby continuously creating stable profits for the Company.

To cope with the advancement of digital technology, the Company plans to focus on the information security risk and the following measures have been implemented in the current year:

(1) The global VPN connection has basically been established and enhance the authentication mechanism, and regularly check for irregularities of the use of VPN accounts to prevent unauthorized users from accessing our sensitive data; and (2) renew the contract for the network system service for this year, simultaneously upgrade the information security version, and purchase 1 sets of hardware firewall to improve the protection level. The Company will continue to improve the information security measures, to strengthen employees' information security awareness and to periodically review relevant policies and future development direction, in order to achieve the goal of establishing a sound information security environment.

5.6.7. The Impact of Changes on Corporate Image on Corporate Crisis Management, and the Company's Response Measures

Under impact of the post-pandemic era and the overall economic change, corporate development uncertainty is increased. Nevertheless, Transcend continues to strengthen the completeness of embedded products, launch new products without comprising product quality, and make product applications more diverse in order to meet the memory requirements of different industries. Transcend is equipped with complete infrastructure, production line and sound financial structure. In addition, the Company also emphasizes the customer value and customer-oriented approach. The future development goal of the Company includes: (1) The growth momentum infused from the deep involvement of the channel market and the expansion of industrial application projects; (2) win-win scenarios created from cooperation on our group's industrial projects; and (3) the professional competencies of our sales representatives and the logistical support strengthened to create added value by improving service quality. In the future, the Company will continue to exert effort on the increase of product and service quality and will also convert customer

satisfaction and loyalty into stable profit of the Company.

In addition, to cooperate with the Corporate Governance 3.0 – Sustainable Development Blueprint promoted by the government, Transcend will also actively engage in the corporate governance, prepare ESG report and is committed to protecting the interests of shareholders and treating all shareholders equally, to enhance the functions of board of directors, to increase information transparency, and to promote sustainable development, etc., in order to improve international competitiveness of the Company and to fulfill the obligations for all shareholders.

For 2024 and up to the printing date of the annual report, there have been no material risk matters affecting the corporate image

5.6.8. Expected Benefits from, Possible Risks Relating to and Response to Merger and Acquisition Plans
None.

5.6.9. Expected Benefits from, Possible Risks Relating to and Response to Factory Expansion Plans
None.

5.6.10. Risks Relating to and Response to Excessive Concentration of Purchasing or Sales Operations
None.

5.6.11. Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors or Shareholders with over 10% Shareholdings
None.

5.6.12. Effects of, Risks Relating to and Response to the Changes in Management Rights
None.

5.6.13. Litigation or Non-litigation Matters
None.

5.6.14. Other Major Risks and Response Measures
None.

5.7. Other Material Matters

The valuation accounts on the Company's assets and liabilities include Allowance for loss on accounts receivable, Allowance for loss on decline in market value of inventory, and Financial assets impairment, etc. And the accounting policies adopted are as follows:

1. Allowance for loss on accounts receivable

The Company classifies customers' accounts receivable in accordance with the credit rating of the customer. The Group applies the simplified approach to estimate expected credit loss under the provision matrix basis. The Company used historical and timely information to assess the loss rate of accounts receivable.

2. Allowance for loss on decline in market value of inventory

(1) Inventories are stated at the lower of cost and net realizable value. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable

value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses. When the net realizable value is lower than cost, the difference is recognized as loss on decline in market value of inventory.

- (2) When the ending inventory has not changed for more than two years, it is deemed as slow-moving inventory and is listed in the slow-moving inventory report. And loss for slow-moving inventory will be 100% recognized.
- (3) When the ending inventory refers to products that the Company no longer manufactured and sold, those products are deemed as slow-moving inventory and are listed in the slow-moving inventory report. And loss for slow-moving inventory will be 100% recognized.

3. Financial assets impairment

For financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

6. Special Disclosure

6.1. Information of Affiliated Companies

6.1.1. Consolidated Business Report of Affiliated Enterprises

Please refer to MOPS > Individual Company > Electronic Document Download > Related Party Transaction Disclosure Section:

https://mopsov.twse.com.tw/mops/web/t57sb01_q10

6.1.2. Consolidated Financial Statement of Affiliated Enterprises

Please refer to MOPS > Individual Company > Electronic Document Download > Related Party Transaction Disclosure Section:

https://mopsov.twse.com.tw/mops/web/t57sb01_q10

6.1.3. Affiliation Reports

Not applicable.

6.2. Private Placement of Securities in 2024 and as of the date of this Annual Report

None.

6.3. Other Necessary Supplement

None.

7. Latest Matters with Material Impacts on Shareholders' Interests or Security Prices Indicated in Paragraph 3 Subparagraph 2 of Article 36 of the Securities and Exchange Act in 2024 and as of the date of this Annual Report

None.

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