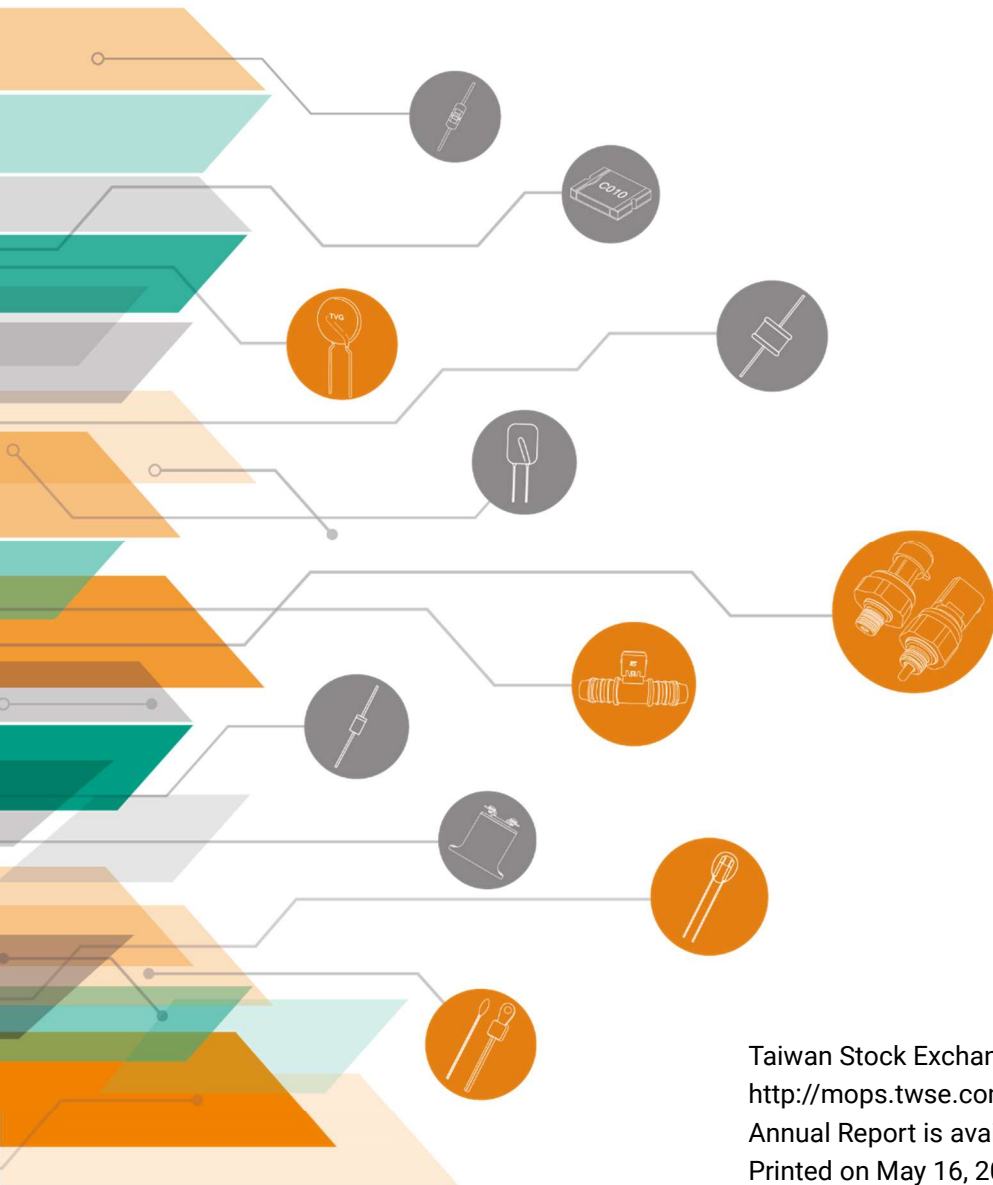




**THINKING ELECTRONIC INDUSTRIAL CO., LTD.**

# **2024 Annual Report**



Taiwan Stock Exchange Market Observation Post System:  
<http://mops.twse.com.tw>  
Annual Report is available at: [www.thinking.com.tw](http://www.thinking.com.tw)  
Printed on May 16, 2025

**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.

**I. Spokesperson and Acting Spokesperson**

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**II. Address and telephone of main office/branch office/plant**

Address of Main : 8F, No. 93, Dashun 1st Road, Zuoying District, Kaohsiung  
Management Department : City  
Telephone : (07)557-7660  
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**III. Stock Transfer Agent**

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Address : B1, No. 8, Dongxing Road, Songshan District, Taipei City  
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**IV. CPA for the Financial Statement of the Most Recent Year**

Name of CPA : Chen Chen-Li, Liu Yu-Hsiang  
Name of Firm : Deloitte & Touche  
Address : 3F, No. 88, Chenggong 2nd Road, Qianzhen District,  
Kaohsiung City  
Website : <http://www.deloitte.com.tw>  
Telephone : (07)530-1888

**V. Overseas Securities Exchange: None****VI. Company website:** <http://www.thinking.com.tw>

## **Contents**

|  |           |
|--|-----------|
| <b>I. Letter to Shareholders.....</b>  | <b>1</b>  |
| <b>II. Corporate Governance Report .....</b>   | <b>7</b>  |
| 2.1 Information of Directors, President, Vice President, Associate Vice President, and Heads of Various Departments and Branches .....   | 7         |
| 2.2 Remuneration Paid to Directors, President and Vice President for the Most Recent Fiscal Year.....  | 13        |
| 2.3 Implementation of Corporate Governance .....   | 19        |
| 2.4 Information on CPAs' professional fee .....  | 84        |
| 2.5 Information on Replacement of CPAs.....  | 85        |
| 2.6 The Company's Chairman, President, Officers in charge of Financial or Accounting Affairs has Served in Its Certified Public Accountant Firm or Its Affiliated Enterprise for the Most Recent Fiscal Year .....   | 86        |
| 2.7 Transfer of Equity Interests and/or Pledge of or Changes in Equity Interests by Directors, Managers or Major Shareholders with a Stake of More than 10 Percent for the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report ..... | 87        |
| 2.8 Relationship among the Top Ten Shareholders .....  | 89        |
| 2.9 Number of Shares Held by the Company, the Company's Directors, Managers, and Directly or Indirectly Controlled Businesses and the Consolidated General Holding Ratio as follows.....   | 91        |
| <b>III. Capital Overview .....</b>   | <b>92</b> |
| 3.1 Capital and Shares .....   | 92        |
| 3.2 Corporate Bonds .....  | 98        |
| 3.3 Preferred Shares .....   | 98        |
| 3.4 Global Depositary Receipt .....  | 98        |
| 3.5 Status of Employee Share Options.....  | 98        |
| 3.6 Status of New Restricted Employee Shares .....   | 98        |
| 3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions.....   | 98        |
| 3.8 Financing Plans and Implementation.....  | 98        |
| <b>IV. Operational Highlights .....</b>  | <b>99</b> |
| 4.1 Business Activities .....  | 99        |
| 4.2 Overview of Market, Production, and Sales .....  | 104       |
| 4.3 Human Resources.....   | 110       |
| 4.4 Environmental Protection Expenditure.....  | 110       |
| 4.5 Labor Relations .....  | 111       |
| 4.6 Cyber Security Management.....   | 114       |
| 4.7 Material Contracts .....   | 116       |

|  |            |
|--|------------|
| <b>V. Review and Analysis of Financial Conditions, Operating Results, and Risk Management.....</b>   | <b>117</b> |
| 5.1 Review and Analysis of Financial Status.....   | 117        |
| 5.2 Review and Analysis of Operating Results.....  | 118        |
| 5.3 Review and Analysis of Cash Flow .....   | 119        |
| 5.4 Impacts of Major Capital Expenditure for the Most Recent Fiscal Year on<br>Financial Operation .....   | 119        |
| 5.5 Investment Policy for the Most Recent Fiscal Year, Reasons for Profit (Loss),<br>Improvement Plan and the Investment Plan for the Coming Year .....                | 120        |
| 5.6 Review and Analysis of Risk Management .....   | 120        |
| 5.7 Other Material Items .....   | 123        |
| <b>VI. Special Disclosure .....</b>  | <b>124</b> |
| 6.1 Summary of Affiliated Companies .....  | 124        |
| 6.2 Any Private Placement of Securities for the Most Recent Fiscal Year and during<br>the Current Fiscal Year up to the Date of Publication of the Annual Report ..... | 133        |
| 6.3 Other Matters Requiring Supplementary Information.....   | 133        |
| <b>VII. Matters with Important Impacts on Shareholders' Equity or Prices of Securities</b>   | <b>134</b> |

# I. Letter to Shareholders

Dear Shareholders,

The Company always uses the best effort to manage its products and keep serving as a goalkeeper for current protection, voltage protection and temperature protection, by upholding the enterprise spirit “Prosperity, Satisfaction, Diligence and Sustainability”. Fearless of fluctuation in the global economy, the Company responds to them by improving the Group's management, diversifying the market strategies, stabilizing financial structure and adopting reasonable cause and effect, in order to seize any new opportunities. Within the electronics industry, the Company is also steadily working towards its goal of becoming the leading brand for protective components.

## 1.1 Business report:

### i. Results:

The consolidated revenue for the year was NT\$7,519,697 thousand, 6.25% increase from the previous year; the consolidated net profit after tax was NT\$1,532,973 thousand, 16.92% increase from the previous year, and the earnings per share (EPS) was NT\$12.10.

### ii. Execution of budget: N/A.

### iii. Analysis on financial receipts and expenditures, and profitability:

Unit: NT\$ Thousand

| Year                                |   | 2024      | 2023      |
|-------------------------------------|---|-----------|-----------|
| Item                                |   |           |           |
| Financial receipts and expenditures | Operating revenue, net                    | 7,519,697 | 7,077,136 |
|                                     | Gross profit                              | 2,979,747 | 2,743,767 |
|                                     | Current net profit                        | 1,532,973 | 1,311,159 |
| Profitability                       | ROA                                       | 10.54%    | 9.66%     |
|                                     | ROE                                       | 15.20%    | 14.25%    |
|                                     | Operating income to paid-in capital ratio | 138.45%   | 124.30%   |
|                                     | EBT to paid-in capital ratio              | 161.20%   | 134.45%   |
|                                     | Net profit margin                         | 20.38%    | 18.52%    |
|                                     | EPS after tax (NT\$)                      | 12.10     | 10.21     |

iv. Research and development:

- (1) Complete the TSM 1A473 1A204 NTC thermistor series model development in the hard-to-soft cutting process.
- (2) Complete the TPM 0805 4.7 ohm ultra-low resistance PTC thermistor model development.
- (3) Complete the development of chips for high-precision medical treatment devices, including nucleic acid detection, infrared temperature sensors, and thermometers, etc.
- (4) Complete the development of LCP 0402 ultra-low breakdown voltage  $V_t < 250V$  products.
- (5) Complete the development of TVR grade A explosion-proof products (liquid coating products).
- (6) Complete the development of TGM zero-increase products and commence mass production.
- (7) Complete the development of PTC Thermistor SMD 0603 low-resistance series ( $10\Omega$  and  $6.8\Omega$ ).
- (8) Complete the SCK copper electrode product series development.
- (9) Complete the SCK-U miniaturized product series development.
- (10) Complete the development of TVM SMD silver electrodes 6B820 8000A high-pass varistors.
- (11) Complete the TVM SMD silver electrodes 6C160 50J high-surge-load varistor model development.
- (12) Complete the TVA25821 251122 low-residual-voltage varistor model development.
- (13) Complete the development of the CPTC PH/PP/Sensor lead-free product series.
- (14) Complete the CPTC 1400V high-voltage product development.
- (15) Complete the development of KMC 0402/2016 series products.
- (16) Complete the development and mass production of sensor product series for motor motors.

1.2 Summary of business plan:

i. Business policy

- (1) Continue applying the management philosophy, "New Concept, New Management, New Technology and New Market", and continue cultivating new markets in electric vehicles, renewable energy, AI, industrial control, communications and low-orbit satellites, healthcare and medical sectors, among others.
- (2) Leverage the economies of scale and competitive advantages of each manufacturing site, establish an internal support network within the Group, utilize the most suitable technological capabilities, and supply the most competitive products to achieve optimal business profits.

- (3) Enhance employee capabilities to handle more international large-scale clients, increase organizational connectivity to ensure operational continuity across departments; promote job rotation to strengthen operational stability and achieve the goal of sustainable business operations.

ii. Expected sales volume and basis thereof

The replacement of fuel vehicles with electric vehicles, along with the intelligent evolution of automotive electronic controls, represents a significant growth driver in the electronics industry. Although the rapid growth trend has temporarily slowed due to global geopolitical tensions and overall economic instability, our company's long-term investment in this market continues to be one of the main growth engines for our revenue. Global climate change and energy issues have created increasing demand for renewable energy and energy storage markets, driving up the usage of protection components. Additionally, communications, automation, and intelligent industrial applications and infrastructure markets are all bringing noticeable growth momentum to our business. However, in 2024, electronic industry development was overly concentrated in specific emerging applications, resulting in unbalanced overall development. Furthermore, the intensifying US-China confrontation and changes in China's overall economic conditions have had negative impacts on stable global economic growth. Taking all factors into consideration, after integrating major customers' forecasts for the new year and combining these with foreseeable budgets for new customers and products, our company's sales revenue in 2025 will see visible growth, maintaining a solid and healthy positive development trend.

iii. Key production and sales policies

(1) Production policy:

A. Supply management:

- (a) Strengthen the group's diversified supply chain model across multiple automotive, communications, industrial, and medical product lines and locations and practice multi-source production in five locations on both sides of the Taiwan Strait, and plan to increase the number of manufacturing bases outside Mainland China in the hope of reducing the risk of geopolitical disruptions to customers and the demand for closer delivery to the market.
- (b) Adjust inventory management at each factory in order to rationalize inventory levels and maximize inventory turnover.

B. Production management:

- (a) HR: Improve HR training and expertise & stabilization requirements toward key process personnel.
- (b) Machine: Continue to enhance production automation, smartization, and phase out high-energy-consuming and low-efficiency equipment.

(c) Materials: Recognize multiple customer sources of materials to mitigate the effect to be posed by variation of related factors to the supply of goods; adopt strategic procurement policy toward major materials to control the fluctuation in costs effectively and input and output strictly.

(d) Methods:

d-1 System-based management, form-based system, and computer-based form to make the IT-based management for the entire operation.

d-2 Continue to pursue lean production, minimize or eliminate low-value work, and focus on high-yield actions.

d-3 To exercise departments' operational effectiveness, the Group's factories and entities work together to set and promote the KPI project.

(e) Environment:

e-1. Promote the energy conservation project, check overall energy consumed by equipment, diagnose energy consumption, and activate the energy conservation project.

e-2. Promote reuse of water resources, and construct process waste water recycling system to achieve the feature for reuse of water resource.

e-3. New plant is designed with green building in mind and is working towards ESG.

C. Overview of Production and Marketing:

In response to dramatic market demand changes, balance production and sales differences through continuously refined production and sales meetings; optimize the economies of scale in production to maintain sufficient flexibility and vitality in production and sales to face the pressure brought by market fluctuations.

(2) Sales Policy:

A. Expand existing customers' order proportion and revenue contribution through more flexible pricing strategies paired with high-quality product portfolios.

B. Expand customer base to include more high-profile international clients, hence adding to the revenue streams and enhancing global reputation.

C. Continue to deepen market cultivation in electric vehicle ecosystems, energy storage and renewable energy, industrial, communications, and other major growth drivers, while simultaneously exploring new niche markets such as AI and healthcare.

D. Increase sales of niche thermal-sensitive and pressure-sensitive products to enhance product portfolio benefits.



### 1.3 Future development strategies:

- i. Uphold the spirit of innovation and keep developing new products to satisfy the market demand.
- ii. Upgrade the process technology and product automation, and control various costs effectively via data and information analysis and management.
- iii. Develop the sale markets and rapid after-sale services, and provide complete protective component series to satisfy the customers' demand for "one-stop shopping".

### 1.4 Effects posed by external competitive environment, legal environment and macroeconomic environment:

As far as the external competitive environment is concerned, the industry in which the Company is engaged is expected to keep growing in response to the expanding market demand. For the competition with peer companies, the Company is expected to maintain its oligopolistic position but still struggle with the environment.

As far as the legal environment is concerned, the Company adjusts its internal rules and management regulations in a timely manner in response to the enactment of and amendments to various laws & regulations, and research and draft alternate policies. Under effective internal control and corporate governance, the impact of legal environment changes on the Company is insignificant. In recent years, ESG has become a crucial indicator of corporate sustainable development, its implementation a focal point in the Company's operations. While pursuing revenue growth, the Company is also committed to giving back to society and contributing to environmental sustainability, which is accomplished by mitigating risks associated with regulatory changes, competitive landscape, and climate impacts. This approach not only ensures long-term business development but also enables the Company to make a positive impact on society and the environment.

Over the past year, the Company has been cultivating the automotive and energy storage sectors, and with the AI trend sweeping the globe, new opportunities have emerged in the server industry, laying the foundation for future operational growth. The Company's production and sales layout continues to expand, with a more stable product portfolio to meet market demands for protective components, and its growth momentum will restart along with the overall economic recovery.

Looking forward to the future, the Company will follow the management philosophy, “New Concept, New Management, New Technology and New Market”, keep focusing on the management of core business, and accelerate development of new technology, new products and new customers, in order to improve the Company's competitiveness, increase operating revenue and profit, and feed back to the permanent support from all of you. Thanks to the management team and whole employees for their dedication and efforts to pursue fruitful business growth to feed back to all of you in the past year. We also hope that each shareholder can keep his/her original intent and continue to support and encourage Thinking Electronic.

I wish you all good health and the best in all of your endeavors.

Chairman: Sui Tai-Chung

## II. Corporate Governance Report

### 2.1 Information of Directors, President, Vice President, Associate Vice President, and Heads of Various Departments and Branches i. Director Information

April 19, 2025

| Title                | Nationality/<br>Place of<br>Incorporation | Name   | Gender<br>Age | Date<br>Elected | Term<br>(Years) | Date First<br>Elected | Shareholding when<br>Elected |        | Current shareholding |        | Spouse & Minor<br>Shareholding |       | Shareholding by<br>Nominee<br>Arrangement |       | Experience<br>(Education)  | Other<br>Position  | Executives, Directors or<br>Supervisors Who are Spouses<br>or within Two Degrees of<br>Kinship |               |          |
|----------------------|---|--|---------------|-----------------|-----------------|-----------------------|------------------------------|--------|----------------------|--------|--------------------------------|-------|---|-------|--|--------------------|--|---------------|----------|
|                      |   |  |               |                 |                 |                       | Shares                       | %      | Shares               | %      | Shares                         | %     | Shares                                    | %     |  |                    | Title  | Name          | Relation |
| Director             | R.O.C.                                    | Boh Chin Investment Co., Ltd.                        | -             | 6/13/2023       | 3               | 4/12/1999             | 27,178,247                   | 21.21% | 27,178,247           | 21.21% | -                              | -     | -   | -     |  |                    |  |               |          |
|                      | R.O.C.                                    | Representative of Boh Chin: Sui Tai-Chung (Chairman) | Male 71-75    | 6/13/2023       | 3               | 4/12/1999             | 4,080,862                    | 3.19%  | 2,777,795            | 2.17%  | -                              | -     | 1,303,067                                 | 1.02% | National Kaohsiung Marine University   | Note 1 、<br>Note 9 | Director   | Chen Su-Ai    | Spouse   |
|                      | R.O.C.                                    | Representative of Boh Chin: Chen Su-Ai               | Female 66-70  | 6/13/2023       | 3               | 11/14/2016            | 1,474,733                    | 1.15%  | -                    | -      | 2,777,795                      | 2.17% | 1,474,733                                 | 1.15% | Provincial Sinying Vocational High School of Economics Manager at the Finance Department of Thinking                                   | Note 2             | Chairman   | Sui Tai-Chung | Spouse   |
|                      | R.O.C.                                    | Chang Shan-Hui                                       | Male 71-75    | 6/13/2023       | 3               | 4/12/1999             | 20,051                       | 0.02%  | 20,051               | 0.02%  | -                              | -     | -   | -     | Department of Business Administration, National Chengchi University  | Note 3             | None   | None          | None     |
|                      | R.O.C.                                    | Chen Yen-Hui   | Male 71-75    | 6/13/2023       | 3               | 4/12/1999             | 37,443                       | 0.03%  | 37,443               | 0.03%  | -                              | -     | -   | -     | Department of Transportation and Communication Management Science, Feng Chia University  | Note 4             | None   | None          | None     |
| Independent Director | R.O.C.                                    | Chou Pao-Heng  | Male 46-50    | 6/13/2023       | 3               | 6/13/2023             | -                            | -      | -                    | -      | -                              | -     | -   | -     | Master of Department of Accounting, National Chengchi University   | Note 5             | None   | None          | None     |
|                      | R.O.C.                                    | Huang Cheng-Nan                                      | Male 56-60    | 6/13/2023       | 3               | 6/20/2017             | -                            | -      | -                    | -      | -                              | -     | -   | -     | Master of Financial Operation, National Kaohsiung University of Science and Technology Department of Law, National Chengchi University | Note 6             | None   | None          | None     |
|                      | R.O.C.                                    | Chou Chi-Wen   | Male 56-60    | 6/13/2023       | 3               | 6/20/2017             | -                            | -      | -                    | -      | -                              | -     | -   | -     | Master of Financial Operation, National Kaohsiung University of Science and Technology   | Note 7             | None   | None          | None     |
|                      | R.O.C.                                    | Su Ping-Chang  | Male 66-70    | 6/18/2024       | 2               | 6/18/2024             | -                            | -      | -                    | -      | -                              | -     | -   | -     | Master of Department of Accounting, National Chengchi University   | Note 8             | None   | None          | None     |

Note 1: President of Thinking Electronic Industrial Co., Ltd., Chairman of Boh Chin Investment Co., Ltd., Chairman of Yenyo Technology Co., Ltd., Chairman of Welkin Electronic Industrial Co., Ltd., Chairman of Thinking (Changzhou) Electronic Co., Ltd., Chairman of Thinking (Yichang) Electronic Co., Ltd., Chairman of Jiang Xi Thinking Electronic Co., Ltd., Chairman of Dong Guan Welkin Electronic Co., Ltd., Chairman of Welkin Electronic Co., Ltd., Director of Thinking (HK) Enterprises Limited, Director of Thinking International Co., Ltd., Director of View Full (Samoa) Ltd., Director of Thinking Electronic (Samoa) Ltd., Director of Greenish Co., Ltd., Chairman of Thinking Electronic USA, Inc., Chairman of Thinking (Viet Nam) Electronic Co., Ltd. and Chairman of Thinking Education Foundation

Note 2: Associate Vice President at the Main Management Department of Thinking Electronic Industrial Co., Ltd., Director of Boh Chin Investment Co., Ltd., Chairman of Yih Chin Investment Co., Ltd., Director of Welkin Electronic Industrial Co., Ltd., Director of Thinking (Changzhou) Electronics Co., Ltd., Director of Thinking (Yichang) Electronic Co., Ltd., Director of Jiang Xi Thinking Electronic Co., Ltd., Director of Dong Guan Welkin Electronic Co., Ltd., Director of Welkin Electronic Co., Ltd., Director of Thinking (HK) Enterprises Limited, Director of Thinking International Co., Ltd., Director of View Full (Samoa) Ltd., Director of Thinking Electronic (Samoa) Ltd. and Director of Thinking Holding (Cayman) Co., Ltd.

Note 3: Person in charge of EnWise CPAs & Co., Supervisor of Wupaochun Foods Limited Company, Supervisor of Jin Lian Cheng Resources and Technology Co., Ltd. and Independent Director of T.S. Lines Ltd.

Note 4: Person in charge of Yongxin Bookkeeper and Land Administrator Firm, and Supervisor of Yenyo Technology Co., Ltd.

Note 5: CPA of Honesty & Superb CPA Firm, Person in charge of Honesty & Superb Consulting Ltd., Director of Young Shine Electric Co., Ltd., Independent Director of Life Travel & Tourist Service Co., Ltd. and Member of the Audit Committee of Thinking Electronic Industrial Co., Ltd.

Note 6: Attorney at Dinghe Law Firm, Independent Director and member of the Compensation and Remuneration Committee and member of the Audit Committee of Sunfar Computer Co., Ltd., member of the Compensation and Remuneration Committee and member of the Audit Committee of Thinking Electronic Industrial Co., Ltd.

Note 7: Member of the Compensation and Remuneration Committee and member of the Audit Committee of Thinking Electronic Industrial Co., Ltd.

Note 8: Chairman of Jianfu Information Co., Ltd., Supervisor of Kaifa Industry Co., Ltd., Director of Yonghui Management Consulting Co., Ltd. and Member of the Audit Committee of Thinking Electronic Industrial Co., Ltd.

Note 9: The Chairman and President of the Company are the same individual, primarily for operational policy considerations. The Company elected an additional independent director at the Annual Shareholders' Meeting on June 18, 2024 (currently with a total of 4 independent directors), and more than half of the directors do not concurrently serve as employees or managers of the Company.

#### (1) Major shareholders of the institutional shareholders

April 19, 2025

| Name of institutional shareholder | Major Shareholders   |
|-----------------------------------|--|
| Boh Chin Investment Co., Ltd.     | Sui Tai-Chung (11.85%), Chen Su-Ai (12.70%), Sui Wan-Ni (29.95%), Sui Chieh-Heng (40.85%). |

Note: Major shareholders are those with a shareholding ratio of 10% and more or an equity ratio on the Top 10 list.

(2)Major shareholders of the Company's major institutional shareholders: None.

(3)Professional qualifications and independence analysis of directors

| Criteria<br>Name   | Professional qualifications and experience   | Status of independence  | Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director |
|--|--|---|---|
| Boh Chin Investment Co., Ltd.<br>Representative: Sui Tai-Chung | With years of experience in the management of the electronic components industry, and possessing decision-making leadership.   | Neither the directors nor independent directors of the Company are subject to any of the provisions of Article 30 of the Company Act. All the independent directors comply with the provisions of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies. | -   |
| Boh Chin Investment Co., Ltd.<br>Representative: Chen Su-Ai    | Possess operation management, industry knowledge, and international market observation abilities.  |   | -   |
| Chang Shan-Hui   | Currently the representative of EnWise CPAs & Co., and with extensive experience in finance and taxation.  |   | -   |
| Chen Yen-Hui   | The current representative of Yongxin Tax and Accounting Firm and Land Administration Office.  |   | -   |
| Chou Pao-Heng  | Previously worked at Deloitte & Touche for over 15 years, with experience in financial risk assessment and management. Passed the national exam and holds an accounting certificate.   |   | 1   |
| Huang Cheng-Nan  | Currently practicing lawyer at Dinghe United Law Offices, providing diverse legal advice to companies.   |   | 1   |
| Chou Chi-Wen   | With over 10 years of experience in the banking industry, with a comprehensive financial and finance background.   |   | -   |
| Su Ping-Chang  | Previously served as a practicing CPA (Managing Partner) at Corwe (TW) CPAs, and also held the position of Supervisor at the Certified Public Accountant Associations R O C.(Taiwan), with several decades of extensive experience in the accounting industry. |   | -   |

#### (4) Board diversity and Independence:

##### A. Diversification Policy Regarding Composition of Board of Directors:

The "Corporate Governance Best Practice Principles" of the Company incorporate the concept of diversity and clearly stipulate the election and appointment of directors of the Company, including but not limited to the basic conditions and values (gender, age, nationality and culture, etc.) and professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, industrial experience and so on. Directors shall generally have the knowledge, skills and quality necessary to perform their duties.

##### B. Substantial Management Goals:

In order to achieve the ideal goal of corporate governance, the overall capabilities of the board of directors shall include: 1) operational judgment; 2) accounting and financial analysis; 3) operation and management; 4) crisis handling; 5) industry expertise; 6) international market outlook; 7) leadership; and 8) decision-making. There is one female director on the board of directors that falls short of one-third of the board seats. This is primarily due to the characteristics of the electronic components industry which traditionally has a predominantly male workforce. To enhance board diversity, the company will continue to seek qualified female candidates with professional expertise and increase the number of female directors gradually under the principle of gender equality. Moreover, for the future business development of the Company, at least one member of the board of directors shall have a professional background in finance and accounting, or the experience in related management positions in the electronic parts industry, and shall provide diversified opinions to promote sustainable development for the Company's overall operations.

##### C. Implementation:

The Board of Directors of the Company is composed of members with diverse backgrounds, including different industries, financial and accounting, law, and banking. Among them, there are 6 directors who do not hold executive positions in the Company, accounting for 75% of the total number of directors. This reflects the goal of diversifying the Board of Directors as set forth. The independent directors all meet the requirements of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." They do not serve as independent directors for more than 3 other public companies, and their consecutive terms do not exceed 3 terms.

##### D. Independence of the Board of Directors:

The Company's Board of Directors election follows a candidate nomination system. There is currently a total of 8 board members, including 4 independent directors, accounting for 50% of all board members. All independent directors meet the regulations of the Securities and Futures Bureau, Financial Supervisory Commission regarding independent directors. Among the directors, there are 2 individuals who have a spouse or a relative within the second degree of kinship, accounting for 25% of all directors. Independent directors, either individually or in relation to other directors, do not have a spouse or a relative within the second degree of kinship, in compliance with Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

ii. Profile of President, Vice President, Associate Vice President, and Departmental and Branch Supervisors

April 19, 2025

| Title  | Nationality | Name            | Gender | Date Effective        | Shareholding |       | Spouse & Minor Shareholding |       | Shareholding by Nominee Arrangement |       | Experience (Education)   | Other Position | Managers who are Spouses or Within Two Degrees of Kinship  |               |          |
|--|-------------|-----------------|--------|-----------------------|--------------|-------|-----------------------------|-------|-------------------------------------|-------|--|----------------|--|---------------|----------|
|  |             |                 |        |                       | Shares       | %     | Shares                      | %     | Shares                              | %     |  |                | Title  | Name          | Relation |
| President/<br>Manager at the branch office in Nanzi        | R.O.C.      | Sui Tai-Chung   | Male   | 7/1/2024<br>4/26/2007 | 2,777,795    | 2.17% | -                           | -     | 1,303,067                           | 1.02% | National Kaohsiung Marine University   | Note1          | Associate Vice President at the Main Management Department | Chen Su-Ai    | Spouse   |
| Associate Vice President at the Main Management Department | R.O.C.      | Chen Su-Ai      | Female | 8/7/1981              | -            | -     | 2,777,795                   | 2.17% | 1,474,733                           | 1.15% | Provincial Sinying Vocational High School of Economics Manager at the Finance Department of Thinking             | Note1          | President/Manager at the branch office in Nanzi            | Sui Tai-Chung | Spouse   |
| Vice President at the Quality Assurance Department         | R.O.C.      | Shih Shao-Liang | Male   | 2/10/2014             | 9,000        | 0.01% | -                           | -     | -                                   | -     | EMBA, National University of Kaohsiung Acting Chief at R Yue Guan Co., Ltd.                                      | None           | None   | None          | None     |
| Vice President at the Operational Department               | R.O.C.      | Hou Te-Hsin     | Male   | 7/4/2014              | -            | -     | -                           | -     | -                                   | -     | Master's, National Taiwan University National Science Council - Research Assistant at National Taiwan University | None           | None   | None          | None     |

| Title  | Nationality | Name           | Gender | Date Effective | Shareholding |   | Spouse & Minor Shareholding |   | Shareholding by Nominee Arrangement |   | Experience (Education)                                  | Other Position | Managers who are Spouses or Within Two Degrees of Kinship |      |          |
|--|-------------|----------------|--------|----------------|--------------|---|-----------------------------|---|-------------------------------------|---|---|----------------|---|------|----------|
|  |             |                |        |                | Shares       | % | Shares                      | % | Shares                              | % |   |                | Title   | Name | Relation |
| Associate Vice President at the Domestic Market Division of the Operational Department | R.O.C.      | Su Shu-Li      | Female | 7/4/2014       | -            | - | -                           | - | -                                   | - | National Kaohsiung University of Applied Sciences       | None           | None  | None | None     |
| Associate Vice President at the Second Division of R&D Department                      | R.O.C.      | Chiu Chung-Chi | Male   | 2/10/2014      | -            | - | -                           | - | -                                   | - | Master of Material Engineering, Tatung University       | None           | None  | None | None     |
| Manager of Finance Department  | R.O.C.      | Chen Chia-Hua  | Female | 1/15/2025      | -            | - | -                           | - | -                                   | - | National Kaohsiung University of Science and Technology | None           | None  | None | None     |
| Corporate Governance Officer   | R.O.C.      | Hung Yu-Fang   | Female | 3/23/2015      | -            | - | -                           | - | -                                   | - | Tamkang University                                      | None           | None  | None | None     |

Note1: Refer to “i. Director Information” of this Annual Report.

Note2: The Company's appointment date for managers is the same as their assumption date, which is the initial appointment (assumption) date for managers.



## 2.2 Remuneration Paid to Directors, President and Vice President for the Most Recent Fiscal Year

### i. Remuneration Paid to Directors and Independent Directors

December 31, 2024 Unit: NTD thousands

| Title                | Name                          | Remuneration          |  |             |  |                                    |  |                |  | Total amount of A, B, C and D and a % of the net profit after tax |  | Relevant Remuneration Received by Directors Who are Also Employees |  |                   |  |                                    |       |  |       | Total amount of A, B, C, D, E, F and G and a % of the net profit after tax |  | Remuneration from ventures other than subsidiaries or from the parent company |
|----------------------|-------------------------------|-----------------------|--|-------------|--|------------------------------------|--|----------------|--|---|--|--|--|-------------------|--|------------------------------------|-------|--|-------|--|--|---|
|                      |                               | Base Compensation (A) |  | Pension (B) |  | Directors Compensation(C) ( Note ) |  | Allowances (D) |  |   |  | Salary, Bonuses, and Allowances (E)                                |  | Severance Pay (F) |  | Employee Compensation (G) ( Note ) |       |  |       |  |  |   |
|                      |                               | 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 |       | The Company  | Companies in the consolidated financial statements |   |
|                      |                               |                       |  |             |  |                                    |  |                |  |   |  |  |  |                   |  | Cash                               | Stock | Cash   | Stock |  |  |   |
| Director             | Boh Chin Investment Co., Ltd. | -                     | -  | -           | -  | 24,871                             | 24,871   | -              | -  | 24,871<br>1.60%   | 24,871<br>1.60%                                    | 8,577  | 8,577  | -                 | -  | 2,510                              | -     | 2,510  | -     | 35,958<br>2.32%  | 35,958<br>2.32%                                    | None  |
|                      | Representative of Boh Chin:   |                       |  |             |  |                                    |  |                |  |   |  |  |  |                   |  |                                    |       |  |       |  |  |   |
|                      | Sui Tai-Chung                 |                       |  |             |  |                                    |  |                |  |   |  |  |  |                   |  |                                    |       |  |       |  |  |   |
|                      | Representative of Boh Chin:   |                       |  |             |  |                                    |  |                |  |   |  |  |  |                   |  |                                    |       |  |       |  |  |   |
|                      | Chen Su-Ai                    |                       |  |             |  |                                    |  |                |  |   |  |  |  |                   |  |                                    |       |  |       |  |  |   |
|                      | Chang Shan-Hui                |                       |  |             |  |                                    |  |                |  |   |  |  |  |                   |  |                                    |       |  |       |  |  |   |
|                      | Chen Yen-Hui                  |                       |  |             |  |                                    |  |                |  |   |  |  |  |                   |  |                                    |       |  |       |  |  |   |
| Independent Director | Chou Pao-Heng                 | -                     | -  | -           | -  | 1,120                              | 1,120  | -              | -  | 1,120<br>0.07%  | 1,120<br>0.07%                                     | -  | -  | -                 | -  | -                                  | -     | -  | -     | 1,120<br>0.07%   | 1,120<br>0.07%                                     | None  |
|                      | Huang Cheng-Nan               |                       |  |             |  |                                    |  |                |  |   |  |  |  |                   |  |                                    |       |  |       |  |  |   |
|                      | Chou Chi-Wen                  |                       |  |             |  |                                    |  |                |  |   |  |  |  |                   |  |                                    |       |  |       |  |  |   |
|                      | Su Ping-Chang                 |                       |  |             |  |                                    |  |                |  |   |  |  |  |                   |  |                                    |       |  |       |  |  |   |

- (1) The payment policy, system, criteria, and structure of remuneration for independent directors and the association between factors such as responsibilities assigned, risks, and time spent, among others, and the value of the rewards paid:
- A. The remuneration to directors of the Company is paid not only taking into consideration the overall operational performance of the Company and the developmental trends in the future but also the advice provided and contributions of each director to the Company in their respective specialized field, such as commerce, legal affairs, and finance. The Company relies on and values the professional opinions from each director. As such, the attendance of each director in each organizational meeting and periodic continuing education in the specialized field on a yearly basis completed by the director are also considered while reasonable rewards are provided to directors. The compensation legitimacy assessment is adjusted adequately depending on the actual operational status of the Company and applicable regulatory requirements and is reviewed by the Compensation and Remuneration Committee and the Board of Directors.
- B. It is specified in the Articles of Incorporation that the remuneration to directors may not be more than 2% of the annual profits.
- (2) Besides those disclosed in the above table, remuneration paid to directors in the most recent year for having provided services (E.g., serving as a consultant for those other than employees of the parent company/all companies in the financial report/an investee, etc.) to all companies covered in the financial statement:
- NTD 130 thousand

Remuneration bracket table

| Range of Remuneration                    | Name of Directors  |  |  |  |
|--|--|--|--|--|
|  | Total of (A+B+C+D)   |  | Total of (A+B+C+D+E+F+G)   |  |
|  | The Company  | Companies in the consolidated financial statements   | The Company  | Companies in the consolidated financial statements   |
| Less than NT\$ 1,000,000                 | Chang Shan-Hui,<br>Chen Yen-Hui,<br>Chou Pao-Heng,<br>Huang Cheng-Nan,<br>Chou Chi-Wen,<br>Su Ping-Chang | Chang Shan-Hui,<br>Chen Yen-Hui,<br>Chou Pao-Heng,<br>Huang Cheng-Nan,<br>Chou Chi-Wen,<br>Su Ping-Chang | Chang Shan-Hui,<br>Chen Yen-Hui,<br>Chou Pao-Heng,<br>Huang Cheng-Nan,<br>Chou Chi-Wen,<br>Su Ping-Chang | Chang Shan-Hui,<br>Chen Yen-Hui,<br>Chou Pao-Heng,<br>Huang Cheng-Nan,<br>Chou Chi-Wen,<br>Su Ping-Chang |
| NT\$1,000,000 ~ NT\$1,999,999            |  |  |  |  |
| NT\$2,000,000 ~ NT\$3,499,999            |  |  |  |  |
| NT\$3,500,000 ~ NT\$4,999,999            |  |  | Chen Su-Ai   | Chen Su-Ai   |
| NT\$5,000,000 ~ NT\$9,999,999            |  |  | Sui Tai-Chung  | Sui Tai-Chung  |
| NT\$10,000,000 ~ NT\$14,999,999          |  |  |  |  |
| NT\$15,000,000 ~ NT\$29,999,999          | Boh Chin Investment Co., Ltd.  | Boh Chin Investment Co., Ltd.  | Boh Chin Investment Co., Ltd.  | Boh Chin Investment Co., Ltd.  |
| NT\$30,000,000 ~ NT\$49,999,999          |  |  |  |  |
| NT\$50,000,000 ~ NT\$99,999,999          |  |  |  |  |
| Greater than or equal to NT\$100,000,000 |  |  |  |  |
| Total                                    | 7  | 7  | 9  | 9  |

Note: The remuneration to directors approved by the Board of Directors prior to the shareholders' meeting as part of the Earnings Distribution Proposal for 2024.

ii. Remuneration Paid to President and Vice President

December 31, 2024 Unit: NTD thousands

| Title                  | Name                   | Salary(A)   |  | Pension (B) |  | Bonuses and Allowances (C) |  | Employee Compensation (D)<br>( Note 1) |       |  |       | Total amount of A, B, C and D and a % of the net profit after tax |  | 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 President | Sui Tai-Chung (Note 2) | 6,465       | 6,465  | 54          | 54   | 3,627                      | 3,627  | 1,271                                  | -     | 1,271  | -     | 11,417<br>0.74%   | 11,417<br>0.74%                                    | None  |
| President              | Ho Yi-Sheng (Note 2)   |             |  |             |  |                            |  |  |       |  |       |   |  |   |
| Vice President         | Sung Hsing-Jang        |             |  |             |  |                            |  |  |       |  |       |   |  |   |

Remuneration bracket table

| Range of Remuneration                    | Name of President and Vice President |  |
|--|--------------------------------------|--|
|  | The Company                          | Companies in the consolidated financial statements |
| Less than NT\$ 1,000,000                 |                                      |  |
| NT\$1,000,000 ~ NT\$1,999,999            | Ho Yi-Sheng                          | Ho Yi-Sheng  |
| NT\$2,000,000 ~ NT\$3,499,999            | Sung Hsing-Jang                      | Sung Hsing-Jang                                    |
| NT\$3,500,000 ~ NT\$4,999,999            |                                      |  |
| NT\$5,000,000 ~ NT\$9,999,999            | Sui Tai-Chung                        | Sui Tai-Chung                                      |
| NT\$10,000,000 ~ NT\$14,999,999          |                                      |  |
| NT\$15,000,000 ~ NT\$29,999,999          |                                      |  |
| NT\$30,000,000 ~ NT\$49,999,999          |                                      |  |
| NT\$50,000,000 ~ NT\$99,999,999          |                                      |  |
| Greater than or equal to NT\$100,000,000 |                                      |  |
| Total                                    | 3                                    | 3  |

Note 1: The employee bonus approved by the Board of Directors prior to the shareholders' meeting as part of the Earnings Distribution Proposal for 2024.

Note 2: President Ho Yi-Sheng resigned on July 1, 2024, and Chairman Sui Tai-Chung concurrently assumed the position of President.

iii. Employees' Profit Sharing Bonus Paid to Management Team

December 31, 2024 Unit: NTD thousands

| Title   |  | Name            | Stock | Cash  | Total | Ratio of Total Amount to Net Profit (%) |
|---------|--|-----------------|-------|-------|-------|---|
| Manager | Chairman and President/<br>Manager at the branch office in Nanzi                       | Sui Tai-Chung   | -     | 8,350 | 8,350 | 0.54%                                   |
|         | Associate Vice President at the Main Management Department                             | Chen Su-Ai      |       |       |       |   |
|         | Vice President at the Quality Assurance Department                                     | Shih Shao-Liang |       |       |       |   |
|         | Vice President at the Operational Department   | Hou Te-Hsin     |       |       |       |   |
|         | Associate Vice President at the Domestic Market Division of the Operational Department | Su Shu-Li       |       |       |       |   |
|         | Associate Vice President at the Second Division of R&D Department                      | Chiu Chung-Chi  |       |       |       |   |
|         | Corporate Governance Officer   | Hung Yu-Fang    |       |       |       |   |

iv. Compare and describe separately the analysis of ratios of the total remuneration paid to directors, the president, the vice president of the Company in the past two years by the Company and all companies in the Consolidated Statement to the after-tax net profit shown in the Parent Company-only Financial Statement and describe correlation among the remuneration payment policy, standards and combination, remuneration establishment procedures, and management efficacy and risks in the future.

(1) Analysis of ratios of the total remuneration paid to directors, the president, and the vice president by the Company and all companies included in the Consolidated Statement to the after-tax net profit shown in the Parent Company-only Financial Statement in the past two years:

| Title                        | 2024        |  | 2023        |  |
|------------------------------|-------------|--|-------------|--|
|                              | The Company | Companies in the consolidated financial statements | The Company | Companies in the consolidated financial statements |
| Director                     | 1.67%       | 1.67%  | 1.72%       | 1.72%  |
| President and Vice President | 0.74%       | 0.74%  | 0.90%       | 0.90%  |

The difference in the ratios between the two terms is not much and no analysis has been prepared.

According to Article 16 of the Company's Articles of Incorporation, remuneration to the Company's directors for performance of job duties must be paid, irrelevant with profit or loss retained by the Company. The Board of Directors is authorized to determine the level of remuneration to directors based on their engagement in and contribution to the Company's operations, and in reference to peer companies' pay. If the Company has earnings, the remuneration is to be distributed also as required by Article 19 of the Articles of Incorporation. The remuneration to the Company's managers is decided according to the Company's Manager Compensation Criteria. For the time being, the remuneration paid to the President and Vice President consists of the salary, bonus, and employee bonus. The Board of Directors approves the remuneration according to the Company's Compensation Management Guidelines and pays it according to the extent of involvement and contributions of the President and Vice President over the past year to the operations of the Company and its subsidiaries, their position, seniority in office, education and experience, and possible contributions to the Company in the future, with reference to the industrial level.

## 2.3 Implementation of Corporate Governance

### i. Operations of the Board of Directors

A total of 6 meetings of the Board of Directors were held in 2024. The attendances of directors were as follows:

| Title                | Name  | Attendance in person | By Proxy | Attendance Rate (Note 1) | Remarks (Note 2) |
|----------------------|---|----------------------|----------|--------------------------|------------------|
| Chairman             | Boh Chin Investment Co., Ltd. Representative: Sui Tai-Chung | 6                    | -        | 100%                     |                  |
| Director             | Boh Chin Investment Co., Ltd. Representative: Chen Su-Ai    | 6                    | -        | 100%                     |                  |
| Director             | Chang Shan-Hui  | 6                    | -        | 100%                     |                  |
| Director             | Chen Yen-Hui  | 6                    | -        | 100%                     |                  |
| Independent Director | Chou Pao-Heng   | 6                    | -        | 100%                     |                  |
| Independent Director | Huang Cheng-Nan   | 6                    | -        | 100%                     |                  |
| Independent Director | Chou Chi-Wen  | 5                    | 1        | 83%                      |                  |
| Independent Director | Su Ping-Chang   | 3                    | -        | 100%                     | Newly elected    |

Note 1: The actual attendance rate (%) is calculated by the number of Board of Directors meetings held during the term in office and the attendance in person.

Note 2: At the Annual Shareholders' Meeting on June 18, 2024, an additional independent director was elected.

Other details to be documented:

- I.(I)Matters referred to in Article 14-3 of the Securities and Exchange Act: The Companyhas established an Audit Committee, and Article 14-3 of the Securities and Exchange Act is not applicable to the Company. Please refer to the Annual Report for related information of the operation of the Audit Committee.
- (II)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: None.

II. Recusal of directors upon conflicts of interest in proposals being discussed:

(I) January 24, 2024:

1. Deliberated the issuance of year-end bonus for managers for 2023. Director Sui Tai-Chung and Director Chen Su-Ai excused themselves in light of conflict of interest and did not take part in the discussion or voting.
2. Deliberated the monthly salary structure, the amount paid, and the expected amount to be set aside for the pension for managers for 2024. Director Sui Tai-Chung and Director Chen Su-Ai excused themselves in light of conflict of interest and did not take part in the discussion or voting.

(II) June 18, 2024:

1. Deliberated the appointment of President. Director Sui Tai-Chung and Director Chen Su-Ai excused themselves in light of conflict of interest and did not take part in the discussion or voting.

(III) August 8, 2024:

1. Deliberated distribution of remuneration to directors for 2023. All directors excused themselves in light of conflict of interest according to the voting sequence and did not take part in the discussion or voting.
2. Deliberated the distribution of employee remuneration to managers for 2023. Director Sui Tai-Chung and Director Chen Su-Ai excused themselves in light of conflict of interest and did not take part in the discussion or voting.
3. Deliberated the monthly salary structure, the amount paid, and the expected amount to be set aside for the pension for chairman and president for 2024. Director Sui Tai-Chung and Director Chen Su-Ai excused themselves in light of conflict of interest and did not take part in the discussion or voting.
4. Deliberated the donation to Thinking Education Foundation. Director Sui Tai-Chung and Director Chen Su-Ai excused themselves in light of conflict of interest and did not take part in the discussion or voting.

(IV) November 11, 2024:

1. Deliberated the remuneration to members of the Compensation and Remuneration Committee for 2024. Independent Director Huang Cheng-Nan and Independent Director Chou Chi-Wen excused themselves in light of conflict of interest according to the voting sequence and did not take part in the discussion or voting.



### III. Implementation Status of Board Evaluations:

| Evaluation cycle | Evaluated period    | Scope of evaluation   | Evaluation method   | Evaluation Content   |
|------------------|---------------------|---|---|--|
| Once a year      | 1/1/2024-12/31/2024 | Evaluation of the performance of Board of Directors, individual directors, and functional committees. | Internal self-evaluation by the board of directors, self-evaluation by the board members, and internal self-evaluation by functional committees | (I) Measures for the self-performance evaluation of the Board of Directors cover the following dimensions:<br>1. Involvement in corporate operations<br>2. Improved decision-making quality of the Board of Directors<br>3. Composition and structure of the Board of Directors<br>4. Election of its directors and continuing education for them.<br>5. Internal control  |
|                  |                     |   |   | (II) Measures for the self-performance evaluation of the board directors cover the following dimensions:<br>1. Keeping track of corporate goals and missions.<br>2. Awareness of the duties of a director.<br>3. Involvement in corporate operations<br>4. Management of internal relations and communication<br>5. Director's professionalism and continuing education<br>6. Internal control   |
|                  |                     |   |   | (III) The assessment items for the performance evaluation of functional committees (including the Audit Committee and the Compensation and Remuneration Committee) cover the following aspects:<br>1. Involvement in corporate operations<br>2. Perception of functional committees' responsibilities<br>3. Improvement in the quality of functional committees' decision-making<br>4. Composition and member election/appointment of functional committees<br>5. Internal control |

The Company has completed the self-evaluation of the performance of the Board of Directors for 2024, and the evaluation results were submitted to the Board of Directors for review and improvement on February 20, 2025. The overall average score of the internal self-evaluation of the board of directors' performance is 95 (out of 100); the overall average score of the self-evaluation of individual board members' performance is 99.19 (out of 100); the overall average score of the self-evaluation of the Audit Committee is 97.73 (out of 100) and the Remuneration Committee has an average self-assessment score of 97.37 (out of 100), indicating that the Board of Directors is operating well. The Company will also continue to improve in areas where the scores are lower.

- IV. Reinforced assessments of functional objectives of the Board of Directors and implementation status of the objectives of the specific year and the most recent year:
- (I) The Company has set up the Compensation and Remuneration Committee and the Audit Committee to effectively make the best off and consolidate the governance system, normalize its supervisory function, improve information transparency, and reinforce the management feature.
  - (II) The Company has set up a chief corporate governance officer to assist directors in executing business and strengthen the effective operation of the board of directors and compliance with laws and regulations.

ii. Operations of the Audit Committee:

- (1) The Company's Audit Committee consists of all independent directors and aims to help the Board of Directors fulfill its duties in supervising the quality and integrity of the Company in accounting, auditing, the financial reporting procedure, and financial control. The Committee is in charge of the following:
- A. Preparation or revision of the internal control system as required by Article 14-1 of the Securities and Exchange Act.
  - B. Evaluation of the effectiveness of the internal control system.
  - C. Revision or amendment of the procedures for acquiring or disposing of assets, trading derivatives, lending funds to others, providing endorsements or guarantees to others, among other major financial operations as required by Article 36-1 of the Securities and Exchange Act.
  - D. Matters involving the interests of the Board directors.
  - E. Trading of major assets or derivatives.
  - F. Major lending of assets, endorsements, or guarantees.
  - G. Raising, issuance, or private placement of equity securities.
  - H. Delegation, dismissal of CPAs or their compensation.
  - I. Appointment or dismissal of the head of finance, accounting, or internal audit.
  - J. Review of financial statements.
  - K. Other important matters as specified by the Company or the competent authority.
- (2) Professional qualifications and experience of members: Please refer to the "Professional qualifications and independence analysis of directors" of this Annual Report.
- (3) Highlights of Tasks Performed by the Committee throughout the year:
- A. Review of financial statements: The Business Report, Financial Statements, and Distribution of Earnings. The Financial Statements, in particular, were completely audited by Deloitte Taiwan. The above-mentioned Business Report, Financial Statements, and Proposal on Distribution of Earnings have been reviewed and approved by the Audit Committee.

B. Evaluation of the effectiveness of the internal control system: The Audit Committee reviewed the internal audits of the Company and the periodic reports from the delegated CPAs and the management that cover internal control policies and measures regarding finance, operation, risk management, and compliance for their effectiveness. It is believed that the Company has established and enforced the effective control mechanism for supervision and correction.

C. Appointment and compensation of CPAs: The Committee reviewed the independence, suitability, and professionalism of CPAs according to applicable laws and regulations such as the Certified Public Accountant Act to make sure absence of other financial interests and business relationships between the CPAs and the Company except for the fees paid for certification and finance and taxation assignments.

(4) Operation of the Audit Committee:

A total of 5 meetings of the Audit Committee were held in 2024. The attendances of the independent directors were as follows:

| Title                | Name            | Attendance in person | By Proxy | Attendance Rate (Note 1) | Remarks (Note 2) |
|----------------------|-----------------|----------------------|----------|--------------------------|------------------|
| Independent Director | Chou Pao-Heng   | 5                    | -        | 100%                     |                  |
| Independent Director | Huang Cheng-Nan | 5                    | -        | 100%                     |                  |
| Independent Director | Chou Chi-Wen    | 5                    | -        | 100%                     |                  |
| Independent Director | Su Ping-Chang   | 2                    | -        | 100%                     | Newly elected    |

Note1: The actual attendance rate (%) is calculated by the number of Audit Committee meetings held during the term in office and the attendance in person.

Note2: At the Annual Shareholders' Meeting on June 18, 2024, an additional independent director was elected.

Other details to be documented:

I. (I)Matters referred to in Article 14-5 of the Securities and Exchange Act:

| Audit Committee                     | Board of directors                  | Contents of the proposal  |
|-------------------------------------|-------------------------------------|---|
| First meeting of 2024<br>1/24/2024  | First meeting of 2024<br>1/24/2024  | 1. Proposal for providing financing endorsement guarantee for Thinking (Viet Nam) Electronic Co., Ltd. by the Company |
| Second meeting of 2024<br>2/26/2024 | Second meeting of 2024<br>2/26/2024 | 1. 2023 Internal Control System Declaration   |
|                                     |                                     | 2. 2023 Financial Statements  |
|                                     |                                     | 3. 2023 Business Report   |
|                                     |                                     | 4. Earnings distribution proposal for 2023  |
|                                     |                                     | 5. Rotation of CPAs and evaluation of independence and suitability  |
|                                     |                                     | 6. Appointment of CPAs and their remuneration for 2024  |
|                                     |                                     | 7. List of non-assurance services expected to be provided by Deloitte & Touche.                                       |
|                                     |                                     | 8. Revision of the Company's Articles of Incorporation  |
| Third meeting of 2024<br>5/7/2024   | Third meeting of 2024<br>5/7/2024   | 1. Consolidated financial statements of the first quarter of 2024 and CPAs' Review Report                             |
| Fourth meeting of 2024<br>8/8/2024  | Fifth meeting of 2024<br>8/8/2024   | 1. Consolidated financial statements of the second quarter of 2024 and CPAs' Review Report                            |
|                                     |                                     | 2. Donation to the Thinking Education Foundation  |
|                                     |                                     | 3. Financial Derivatives Transaction Quotas   |
| Fifth meeting of 2024<br>11/11/2024 | Sixth meeting of 2024<br>11/11/2024 | 1. Consolidated financial statements of the third quarter of 2024 and CPAs' Review Report                             |
|                                     |                                     | 2. Financial Derivatives Transaction Quotas   |
|                                     |                                     | 3. Amendment to the "Procedures for the Preparation and Assurance of Sustainability Reports."                         |
|                                     |                                     | 4. Amendment to the internal system and audit regulations for "Sustainable Information Management Operations."        |
|                                     |                                     | 5. 2025 Audit Plan  |

Independent directors' objections, reservations or major suggestions:  
None.

Resolution of the Audit Committee and the Company's response to the Audit Committee's Opinion: The members of the Audit Committee unanimously approved all the resolutions, and the Board of Directors approved all such resolutions recommended by the Audit Committee.

(II) There were no other resolutions that were not approved by the Audit Committee but were approved by two thirds or more of all directors in 2024.

II. Recusal of independent directors upon conflicts of interest in proposals being discussed: statement: None.

III. Communication between independent directors and internal audit heads and CPAs:

(I) Communication policies between independent directors and internal audit heads and CPAs:

1. The Head of Internal Audit communicates the audit report results with the members of the Audit Committee on a regular basis, and makes the internal audit report at the quarterly Audit Committee meeting. On weekdays, the internal audit director may communicate with the members by e-mail, telephone, or face-to-face meetings. Under special circumstances, an immediate report will be made to the members of the Audit Committee.
2. During the planning and completion stages, the CPAs shall report to the Independent Directors on the review or audit results of the financial statements of the Company and its subsidiaries at home and abroad, the impact of internal control audits, the amendments and issuance impact of IFRSs on the Company, and other relevant legal requirements. Communicate whether there are adjusting entries in the financial statements or amendments to laws and regulations that affect the way of accounting.

(II) Summary of Communications between Independent Directors and Head of Internal Audit in 2024:

Implementation of audits by independent directors: The communications went well. Primary matters communicated are summarized as follows:

| Date       | Communication points  |
|------------|---|
| 1/24/2024  | 1. Internal audit execution status for October-December 2023.   |
| 2/26/2024  | 1. 2023 Internal Control System Declaration   |
| 5/7/2024   | 1. Internal audit execution status for January-March 2024.  |
| 8/8/2024   | 1. Internal audit execution status for April-June 2024.   |
| 11/11/2024 | 1. Internal audit execution status for July-September 2024.<br>2. Amendment to the internal system and audit regulations for "Sustainable Information Management Operations."<br>3. 2025 Audit Plan |

All of the above matters were reviewed and/or approved by the Audit Committee whereupon independent directors raised no objection.

(III) Summary of Communications between Independent Directors and Certified Public Accountants in 2024:

Communication between independent directors and CPAs: The communications went well. Primary matters communicated are summarized as follows:

| Date      | Communication points  |
|-----------|---|
| 2/26/2024 | <ol style="list-style-type: none"><li>1. Audit result report presented by accountants regarding the financial report and the consolidated financial statements of 2023.</li><li>2. Management override of control risk review and key audit matters.</li><li>3. Audit recommendations.</li><li>4. Pre-approved service list for 2024 and independence assessment.</li></ol>   |
| 12/9/2024 | <ol style="list-style-type: none"><li>1. Group audit scope, methods, and work schedule report.</li><li>2. Identify significant accounting policies, estimates, and significant events or transactions for the fiscal year.</li><li>3. Identify significant risks and explain the execution procedures.</li><li>4. Assessment of key audit matters and risk response procedures.</li><li>5. Status of improvements from previous year's audit recommendations.</li><li>6. Internal control findings and recommendations reminder.</li><li>7. Introduction to upcoming applicable standards and regulations.</li><li>8. Introduction to IFRS Sustainability Disclosure Standards.</li></ol> |

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

| Evaluation Item   | Implementation Status |    |  | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|--|--|
|   | Yes                   | No | Abstract Explanation   |  |
| I. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”? | ✓                     |    | The Company, in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, established the Corporate Governance Best-Practice Principles, which were duly approved and issued by the board of directors and disclosed in the Market Observation Post System and the Company’s website – Investor Relations. | None   |
| II. Shareholding structure & shareholders’ rights   |                       |    |  | None   |
| (I) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?        | ✓                     |    | (I) The Company has formulated the “SOP for Spokespersons and Acting Spokespersons”, and has set up a section for stakeholders on the Company’s website to respond to shareholders’ feedback and handle their suggestions, doubts, disputes and litigation matters.  |  |
| (II) Does Company possess a list of major shareholders and beneficial owners of these major shareholders?   | ✓                     |    | (II) The Company has a list of the major shareholders and beneficial owners of these major shareholders at any time.   |  |
| (III) Does the company establish and execute the risk management and firewall system within its conglomerate structure?   | ✓                     |    | (III) The Company has established the Operating Procedure for Transactions with Related Parties and Affiliates to control the risks associated with affiliates.  |  |

| Evaluation Item   | Implementation Status |    |   | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons                      |
|---|-----------------------|----|---|---|
|   | Yes                   | No | Abstract Explanation  |   |
| (IV) Does the company establish internal rules against insiders trading with undisclosed information?   | ✓                     |    | (IV) The Company has established the Anti-insider Trading Management Regulations. In 2024, the Company already arranged for directors and managers of the current intake to attend related programs on the compliance with the laws regarding the insider equity trading and on the education for prevention of insider trading and so on, and such information has been declared through the Market Observation Post System as required. Employees are educated according to the policy goal of RBA Responsible Business Alliance Code of Conduct and were tested on June 6, 2024 to help know the communication and implementation results. | None  |
| III. Composition and Responsibilities of the Board of Directors<br>(I) Does the Board of Directors formulated and implemented a diversity policy on membership? | ✓                     |    | (I) For the educational background, gender, professional qualifications, work experience and diversity of the directors of the Company, please refer to “i. Director Information - III. Corporate Governance Report” of this Annual Report.   | None  |
| (II) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?                      |                       | ✓  | (II) Besides the Compensation and Remuneration Committee and the Audit Committee that are established as required by laws, the other corporate governance operations are taken care of respective departments according to their function. No other functional committees are set up. In the future, they will be set up as needed.   | In the future, it will be handled as needed for the developments of the Company and as required by applicable laws and regulations. |



| Evaluation Item  | Implementation Status |    |   | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|---|--|
|  | Yes                   | No | Abstract Explanation  |  |
| (III) 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 when determining the remuneration of individual directors and nominations for reelection? | ✓                     |    | (III) The Company has established the “Board of Directors' Performance Evaluation Measures”, and conducts performance evaluations on a yearly basis. For the evaluation methods and results, please refer to the “Implementation Status of Board Evaluations” of this Annual Report. The performance evaluation results of the board of directors will be used as a reference basis for the selection or nomination of directors. The performance evaluation results of individual directors will be regarded as a reference basis for determining their individual remuneration.   | None   |
| (IV) Does the company regularly evaluate the independence of CPAs?   | ✓                     |    | (IV) The Company obtains the Declaration of Independence and the Audit Quality Indicators (AQIs) issued by the CPAs in accordance with the independent laws and regulations of the Accountant Act. The Company evaluates the audit quality of the firm as a whole and the audit team with reference to five major aspects, and evaluates the independence, adaptability, and professionalism of the CPAs. The CPAs' independence assessment was conducted this year and submitted to the Audit Committee and the Board of Directors for resolution on February 20, 2025.<br>The audit and non-audit services provided by the CPAs this year have been reviewed by the Audit Committee in advance to ensure that the non-audit services will not affect the audit results. | None   |

| Evaluation Item  | Implementation Status |    |   | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|---|--|
|  | Yes                   | No | Abstract Explanation  |  |
| IV. Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors’ compliance of law, handling matters related to board meetings and shareholders’ meetings according to law, and recording minutes of board meetings and shareholders’ meetings)? | ✓                     |    | <p>On January 14, 2019, the Board of Directors approved that the financial manager would serve also as the head of corporate governance and related staff within the department would help with corporate governance-related affairs. The responsibilities primarily include maintaining investor relations, providing directors with needed data for them to perform duties and arranging continuing education for them, organizing meetings of the Board of Directors, respective functional committees, and shareholders’ meetings, among others. Highlights of the implementation and continuing education completed by governance staff this year are as follows:</p> <p>(I) Help directors perform their function and arrange continuing education for them:</p> <ol style="list-style-type: none"> <li>1. Assist directors in complying with the latest laws and regulations, and maintain the exchange of information and opinions between directors and departmental heads.</li> <li>2. Help arrange related meetings when it is necessary for the independent directors to separately meet with the head of internal audit or the CPAs in compliance with the Corporate Governance Best-Practice Principles.</li> <li>3. Help the preparation of the annual continuing education program and arrange courses reflective of the characteristics of the industry that the Company is in and the education and experience of the directors.</li> </ol> <p>(II) Help prepare Board of Directors’ meetings and shareholders’ meetings:</p> <ol style="list-style-type: none"> <li>1. Confirm that the shareholders’ meeting and Board of Directors’ meeting are called for in compliance with the requirements of applicable laws and the Corporate</li> </ol> | None   |

| Evaluation Item                     | Implementation Status   |           |  | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |              |          |                |                                     |   |           |     |                       |   |          |     |                                  |  |           |     |  |
|-------------------------------------|---|-----------|--|--|--------------|----------|----------------|-------------------------------------|---|-----------|-----|-----------------------|---|----------|-----|----------------------------------|--|-----------|-----|--|
|                                     | Yes   | No        | Abstract Explanation   |  |              |          |                |                                     |   |           |     |                       |   |          |     |                                  |  |           |     |  |
|                                     |   |           | <p>Governance Best-Practice Principles.</p> <p>2. Enclose the resolutions made and release news after the meetings to ensure the legitimacy and accuracy of important information and to protect equal access of investors to trading information.</p> <p>3. Help and remind directors of the laws and regulations that they should follow while performing duties or making official resolutions of the Board of Directors.</p> <p>(III) Continuing education completed by the head of corporate governance this year is as follows:</p> <table><tr><th>Provider</th><th>Course title</th><th>Duration</th><th>Hours involved</th></tr><tr><td>Taiwan Investor Relations Institute</td><td>2024 KPMG Leadership Academy Forum "Steering the Course of Corporate Intelligence, Corporate Governance Leading the Way "</td><td>4/12/2024</td><td>3.0</td></tr><tr><td>Taiwan Stock Exchange</td><td>2024 Cathay Sustainable Finance and Climate Change Summit</td><td>7/3/2024</td><td>6.0</td></tr><tr><td>Securities and Futures Institute</td><td>2024 Education for Prevention of Insider Trading</td><td>9/20/2024</td><td>3.0</td></tr></table> | Provider   | Course title | Duration | Hours involved | Taiwan Investor Relations Institute | 2024 KPMG Leadership Academy Forum "Steering the Course of Corporate Intelligence, Corporate Governance Leading the Way " | 4/12/2024 | 3.0 | Taiwan Stock Exchange | 2024 Cathay Sustainable Finance and Climate Change Summit | 7/3/2024 | 6.0 | Securities and Futures Institute | 2024 Education for Prevention of Insider Trading | 9/20/2024 | 3.0 |  |
| Provider                            | Course title  | Duration  | Hours involved   |  |              |          |                |                                     |   |           |     |                       |   |          |     |                                  |  |           |     |  |
| Taiwan Investor Relations Institute | 2024 KPMG Leadership Academy Forum "Steering the Course of Corporate Intelligence, Corporate Governance Leading the Way " | 4/12/2024 | 3.0  |  |              |          |                |                                     |   |           |     |                       |   |          |     |                                  |  |           |     |  |
| Taiwan Stock Exchange               | 2024 Cathay Sustainable Finance and Climate Change Summit   | 7/3/2024  | 6.0  |  |              |          |                |                                     |   |           |     |                       |   |          |     |                                  |  |           |     |  |
| Securities and Futures Institute    | 2024 Education for Prevention of Insider Trading  | 9/20/2024 | 3.0  |  |              |          |                |                                     |   |           |     |                       |   |          |     |                                  |  |           |     |  |

| Evaluation Item  | Implementation Status |    |   | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|---|--|
|  | Yes                   | No | Abstract Explanation  |  |
| V. 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? | ✓                     |    | In order to achieve sustainable development and respect the rights and interests of stakeholders, the Company communicates with stakeholders through diverse channels, understands their issues and needs of importance, and appropriately responds and announces important sustainable development issues of concern to them. This will enhance the content of information disclosure. The actual result of stakeholder communication in 2024 was reported to the Board of Directors on January 15, 2025. The Company's website also has a dedicated section for stakeholders and provides a communication channel for them. For more information, please visit the Company's website: <a href="http://www.thinking.com.tw">http://www.thinking.com.tw</a> . | None   |
| VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?   | ✓                     |    | The Company has appointed the Stock Agency of President Securities Corporation to deal with shareholder affairs.  | None   |
| VII. Information Disclosure<br>(I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?  | ✓                     |    | (I) The Company has set up a website in both Chinese and English to update and disclose information on the financial business and corporate governance at any time for investors' reference. For the relevant information, please visit the Company's website: <a href="https://www.thinking.com.tw">https://www.thinking.com.tw</a> .  | None   |

| Evaluation Item  | Implementation Status |    |  | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|--|--|
|  | Yes                   | No | Abstract Explanation   |  |
| (II) 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)?                 | ✓                     |    | (II) Disclosure of information by the Company to the public:<br>1. Designated personnel are responsible for the declaration matters of the MOPS, including various regular and irregular financial and business information, and the publication of significant information in accordance with relevant regulations.<br>2. Setting up English and German websites, and having dedicated personnel responsible for collecting and disclosing the Company's information.<br>3. The spokesperson and acting spokesperson system is in place and a contact window is available on the Company's website.<br>4. The information on investor conference and related materials is available on the Company's website. |  |
| (III) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit? | ✓                     |    | (III) According to relevant regulations, the Company announces and reports the annual financial report within two months after the end of the fiscal year, and announces and reports the first, second, and third quarterly financial statements and the operation situation of each month by the specified deadline, please refer to MOPS and the Company's website for related information.  |  |

| Evaluation Item  | Implementation Status |    |   | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|---|--|
|  | Yes                   | No | Abstract Explanation  |  |
| VIII. 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 risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)? | ✓                     |    | <p>(I) Risk management policy and risk measurement criteria: Refer to the descriptions provided in “Risk Matters Discussion and Analysis” of this Annual Report.</p> <p>(II) Employee rights and employee wellness: Refer to the descriptions provided in “Labor-Management Relations” and “Implementation status of the promotion of sustainable development” of this Annual Report.</p> <p>(III) For the policy to protect customers, contracts are signed with customers and the needs of customers are understood through satisfaction survey and related services and assurance are provided accordingly. For supplier relations, in order to ensure long-term steady supply and to meet the demand of customers for product quality and their environmental protection requirements, supplier evaluations are performed periodically. Suppliers are asked to provide product quality materials in order to keep track of the supply status at all times.</p> <p>(IV) The Company’s important information is exclusively based on applicable requirements of the TWSE Procedures for Verification and Disclosure of Material Information of TWSE-listed Companies in order to protect the rights of shareholders, stakeholders, and investors.</p> <p>(V) The Company irregularly provides information on relevant training courses, arranges for directors to participate in further education, and discloses it on the MOPS in accordance with regulations.</p> <p>(VI) Since 2019, the Company has purchased directors' liability insurance and reported the annual insurance situation to the Board of Directors on February 20, 2025.</p> | None   |

| Evaluation Item   | Implementation Status |    |                      | Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|----------------------|--|
|   | Yes                   | No | Abstract Explanation |  |
| IX. 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.<br>(I) The indicators that the Company has improved in 2024 are as follows:<br>1.Completed the preparation of the 2023 Sustainability Report, which was discussed and approved by the Board of Directors and released before the end of August 2024.<br>(II) Future strengthening matters and measures are explained as follows:<br>1.In accordance with the principle of gender equality, gradually increase the proportion of female director members.<br>2.Continuous evaluation of potential improvement plans for items that have not received scores. |                       |    |                      |  |

iv. Composition, Responsibilities and Operations of the Remuneration Committee

(1) Membership of Compensation and Remuneration Committee:

December 31, 2024

| <div> <div>Criteria</div> <div>Title</div> <div>Name</div> </div> |                 | Professional qualifications and experience  | Status of independence  | Number of other public companies in which the individual is concurrently serving as a Compensation and Remuneration Committee member |
|---|-----------------|---|---|--|
| Convener  | Huang Cheng-Nan | Please refer to the "Professional qualifications and independence analysis of directors" of this Annual Report.   | None of the Company's remuneration committee members has been in or is under any circumstances stated in Article 30 of the Company Act. All the remuneration committee members comply with Article 6 of the "Regulations Governing the Appointment and Exercise of Powers by the Compensation and Remuneration of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange." | 1  |
| Independent Director  | Chou Chi-Wen    |   |   | -  |
| Other   | Tseng Su-Hui    | Master of Business Administration from National Sun Yat-Sen University; former financial manager of Sunfar Computer Co., Ltd. and former vice president of Global Prosperity Fishery Co., Ltd.; accounting and financial analysis and leadership capabilities |   | -  |

(2) Compensation and Remuneration Committee Responsibilities:

The Committee shall pay due attention as good-will manager and truthfully fulfills its function as follows. It is to be reported to the Board of Directors and submit its suggestions for discussions in the Board of Directors' meeting:

- A. Periodically discuss the Organic Rules of the Committee and provide advice on their revisions if necessary.
- B. Establish and periodically reflect on the policy, system, criteria, and structure of performance evaluations and the compensation and rewards of directors and managers.
- C. Periodically evaluate and define the compensation and rewards for directors and managers.



While performing the functions mentioned in the preceding paragraph, the following principles shall be followed:

- A. Director and managerial performance evaluation and compensation and remuneration shall take reference of the general criteria for the payment in the industry and take into consideration the legitimate correlation with personal performance, operational performance of the Company, and risks in the future.
- B. Directors and managers shall not be misled to engage in behavior that exceeds the risk appetite of the Company for the pursuit of their compensation and remuneration.
- C. The ratio of the bonus issued to directors and senior managers for their short-term performance and the payment schedule of some of the variable compensation and remuneration shall take into consideration the characteristics of the industry and the nature of operation of the Company before a decision is made.

(3) Information on the Operational Status of the Compensation and Remuneration Committee:

A. Company's Compensation and Remuneration Committee has 3 members in total.

B. Term in office of members of the current intake: 6/13/2023-6/12/2026

A total of 3 meetings of the Compensation and Remuneration Committee were held in 2024. The attendances of members were as follows:

| Title    | Name            | Attendance in person | By Proxy | Attendance Rate (Note) | Remarks |
|----------|-----------------|----------------------|----------|------------------------|---------|
| Convener | Huang Cheng-Nan | 3                    | -        | 100%                   |         |
| Member   | Chou Chi-Wen    | 3                    | -        | 100%                   |         |
| Member   | Tseng Su-Hui    | 3                    | -        | 100%                   |         |

Note: The actual attendance rate (%) is calculated by the number of Compensation and Remuneration Committee meetings held during the term in office and the attendance in person.

(4) Matters being discussed by the Compensation and Remuneration Committee and the decisions made and how the Company addressed opinions from the members are provided below:

| Compensation and Remuneration Committee   | Contents of the proposal   | Decisions made                               | How the Company addressed opinions from the Compensation and Remuneration Committee     |
|---|--|--|---|
| Third meeting of the fifth intake<br>1/24/2024  | 1. The amount of the year-end-bonus for managers for 2023<br>2. Discussion of regulations relevant to the compensation and rewards policy, system, criteria, and structure of 2024<br>3. 2024 Compensation and Rewards Proposal for managers | It was approved as is all attending members. | It was submitted to the Board of Directors and was approved by all attending directors. |
| Fourth meeting of the fifth intake<br>2/26/2024   | 1. 2023 remuneration to employees and directors  | It was approved as is all attending members. | It was submitted to the Board of Directors and was approved by all attending directors. |
| Fifth meeting of the fifth intake<br>8/8/2024   | 1. Distribution of the remuneration to directors for 2023<br>2. Distribution of employee remuneration to managers for 2023<br>3. Remuneration proposal fo manager  | It was approved as is all attending members. | It was submitted to the Board of Directors and was approved by all attending directors. |
| <p>Other details to be documented:</p> <p>I. The Board of Directors does not adopt or modifies the advice provided by the Compensation and Remuneration Committee: None.</p> <p>II. For decisions made by the Compensation and Remuneration Committee, there are members who object to or have their reservations that are recorded or stated in writing: None.</p> |  |  |   |

## Corporate Sustainable Development Organizational Structure

The Company's Corporate Sustainable Development Committee is chaired by the President and underneath are eight groups, namely, the Corporate Governance Group primarily formed by the financial unit, the Green Product Design Group primarily formed by the R&D and design unit, the Supplier Management Group primarily formed by the procurement and supply chain management center, the Labor-Management Committee primarily formed by the human resources unit, the Risk Management Group primarily formed by the quality assurance unit, the Energy Conservation Group primarily formed by the factory affairs unit, the Labor Safety and Health Group primarily formed by the environmental safety unit, and the Public Interest Promotion Group formed by employees. Each of the groups mentioned above includes issues raised by respective stakeholders in their routine or annual plan and promote related activities relevant to Corporate Sustainable Development.



## Responsibilities of the Corporate Sustainable Development Committee

|                               |  |
|-------------------------------|--|
| Corporate Governance Group    | The Company's head of corporate governance is responsible for promoting corporate governance in order to escalate the concerns to a higher level of management and to integrate related resources internally for ensuring that respective requirements for the corporate governance evaluation can be precisely enforced while at the same time ensuring that all operations meet regulatory requirements.   |
| Risk Management Group         | Operational risks increase with the rapidly changing environment. Therefore, how to deal with systematic risks that are beyond control and to prevent non-systematic risks that may be avoided is a daunting task. In light of this, the Group consists of the head of finance and his/her staff to take charge of analyzing related risks to avoid financial risks as much as possible. As for the quality management system, the head of the Quality Assurance Center is in charge of preventing against respective emergency situations and responding quickly.                                     |
| Green Product Design Group    | Green products free of environmental protection concerns is a universal value. The Group is under the charge of the head of research and development, who also leads the R&D team in ensuring that all the materials used in products under development meet respective environmental protection regulations.  |
| Labor-Management Committee    | The Labor-Management Committee, on the other hand, is headed by the Management Department so that it serves as the direct bridge between the employer and the employees. The Management Department also serves as the employer's representative during the labor-management meeting that is held periodically with the representative(s) of the employees to ensure fulfillment of necessary decision-making duties.   |
| Supplier Management Group     | The Company is part of the electronic industrial chain and hence needs to follow applicable RBA regulations. This Group is therefore under the charge of the head of the supply chain management center. It educates collaborative downstream contractors and performs necessary audits in order to ensure that both upstream and downstream contractors comply with applicable RBA regulations as well. In addition, for the other standards or regulatory requirements that shall be followed by the industry, such as AEO, OHSAS, FCPA, etc., the Group shall communicate them to contractors, too. |
| Labor Safety and Health Group | The Chairman of occupational safety and health joins hands with factory affairs, general affairs, medical affairs, and human resources, among other units and related resources at the same time and serves as a representative of the employer that holds the labor safety meeting periodically with representatives of the employees in order to take care of the overall environmental safety and health-related affairs throughout the Company.  |
| Energy Conservation Group     | Creating an energy-saving low-carbon society is one of the missions of the industry nowadays, too. How to conserve energy and reduce carbon emissions and meet the requirements of the domestic Greenhouse Gas Reduction and Management Act has hence become a priority for domestic industries. Therefore, the Group is led by the head of the plant, who is responsible for respective energy conservation efforts throughout the Company in order to ensure compliance with regulatory requirements and to jointly work for a low-carbon environment.   |
| Public Interest Group         | What the Public Interest Group does is part of external Corporate Sustainable Development. The head of the management center is in charge and, with assistance from the head of each of the other centers, utilizes resources given by the Company and makes the best use of them to hopefully improve the corporate image and to take care of units or individuals in need of help.   |

v. Implementation status of the promotion of sustainable development, the differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor:

| Promotion items   | Implementation status |    |  | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|--|---|
|   | Yes                   | No | Abstract Explanation   |   |
| I. Does the Company established a governance structure to promote sustainable development, and set up a dedicated (or concurrently) position to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and the supervision situation of the Board of Directors? | ✓                     |    | <p>(I) Based on the Company's vision and mission, the “Corporate Social Responsibility Committee” was established in 2017 and was renamed the “Corporate Sustainable Development Committee” in 2022. It is the highest-level sustainable development decision-making center within the Company, and is dominated by the general manager. It reviews the Company's core operating capabilities together with a number of senior executives in different fields and formulates medium and long-term sustainable development plans.</p> <p>(II) The “Corporate Sustainability Development Committee” serves as a cross-departmental communication platform that integrates superiors and subordinates and promotes cross-departmental communication. The task group identifies sustainability issues related to the Company's operations and stakeholders, formulates corresponding strategies and work guidelines, prepares relevant budgets and plans for organizational and sustainability matters, and implements annual plans. It also tracks the implementation results to ensure that the sustainable development strategy is fully implemented in the Company's daily operations.</p> | None  |

| Promotion items | Implementation status |    |  | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|-----------------|-----------------------|----|--|---|
|                 | Yes                   | No | Abstract Explanation   |   |
|                 |                       |    | <p>(III) The Corporate Sustainability Development Committee takes charge of also promoting and integrating content concerning respective issues such as corporate governance, environmental protection, green products, energy management, employee wellness, and public interests and reporting them to the board of directors once a year. On February 20, 2025, the Company reported the implementation status of 2024 to the board of directors. The motion content includes: 1) identifying sustainability issues that need attention, and formulating the action plans to deal with them; 2) modifying the goals and policy for sustainability-related issues; and 3) supervising the implementation of sustainable operation matters, and evaluating the implementation status.</p> <p>(IV) The board of directors of the Company regularly listens to the reports of the management team. The management team must propose and submit the corporate strategies to the board of directors. The board of directors must evaluate the feasibility of such strategies, frequently review their progress, and urge the management team to make improvements when necessary.</p> |   |

| Promotion items  | Implementation status |    |   | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|---|---|
|  | Yes                   | No | Abstract Explanation  |   |
| II. Does the Company perform risk assessments when dealing with environmental, social, and corporate governance-related issues that concern the Company’s operations according to the materiality principle and define related risk management policies or strategies? | ✓                     |    | <p>(I) The disclosed information covers the sustainable development performance of the Company in key locations from January 2024 to December 2024. The risk assessment boundary is mainly the Company, including the bases in Taiwan and mainland China. Based on the relevance and degree of influence on major subjects, the subsidiaries Yenyo Technology Co., Ltd., Thinking (Changzhou) Electronic Co., Ltd., Dong Guan Welkin Electronic Co., Ltd., Thinking (Yichang) Electronic Co., Ltd. and Jiang Xi Thinking Electronic Co., Ltd. are included in the scope.</p> <p>(II) The Company has formulated the Corporate Sustainable Development Practice Principles, which are published on the Company's website. It is expressly stated that the policy of corporate sustainable development aims to implement and promote corporate governance, develop a sustainable environment, participate in the promotion of social welfare, and strengthen the information disclosure of corporate sustainable development. In addition, the Company received the RBA Responsible Business Alliance Code of Conduct medal in 2023 and called for the management review meeting on January 17, 2025 to discuss the implementation of achievements in 2024.</p> | None  |

| Promotion items   | Implementation status |    |   | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|---|---|
|   | Yes                   | No | Abstract Explanation  |   |
|   |                       |    | (III) The Company has established the “Procedure for Identifying Environmental Considerations” and the “Regulations Governing the Identification and Evaluation of Labor and Ethical Risks” to help identify risks in the environment, associated with health and safety and labor practice relevant to its operation and to confirm the level of each risk and implement an appropriate procedure and substantial control for ensuring compliance and control over identified risks.<br>For relevant instructions, please refer to “(VIII) Risk Assessment - VII. Other important information that is helpful to understand and promote the implementation of corporate sustainable development” of this Annual Report |   |
| III. Environmental Issues<br>(I) Does the company establish proper environmental management systems based on the characteristics of their industries? | ✓                     |    | (I) The Company has established a complete environmental management system based on the industrial characteristics of netcom; the Company and its subsidiaries, according to the operational needs, have passed ISO 14001 (latest effective period: 2/4/2025 - 2/4/2028) and IECQ QC 080000 (effective period: 2/25/2024 - 2/24/2027) certifications, has conducted the annual greenhouse gas inventory in accordance with ISO 14064-1. The verification for the year 2024 was completed in April 2025, and the results of the greenhouse gas inventory have been disclosed on the Company's website.   | None  |



| Promotion items  | Implementation status         |    |   | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |                               |      |           |      |           |      |           |      |
|--|-------------------------------|----|---|---|-------------------------------|------|-----------|------|-----------|------|-----------|------|
|  | Yes                           | No | Abstract Explanation  |   |                               |      |           |      |           |      |           |      |
| (II) Does the Company committed to improving the efficiency of resource utilization and using recycled materials with low impact on the environment? | ✓                             |    | <p>(II)The Company has actively promoted various energy reduction measures, selected the equipment with high energy efficiency and energy-saving design, reduced the energy consumption of enterprises and products, and expanded the use of renewable energy to optimize the energy utilization efficiency.</p> <p><b><u>Total electricity consumption in the past 3 years:</u></b></p> <p style="text-align: right;">Unit: thousand degrees/year</p> <table><tr><th>Year</th><th>Total electricity consumption</th></tr><tr><td>2024</td><td>93,420.18</td></tr><tr><td>2023</td><td>82,866.37</td></tr><tr><td>2022</td><td>89,892.52</td></tr></table> <p>In 2024, the total electricity consumption of the Company and its subsidiaries increased by 10,553.81 thousand degrees compared to 2023, a growth of 12.7%. This was mainly due to a 26% increase in total production volume in 2024 compared to 2023. When evaluating electricity consumption per unit of product, the emissions per unit decreased by 1.48 (thousand KWh/KKPCS) in 2024 compared to 2023. In addition, the Company has added new solar energy equipment in the previous year, with an investment amount exceeding NTD15,400 thousand. The system capacity is 200.54 KWP, and it was commissioned in September 2023. In 2024, solar energy generation of the Company and its</p> | Year  | Total electricity consumption | 2024 | 93,420.18 | 2023 | 82,866.37 | 2022 | 89,892.52 | None |
| Year   | Total electricity consumption |    |   |   |                               |      |           |      |           |      |           |      |
| 2024   | 93,420.18                     |    |   |   |                               |      |           |      |           |      |           |      |
| 2023   | 82,866.37                     |    |   |   |                               |      |           |      |           |      |           |      |
| 2022   | 89,892.52                     |    |   |   |                               |      |           |      |           |      |           |      |

| Promotion items  | Implementation status |    |  | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|--|---|
|  | Yes                   | No | Abstract Explanation   |   |
| (III) Does the company evaluate the potential risk and opportunities of climate change on its operations and take actions? | ✓                     |    | <p>subsidiaries reached 3,331.47 thousand kWh. Further improve the efficiency of solar power generation equipment for renewable energy. With the implementation of green energy infrastructure, we are gradually moving towards energy transition. The Company is devoted to eradicating inefficiency and waste of resources in production and manufacturing and improving reutilization of resources. Developing green energy products is a comprehensive movement. From technical R&amp;D, design, manufacturing, and transport to recycling and reutilization, environmental protection regulations and requirements are strictly followed for each of the said stages. In addition, the Company bans the use of hazardous substances in its products. Product development meets the EU RoHS, REACH, and WEEE regulations, the EuP Directive, and the halogen-free requirement, among other international laws and regulations. Business waste that is generated is strictly managed and processed and cleared periodically to reduce environmental impacts to a minimum.</p> <p>(III) The Company has evaluated the potential risks and opportunities now and in the future brought about by climate change for enterprises. For relevant instructions, please refer to “(VII) Response to Climate-related Risks and Opportunities: - VII. Other important information</p> | None  |

| Promotion items  | Implementation status |            |  | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |            |            |            |                 |      |          |           |          |           |      |          |           |          |           |      |          |           |          |           |      |
|--|-----------------------|------------|--|---|------------|------------|------------|-----------------|------|----------|-----------|----------|-----------|------|----------|-----------|----------|-----------|------|----------|-----------|----------|-----------|------|
|  | Yes                   | No         | Abstract Explanation   |   |            |            |            |                 |      |          |           |          |           |      |          |           |          |           |      |          |           |          |           |      |
| (IV) Does the company conduct inspections about greenhouse gas, water consumption, and total weight of waste for last two years, as well as establish company strategies for carbon reduction, management of water consumption, and total weight of waste? | ✓                     |            | <p>that is helpful to understand and promote the implementation of corporate sustainable development” of this Annual Report.</p> <p>(IV) All plants of the Company and its subsidiaries, Yenyo Technology Co., Ltd., Thinking (Changzhou) Electronic Co., Ltd., Dong Guan Welkin Electronic Co., Ltd., Thinking (Yichang) Electronic Co., Ltd. and Jiang Xi Thinking Electronic Co., Ltd. all implemented statistics on greenhouse gas emission, water consumption, and total wastes, and reviewed the results of the past two years in a tabular manner. The Company attaches great importance to the environmental protection and reduction policy. In the past two years, greenhouse gas intensity, water consumption, total wastes and energy intensity have been determined based on the emissions per unit of product. The main factor contributing to this is the 26% increase in total production in 2024 compared to 2023.</p> <p><b><u>Greenhouse gas emissions in the past 3 years:</u></b></p> <p style="text-align: right;">Unit: metric ton, CO2e/year</p> <table border="1"> <thead> <tr> <th>Year</th><th>Category 1</th><th>Category 2</th><th>Category 3</th><th>Total emissions</th></tr> </thead> <tbody> <tr> <td>2024</td><td>1,167.25</td><td>48,193.23</td><td>1,601.50</td><td>50,961.98</td></tr> <tr> <td>2023</td><td>1,307.98</td><td>47,089.08</td><td>1,362.45</td><td>49,759.51</td></tr> <tr> <td>2022</td><td>1,145.64</td><td>51,839.59</td><td>2,767.98</td><td>55,753.21</td></tr> </tbody> </table> <p>In 2024, the total greenhouse gas emission of the</p> | Year  | Category 1 | Category 2 | Category 3 | Total emissions | 2024 | 1,167.25 | 48,193.23 | 1,601.50 | 50,961.98 | 2023 | 1,307.98 | 47,089.08 | 1,362.45 | 49,759.51 | 2022 | 1,145.64 | 51,839.59 | 2,767.98 | 55,753.21 | None |
| Year   | Category 1            | Category 2 | Category 3   | Total emissions   |            |            |            |                 |      |          |           |          |           |      |          |           |          |           |      |          |           |          |           |      |
| 2024   | 1,167.25              | 48,193.23  | 1,601.50   | 50,961.98   |            |            |            |                 |      |          |           |          |           |      |          |           |          |           |      |          |           |          |           |      |
| 2023   | 1,307.98              | 47,089.08  | 1,362.45   | 49,759.51   |            |            |            |                 |      |          |           |          |           |      |          |           |          |           |      |          |           |          |           |      |
| 2022   | 1,145.64              | 51,839.59  | 2,767.98   | 55,753.21   |            |            |            |                 |      |          |           |          |           |      |          |           |          |           |      |          |           |          |           |      |

| Promotion items | Implementation status |    |  | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|-----------------|-----------------------|----|--|---|
|                 | Yes                   | No | Abstract Explanation   |   |
|                 |                       |    | <p>Company and its subsidiaries was 50,961.98 metric tons CO2e, which mainly came from the indirect use of electricity of Category 2, accounting for about 95% of the total emission. The total greenhouse gas emissions in 2024 increased by 1,202.47 metric tons CO2e compared to 2023, the increase was mainly due to a 26% rise in total production volume in 2024 compared to 2023. When comparing emissions per unit of product, there was a decrease of 1.28 (metric tons of CO2e/KKPCS) in 2024 compared to 2023. According to the 2025 Delta Energy Diagnostic Report, we plan to implement improvements to the air conditioning system's chilled water host and energy management control system to achieve optimal control. These improvements are expected to reduce energy consumption by 542,336 (KWh/year) and carbon emissions by 268 (metric tons of CO2e/year), all aimed at achieving energy-saving and carbon reduction performance. In order to respond to climate change and promote the sustainable operation of the Company, we will continue to invest in improving the efficiency of renewable energy use and the development of energy-saving products. It is expected to achieve the target of “100% green electricity at office bases and renewable energy as 20% of the production</p> |   |

| Promotion items | Implementation status   |    |  | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |                         |      |         |      |         |      |         |  |
|-----------------|-------------------------|----|--|---|-------------------------|------|---------|------|---------|------|---------|--|
|                 | Yes                     | No | Abstract Explanation   |   |                         |      |         |      |         |      |         |  |
|                 |                         |    | <p>plants' electricity consumption.”</p> <p><b><u>Water consumption in the past 3 years:</u></b></p> <p>Unit: metric ton/year</p> <table><tr><th>Year</th><th>Total water consumption</th></tr><tr><td>2024</td><td>476,374</td></tr><tr><td>2023</td><td>350,276</td></tr><tr><td>2022</td><td>393,410</td></tr></table> <p>The Company and its subsidiaries recycled the water discharged from the pure water RO system to the cooling water tower of the air conditioner. The cooling water used in the manufacturing process for RO cutting was collected and treated by the newly added UF/RO pure water equipment and recycled back to the manufacturing process for further utilization. Other water-saving measures are also conducted. The total water consumption in 2024 was 476,374 metric tons, which increased by 126,098 metric ton compared to 2023, a growth of 36%. When comparing water usage per unit of product, there was a decrease of 0.021 (metric tons/KKPCS) in 2024 compared to 2023. For 2025, we are implementing water conservation measures, including changing operational parameters to increase cooling tower conductivity control from 1500 to 4000 for discharge, which is expected to save 1.7% of water consumption while preventing scaling in</p> | Year  | Total water consumption | 2024 | 476,374 | 2023 | 350,276 | 2022 | 393,410 |  |
| Year            | Total water consumption |    |  |   |                         |      |         |      |         |      |         |  |
| 2024            | 476,374                 |    |  |   |                         |      |         |      |         |      |         |  |
| 2023            | 350,276                 |    |  |   |                         |      |         |      |         |      |         |  |
| 2022            | 393,410                 |    |  |   |                         |      |         |      |         |      |         |  |

| Promotion items | Implementation status |                     |   | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |                 |                     |             |      |        |          |          |      |        |          |          |      |        |          |          |  |
|-----------------|-----------------------|---------------------|---|---|-----------------|---------------------|-------------|------|--------|----------|----------|------|--------|----------|----------|------|--------|----------|----------|--|
|                 | Yes                   | No                  | Abstract Explanation  |   |                 |                     |             |      |        |          |          |      |        |          |          |      |        |          |          |  |
|                 |                       |                     | <p>the chilled water machine pipeline, achieving optimal control.</p> <p><b><u>Waste output in the past 3 years:</u></b></p> <p style="text-align: right;">Unit: metric ton/year</p> <table><tr><th>Year</th><th>Hazardous waste</th><th>Non-hazardous waste</th><th>Total waste</th></tr><tr><td>2024</td><td>391.46</td><td>1,099.05</td><td>1,490.51</td></tr><tr><td>2023</td><td>457.61</td><td>1,065.67</td><td>1,523.28</td></tr><tr><td>2022</td><td>376.35</td><td>1,516.20</td><td>1,892.55</td></tr></table> <p>In order to achieve sustainable resource reuse, the Company's waste treatment principle gives priority to the reuse in the factory to reduce the consumption of raw materials, followed by recycling, and finally delivered to the incineration site or landfill.</p> <p>The total wastes of the Company and its subsidiaries in 2024 was 1,490.51 metric tons, which decreased by 32.77 metric tons compared to 2023, a reduction of 2.2%. When comparing waste per unit of product, there was a decrease of 0.04 (metric tons/KKPCS) in 2024 compared to 2023. To enhance effective resource utilization in 2025, we continue to implement waste reduction measures: (1) Recycling and reuse of hazardous industrial waste, with a distillation recovery rate of organic solvents reaching 90%, and (2) Implementing recycling and reuse of general industrial waste, coordinating with suppliers to</p> | Year  | Hazardous waste | Non-hazardous waste | Total waste | 2024 | 391.46 | 1,099.05 | 1,490.51 | 2023 | 457.61 | 1,065.67 | 1,523.28 | 2022 | 376.35 | 1,516.20 | 1,892.55 |  |
| Year            | Hazardous waste       | Non-hazardous waste | Total waste   |   |                 |                     |             |      |        |          |          |      |        |          |          |      |        |          |          |  |
| 2024            | 391.46                | 1,099.05            | 1,490.51  |   |                 |                     |             |      |        |          |          |      |        |          |          |      |        |          |          |  |
| 2023            | 457.61                | 1,065.67            | 1,523.28  |   |                 |                     |             |      |        |          |          |      |        |          |          |      |        |          |          |  |
| 2022            | 376.35                | 1,516.20            | 1,892.55  |   |                 |                     |             |      |        |          |          |      |        |          |          |      |        |          |          |  |

| Promotion items  | Implementation status |    |   | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|---|---|
|  | Yes                   | No | Abstract Explanation  |   |
|  |                       |    | reduce the use of styrofoam in packaging materials and switch to recyclable alternatives to reduce waste.   |   |
| IV. Social Issues<br>(I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights? | ✓                     |    | (I) The Company recognizes and voluntarily follows the internationally recognized human rights standards such as the “United Nations Guiding Principles on Business and Human Rights”, the International Labor Organization’s “Declaration of Fundamental Principles and Rights at Work” and the “Universal Declaration of Human Rights”, and abides by relevant labor laws and regulations. The Company has established the “RBA Responsible Business Alliance Code of Conduct Manual” and always respects the guarantees set forth in the human rights convention. The Company has won the RBA Code of Conduct medal since 2019, implemented the RBA Responsible Business Alliance Code of Conduct Manual, and regularly held labor-management meetings on a quarterly basis. Please visit the company’s website for relevant information and certificates.<br>The Company’s human rights management policy and specific plans are summarized as follows: | None  |

| Promotion items | Implementation status |    |   | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons   |
|-----------------|-----------------------|----|---|---|
|                 | Yes                   | No | Abstract Explanation  |   |
|                 |                       |    | Human Rights Management Policy  | Specific Plans  |
|                 |                       |    | Provide a safe and sound work environment.  | According to the relevant instructions of Measures for Safety and Occupational Health Protection Management, provide protective measures for the work environment and personal safety of employees. |
|                 |                       |    | Implement the policy of high salary, high-speed development and delicate care.                          | Reward and bonus system for employees<br>Complete and smooth promotion channels   |
|                 |                       |    | Prohibiting any forced labor and abiding by labor laws and regulations promulgated by local governments | Implementing the vacation system and encouraging colleagues to focus on the work-life balance   |
|                 |                       |    | Investigating whether the suppliers have implemented the human rights policy                            | Raw material suppliers filled in the self-assessment form attached to the RBA Responsible Business Alliance Code of Conduct Manual; the recycling rate in 2024 was up to 100%.                      |



| Promotion items   | Implementation status |    |   | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|---|---|
|   | Yes                   | No | Abstract Explanation  |   |
| (II) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries? | ✓                     |    | <p>(II) The Company has established the Work Rules and related personnel management regulations that cover the basic wage, working hours, leave, pension, Labor Insurance and National Health Insurance coverage, occupational hazard compensation, etc. All meet the applicable requirements of the Labor Standards Act. The Employee Welfare Committee is in place. It is operated by the Welfare Committee elected by employees and takes care of respective benefits. The Company’s remuneration policy is based on personal capabilities, contribution to the Company, and performance; it is positively correlated with the operational performance.</p> <p><b><u>Employees’ Remuneration:</u></b><br/>The Company's year-end bonus system was on the basis of the Company’s profits. After considering employees’ seniority and annual performance assessment, the compensation was allocated to all colleagues, motivating them to work together for the Company's goals. For the remuneration system for employees, please refer to (v) Employees’ and Directors’ Compensation - “IV. Capital Overview” of this Annual Report.</p> | None  |

| Promotion items | Implementation status |    |  | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|-----------------|-----------------------|----|--|---|
|                 | Yes                   | No | Abstract Explanation   |   |
|                 |                       |    | <p><b><u>Welfare Measures for Employees:</u></b></p> <p>The Company has set up an Employee Welfare Committee. The Company plan and provide various excellent benefits for employees, such as: employee travel subsidies, professional functional course subsidies, birthday gift certificates, marriage allowances and funerals allowances, etc. In addition, the Company also provides colleagues with free physical examination plans, employee family days and other benefits.</p> <p>For the vacation system, there are two days off per week; special vacations are granted in accordance with the <i>Labor Standards Act</i>. If a colleague needs a longer vacation in case of childcare, serious injury/illness, severe accident, etc., he/she can also apply for leave without pay to meet the needs for personal purposes and family care.</p> <p><b><u>Workplace Diversity and Equity:</u></b></p> <p>To realize that male and female employees have equal pay for the same jobs and equal opportunities for promotion, and promote sustainable and joint economic growth. In 2024, the average proportion of female employees was approximately 50%, and that of female senior executives was 44%.</p> |   |

| Promotion items  | Implementation status |    |   | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|---|---|
|  | Yes                   | No | Abstract Explanation  |   |
|  |                       |    | <p>The Company attaches great importance to the rights and benefits of employees, shares profit and earnings with them, and maintains a good work environment, including comprehensive physical and psychological care for all ethnic groups, hires employees with disabilities and providing suitable job positions.</p> <p><b><u>Overall Remuneration Policy:</u></b></p> <p>The Company has participated in market salary surveys every year and adjusted salaries according to the market salary levels, economic trends and personal performance to maintain the overall salary competitiveness. In 2024, the annual average salary adjustment rate of the Company's supervisory and non-supervisory positions in Taiwan was 3.1%.</p> |   |
| (III) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis? | ✓                     |    | <p>(III) <b><u>Work Environment:</u></b></p> <ol style="list-style-type: none"> <li>1. It is specified that employees shall take related required protective measures for the environment where they are working in order to protect their personal safety.</li> <li>2. All the plants and subsidiaries of the Company have obtained ISO 45001 certification. (latest effective period: 2/25/2025 - 2/25/2028) Two fire prevention educational drills are organized</li> </ol>  | None  |

| Promotion items | Implementation status |    |   | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|-----------------|-----------------------|----|---|---|
|                 | Yes                   | No | Abstract Explanation  |   |
|                 |                       |    | <p>each year to familiarize employees with fire prevention equipment and to improve their responsiveness for ensuring their personal safety.</p> <p>3. Employee health check-ups are conducted periodically each year to help employees properly manage their own health. Safety and health educational training are implemented periodically.</p> <p>4. Air-conditioning equipment is cleaned periodically each year and trash is categorized to ensure a quality work environment.</p> <p>5. Contract healthcare professionals are based on site to enforce employee health management.</p> <p>6. The Company has purchased public liability insurance and complies with the regulations to report the inspection of public safety equipment for buildings and fire protection equipment to the competent authority. The Company also obtains qualified certificates for fire safety managers, develops workplace fire safety plans, and maintains the safety of workplace fire protection equipment.</p> |   |

| Promotion items | Implementation status |    |   | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|-----------------|-----------------------|----|---|---|
|                 | Yes                   | No | Abstract Explanation  |   |
|                 |                       |    | <p><b><u>Occupational Safety and Health Policy:</u></b></p> <p>The Company formulates policies in accordance with the Occupational Safety and Health Act and the regulations of customers and related groups, and respects the requirements of relevant stakeholders for occupational safety and health, so as to create a healthy and agreeable workplace. The Company takes disaster protection and prevention as the core concept, uses appropriate management tools, mature technology and available resources to integrate occupational safety and health issues within the factory, propose effective countermeasures, persistently improve and promote the occupational safety culture, and strengthen the protection management of operation staff. It also invests resources to strengthen occupational disease prevention and create a zero-hazard environment. In addition, the Company has established quantitative indicators to expand occupational safety and health activities to products and related services, improve the overall occupational safety and health performance, and effectively control risks.</p> <p>There were no cases of occupational disasters occurring in 2024.</p> |   |

| Promotion items   | Implementation status  |         |  | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |             |         |                   |   |    |   |     |                   |  |   |                                  |   |  |   |  |   |                                      |    |  |
|-------------------|--|---------|--|---|-------------|---------|-------------------|---|----|---|-----|-------------------|--|---|----------------------------------|---|--|---|--|---|--------------------------------------|----|--|
|                   | Yes  | No      | Abstract Explanation   |   |             |         |                   |   |    |   |     |                   |  |   |                                  |   |  |   |  |   |                                      |    |  |
|                   |  |         | <p><b><u>Labor Working Environment Monitoring:</u></b><br/>In order to protect workers from the hazards of harmful substances in the workplace and provide them with a healthy and comfortable work environment, the work environment monitoring is carried out twice per year to gradually understand the actual exposure of workers.</p> <p><b><u>Occupational safety and health training and promotion:</u></b></p> <table><tr><th>Category</th><th>Course Name</th><th>Persons</th></tr><tr><td rowspan="2">Internal Training</td><td>Occupational safety and health training for new employees</td><td>78</td></tr><tr><td>Occupational safety and health training for employees</td><td>671</td></tr><tr><td rowspan="5">External Training</td><td>Emergency personnel education and training</td><td>6</td></tr><tr><td>Fire prevention manager training</td><td>1</td></tr><tr><td>On-the-job training for occupational safety and health supervisors</td><td>3</td></tr><tr><td>On-the-job training for organic solvent operation supervisor</td><td>1</td></tr><tr><td>Radiation protection safety training</td><td>20</td></tr></table> | Category  | Course Name | Persons | Internal Training | Occupational safety and health training for new employees | 78 | Occupational safety and health training for employees | 671 | External Training | Emergency personnel education and training | 6 | Fire prevention manager training | 1 | On-the-job training for occupational safety and health supervisors | 3 | On-the-job training for organic solvent operation supervisor | 1 | Radiation protection safety training | 20 |  |
| Category          | Course Name  | Persons |  |   |             |         |                   |   |    |   |     |                   |  |   |                                  |   |  |   |  |   |                                      |    |  |
| Internal Training | Occupational safety and health training for new employees          | 78      |  |   |             |         |                   |   |    |   |     |                   |  |   |                                  |   |  |   |  |   |                                      |    |  |
|                   | Occupational safety and health training for employees              | 671     |  |   |             |         |                   |   |    |   |     |                   |  |   |                                  |   |  |   |  |   |                                      |    |  |
| External Training | Emergency personnel education and training                         | 6       |  |   |             |         |                   |   |    |   |     |                   |  |   |                                  |   |  |   |  |   |                                      |    |  |
|                   | Fire prevention manager training                                   | 1       |  |   |             |         |                   |   |    |   |     |                   |  |   |                                  |   |  |   |  |   |                                      |    |  |
|                   | On-the-job training for occupational safety and health supervisors | 3       |  |   |             |         |                   |   |    |   |     |                   |  |   |                                  |   |  |   |  |   |                                      |    |  |
|                   | On-the-job training for organic solvent operation supervisor       | 1       |  |   |             |         |                   |   |    |   |     |                   |  |   |                                  |   |  |   |  |   |                                      |    |  |
|                   | Radiation protection safety training                               | 20      |  |   |             |         |                   |   |    |   |     |                   |  |   |                                  |   |  |   |  |   |                                      |    |  |

| Promotion items  | Implementation status |    |  | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|--|---|
|  | Yes                   | No | Abstract Explanation   |   |
| (IV) Does the company provide its employees with career development and training sessions?   | ✓                     |    | (IV) Each department in the Company submits its annual training plan according to the training operating procedure that focuses on occupational gaps and future development plans. Including new employees training, professional advanced training, supervisor training and the like, assistance to the colleagues in persistently learning and growing through multiple learning methods, the introduction of relevant training courses on corporate ethics and belief development to cultivate colleagues' key capabilities. In 2024, a total of 4,303 employees completed the career training, with total training hours of 12,018. During annual performance interviews, supervisors and employees discuss and set up their own annual competence development plans. Through regular review and feedback, the employees are enabled to create the best development plans. | None  |
| (V) Does the Company comply with relevant laws and regulations and international standards regarding such matters as customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant consumer or |                       |    | (V) The Company markets and labels its products and services in compliance with applicable laws and regulations and international standards and will provide the Self-Declaration Letter as requested by customers for sold products indicating compliance with UL/cUL,VDE,TUV,CQC....., among other electronic part safety certifications in  | None  |

| Promotion items  | Implementation status |    |  | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|--|---|
|  | Yes                   | No | Abstract Explanation   |   |
| customer rights protection policies and complaint procedures?  |                       |    | respective countries and the EU REACH, RoSH, and WEEE regulations, the EuP Directive, and the halogen-free requirement, among other international laws and regulations. Customers’ privacy is protected in honor of the Confidentiality Agreement and the Personal Data Protection Act and there is an exclusive section for stakeholders and complaint-filing access is provided.   |   |
| (VI) 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. | ✓                     |    | (VI) Supplier Relations: The Company performs supplier evaluations periodically. According to the RBA Responsible Business Alliance Code of Conduct, suppliers are required to sign the “Social Responsibility Questionnaire” and the “Supplier Social Responsibility (SA8000)/RBA/Integrity Commitment.” The Company determines the supplier selection criteria regarding environmental protection, human rights, safety, health and sustainable development, as well as its requirements and expectations for suppliers in terms of environmental, safety and health risks, prohibition of child labor, labor management, basic rights of labors for zero hazards, ethical codes and integrity management, so as to facilitate joint improvement of corporate sustainable development. In the event that major | None  |



| Promotion items     | Implementation status   |    |  | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |   |   |   |  |
|---------------------|---|----|--|---|---|---|---|--|
|                     | Yes   | No | Abstract Explanation   |   |   |   |   |  |
|                     |   |    | <p>suppliers of the Company violate its corporate sustainable development policy and it significantly impacts the environment and the society, contracts may be terminated or dismissed at any time. There were no such situation occurred in 2024.</p> <p>The Company has established a supplier coaching project. Through supplier selection, audit coaching, performance evaluation and training, and based on cooperation, the sustainable requirements have been implemented in the daily management of the supply chain. All the key raw material suppliers of the Company have met the following conditions in 2024.</p> <table><tr><td rowspan="3">Supplier Evaluation</td><td>All the suppliers must pass the supplier assessment and comply with the Supplier Code of Conduct.</td></tr><tr><td>The suppliers of raw materials related to the manufacturing process must pass the ISO 9001 quality management system certification.</td></tr><tr><td>Factory and related operation contractors must obtain the ISO 45001 occupational safety and health management system certification.</td></tr></table> | Supplier Evaluation   | All the suppliers must pass the supplier assessment and comply with the Supplier Code of Conduct. | The suppliers of raw materials related to the manufacturing process must pass the ISO 9001 quality management system certification. | Factory and related operation contractors must obtain the ISO 45001 occupational safety and health management system certification. |  |
| Supplier Evaluation | All the suppliers must pass the supplier assessment and comply with the Supplier Code of Conduct.                                   |    |  |   |   |   |   |  |
|                     | The suppliers of raw materials related to the manufacturing process must pass the ISO 9001 quality management system certification. |    |  |   |   |   |   |  |
|                     | Factory and related operation contractors must obtain the ISO 45001 occupational safety and health management system certification. |    |  |   |   |   |   |  |

| Promotion items   | Implementation status |    |  | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|--|---|
|   | Yes                   | No | Abstract Explanation   |   |
|   |                       |    | <div>Suppliers shall obtain valid factory registration certificates and the ISO 14001 environmental management certifications issued by the government based on their business categories.</div> <div> <b>Supplier Audit</b><br/> The Company has established an audit team and a coaching team to track and improve the progress of suppliers' defects, jointly improve quality and technology, strengthen the environmental protection, safety and health performance, and introduce the automation technique to increase the production capacity. </div> <div>The Company has been awarded the RBA Certified Gold Medal. (latest effective period: 6/17/2023 - 5/26/2025)</div> |   |
| V. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as Sustainable Development reports? Do the reports above obtain assurance from a third- party verification unit? | ✓                     |    | The Company's sustainability report is prepared in accordance with the Global Reporting Initiative (GRI) Standards, covering operational performance, corporate governance, environmental protection, and social inclusion. The aforementioned report has obtained third-party verification and is publicly available on the Company's official website. The verification institution for 2024 was Crowe (TW) CPAs.  | None  |

| Promotion items  | Implementation status |    |                      | Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|----------------------|---|
|  | Yes                   | No | Abstract Explanation |   |
| VI. If the Company has established its own Sustainable Development principles according to the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, how are operations different from the established principles?<br>The Company has formulated the “Corporate Sustainable Development Practice Principles” and disclosed them on the Company's website – Investor Relations. There is no significant difference between the relevant corporate sustainable operation and the “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies.” |                       |    |                      |   |

VII. Other Important Information that is helpful to understand and promote the implementation of corporate sustainable development:

(I) Environmental Protection:

Besides strictly following international environmental protection standards in its research and development of RoHS-compliant products, the Company authorizes a waste processing service provider approved by the Environmental Protection Administration to clear waste and follows the Waste Disposal Act, Noise Control Act, Air Pollution Control Act, among others, to prevent against pollution and to protect environmental hygiene.

(II) Community involvement, contributions to society, community service, and public interest:

Since the "Thinking Education Foundation" was founded, the Company has been reaching out to areas throughout Taiwan to express its care, such as adopting schooling children and sponsoring minority groups. Meanwhile, it has been working with respective units in organizing charity sales. Substantial action is taken for the Company to proactively get involved in boosting public interests and in fulfilling its social responsibilities.

2024 Thinking Education Foundation Public Welfare Activities:

1. Sponsored the National Kaohsiung Center for the Arts (Weiwuying) to promote educational equality and the development of our national traditional arts and culture.
2. Contributed to the National Sun Yat-sen University's Education Fund.
3. Sponsored Ming Hwa Yuan Arts & Cultural Group to support the heritage of Taiwanese traditional opera art.
4. Encouraged company employees to participate in various charity bazaars and donated all proceeds.
5. Collaborated with the Sunshine Social Welfare Foundation to collect second-hand books, with all bookstore purchase rebates donated to the Foundation to support the "Physical and Psychological Rehabilitation Service for People with Facial Disfigurement and Burns" project.
6. Sponsored the Danei Presbyterian Church to care for and assist disadvantaged children in the Danei district.
7. Sponsored the Kaohsiung Wild Bird Society, continuing to support the "More Umbrellas for the Pheasant-tailed Jacana" campaign.
8. Sponsored the Bliss & Wisdom Foundation of Culture and Education's beach cleanup activities, taking action to contribute to environmental protection and attracting more people to focus on environmental issues.

(III) Consumer rights:

Despite the fact that the Company is a parts supplier, with customers primarily being assembly plants, without directly selling to consumers, for the sake of protecting the rights of customers, the Company has a responsible department and email box devoted to addressing related issues filed concerning the rights of customers.

(IV) Human rights:

The Company's employees are treated equal in terms of employment, regardless of their gender, religion, or partisanship. The Company also shapes an optimal workplace to ensure free of discrimination and harassment for its employees. In addition, the Company received the RBA Code of Conduct medal and continues to protect labor rights in honor of the medal.

(V) Safety and health:

The Company follows the requirements of governmental occupational safety and health laws and ISO 45001 : 2018 related provisions to manage various safety and health operations. From an ergonomic perspective, we consider the work environment of employees, improve working conditions as needed, and continuously promote health enhancement activities to improve employees' physical and mental well-being.

(VI) Certification:

Certifications that have been acquired by the Company include ISO 14001, ISO 45001 and ISO 14064-1 for greenhouse gas emissions inventory check, ISO/TS 16949 for its quality management criteria, and IECQ QC 080000 for its hazardous substance management system.

(VII) Response to Climate-related Risks and Opportunities:

| Climate risks                             | Potential financial impacts   |   | Climate opportunities                                | Potential financial impacts  |   | Response in 2024  |
|---|---|---|--|--|---|---|
| Unstable water and electricity supply     | Production was impacted and the operating cost increased                            | → | Equipment energy and water conservation improvements | To reduce the operating water and electricity costs  | → | 1. Adjust and reduce water pressure.<br>2. Gradually replace high-energy-consuming production and office equipment with energy labeled equipment.         |
|   |   | → | To improve water resource efficiency and utilization | To reinforce climate resilience and to reduce impacts of a disaster on the production                                | → | 1. Establishment of a pure water recycling machine.   |
|   |   | → | Utilization and installation of renewable energy     | Increased investment in solar energy equipment to reduce external electricity purchase costs                         | → | 1. Self-generated solar energy for self-use.  |
| Cost of developing water-saving processes | Increased cost of developing water-saving processes                                 | → | Reduced use of water resource                        | To reduce the cost of operational water resource and to streamline the manufacturing procedure for increased profits | → | 1. Adjusting equipment parameters to achieve water-saving efficiency.<br>2. Monitoring of recycled pure water quality to achieve circulation and reuse.   |
| Typhoons, floods                          | Production suffering impacts to result in financial losses and a decline in revenue | → | To improve resistance against natural disasters      | To reinforce climate resilience and to reduce chances of interrupted operations and possible losses                  | → | 1. Maintain appropriate levels of raw materials and finished goods inventory.<br>2. Insure against property loss to mitigate the risk of disaster damage. |

| Climate risks      | Potential financial impacts   | → | Climate opportunities                                      | Potential financial impacts   | → | Response in 2024  |
|--------------------|---|---|--|---|---|---|
| Drought            | Production suffering impacts to result in financial losses and a decline in revenue | → | To improve resistance against natural disasters            | To reinforce climate resilience and to reduce chances of interrupted operations and possible losses | → | <ol style="list-style-type: none"> <li>1. Promotion of Water Conservation.</li> <li>2. Increased water storage facilities to extend water usage periods.</li> <li>3. Establish a channel for purchasing water resources.</li> <li>4. Adjusted water equipment parameters to achieve recycling and reuse, enhancing water conservation efficiency.</li> </ol>  |
| Rising temperature | Increased electricity consumption, costs, and carbon emissions                      | → | Promoting green, energy conservation, and carbon reduction | To conserve electricity and reduce cost   | → | <ol style="list-style-type: none"> <li>1. Promote paperless workflows and reduce unnecessary document printing; Non-confidential documents printed on recycled paper.</li> <li>2. Implementation of recyclable packaging material and economic waste recycling and reuse, increasing revenue while reducing incineration treatment.</li> <li>3. Replace high-energy-consuming production and office equipment with energy labeled equipment.</li> <li>4. Utilization of green energy.</li> <li>5. Acquisition of energy-efficient equipment and implementation of energy conservation measures</li> </ol> |

(VIII) Risk Assessment:

The Company performed related risk assessments of major issues according to the material principle of corporate sustainable development and established related risk management policies or strategies as follows according to the risks determined:

| Major issue | Risk assessment item                | Explanation  |
|-------------|-------------------------------------|--|
| Environment | Environmental Impact and Management | <ol style="list-style-type: none"><li>1. Through the implementation of process safety management and institutionalized management cycle, the Company has effectively reduced pollution emissions and impacts on the environment.</li><li>2. The Company has obtained the "ISO 14001" environmental management system certification and regularly conduct ISO 14001 audits to ensure the continued validity of the certification.</li><li>3. The Company's climate risk identification process, through the inter-departmental discussion on climate risks and opportunities, identified a total of 5 opportunities and 5 risks.</li><li>4. According to ISO 14064-1, the Company regularly checks the greenhouse gas emissions, reviews the impact on its operations. Based on carbon inventory results, we assess significant emission sources, formulate carbon reduction measures for major sources, and effectively reduce Scope 1 carbon emissions and Scope 2 indirect greenhouse gas emissions caused by electricity use.</li><li>5. Annual planning of environmental management system verification includes auditing to ensure that all operational processes comply with the requirements of the environmental management system that the Company must follow.</li><li>6. The Company aim to reduce waste incineration treatment through recycling, reuse, and repurposing to minimize environmental impact.</li></ol> |
| Society     | Occupational safety                 | <ol style="list-style-type: none"><li>1. All the factories and subsidiaries of the Company have completed the "ISO 45001 Occupational Health and Safety Management System" certification, regularly conduct ISO 45001 audits to ensure the continued validity of the certification.</li><li>2. Fire drills, occupational safety and traffic safety education and training are held on a yearly basis to develop employees' ability to respond to emergencies and self-safety management.</li><li>3. The Company organizes health promotion activities and on-site physician consultations to improve the work environment and promote employees' physical and mental health.</li></ol>   |

| Major issue | Risk assessment item                     | Explanation   |
|-------------|--|---|
|             |  | 4. The Company has obtained the ISO 45001 Occupational Health and Safety Management Systems certificate and ensures all operational processes comply with the requirements of the occupational health and safety management system.   |
|             | Product safety                           | <p>1. The Company's products comply with government regulations, decrees and the EU RoHS regulations, and do not contain any hazardous substances. Meanwhile, in order to ensure the quality of customer service, the Company has set up a customer service line and communication website. It actively conducts customer service satisfaction surveys on a yearly basis to strengthen the cooperative relationship with customers.</p> <p>2. In order to transfer the risk of commodity liability, reduce property losses and improve product safety, the Company has covered the product liability insurance.</p> |
|             | Socioeconomic and compliance             | <p>1. By forming the governance organization and consolidating the internal control mechanism, compliance with applicable regulatory requirements by all staff and in operations of the Company is ensured.</p> <p>2. The applications for patents have been filed regarding the products developed by the Company according to the Patent Law to protect the rights and interests of the Company.</p>  |
|             | Strengthening the Functions of Directors | <p>1. Plan relevant training subjects for directors, and provide directors with the latest regulations, system developments and policies every year.</p> <p>2. Purchase the directors' liabilities insurance for directors to protect them from any lawsuits or claims.</p>   |
|             | Communication with Stakeholders          | <p>1. In order to prevent such case that stakeholders' positions are different from the Company's position, resulting in misunderstandings and risks of business operations or lawsuits, the Company analyzes key stakeholders and important issues every year.</p> <p>2. Establish various communication channels, actively communicate, and reduce conflicts and misunderstandings. Set up an investor mailbox, which will be handled and responded to by the spokesperson.</p>   |



## Climate-related Information of TWSE/TPEX Listed Companies

### Disclosure of climate-related information

| Item  | Implementation status  |   |   |      |             |          |            |   |   |                      |   |   |
|---|--|---|---|------|-------------|----------|------------|---|---|----------------------|---|---|
| 1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.                                 | <p>The Board of Directors of the Company regularly oversees the risks, opportunities, response strategies, and related implementation plans and the results of related promotion targets. The various departments within the Company constantly review the internal and external risks (including climate change risks) that the Company faces, and develop risk response strategies for material company-wide risk issues.</p> <p>The Remuneration Committee regularly evaluates and reviews the remuneration of managers based on their ESG performance, incorporating climate-related goals and achievement levels into the performance assessment and remuneration system for senior executives to monitor the achievement of objectives on climate-related issues. By linking the results of the reward system and climate change management, the management is encouraged to operate the Company's business in a way that both profits the Company and achieves sustainable operation.</p>   |   |   |      |             |          |            |   |   |                      |   |   |
| 2. Describe how the identified climate risks and opportunities impact the business, strategy, and finances of the Company (short-term, medium-term, long-term). | <p>The Company actively develops solutions in order to reduce the operational and financial impacts of climate change, enhance organizational climate resilience, and assess the potential operational and financial effects of climate-related risks and opportunities for the Company, in order to plan actions to address these climate-related risks and opportunities.</p> <table><tr><th>Item</th><th>Schedule</th><th>Risk</th><th>Opportunity</th></tr><tr><td rowspan="2">Business</td><td>Short-term</td><td>Customer requested carbon inventory information and carbon reduction goals.</td><td>Understanding the major sources of emissions within the factory, establishing a carbon reduction direction.</td></tr><tr><td>Medium and long-term</td><td>Higher unit carbon emissions will reduce competitiveness.</td><td>Through green product development and process optimization, reduce the unit carbon emissions, increase customer procurement willingness, expand the market, and create intangible competitive advantages.</td></tr></table> | Item  | Schedule  | Risk | Opportunity | Business | Short-term | Customer requested carbon inventory information and carbon reduction goals. | Understanding the major sources of emissions within the factory, establishing a carbon reduction direction. | Medium and long-term | Higher unit carbon emissions will reduce competitiveness. | Through green product development and process optimization, reduce the unit carbon emissions, increase customer procurement willingness, expand the market, and create intangible competitive advantages. |
| Item  | Schedule   | Risk  | Opportunity   |      |             |          |            |   |   |                      |   |   |
| Business  | Short-term   | Customer requested carbon inventory information and carbon reduction goals. | Understanding the major sources of emissions within the factory, establishing a carbon reduction direction.   |      |             |          |            |   |   |                      |   |   |
|   | Medium and long-term   | Higher unit carbon emissions will reduce competitiveness.                   | Through green product development and process optimization, reduce the unit carbon emissions, increase customer procurement willingness, expand the market, and create intangible competitive advantages. |      |             |          |            |   |   |                      |   |   |

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| Item   | Implementation status  |
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|  | <p><b><u>The financial impact of transformational actions:</u></b></p> <p>Under the risk of transformation, the transition to a low-carbon economy may require facing extensive policy and regulatory, technological, and market changes. Based on the nature, speed, and focus of the aforementioned changes, within the analyzed time frame, carbon fees and greenhouse gas emissions control, regulations on renewable energy, as well as shifts in consumer preferences, may result in increased operating costs or decreased sales volume. The Company actively implements energy-saving and carbon reduction projects to reduce the impact of energy consumption, water consumption, and waste on the climate. We aim to improve energy efficiency and invest in solar power generation equipment to address these transitional risks. The financial impact of this project on the Company will result in an increase in the Company's own capital investment and operating costs.</p> |
| 4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.   | Enhance the awareness of climate change issues among various departments, implement relevant risk management policies through cross-departmental integration mechanisms, gradually incorporate climate change impact factors into risk management, and integrate them into corporate sustainability policy management.   |
| 5. If using scenario analysis to assess resilience to climate change risks, the scenario, parameters, assumptions, analysis factors, and major financial impacts should be explained.                              | The Company uses a questionnaire survey method to assess climate change risks, so it is not applicable.  |
| 6. If there is a transformation plan to address climate-related risks, describe the content of the plan, as well as the indicators and objectives used to identify and manage physical risks and transition risks. | To achieve net zero emissions, the Company is planning a low-carbon transformation project, which will focus on reducing direct emissions from operational activities (Scope 1), indirect emissions from energy use (Scope 2), and indirect emissions from the value chain (Scope 3). The execution includes: 1. Continuously and actively reducing carbon emissions: Research and develop advanced technologies, enhance energy productivity and efficiency to minimize carbon emissions during the manufacturing and product use stages. 2. Purchase additional renewable energy equipment: Add new solar energy equipment to actively support the transition to low-carbon energy with tangible actions.  |

| Item  | Implementation status  |
|---|--|
| 7. If using internal carbon pricing as a planning tool, the basis for price determination should be described.  | The Company has not yet used internal carbon pricing as a planning tool, so it is not applicable.  |
| 8. If climate-related goals are set, the activities covered, scope of GHG emissions, planning schedule, annual progress, and other information should be explained. If carbon offsetting or renewable energy certificates (RECs) are used to achieve the goals, the source and quantity of carbon offsetting or the quantity of RECs should be specified. | <p>The Company is a company with a paid-in capital of less than NT\$5 billion. In accordance with the Financial Supervisory Commission's promotion of the "Sustainable Development Roadmap", greenhouse gas inventory and verification information will be disclosed in stages. The Company should apply greenhouse gas inventory in the third stage (complete the inventory in 2026 and the verification in 2028). Subsidiaries included in the consolidated financial statements should complete the inventory in 2027 and verification in 2029.</p> <p>The Company has completed the greenhouse gas inventory and verification schedule plan for the parent company and the Group (including subsidiaries) in accordance with the regulations of the Financial Supervisory Commission. The schedule has been submitted to the Board of Directors and is being monitored on a quarterly basis.</p> |
| 9. Inventory and verification status and reduction targets of greenhouse gas, strategies and specific action plans.   | The greenhouse gas inventory and assurance situation are as the table below.   |

## The greenhouse gas inventory and assurance situation

| Basic information of the Company  | According to the regulations of Sustainable Development Roadmap, at least the following should be disclosed                  |  |
|---|--|--|
| <input type="checkbox"/> Companies with capital of over NT\$ 10 billion, steel industry, cement industry<br><input type="checkbox"/> Companies with capital of over NT\$ 5 billion but less than NT\$ 10 billion<br><input checked="" type="checkbox"/> Companies with capital less than NT\$ 5 billion | <input type="checkbox"/> Parent company individual inventory<br><input type="checkbox"/> Parent company individual assurance | <input type="checkbox"/> Consolidated financial report subsidiary inventory<br><input type="checkbox"/> Consolidated financial report subsidiary assurance |

| Scope 1        | Total emissions<br>(metric tons of CO2e) | Intensity<br>(metric tons CO2e/NT\$ million) | Assurance<br>Institutions | Explanation of the assurance situation |
|----------------|--|--|---------------------------|--|
| Parent company | 240.95                                   | 0.02   | Not yet<br>executed       | Not applicable                         |
| Subsidiary     | 926.30                                   | 0.16   |                           |  |
| Total          | 1,167.25                                 | 0.18   |                           |  |
| Scope 2        | Total emissions<br>(metric tons of CO2e) | Intensity<br>(metric tons CO2e/NT\$ million) | Assurance<br>Institutions | Explanation of the assurance situation |
| Parent company | 7,256.01                                 | 1.03   | Not yet<br>executed       | Not applicable                         |
| Subsidiary     | 40,937.22                                | 5.62   |                           |  |
| Total          | 48,193.23                                | 6.65   |                           |  |

## Ethical Corporate Management Structure

In order to enforce its ethical corporate management policy and sound and integral operations, the Main Management Department also takes care of ethical corporate management. The head of the center is in charge of preparing the policy and subsequent preventive solutions and enforcing them and periodically reporting to the Board of Directors. Its responsibilities mainly include the following:

1. To help combine honesty and moral values as part of the Company's operational strategy and to prepare related preventive measures to ensure ethical corporate management as required by law.
2. To plan internal organization, configuration, and job responsibilities and to have mutual check and balance mechanisms in place for operational activities at relatively high risks of dishonest behaviors within the scope of operation.
3. To promote and coordinate initiative training on the integrity policy.
4. To plan a reporting system that helps ensure effective implementation.
5. To help the Board of Directors and the management inspect and evaluate whether preventive measures established to ensure ethical corporate management have been working effectively and to evaluate related operating procedures periodically for compliance, with a report produced.



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

| Evaluation Item   | Implementation Status |    |   | Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons |
|---|-----------------------|----|---|--|
|   | Yes                   | No | Abstract Explanation  |  |
| <p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) 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>  | ✓                     |    | <p>(I) The Company's addition and revision to the Ethical Corporate Management Best-Practice Principles and the Operational Procedures and Behavioral Guide of Ethical Corporate Management were approved on March 23, 2020 by the Board of Directors. The solution to prevent against unethical behavior, the discipline, and complaint-filing system are defined in the Operational Procedures. To precisely enforce ethical corporate management, the Main Management Department is also assigned to be a unit subordinate to the Board of Directors to take charge of related systems and supervising their implementation and to report to the Board of Directors once a year.</p> | None   |
| <p>(II) 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> | ✓                     |    | <p>(II) The Ethical Corporate Management Best-Practice Principles and the Operational Procedures and Behavioral Guide of Ethical Corporate Management established by the Company already clearly stipulate that directors, managers, and all employees of the Company are prohibited to engage themselves in operational activities at relatively high risk of unethical behavior as set forth in each sub-paragraph under Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>  |  |

| Evaluation Item  | Implementation Status |    |  | Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|--|--|
|  | Yes                   | No | Abstract Explanation   |  |
| (III) 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?   | ✓                     |    | (III) The Company has established the Ethical Corporate Management Best-Practice Principles where the operating procedures, behavioral guide, penalties for violations, and complaint filing system are defined and have been enforced. Meanwhile, at the end of each year, when the Board of Directors presents the implementation report of ethical corporate management for the year, the Company’s Ethical Corporate Management Best-Practice Principles are re-examined for whether revisions are required. | None   |
| II. Fulfill operations integrity policy<br>(I) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?  | ✓                     |    | (I) When the Company signs a contract with others, it shall cover compliance with the ethical corporate management policy and include the clause that in case of any unethical behavior of the counterparty, the Company may terminate or dismiss the contract at any time.  | None   |
| (II) 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? | ✓                     |    | (II) The Company has the Main Management Department to also take care of the revision, implementation, interpretation, and advisory service for the operating procedures and information to be included in the report, among others, and to report to the Board of Directors at least once a year as required. The Main Management Department already reported the 2024 implementation status on February 20, 2025.  |  |



| Evaluation Item   | Implementation Status |    |   | Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|-----------------------|----|---|--|
|   | Yes                   | No | Abstract Explanation  |  |
| (III) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?  | ✓                     |    | (III) The recusal system in case of conflicting interests for board directors is defined in the Company’s Ethical Corporate Management Best-Practice Principles and Regulations of Procedure for the Board of Directors’ Meetings. In cases of conflicting interests for the director or the corporation represented by the director in any proposal included in the Board of Directors’ meeting agenda that are likely to harm the interests of the Company, the proposer may state opinions and answer questions but may not take part in the discussions or cast a vote and shall be excused during discussion and voting and the director may not exercise voting rights on behalf of any other director. | None   |
| (IV) 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? | ✓                     |    | (IV) The Company has established a valid accounting system and internal control system and the Company’s Internal Audit Unit performs regular and irregular inspections according to the Annual Audit Plan or a project-based plan and reports it to the Audit Committee and the Board of Directors on a quarterly basis. In addition, the Company follows the requirements of applicable laws and regulations to have the CPA to take charge of auditing and certifying accounting books.  |  |
| (V) Does the company regularly hold internal and external educational trainings on operational integrity?   | ✓                     |    | (V) To ensure that ethical corporate management covers the RBA Code of Conduct Handbook, compliance with laws and regulations, the accounting system, and internal control, etc., the Company held related courses, 6 sessions in total, in 2024 and 482 of its people attended self-organized or outsourced educational trainings totaling 1,000 hours.  |  |

| Evaluation Item   | Implementation Status      |    |   | Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|---|----------------------------|----|---|--|
|   | Yes                        | No | Abstract Explanation  |  |
| <p>III. Operation of the integrity channel</p> <p>(I) Does the Company have substantial reporting and incentive systems in place, provide convenient reporting channels, and assign appropriate specialists to investigate reported matters?</p> <p>(II) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?</p> <p>(III) Does the company provide proper whistleblower protection?</p> | <p>✓</p> <p>✓</p> <p>✓</p> |    | <p>(I) The Company has the measures in place to handle and manage opinions, advice, and complaints from employees and there is the exclusive section for stakeholders on the company website where the email box and telephone are provided for employees to express themselves. The Company has also set up the Complaint Committee to take charge of addressing complaints.</p> <p>(II) The Complaint Committee is chaired by the President and consists members who are heads of respective departments or higher-ranking officials. Upon receipt of a complaint, the Chairman assigns at least three members to form a task force that will conduct an investigation and finish the evaluation process within 60 days. The task force shall release the evaluation decision on the bulletin board yet may not disclose related personal information.</p> <p>(III) While filing a report, the Company’s staff may choose to do so anonymously yet the Company encourages them to identify themselves to facilitate communications and investigations. Upon receipt of a report, the recipient shall take reasonable preventive and protective measures to ensure quality of investigation and to prevent the reporter against unfair retaliation or treatment.</p> | None   |

| Evaluation Item  | Implementation Status |    |  | Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons |
|--|-----------------------|----|--|--|
|  | Yes                   | No | Abstract Explanation   |  |
| IV. Strengthening information disclosure<br>Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?   | ✓                     |    | The Company discloses details about the established Ethical Corporate Management Best-Practice Principles and the implementation efficacy in the exclusive section for Corporate Sustainable Development on the company website. | None   |
| V. If the company has its own Ethical Management Principles established according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, the differences between its implementation and the principles: None.  |                       |    |  |  |
| VI. Other important information to help understand the implementation of the ethical corporate management of the company:<br>The Company insists on engaging itself in all business activities in honor of the ethical corporate management principle: When signing a contract with others, the Company shall include compliance with the ethical corporate management policy and contain the clause that the contract may be terminated or dismissed at any time if a counterpart is found with any unethical behavior. For investments made by shareholders, the Company manages them professionally and diligently to ensure fair, sustainable, and competitive returns for the best interest of the shareholders. Working conditions to protect the health and safety of each employee are provided. Employees are listened to and their complaints and issues are dealt with sincerely. Employees are encouraged and helped to develop related skills and knowledge and avoid illegal activities. Employees are offered sustainable employment. The Company values the rights of each stakeholder for the sake of promoting sustainable corporate developments. |                       |    |  |  |

vii. Other important information that is sufficient to boost knowledge of corporate governance: The Company continues to strive to improve corporate governance and has set up a "Corporate Governance" and "ESG" section on the Company's website to provide timely updates on the Company's latest corporate governance operation and effectiveness. For more information, please refer to the Company's website: <http://www.thinking.com.tw>.

viii. Implementation of Internal Control System: The following information shall be disclosed.

(1) Statement of Internal Control System

Date: February 20, 2025

For the Company's internal control system of 2024, it is hereby declared as follows according to the self-assessment findings:

- I. The Company knows that establishing, enforcing, and maintaining an internal control system is the responsibility of the Company's Board of Directors and managers and has such a system in place already. It is meant to reasonably ensure fulfillment of the operational efficacy and efficiency (including profits, performance, and protection of asset security), reporting reliability, timeliness, transparency, and compliance with applicable regulations and laws and regulatory requirements, among other goals.
- II. The internal control system has its inherited restrictions that cannot be overcome with improved design. An effective internal control system can also only reasonably ensure the fulfillment of the three goals stated above and its effectiveness may change as the environment or situation changes. There is a self-surveillance mechanism, however, built inside the internal control system of the Company that helps the Company take a corrective action against deficiencies confirmed.
- III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the items in "Governing Regulations for Public Company's Establishment of Internal Control System" (hereinafter called "Governing Regulations") that are related to the effectiveness of internal control systems. The items adopted in the Governing Regulations for determining the internal control system are the five constitutional elements of the internal control system divided according to the management and control process: 1. control environment, 2. risk assessment,

3. control process, 4. information and communication, and 5. supervision. Each element further encompasses several items. For the above-mentioned items, refer to the requirements in the "Governing Regulations."
- IV. The Company has already adopted the aforesaid items to evaluate the effectiveness in the design and implementation of its internal control system.
  - V. Pursuant to the results of the above-mentioned evaluations, the Company is of the view that the design and implementation of its internal control system as of December 31, 2024 (including its supervision and management of subsidiaries), including its awareness of the extent by which the operating effects and efficiency goals are fulfilled, reliability of reports, and compliance with relevant laws and regulations, are such that it is effective and capable of reasonably ensuring that the aforementioned goals can be achieved.
  - VI. This declaration constitutes a major part of the Company's Annual Report and the Company's Prospectus that are made available to the public. In case of falsification or concealment, among other illegal conditions, with the above-mentioned released contents, liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act will be sought.
  - VII. This Declaration was approved at the meeting of the Company's Board of Directors on February 20, 2025 with no directors expressing dissent out of the 8 Directors in attendance.

Thinking Electronic Industrial Co., Ltd.

Chairman and President: Sui Tai-Chung

- (2) If review of the internal audit system is outsourced to CPAs as an exception, the CPA Review Report shall be disclosed: None.

ix. Important resolutions of shareholders meeting and board meeting in the most recent year and during the current fiscal year up to the date of publication of the annual report:

(1) The 2024 Regular Shareholders' Meeting of the Company was held on June 18, 2024 at Zhuang Jing Hall, No. 600, JiaChang Rd., Nanzi Dist., Kaohsiung City. The resolutions and implementation status of the shareholders attending the meeting are as follows:

A. Adoption of 2023 Business Report and Financial Statements

B. Adoption of distribution of earnings for 2023

Implementation: September 1, 2024 was set to be the ex-dividend record date and September 20, 2024 the payment date. (NTD 5.2 as cash dividends per share)

C. Approval of the Company's Articles of Incorporation

Implementation: Disclosed on the Company's website as well as implemented per the shareholders' amended articles.

D. To elect one additional Independent Director

List of elected independent director:

Su Ping-Chang

Implementation: Registration was approved by the Ministry of Economic Affairs on August 6, 2024 and disclosed on the Company's website.

E. Approved to waive of non-competition clauses for new-elected directors of the Company.

Implementation: Removal of non-competition restrictions on directors in accordance with the resolution of the shareholders' meeting.

(2) Important decisions of the Board of Directors:

| Item No. | Date      | Important decision  |
|----------|-----------|---|
| 1        | 1/24/2024 | 1. Proposal for providing financing endorsement guarantee for subsidiaries by the Company<br>2. The amount of the year-end-bonus for managers for 2023<br>3. Discussion of regulations relevant to the compensation and rewards policy, system, criteria, and structure of 2024<br>4. Monthly salary structure, amount paid, and expected pension appropriation for managers for 2024 |
| 2        | 2/26/2024 | 1. 2023 Internal Control System Declaration<br>2. 2023 remuneration to employees and directors<br>3. 2023 Financial Statements  |

| Item No. | Date       | Important decision  |
|----------|------------|---|
| 3        | 5/7/2024   | 4. 2023 Business Report   |
|          |            | 5. Earnings distribution proposal for 2023  |
|          |            | 6. 2024 Operational Plan  |
|          |            | 7. Rotation of CPAs and evaluation of independence and suitability  |
|          |            | 8. Appointment of CPAs and their remuneration for 2024  |
|          |            | 9. Revision of the Company's Articles of Incorporation  |
|          |            | 10. Election of an independent director of the Company  |
|          |            | 11. Resolved to waive of non-competition clauses for new-elected directors of the Company                             |
|          |            | 12. Convening of shareholders' meeting  |
|          |            | 1. Consolidated financial statements of the first quarter of 2024 and CPAs' Review Report                             |
|          |            | 2. To approve the Company's review on the nominated independent directors' s qualification                            |
| 4        | 6/18/2024  | 1. Appointment of President   |
| 5        | 8/8/2024   | 1. Distribution of dividends in cash  |
| 6        | 11/11/2024 | 2. Distribution of remuneration to directors for 2023   |
|          |            | 3. Distribution of employee remuneration to managers for 2023   |
|          |            | 4. Monthly salary structure, amount paid, and expected pension appropriation for the Chairman and President           |
|          |            | 5. Consolidated financial statements of the second quarter of 2024 and CPAs' Review Report                            |
|          |            | 6. 2023 Sustainability Report execution status  |
|          |            | 7. Donation to the Thinking Education Foundation  |
|          |            | 8. Financial Derivatives Transaction Quotas   |
|          |            | 9. Financing Facilities Quotas  |
|          |            | 1. Consolidated financial statements of the third quarter of 2024 and CPAs' Review Report                             |
|          |            | 2. Remuneration to members of the Compensation and Remuneration Committee for 2024                                    |
|          |            | 3. Financial Derivatives Transaction Quotas   |
|          |            | 4. Financing Facilities Quotas  |
| 7        | 1/15/2025  | 5. Amendment to the "Procedures for the Preparation and Assurance of Sustainability Reports."                         |
|          |            | 6. Amendment to the internal system and audit regulations for "Sustainable Information Management Operations."        |
|          |            | 7. 2025 Audit Plan  |
|          |            | 1. The amount of the year-end-bonus for managers for 2024   |
|          |            | 2. Discussion of regulations relevant to the compensation and rewards policy, system, criteria, and structure of 2025 |
|          |            | 3. Appointment of Manager of Finance Department   |
|          |            | 4. Monthly salary structure, amount paid, and expected pension appropriation for managers for 2025                    |
|          |            | 5. Donation to the Thinking Education Foundation  |

| Item No. | Date      | Important decision   |
|----------|-----------|--|
| 8        | 2/20/2025 | 6. Proposal for investment quota<br>1. 2024 Internal Control System Declaration<br>2. 2024 remuneration to employees and directors<br>3. 2024 Financial Statements<br>4. 2024 Business Report<br>5. Earnings distribution proposal for 2024<br>6. 2025 Operational Plan<br>7. Evaluation of the independence and competency of the CPAs, and their appointment and compensation for 2025<br>8. Revision of the Company's Compensation Management Guidelines<br>9. Monthly salary structure, amount paid, and expected pension appropriation for newly appointed and promoted managers<br>10. Revision of the Company's Articles of Incorporation<br>11. Assignment of directors for the subsidiary, Yenyo Technology Co., Ltd.<br>12. Convening of shareholders' meeting |

x. In recent fiscal year and as of the date of this Annual Report, major contents of the record or written statements made by any director dissenting to important resolutions adopted by the Board of Directors: None.

#### 2.4 Information on CPAs' professional fee:

Unit: NT\$ thousands

| Name of CPA Firm  | Name of CPA   | Audit Period | Audit Fees | Non-audit Fees | Total | Remarks |
|-------------------|---------------|--------------|------------|----------------|-------|---------|
| Deloitte & Touche | Chen Chen-Li  | 1/1/2024     | 4,250      | 692            | 4,942 | Note    |
|                   | Liu Yu-Hsiang | -12/31/2024  |            |                |       |         |

Note: Non-audit Fees includes the report on transfer pricing and direct deductions, etc.

- The accounting firm is changed and the audit public expenditure in the year of replacement is reduced compared to that in the preceding year: None.
- The audit public expenditure is reduced by more than 10% from the preceding year: None.



## 2.5 Information on Replacement of CPAs:

### i. Regarding the former CPA

|   |   |   |                                    |                |
|---|---|---|------------------------------------|----------------|
| Date of replacement   | February 26, 2024   |   |                                    |                |
| Replacement reasons and explanations  | Due to the adjustment of the CPA firm’s internal job responsibilities, the engagement partner Chiang Jia-Ling will be replaced by Chen Chen-Li starting from the first quarter of 2024. The co-signing partner will remain to be Liu Yu-Hsiang. |   |                                    |                |
| Describe whether the Company terminated or the CPA did not accept the appointment           | Parties<br>Status   |   | CPA                                | The Company    |
|   | Termination of appointment  |   | Not applicable                     | Not applicable |
|   | No longer accepted (continued) appointment  |   | Not applicable                     | Not applicable |
| Other issues (except for unqualified issues) in the audit reports within the last two years | None  |   |                                    |                |
| Disagreement with the Company   | Yes   | - | Accounting principles or practices |                |
|   |   | - | Disclosure of Financial Statements |                |
|   |   | - | Auditing scope or procedures       |                |
|   |   | - | Others                             |                |
|   | No  | ✓ |                                    |                |
|   | Explanation: None   |   |                                    |                |
| Supplementary Disclosure (Disclosures Specified in Article 10.5.1.4~7 of the Standards)     | None  |   |                                    |                |

ii. Regarding the successor CPA

|   |   |
|---|---|
| Accounting firm   | Deloitte & Touche                                   |
| Name of CPA   | Chen Chen-Li and Liu Yu-Hsiang                      |
| Date of appointment   | Approved by Board of Directors on February 26, 2024 |
| Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement. | None  |
| Succeeding CPA's written opinion of disagreement toward the former CPA  | None  |

iii. The reply of former CPAs on Article 10.5.1 and Article 10.6.2.3 of the Standards:  
None.

2.6 The Company's Chairman, President, Officers in charge of Financial or Accounting Affairs has Served in Its Certified Public Accountant Firm or Its Affiliated Enterprise for the Most Recent Fiscal Year: None.

2.7 Transfer of Equity Interests and/or Pledge of or Changes in Equity Interests by Directors, Managers or Major Shareholders with a Stake of More than 10 Percent for the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report:

i. Changes in Equity of Directors, Managers, and Major Shareholders

| Title   | Name  | 2024                        |                                     | 2025 (as of April 19)       |                                     |
|---|---|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
|   |   | Holding Increase (Decrease) | Pledged Holding Increase (Decrease) | Holding Increase (Decrease) | Pledged Holding Increase (Decrease) |
| Director<br>Major Shareholders<br>(Note 1)  | Boh Chin Investment Co., Ltd.<br>Representative:<br>Sui Tai-Chung<br>Chen Su-Ai | -                           | -                                   | -                           | -                                   |
| Representative of Director Chairman and President Manager at the branch office in Nanzi   | Sui Tai-Chung<br>(Note 2)   | (1,303,067)                 | -                                   | -                           | -                                   |
| Representative of Director and Associate Vice President at the Main Management Department | Chen Su-Ai  | (1,474,733)                 | -                                   | -                           | -                                   |
| Director  | Chang Shan-Hui  | -                           | -                                   | -                           | -                                   |
| Director  | Chen Yen-Hui  | -                           | -                                   | -                           | -                                   |
| Independent Director  | Chou Pao-Heng   | -                           | -                                   | -                           | -                                   |
| Independent Director  | Huang Cheng-Nan   | -                           | -                                   | -                           | -                                   |
| Independent Director  | Chou Chi-Wen  | -                           | -                                   | -                           | -                                   |
| Independent Director  | Su Ping-Chang<br>(Note 3)   | -                           | -                                   | -                           | -                                   |
| Major Shareholders<br>(Note 1)  | Yih Chin Investment Co., Ltd.   | 400,000                     | -                                   | 68,000                      | -                                   |
| President   | Ho Yi-Sheng<br>(Note 4)   | -                           | -                                   | -                           | -                                   |
| Vice President at the Operational Department  | Sung Hsing-Jang<br>(Note 5)   | -                           | -                                   | -                           | -                                   |
| Head of Plant   | Chan Chia-Hao<br>(Note 6)   | -                           | -                                   | -                           | -                                   |
| Vice President at the Quality Assurance Department  | Shih Shao-Liang   | -                           | -                                   | -                           | -                                   |

| Title  | Name                   | 2024                        |                                     | 2025 (as of April 19)       |                                     |
|--|------------------------|-----------------------------|-------------------------------------|-----------------------------|-------------------------------------|
|  |                        | Holding Increase (Decrease) | Pledged Holding Increase (Decrease) | Holding Increase (Decrease) | Pledged Holding Increase (Decrease) |
| Vice President at the Operational Department   | Hou Te-Hsin            | -                           | -                                   | -                           | -                                   |
| Associate Vice President at the Domestic Market Division of the Operational Department | Su Shu-Li              | -                           | -                                   | -                           | -                                   |
| Associate Vice President at the Second Division of R&D Department                      | Chiu Chung-Chi         | -                           | -                                   | -                           | -                                   |
| Manager of Finance Department  | Chen Chia-Hua (Note 7) | -                           | -                                   | -                           | -                                   |
| Corporate Governance Officer   | Hung Yu-Fang           | -                           | -                                   | -                           | -                                   |

Note 1: Major shareholders are those holding more than 10% of the overall shares of the Company.

Note 2: Mr. Sui Tai-Chung concurrently assumed the role of President of the Company on July 1, 2024.

Note 3: At the Annual Shareholders' Meeting on June 18, 2024, an additional independent director was elected. Independent Director Su Ping-Chang took office, and their shareholding reporting began from that date.

Note 4: Mr. Ho Yi-Sheng resigned on July 1, 2024. His shareholding is no longer required to disclose.

Note 5: Mr. Sung Hsing-Jang resigned on March 17, 2025. His shareholding is no longer required to disclose.

Note 6: Mr. Chan Chia-Hao resigned on March 1, 2024. His shareholding is no longer required to disclose.

Note 7: Ms. Chen Chia-Hua was promoted to Manager, effective January 15, 2025. Her shareholding was disclosed starting from that date.

## ii. Information on Equity Transfer

| Name          | Reason for Stock Right Transfer | Transaction Date | Trading Counterpart       | Relation of Trading Counterpart to Directors, Supervisors, Managerial Officers and Shareholders holding more than 10% of the Outstanding Shares | Number of Shares | Trading Price |
|---------------|---------------------------------|------------------|---------------------------|---|------------------|---------------|
| Sui Tai-Chung | Disposition                     | 10/16/2024       | Bibo Investment Co., Ltd. | Directors holding shares under others' names  | 1,303,067        | -             |
| Chen Su-Ai    | Disposition                     | 10/16/2024       | Bibo Investment Co., Ltd. | Directors holding shares under others' names  | 1,474,733        | -             |

## iii. Information on Equity Pledge: None

## 2.8 Relationship among the Top Ten Shareholders

April 19, 2025

| 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 |  | Remarks |
|--|----------------------|--------|-------------------------------|---|-------------------------------------|-------|--|--|---------|
|  | Shares               | %      | Shares                        | % | Shares                              | %     | Name   | Relation   |         |
| Boh Chin Investment Co., Ltd.<br>Representative: Sui Tai-Chung                               | 27,178,247           | 21.21% | -                             | - | -                                   | -     | Yih Chin Investment Co., Ltd.  | Relatives within second degree of kinship of the representative of Boh Chin Investment Co., Ltd. |         |
|  |                      |        |                               |   |                                     |       | Bibo Investment Co., Ltd.  |  |         |
|  |                      |        |                               |   |                                     |       | Dachi Investment Co., Ltd.   |  |         |
|  |                      |        |                               |   |                                     |       | Urban Investment Co., Ltd.   |  |         |
|  |                      |        |                               |   |                                     |       | Sui Tai-Chung  |  |         |
|  |                      |        |                               |   |                                     |       | Sui Wan-Ni   |  |         |
|  |                      |        |                               |   |                                     |       | Sui Chung-Hua  |  |         |
| Yih Chin Investment Co., Ltd.<br>Person in charge: Chen Su-Ai                                | 16,339,153           | 12.75% | -                             | - | -                                   | -     | Boh Chin Investment Co., Ltd.  | Relatives within second degree of kinship of the Chairman of Yih Chin Investment Co., Ltd.       |         |
|  |                      |        |                               |   |                                     |       | Bibo Investment Co., Ltd.  |  |         |
|  |                      |        |                               |   |                                     |       | Dachi Investment Co., Ltd.   |  |         |
|  |                      |        |                               |   |                                     |       | Urban Investment Co., Ltd.   |  |         |
|  |                      |        |                               |   |                                     |       | Sui Tai-Chung  |  |         |
|  |                      |        |                               |   |                                     |       | Sui Wan-Ni   |  |         |
| Chang Jui-Min  | 5,012,000            | 3.91%  | -                             | - | -                                   | -     | None   | None   |         |
| Standard Chartered Bank Hosting the Fidelity Puritan. Trust: Fidelity Low-Priced Stocks Fund | 4,124,000            | 3.22%  | -                             | - | -                                   | -     | None   | None   |         |
| Bibo Investment Co., Ltd.<br>Person in charge: Chen Su-Ai                                    | 2,777,800            | 2.17%  | -                             | - | -                                   | -     | Boh Chin Investment Co., Ltd.  | Relatives within second degree of kinship of the Chairman of Bibo Investment Co., Ltd.           |         |
|  |                      |        |                               |   |                                     |       | Yih Chin Investment Co., Ltd.  |  |         |
|  |                      |        |                               |   |                                     |       | Dachi Investment Co., Ltd.   |  |         |
|  |                      |        |                               |   |                                     |       | Urban Investment Co., Ltd.   |  |         |
|  |                      |        |                               |   |                                     |       | Sui Tai-Chung  |  |         |
|  |                      |        |                               |   |                                     |       | Sui Wan-Ni   |  |         |
| Sui Tai-Chung  | 2,777,795            | 2.17%  | -                             | - | 1,303,067                           | 1.02% | Boh Chin Investment Co., Ltd.  | Relatives within second degree of kinship  |         |
|  |                      |        |                               |   |                                     |       | Yih Chin Investment Co., Ltd.  |  |         |
|  |                      |        |                               |   |                                     |       | Bibo Investment Co., Ltd.  |  |         |
|  |                      |        |                               |   |                                     |       | Dachi Investment Co., Ltd.   |  |         |
|  |                      |        |                               |   |                                     |       | Urban Investment Co., Ltd.   |  |         |
|  |                      |        |                               |   |                                     |       | Sui Wan-Ni   |  |         |
|  |                      |        |                               |   |                                     |       | Sui Chung-Hua  |  |         |
| Sui Chung-Hua  | 1,763,719            | 1.38%  | -                             | - | -                                   | -     | Boh Chin Investment Co., Ltd.  | Relatives within second degree of kinship  |         |
|  |                      |        |                               |   |                                     |       | Sui Tai-Chung  |  |         |

| 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 |   | Remarks |
|---|----------------------|-------|-------------------------------|-------|-------------------------------------|---|--|---|---------|
|   | Shares               | %     | Shares                        | %     | Shares                              | % | Name   | Relation  |         |
| Urban Investment Co., Ltd.<br>Person in charge: Sui Wan-Ni  | 1,732,915            | 1.35% | -                             | -     | -                                   | - | Boh Chin Investment Co., Ltd.  | Relatives within second degree of kinship of the Chairman of Urban Investment Co., Ltd. |         |
|   |                      |       |                               |       |                                     |   | Yih Chin Investment Co., Ltd.  |   |         |
|   |                      |       |                               |       |                                     |   | Bibo Investment Co., Ltd.  |   |         |
|   |                      |       |                               |       |                                     |   | Dachi Investment Co., Ltd.   |   |         |
|   |                      |       |                               |       |                                     |   | Sui Wan-Ni   |   |         |
|   |                      |       |                               |       |                                     |   | Sui Tai-Chung  |   |         |
| Sui Wan-Ni  | 1,732,914            | 1.35% | 679,130                       | 0.53% | -                                   | - | Boh Chin Investment Co., Ltd.  | Relatives within second degree of kinship   |         |
|   |                      |       |                               |       |                                     |   | Yih Chin Investment Co., Ltd.  |   |         |
|   |                      |       |                               |       |                                     |   | Bibo Investment Co., Ltd.  |   |         |
|   |                      |       |                               |       |                                     |   | Dachi Investment Co., Ltd.   |   |         |
|   |                      |       |                               |       |                                     |   | Urban Investment Co., Ltd.   |   |         |
|   |                      |       |                               |       |                                     |   | Sui Tai-Chung  |   |         |
| Dachi Investment Co., Ltd..<br>Person in charge: Chen Su-Ai | 1,242,235            | 0.97% | -                             | -     | -                                   | - | Boh Chin Investment Co., Ltd.  | Relatives within second degree of kinship of the Chairman of Dachi Investment Co., Ltd. |         |
|   |                      |       |                               |       |                                     |   | Yih Chin Investment Co., Ltd.  |   |         |
|   |                      |       |                               |       |                                     |   | Bibo Investment Co., Ltd.  |   |         |
|   |                      |       |                               |       |                                     |   | Urban Investment Co., Ltd.   |   |         |
|   |                      |       |                               |       |                                     |   | Sui Tai-Chung  |   |         |
|   |                      |       |                               |       |                                     |   | Sui Wan-Ni   |   |         |

2.9 Number of Shares Held by the Company, the Company's Directors, Managers, and Directly or Indirectly Controlled Businesses and the Consolidated General Holding Ratio as follows:

Date: December 31, 2024 Unit: Share; %

| Affiliated Enterprises                    | Ownership by the Company |        | Ownership by the Company's Directors, Managers, and Directly or Indirectly Controlled Businesses |        | Total Ownership |        |
|---|--------------------------|--------|--|--------|-----------------|--------|
|   | Shares                   | %      | Shares   | %      | Shares          | %      |
| Yenyo Technology Co., Ltd.                | 25,732,508               | 63.76  | 1,492,506  | 3.70   | 27,225,014      | 67.46  |
| Greenish Co., Ltd.                        | 7,374,997                | 100.00 | -  | -      | 7,374,997       | 100.00 |
| Thinking Holding (Cayman) Co., Ltd.       | 25,476,302               | 100.00 | -  | -      | 25,476,302      | 100.00 |
| Thinking Electronic USA, Inc.             | 1,000,000                | 100.00 | -  | -      | 1,000,000       | 100.00 |
| Thinking (Viet Nam) Electronic Co., Ltd.  | -                        | 100.00 | -  | -      | -               | 100.00 |
| Thinking International Co., Ltd.          | -                        | -      | 6,375,000  | 100.00 | 6,375,000       | 100.00 |
| Thinking (HK) Enterprises Limited         | -                        | -      | 10,040,000   | 100.00 | 10,040,000      | 100.00 |
| View Full (Samoa) Ltd.                    | -                        | -      | 5,055,000  | 100.00 | 5,055,000       | 100.00 |
| Thinking Electronic (Samoa) Ltd.          | -                        | -      | 3,864,354  | 100.00 | 3,864,354       | 100.00 |
| Thinking (Changzhou) Electronic Co., Ltd. | -                        | 47.39  | -  | 52.61  | -               | 100.00 |
| Thinking (Yichang) Electronic Co., Ltd.   | -                        | -      | -  | 100.00 | -               | 100.00 |
| Jiang Xi Thinking Electronic Co., Ltd.    | -                        | -      | -  | 100.00 | -               | 100.00 |
| Dong Guan Welkin Electronic Co., Ltd.     | -                        | -      | -  | 100.00 | -               | 100.00 |
| Welkin Electronic Co., Ltd.               | -                        | -      | -  | 100.00 | -               | 100.00 |

### III. Capital Overview

#### 3.1 Capital and Shares

##### i. Source of Capital

Unit: Share; NTD

| Month/<br>Year | Issued<br>Price | Authorized Capital |               | Paid-in Capital |             | Remarks  |  |   |
|----------------|-----------------|--------------------|---------------|-----------------|-------------|--|--|---|
|                |                 | Shares             | Amount        | Shares          | Amount      | Sources of<br>Capital  | Capital<br>Increased<br>by<br>Assets<br>Other<br>than Cash | Other   |
| 7/1979         | 10,000          | 300                | 3,000,000     | 300             | 3,000,000   | Establishment<br>(cash)  | None   |   |
| 1/1986         | 10,000          | 600                | 6,000,000     | 600             | 6,000,000   | Capital increase in<br>cash NTD<br>3,000,000   | None   |   |
| 5/1989         | 10,000          | 2,600              | 26,000,000    | 2,600           | 26,000,000  | Capital increase in<br>cash NTD<br>20,000,000  | None   |   |
| 11/1994        | 10              | 12,600,000         | 126,000,000   | 12,600,000      | 126,000,000 | Capital increase in<br>cash NTD<br>50,000,000<br>Earnings<br>transferred capital<br>increase NTD<br>50,000,000 | None   |   |
| 5/1996         | 10              | 18,900,000         | 189,000,000   | 18,900,000      | 189,000,000 | Capital increase in<br>cash NTD<br>25,200,000<br>Earnings<br>transferred capital<br>increase NTD<br>37,800,000 | None   |   |
| 5/1997         | 10              | 30,240,000         | 302,400,000   | 30,240,000      | 302,400,000 | Earnings<br>transferred capital<br>increase NTD<br>113,400,000   | None   | 5/15/1997 (1997)<br>Tai-Cai-Zheng (I) No.<br>39314  |
| 7/1998         | 10              | 43,848,000         | 438,480,000   | 43,848,000      | 438,480,000 | Earnings<br>transferred capital<br>increase NTD<br>136,080,000   | None   | 7/22/1998 (1998)<br>Tai-Cai-Zheng (I) No.<br>59845  |
| 5/1999         | 10              | 90,000,000         | 900,000,000   | 57,602,400      | 576,024,000 | Earnings<br>transferred capital<br>increase NTD<br>137,544,000   | None   | 5/24/1999 (1999)<br>Tai-Cai-Zheng (I) No.<br>48165  |
| 7/2000         | 10              | 90,000,000         | 900,000,000   | 69,362,640      | 693,626,400 | Capital increase in<br>cash NTD<br>50,000,000<br>Earnings<br>transferred capital<br>increase NTD<br>67,602,400 | None   | (1) 7/12/2000 (2000)<br>Tai-Cai-Zheng (I) No.<br>58119<br>(2) 7/6/2000 (2000)<br>Tai-Cai-Zheng (I) No.<br>58129 |
| 7/2001         | 10              | 90,000,000         | 900,000,000   | 75,707,951      | 757,079,510 | Earnings<br>transferred capital<br>increase NTD<br>63,453,110  | None   | 7/10/2001 (2001)<br>Tai-Cai-Zheng (I)<br>No. 144251   |
| 7/2002         | 10              | 120,000,000        | 1,200,000,000 | 82,075,000      | 820,745,000 | Earnings<br>transferred capital<br>increase NTD<br>63,665,490  | None   | 7/9/2002<br>Tai-Cai-Zheng (I)<br>No. 0910137524   |
| 7/2003         | 10              | 120,000,000        | 1,200,000,000 | 87,568,977      | 875,689,770 | Earnings<br>transferred capital<br>increase NTD<br>54,944,770  | None   | 6/27/2003<br>Tai-Cai-Zheng (I)<br>No. 0920128599  |
| 9/2004         | 10              | 120,000,000        | 1,200,000,000 | 95,399,495      | 953,994,950 | Earnings<br>transferred capital<br>increase NTD<br>78,305,180  | None   | 7/7/2004<br>SFB (I)<br>No. 0930129935   |



| Month/<br>Year | Issued<br>Price | Authorized Capital |               | Paid-in Capital |               | Remarks   |  |   |
|----------------|-----------------|--------------------|---------------|-----------------|---------------|---|--|---|
|                |                 | Shares             | Amount        | Shares          | Amount        | Sources of<br>Capital   | Capital<br>Increased<br>by<br>Assets<br>Other<br>than Cash | Other   |
| 11/2004        | 10              | 120,000,000        | 1,200,000,000 | 95,447,433      | 954,474,330   | Domestic convertible corporate bonds-converted NTD 479,380    | None   | 5/19/2004<br>Tai-Cai-Zheng (I)<br>No. 0930118845                                      |
| 2/2005         | 10              | 120,000,000        | 1,200,000,000 | 95,487,548      | 954,875,480   | Domestic convertible corporate bonds-converted NTD 401,150    | None   | 5/19/2004<br>Tai-Cai-Zheng (I) No.<br>No. 0930118845                                  |
| 5/2005         | 10              | 120,000,000        | 1,200,000,000 | 97,667,290      | 976,672,900   | Domestic convertible corporate bonds-converted NTD 21,797,420 | None   | 5/19/2004<br>Tai-Cai-Zheng (I)<br>No. 0930118845                                      |
| 1/2006         | 10              | 120,000,000        | 1,200,000,000 | 97,748,021      | 977,480,210   | Domestic convertible corporate bonds-converted NTD 807,310    | None   | 5/19/2004<br>Tai-Cai-Zheng (I)<br>No. 0930118845                                      |
| 5/2006         | 10              | 120,000,000        | 1,200,000,000 | 101,257,137     | 1,012,571,370 | Domestic convertible corporate bonds-converted NTD 35,091,160 | None   | 5/19/2004<br>Tai-Cai-Zheng (I)<br>No. 0930118845                                      |
| 7/2006         | 10              | 120,000,000        | 1,200,000,000 | 101,574,680     | 1,015,746,800 | Domestic convertible corporate bonds-converted NTD 3,175,430  | None   | 5/19/2004<br>Tai-Cai-Zheng (I)<br>No. 0930118845                                      |
| 11/2006        | 10              | 120,000,000        | 1,200,000,000 | 101,617,736     | 1,016,177,360 | Domestic convertible corporate bonds-converted NTD 430,560    | None   | 5/19/2004<br>Tai-Cai-Zheng (I)<br>No. 0930118845                                      |
| 1/2007         | 10              | 120,000,000        | 1,200,000,000 | 105,347,544     | 1,053,475,440 | Domestic convertible corporate bonds-converted NTD 37,298,080 | None   | 5/19/2004<br>Tai-Cai-Zheng (I)<br>No. 0930118845                                      |
| 4/2007         | 10              | 120,000,000        | 1,200,000,000 | 106,090,277     | 1,060,902,770 | Domestic convertible corporate bonds-converted NTD 7,427,330  | None   | 5/19/2004<br>Tai-Cai-Zheng (I)<br>No. 0930118845                                      |
| 7/2007         | 10              | 120,000,000        | 1,200,000,000 | 106,138,715     | 1,061,387,150 | Domestic convertible corporate bonds-converted NTD 484,380    | None   | 5/19/2004<br>Tai-Cai-Zheng (I)<br>No. 0930118845                                      |
| 9/2007         | 10              | 140,000,000        | 1,400,000,000 | 117,007,808     | 1,170,078,080 | Earnings transferred capital increase NTD 108,690,930         | None   | 7/5/2007<br>FSC (I)<br>No. 0960034307   |
| 1/2008         | 10              | 140,000,000        | 1,400,000,000 | 117,025,611     | 1,170,256,110 | Domestic convertible corporate bonds-converted NTD 178,030    | None   | 5/19/2004<br>Tai-Cai-Zheng (I)<br>No. 0930118845                                      |
| 12/2008        | 10              | 140,000,000        | 1,400,000,000 | 113,867,611     | 1,138,676,110 | Write-off of treasury stock shares NTD 31,580,000             | None   | 9/26/2008<br>FSC (III)<br>No. 0970051455<br>11/26/2008<br>FSC (III)<br>No. 0970064758 |

| Month/<br>Year | Issued<br>Price | Authorized Capital |               | Paid-in Capital |               | Remarks  |  |  |
|----------------|-----------------|--------------------|---------------|-----------------|---------------|--|--|--|
|                |                 | Shares             | Amount        | Shares          | Amount        | Sources of<br>Capital  | Capital<br>Increased<br>by<br>Assets<br>Other<br>than Cash | Other  |
| 10/2009        | 10              | 140,000,000        | 1,400,000,000 | 117,109,570     | 1,171,095,700 | Domestic<br>convertible<br>corporate<br>bonds-converted<br>NTD 32,419,590  | None   | 5/13/2008<br>FSC (I)<br>No. 0970019246         |
| 1/2010         | 10              | 140,000,000        | 1,400,000,000 | 127,566,161     | 1,275,661,610 | Domestic<br>convertible<br>corporate<br>bonds-converted<br>NTD 104,565,910 | None   | 5/13/2008<br>FSC (I)<br>No. 0970019246         |
| 2/2012         | 10              | 140,000,000        | 1,400,000,000 | 126,948,161     | 1,269,481,610 | Write-off of<br>treasury stock<br>shares<br>NTD 6,180,000                  | None   | 11/22/ 2011<br>FSC (Trading)<br>No. 1000057936 |
| 2/2015         | 10              | 140,000,000        | 1,400,000,000 | 127,223,061     | 1,272,230,610 | Domestic<br>convertible<br>corporate<br>bonds-converted<br>NTD 2,749,000   | None   | 1/5/2011<br>FSC (Issuance)<br>No. 0990071937   |
| 4/2015         | 10              | 140,000,000        | 1,400,000,000 | 127,308,846     | 1,273,088,460 | Domestic<br>convertible<br>corporate<br>bonds-converted<br>NTD 857,850     | None   | 1/5/2011<br>FSC (Issuance)<br>No. 0990071937   |
| 2/2016         | 10              | 140,000,000        | 1,400,000,000 | 128,112,726     | 1,281,127,260 | Domestic<br>convertible<br>corporate<br>bonds-converted<br>NTD 8,038,800   | None   | 1/5/2011<br>FSC (Issuance)<br>No. 0990071937   |
| 6/2020         | 10              | 200,000,000        | 2,000,000,000 | 128,112,726     | 1,281,127,260 |  |  |  |

Unit: Share

| Share Type    | Authorized Capital |                  |              | Remarks     |
|---------------|--------------------|------------------|--------------|-------------|
|               | Issued Shares      | Un-issued Shares | Total Shares |             |
| Common shares | 128,112,726        | 71,887,274       | 200,000,000  | TWSE-listed |

Information for shelf registration: None.

ii. List of Major Shareholders:

April 19, 2025

| Name of Major Shareholders   | Shareholding |                |
|--|--------------|----------------|
|  | Shares       | Percentage (%) |
| Boh Chin Investment Co., Ltd.  | 27,178,247   | 21.21          |
| Yih Chin Investment Co., Ltd.  | 16,339,153   | 12.75          |
| Chang Jui-Min  | 5,012,000    | 3.91           |
| Standard Chartered Bank Hosting the Fidelity Puritan. Trust: Fidelity Low-Priced Stocks Fund | 4,124,000    | 3.22           |
| Bibo Investment Co., Ltd.  | 2,777,800    | 2.17           |
| Sui Tai-Chung  | 2,777,795    | 2.17           |
| Sui Chung-Hua  | 1,763,719    | 1.38           |
| Urban Investment Co., Ltd.   | 1,732,915    | 1.35           |
| Sui Wan-Ni   | 1,732,914    | 1.35           |
| Dachi Investment Co., Ltd.   | 1,242,235    | 0.97           |

Note: Major shareholders are those holding 5% or more of the Company's equity or Top 10 shareholders.

iii. Dividend Policy and Implementation Status

(1) The Company's dividend distribution policy is as follows:

- A. Criteria for issuing dividends: According to the Company's Articles of Incorporation, the dividend policy is based on the Company's current and future development plans, the investment environment, capital needs, domestic and international competition, and shareholders' interests. The bonus to shareholders shall be distributed from the accumulated distributable earnings, which shall be no less than 30% of distributable earnings for the current year.
- B. Timing of distribution of dividends: According to the Company Act, the Board of Directors will prepare the Earnings Distribution Proposal at the end of each operational year after financial statements have been audited and certified by CPAs and submits it for ratification during the shareholders' meeting prior to distribution.
- C. Amount and type of dividends distributed: The cash dividends distributed by the Company shall not be less than 20% of the total dividends.

(2) Distribution of dividends intended to be proposed and discussed during the current shareholders' meeting:

NTD 781,487,629 is intended to be set aside as shareholder bonus from the distributable earnings of 2024, that is, NTD 6.10 per share as cash dividends will be distributed. Once it is approved and finalized through the General Shareholders' meeting, distribution will take place according to applicable requirements.

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

v. Employees' and Directors' Compensation:

(1) Percentage or range of remuneration to employees and that to the directors as stated in the Company's Articles of Incorporation:

If the Company retains earnings at the end of the fiscal year, it is required to allocate 2% thereof as the remuneration to employees. The Board of Directors shall resolve to pay the remuneration in the form of stock or in cash. The recipients entitled to receive the remuneration include the employees of subsidiaries of the Company meeting certain specific requirements. The Company may allocate no more than 2% of said earnings as the remuneration to directors per resolution by the Board of Directors. The motion for distribution of remuneration to employees and directors shall be reported to a shareholders' meeting.

However, when the Company still has accumulated losses, an amount equivalent to said losses shall be reserved to make up for the loss in advance. The remainder, if any, shall be allocated as the remuneration to employees and that to directors according to the ratio mentioned in the preceding paragraph.

(2) The remuneration to directors of the Company is paid not only taking into consideration the overall operational performance of the Company and the developmental trends in the future but also the advice provided and contributions of each director to the Company in their respective specialized field, such as commerce, legal affairs, and finance. The Company relies on and values the professional opinions from each director. As such, the attendance of each director in each organizational meeting and periodic continuing education in the specialized field on a yearly basis completed by the director are also considered while reasonable rewards are provided to directors. The compensation legitimacy assessment is adjusted adequately depending on the actual operational status of the Company and applicable regulatory requirements and is reviewed by the Compensation and Remuneration Committee and the Board of Directors for the sake of sustainable operation and development of the Company.

(3) Accounting measures adopted in case of any difference between the basis for estimating the amount of remuneration to employees and that to directors, basis for calculating the number of shares included in the distribution of remuneration for employees, and the actual value distributed and their estimates of the current term:

If there is any change in the amount after the publication of the annual financial statements, it will be handled as a change in accounting estimate and the adjustment will be posted in the next year.

(4) Approval of distribution of remuneration by the Board of Directors:

A. The proposals approved by the Board of Directors regarding 2024 earnings are as follows:

(a) Distribution of the remuneration to employees in cash worth NTD 76,450 thousand.

(b) Distribution of the remuneration to directors worth NTD 25,991 thousand.

B. Ratio of the value of remuneration for employees distributed in stock and the sum of after-tax income and total value of remuneration for employees in the entity or individual financial statement of the current term: Not applicable.

(5) Actual distribution of the remuneration to employees and that to directors in the preceding year:

The actual distribution was consistent with the proposal approved by the Board of Directors.

vi. Buy-back of Treasury Share: None.

3.2 Corporate Bonds: None.

3.3 Preferred Shares: None.

3.4 Global Depositary Receipt: None.

3.5 Status of Employee Share Options: None.

3.6 Status of New Restricted Employee Shares: None.

3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

3.8 Financing Plans and Implementation:

The Company does not issue or raise in private marketable securities for the sake of acquiring funds and hence there is no such capital utilization plan.

## IV. Operational Highlights

### 4.1 Business Activities

#### i. Business Scope

(1) The Company's business lines are stated as follows:

THINKING provides a broad line of circuit protection components for over-voltage protection, over-temperature protection, and over-current protection. The product portfolio offers negative temperature coefficient thermistor (NTC thermistor), zinc oxide varistors (MOV), ceramic positive temperature thermistors (PTC thermistor), polymer positive temperature coefficient thermistors (Polymer PTC resettable fuse), temperature sensors, and gas discharge tubes.

Assured to better quality and improving management system, The Company has been IATF 16949 and ISO 9001 certified and remains committed to offer product compliance in conformity assessment with UL, VDE, TUV, and CQC approvals.

The Company is continually developing better quality and better service by working closely with customers, and remains committed to be the best choice of passive components.

(2) Revenue Distribution:

December 31, 2024/NTD thousand

| Major Divisions    | Total Sales in Year | (%) of Total Sales |
|--------------------|---------------------|--------------------|
| Protection Element | 7,334,069           | 97.53              |
| Others             | 185,628             | 2.47               |
| Total              | 7,519,697           | 100.00             |

(3) Main products:

- A. Thermistor
- B. Varistor
- C. Temperature sensor

(4) New products and services planned to be developed:

- A. Development of specifications for the ultra-miniature SMD type 01005 thermistor product series
- B. Development of SMD type communication application high-quality pure silver inner electrode varistor
- C. Development of SMD type automotive-grade high surge capacity pure silver inner electrode varistors
- D. Development of low-voltage, high-current varistors with pure silver internal electrodes 1812 and 2220 SMD type
- E. Development of automotive specifications for 0402 SMD type ultra-low capacitance low-Vt static discharge protectors
- F. Development of SMD type low-temperature copper electrode thermistor series products for preventing metal migration
- G. Development of low B-value 2240 high resistance negative temperature coefficient sensors

- H. Development of miniaturized glass-sealed negative temperature coefficient thermistor with high responsiveness
- I. Development of pressure and temperature detection sensor products
- J. Development of BME process SMD positive temperature coefficient thermistor ultra-low resistance product series
- K. Development of SMD positive temperature coefficient thermistors for automotive overcurrent protection product series
- L. Development of soft-cutting process 0201 170 100 ohms positive temperature coefficient thermistor products overcurrent protection series
- M. Development of special specifications for ultra-high current flow for SMD type varistor
- N. Development of SMD type varistor high surge capacity product series
- O. Development of anti-flex nano-material protective layer for SMD type thermistor
- P. Development of SCK copper electrode anti-metal migration product series
- Q. Development of PPTC positive temperature coefficient high temperature-resistant 125°C product series
- R. Development of CPTC lead-free high current flow series product
- S. Development of CPTC automotive-grade 1400V high pressure resistant product series

## ii. Industrial Overview

### (1) Current Status and Developments

Thermistors, varistors, and temperature sensors produced and distributed by the Company are resistance-related elements as part of passive components. They are known for their unique features and application scenarios in the population of passive electronic components and may be also called “protective components.”

Protective components are widely applied to a variety of electronic products and provide adequate protection against risks that may arise during the operation of electronic products. As far as the function is concerned, they may be divided into over-current protection, over-voltage protection, temperature compensation, temperature detector and control. In terms of the installation method, on the other hand, there are products that vary in their appearance and dimension, such as plug-ins, surface mount devices, and modules, etc.

The Company's products are quite widely applied in IT products (power supply devices, monitors, chargers, computer motherboards, notebook computers, netcom equipment, etc.), telecommunications equipment (telecommunication base stations, machine room equipment, optic fiber networks, mobile phones and customer premise equipment, etc.), large home appliances (TV sets, washers/dryers, refrigerators, dishwashers, air-conditioners, heaters, etc.), small home appliances (microwaves, water heaters, electronic pots, coffee makers, etc.), consumer electronics (smart speakers, Bluetooth earphones, music players, etc.), illumination equipment (LED indoor/outdoor and roadside illumination, street lamp controllers, etc.), industrial products (lightning protection products, inverters, servomotors, industrial controllers, contactors, actuators, digital meters, energy storage equipment, etc.), emerging electric vehicles (battery packs, electric motors, on-board chargers, etc.), and internal combustion engine automobiles (carbody control such as engine temperature control and discharge feedback, reservoir temperature control and thermostatic air-conditioning, central locks/skylight/powered windows and

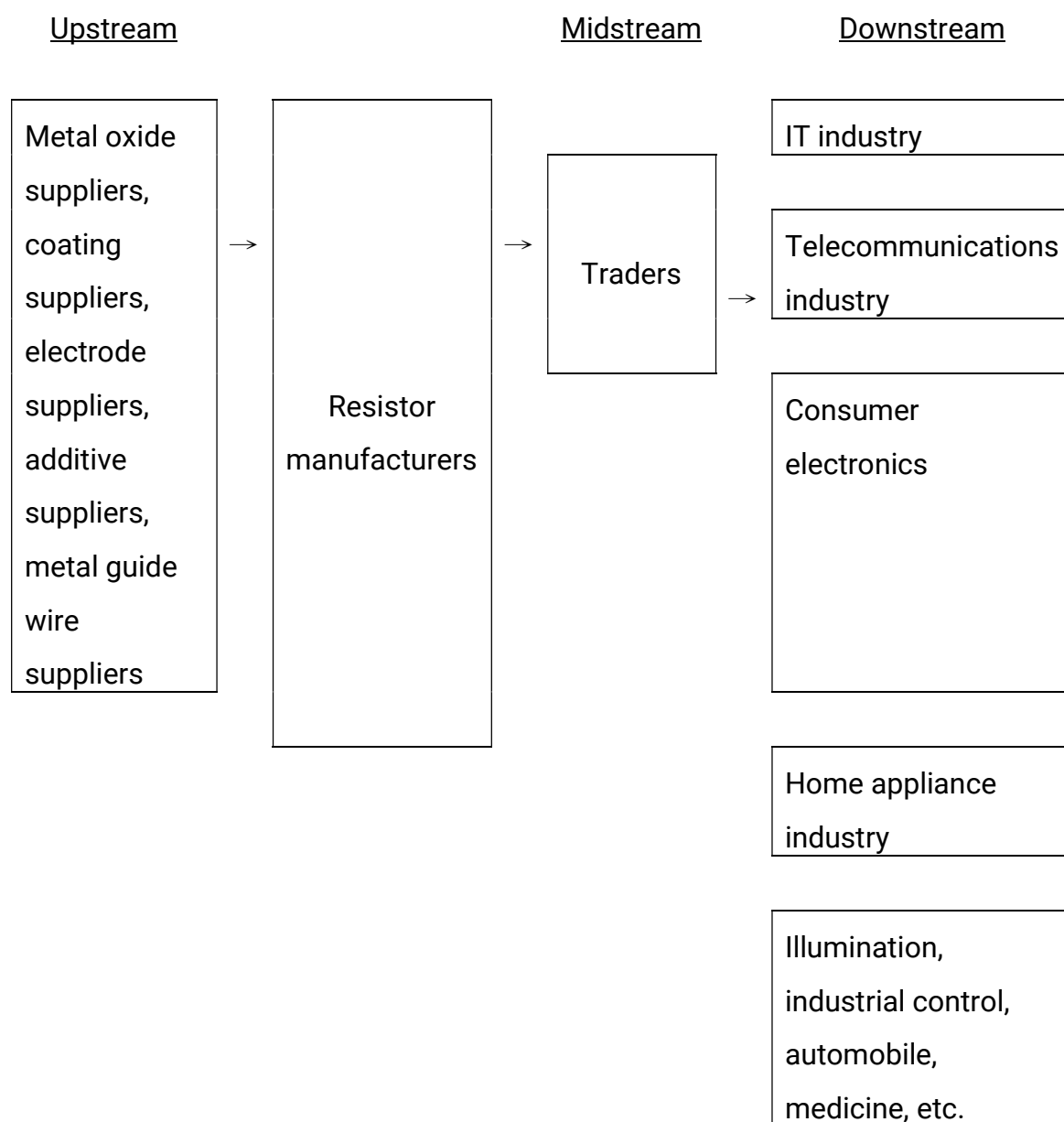


automobile electronics such as lamps, travel information and instruments, and automatic driving, etc.), medical and health care (PCR biochemical testing equipment, thermometers, blood glucose machines, medicine storage cabinets, etc.). They are the main markets.

The Company is a specialist with an extended range of protective component product lines. With the flourishing market for electronic products, the business in the future is infinite.

(2) Correlation among Upstream, Mid-stream, and Downstream of the Industry

Primary products of the Company include NTC thermistors, PTC thermistors, and zinc oxide varistors (MOV and MLV), and temperature sensor with a thermistor as the core. The correlation among the upstream, mid-stream, and downstream formed for related raw materials and products is as follows:



### (3) Developmental trends for a variety of products

Being light, thin, short, and small, digital, and high-speed transmission are the primary developmental trends of electronic products. Under such trends, it is also required to research and develop corresponding SMD (or surface mount device) products to meet the demand. The Company's SMD products include NTC thermistors, PTC thermistors, and zinc oxide varistors (Varistor) as well as ESD protectors. Given the effort to constantly reinforce product specifications, the demand of a majority of customers can be fulfilled. The surface mount NTC thermistor, whose resistance gradually decreases as temperature rises, in electronic products where heat treatment is increasingly important, can quickly and accurately respond to temperature changes in the system. Moreover, the surface mount PTC thermistor can provide more diversified circuit control methods for customers' circuit design. Meanwhile, the miniaturized and high-performance varistor and electrostatic protector can provide protection before surge overvoltage or static electricity results in any damage.

Meanwhile, as the safety standards get stricter and stricter for electronic products and the demand of electronic products for temperature detection and control climbs each day, it is even more important to develop customized assembled temperature sensors with a thermistor at their core plus the sealing enclosure and various types of wires. High precision, high temperature resistance, high insulation/water-proof/dust-proof are the main trends in the development of temperature sensors.

In addition, given a changing global environment, where humans suffer more and more impacts from natural disasters and outdoor equipment or infrastructure electronic equipment such as outdoor street lights, telecommunication base stations and weather observatories, smart power grids, track traffic, solar power and wind power stations are under the threat of natural thunder strikes. As such, varistors and thermistors used in related equipment are being developed to have higher Resistance, be smaller in size, and include composite features.

The exemplary shift from fueled vehicles to electric vehicles in a history of a hundred years further leads the Company's products into another brand new field. Under the regulations imposed by IATF-16949, AEC-Q, and VDA, among others, for the automobile industry regarding the quality system, product reliability, development and manufacturing process control, higher reliability and a longer life cycle are the major trends in the development of high-end products.

### (4) Competition on the market

There are many manufacturers of thermistors and varistors around the world that vary in their business scale and also technical platform and market segmentation. As part of its long-term plan, the Company looks up to counterparts in Europe, America, and Japan such as Murata, TDK-Epocs, and Vishay in terms of technicality as they specialize differently in terms of product coverage and market segmentation.

As far as safety standards are concerned, besides safety certification of the passive components (such as UL, CSA, VDE, TUV, CQC, SGCC ... etc) in

respective countries, Customers' product models with protection elements should also have the safety certification. In other words, passive components are an industry with entry barriers. The Company, however, owns the competitive advantages with its long-term existence in the industry and thorough product safety specifications and quality to cover the comprehensive application needs of customers.

### iii. Research and Development

#### (1) R&D expenses

R&D expenses spent in 2024: NTD 409,964 thousand.

R&D expenses spent as of the first quarter of 2025: NTD 100,071 thousand.

#### (2) Successfully developed technologies or products

- A. Completed the development of soft cutting process TSM 01005 103/104 small-size negative temperature coefficient thermistor series model products
- B. Completed development of TPM 0201 100Ω/170Ω positive temperature coefficient thermistor model products
- C. Completed the development of zero-inflation high-precision medical chips for medical applications, including nucleic acid testing, infrared temperature sensing, and thermometers
- D. Completed the development of LCP 0402 ultra-low breakdown voltage  $V_t < 250V$  product
- E. Completed the development of TVR Class A explosion-proof products (liquid coating products)
- F. Completed the development of TGM zero-increase products and implemented mass production
- G. Completed development of positive temperature coefficient thermistor (PTC) SMD 0603 low resistance series (10Ω and 6.8Ω) products
- H. Complete the SCK copper electrode product series development
- I. Complete the SCK-U miniaturized product series development
- J. Complete the development of TVM SMD silver electrodes 6B820 8000A high-pass varistors
- K. Completed the development of TVA34821 high-pass flow and low-residual-voltage varistor model
- L. Completed the development of the CPTC PH/PP/Sensor lead-free product series
- M. Completed the development of the CPTC 120~150 degree antimony removal product series
- N. Completed the development of KMC 0402/2016 series products
- O. Completed the development and mass production of sensor products for motor and electric machinery
- P. Completed the development of the IGBT vehicle specification MELF development product series

### iv. Long-term and Short-term Development

#### (1) Short-term Development

- A. Increase the proportion of orders from existing customers
- B. Develop more large and iconic international clients
- C. Increase sales of niche thermal and pressure-sensitive products to enhance product portfolio benefits

- D. Deepen penetration in electric vehicle ecosystems, renewable energy and energy storage, industrial and communication markets, while exploring new niche markets such as AI and healthcare

## (2) Mid-to-long-term Development

Establish long-term stable supply chain relationships with major customers to solidify the Company's market position; connect sales opportunities across the upstream and downstream of the electronics industry chain, with a complete product portfolio, excellent quality and service, through well-established sales channels and global deployment; allocate business resources to emerging application fields to develop in tandem with the electronics industry.

## 4.2 Overview of Market, Production, and Sales

### i. Market Analysis

#### (1) Sales Area

The areas where the Company sells to and the net sales are provided below:

Unit: NTD Thousand

| Sales Area \ Year              | 2024      |        |
|--------------------------------|-----------|--------|
|                                | Net sales | %      |
| Greater China (Include Taiwan) | 5,858,951 | 77.91  |
| Europe                         | 897,848   | 11.94  |
| Others                         | 762,898   | 10.15  |
| Total                          | 7,519,697 | 100.00 |

#### (2) Market share

Based on the market survey information published by the US -based Paumanok, an authority on the market of passive components, and after comparing the NTC shipments of the Company, it is estimated that the market share of the power type NTC of the Company is absolutely in the leading position in the world; with the same estimation, the Company has also ranked first in the world in terms of market share of plug-in varistors. In terms of the thermistor and varistor manufacturers in Asia, the Company is firmly in the main supplier position in the market. In addition, the report ranked the Company and the two major PTC manufacturers in Japan as the top three suppliers in the world, indicating that the PTC of Company is in a prominent position in the international arena.

#### (3) Future supply and demand and growth on the market

The Company is one of the few circuit protection suppliers with a wide range of products that cover PTC and NTC thermistors, varistors, temperature sensors, and over-voltage protective components, among others. Its products are widely applied. As the electronic industry continues to boom, the future for the Company is promising in terms of prospective growths.

The following are descriptions about future growth potentials as far as the main markets that the Company are concerned:

#### A. Automotive

Governments all over the world have adopted relevant policies to encourage electric vehicles/ban the sale of fuel vehicles to reduce the resulting environmental pollution. Consequently, major automobile manufacturers have established milestones for ceasing production of fuel vehicles. According to GlobalData forecasts, in the light vehicle market, pure electric vehicle sales will exceed 30% by 2030, while traditional fuel vehicle sales will be reduced to only one-third of the market share due to competition from pure electric and various degrees of electrified powertrain technologies. Meanwhile, according to MarkLines' 2024 global new energy vehicle sales statistics, growth rates have reached as high as 40%, demonstrating that electric vehicles have become mainstream in the automotive industry. Therefore, electric vehicles represent the most promising market for investments in the electronics industry, both in terms of future prospects and growth potential.

#### B. Energy Storage System

Under the global trend of climate change and carbon emission control, the use of renewable energy has become the main countermeasure. However, the output of renewable energy is unstable. An energy storage system is required to balance the gap between supply and demand. The most widely used energy storage system at present mainly adopts batteries as the energy storage solution. Under the dual requirements of safety and efficiency, it has created a huge business opportunity for temperature detection and control.

#### C. Telecommunications and AI

The telecommunications industry starts with user-end devices, including wireless transceiver base stations for access network, optical communication for carrying network, data centers for core networks, edge computing, and even satellite communication equipment. In addition to the well-known 5G ecosystem development, overcoming the last mile of low-orbit satellite communication is truly the rising star of tomorrow. On this basis, artificial intelligence AI, which requires a large amount of information for deep learning, has a starting point for computing and to be able to provide services without boundaries. In this field, whether it's the demand for increased power density/efficiency brought by the high frequency and short wavelength of communication systems, the threat of lightning strikes in outdoor and open space environments, or the need for efficient thermal management brought by efficient AI computing, all these scenarios represent ideal application areas for the Company's three major products: overcurrent, overvoltage, and overtemperature detection and protection.

#### D. Industrial and Medical/Health-care Electronics

With the process of industrialization, the demand for smart manufacturing will bring various new industrial electronic applications, which will bloom, and the market of smart manufacturing is expected to grow continuously. Meanwhile, the advancement of medical technology lead to increased life expectancy and development of medical electronics, from biochemical detection, and body temperature detection, to respiratory treatment and remote care, all of which are highlights of industry growth.

#### (4)Competitive niche and advantageous and disadvantageous factors for future developments and countermeasures

##### A. Favorable factors:

##### (a) Thorough products and extensive scope of application

The Company owns complete product lines that are non-comparable by a majority of counterparts, Perfect Serviceability making the Company a trustworthy partner of all customers with their full support. Both the number of customers and the trading value are constantly growing.

##### (b) Good technical ability to quickly satisfy customers

With independent technology and excellent R&D capabilities, we can provide corresponding products or solutions in a timely manner to meet the changing needs of customers; coupled with highly automated production capabilities, and deep customer relationships, we use high-end technology to support quality services.

##### (c) Steady long-term collaborators to maintain the most cost-effective economic scale

Due to the fact that the quality of the Company's products and services is highly trusted by customers, accumulatively, the Company has had many long-term partners, which is accordingly driving its production volumes to new heights constantly. Currently, NTC thermistors of the disc type already have the largest sales in the world. Varistors of the disc type, by the same token, are leading in the Greater China Region, too. Have sufficient economic scale and cost advantages to cope with the competition from other peers.

##### (d) High degree of production automation

Through years of development and investment in automation equipment, the Company's component products have established a solid manufacturing platform. Our process control capabilities are excellent, ensuring extremely stable product quality. This stands as the main core competencies for us.

(e) Sound Financial Standing

The Company is superior to counterparts in its financial structure, solvency, profitability, and cash flows, showing that the Company's financial standing is sound, which helps cope with the economic cycle and competition. In addition, sound financial capabilities support the Company's investment in automation equipment and maintain its cost competitiveness.

B. Unfavorable factors:

(a) Insufficient visibility in the European and American regions as well as in the traditional fuel vehicle market

For the international market, due to the fact that counterparts in Europe, the US, and Japan have entered the local market earlier and built a relatively sound network for localized services, the Company is in a relatively undesirable position now. The traditional fuel vehicle market has long been dominated by European, American, and Japanese brands, and the Company's visibility in this market still needs to be improved.

(b) Price-cutting race remains

International peers are also actively adjusting the quotation strategies for SMD products in order to expand the economic scale of SMD, which caused pressure on the Company. In addition, although the products and technologies of peers in Greater China are still different from those of the Company, however, the emergence of the red supply chain has lowered the market price of component products with lower technological bottlenecks.

(c) Product line development not yet balanced

Although the Company's product lines cover the three major fields of over-current, over-voltage, and over-temperature detection and protection, not all of the product lines are developed in a balanced manner. Among them, the revenue of the PPTC, TVS, ESD... product lines still have considerable room for growth.

C. Countermeasures:

(a) Establishing a subsidiary in the United States and offices in Northeast Asia and Southeast Asia, expanding international new customer base from the locations of European and American clients; also providing nearby services in Southeast Asia where customers are producing, achieving the dual benefits of increasing visibility and consolidating revenue.

(b) Increase the order volume of miniaturized SMD products and through flexible pricing to achieve greater economies of scale and reduce the impact of price competition on revenue.

(c) By leveraging business synergies and comprehensive product certification qualifications, we will increase sales activities for PPTC, TVS, and ESD product lines, expand the range of products supplied to customers, and ensure balanced development across all product lines.

## ii. Production Procedures of Main Products

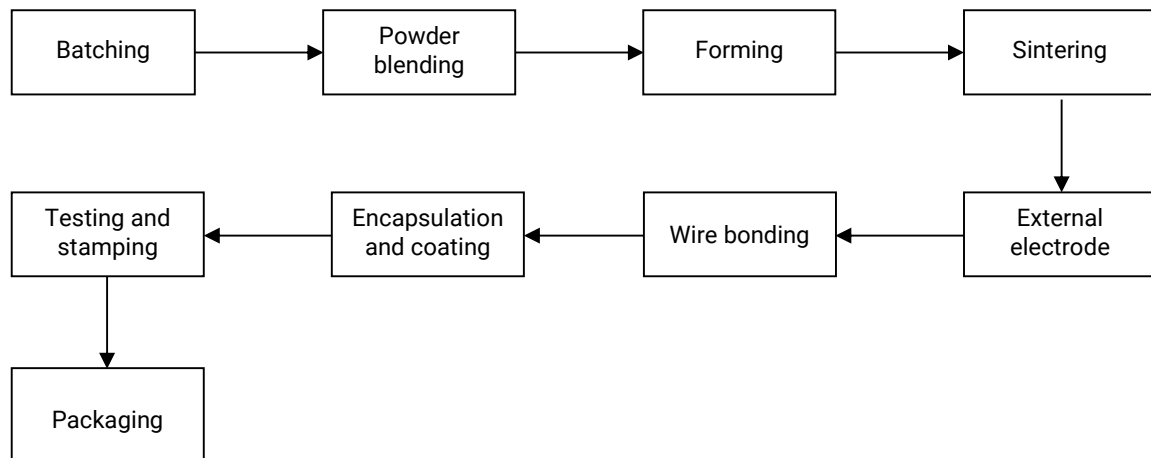
### (1) Major Products and Their Main Uses

| Main product       | Item   |
|--------------------|--|
| Thermistor         | <p>A. Surge inhibition: Switching power supply, electric motors, transformers, among other electric equipment, create short-circuit current (surge) at the instant they are turned on and an NTC thermistor can effectively inhibit it.</p> <p>B. Temperature detection: A thermistor, known for its resistance value that will change obviously with temperature, can turn on the control loop; it is applied in electrical equipment such as air-conditioners, automobiles, refrigerators, and home appliances, PC products and mobile phones, mobile phone chargers, among other telecommunications equipment.</p> <p>C. Temperature compensation: The features of many electronic parts and components change with temperature. Therefore, a thermistor is needed for compensation purpose. Applications to electronic products such as instruments.</p> <p>D. Over-current protection: When abnormal current occurs in the circuit, the circuit will be overheated. At this moment, the resistance of the PTC thermistor will increase, so protecting the back-end circuit from the impact of high current. Such products are used in home appliances, transformers, automotive electronics and consumer electronics.</p> |
| Varistor and TVS   | <p>A. Surge absorption: The resistance of a varistor will change according to the voltage applied onto it to absorb the surge current. They are used to protect power supplies, ICs, consumer electronics, communications, industrial controllers, etc.</p> <p>B. Static absorption: Use the sensitivity of the surface mount varistors to the voltage values in the circuit to remove static electricity from fragile electronic circuits. They are used in electronic products such as mobile phones, laptops, TV ports, etc.</p>  |
| Temperature Sensor | <p>The temperature of the object to be measured is measured and becomes the input information of the control loop. In this way, the operation mode of electronic products can be adjusted to achieve the following purposes:</p> <p>A. Avoid any damage due to overheating, life-threatening or equipment hazards, such as preventing the battery from damage due to overheating, or even explosion and surge inhibition: switching power supply, electric motors, transformers, among other electric equipment, create short-circuit current (surge) at the instant they are turned on and an NTC thermistor can effectively inhibit it.</p> <p>B. Reduce energy consumption and improve system performance, such as activating cooling devices, or reducing input power to reduce unnecessary energy consumption.</p>  |

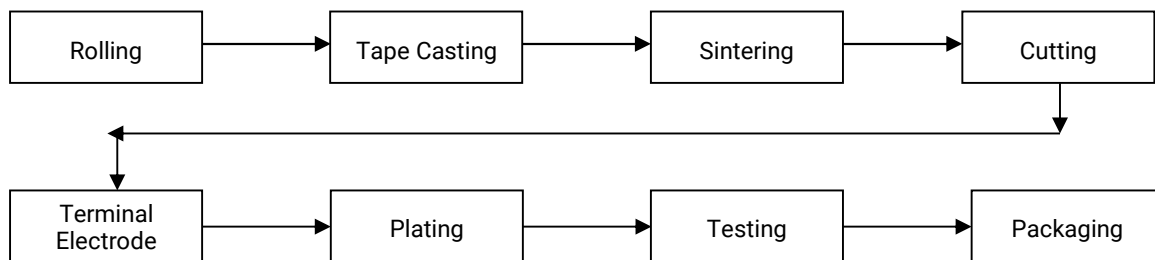


## (2) Major Products and Their Production Processes

### Manufacturing process flowchart for plug-in resistors



### Manufacturing process flowchart for SMD resistors



### iii. Supply Status of Main Materials

Primary raw materials for the Company are silver, manganese, cobalt, nickel, and copper, etc. All the partners are long-term collaborators and have been working closely under optimal partnerships. The quality of supply and lead time remain steady. Shortage or interruption is not a concern.

### iv. List of main purchases and sales customers over the past two years

- (1) Information of suppliers accounting for 10% or more of the overall purchases in any of the past two years: None.
- (2) Information of customers accounting for 10% or more of the overall sales in any of the past two years: None.

### 4.3 Human Resources

| Year                     |                          | 2023   | 2024   | 2025<br>(as of March 31) |
|--------------------------|--------------------------|--------|--------|--------------------------|
| Number of Employees      | Direct employees         | 2,239  | 2,443  | 2,576                    |
|                          | Indirect employees       | 1,712  | 1,744  | 1,748                    |
|                          | Total                    | 3,951  | 4,187  | 4,324                    |
| Average Age              |                          | 37.46  | 37.80  | 37.87                    |
| Average Years of Service |                          | 5.23   | 5.28   | 5.13                     |
| Education                | Masters                  | 2.48%  | 2.41%  | 2.10%                    |
|                          | University and College   | 28.15% | 27.94% | 28.01%                   |
|                          | Senior High School       | 28.80% | 26.44% | 25.97%                   |
|                          | Below Senior High School | 40.57% | 43.21% | 43.92%                   |

### 4.4 Environmental Protection Expenditure

#### i. Total Losses

The Company did not suffer losses due to environmental pollution incidents.

#### ii. Countermeasures

Under the respective environmental protection requirements and self-control requirements of the government, expenditure on safety and environmental protection includes operational maintenance of pollution prevention and control equipment, waste treatment, air pollution prevention and control, soil and groundwater, water pollution prevention and control, various environmental protection-related regulatory fees, and fixed expenditures for environmental monitoring and education and training. Additionally, where technically feasible, the Company is gradually allocating budgets to add and improve relevant equipment to achieve energy conservation and carbon reduction. We modify wastewater, waste, and air pollution permits as appropriate to comply with regulations. In 2025, we will continue to improve pre-treatment of process wastewater in wastewater treatment plants to enhance treatment efficiency, implement monitoring measures for purified recycled water used as cooling tower circulation water to reduce tap water consumption, and plan investments to improve renewable energy utilization efficiency and develop energy-saving products. The relocation and improvement of wastewater treatment plants, as well as the implementation of ISO 50001 Energy Management Systems (EMS), equipment energy monitoring systems, and ISO 14064-1 Greenhouse Gases' carbon inventory systems will require new funding of approximately NT\$20,000 thousand. Through energy system statistics and analysis, we can identify major energy-consuming equipment for replacement or implementation of energy-saving measures.

## 4.5 Labor Relations

### i. Employee Welfare

The Company has set up the Employee Welfare Committee to hold various cultural and entertainment events frequently and to address respective benefits. Primary welfare measures for employees and their implementation status are provided below.

- (1) Employee proposal bonus and patent bonus;
- (2) New Year's Day gift vouchers, birthday gift vouchers, and subsidies for weddings and funerals;
- (3) Outstanding employees of the current year and the May 1st model worker commendation and reward;
- (4) On-the-job training allowances;
- (5) Staff travel at home and abroad, staff family days and unscheduled staff dinners;
- (6) Annual year-end banquet and lottery event;
- (7) Annual free health check;
- (8) Physicians/nurses are regularly stationed in the factory to provide healthcare consultation and services;
- (9) Adequate condolences upon occupational injuries or casualties and emergency aids;
- (10) Uniforms, personal locker rooms, and pantry room equipped with food steamers, refrigerators, and other appliances for employees; and
- (11) Special resort hotel or hotel contract discount

The welfare measures mentioned above are being implemented desirably now and in the future, will be adequately modified reflective of changes made to laws and regulations, social condition, and the operational status of the Company.

### ii. Continuing education and training for employees:

To meet the operational needs of the Company, employees involved in tasks with an effect on the quality are provided with adequate training to reinforce their environmental safety awareness and related skills in order to improve their awareness of high quality, environmental protection, and professional skills and to fulfill the purpose of inter-coordination for enhanced efficiency at work so that the overall operational goals of the Company may be accomplished. For the Company's educational training, depending on the organizer, there are internal and external ones. They are categorized as follows:

- (1) Training for new hires: The pre-service professional training covers an overview of the Company and the department they are working for.

- (2) Departmental internal training: Departments hold educational training to communicate revisions made to applicable regulations and environmental protection requirements and the operating procedures.
- (3) External professional training: When practically needed, departments may assign people to receive external training to help advance their professionalism at work or to help them acquire the second skill and get certified.
- (4) In-service training: For training that is closely related to the current task at work or to the developments of the Company in the future, once approved by the Company, the costs will be reimbursed according to the years in service.

### iii. Retirement System and Its Implementation

The Company has established Labor Pension Regulations in accordance with applicable requirements of the Labor Standards Act and sets aside 2% from the salary each month following actuarial calculations to be the pension fund that is deposited in a designated account. For the payment of the pension fund, the calculations are based on the requirements of the foregoing Labor Pension Regulations.

The Company has been inquiring employees for their inclination under the Labor Pension Act of the Labor Insurance Bureau of the Executive Yuan since July 2005. Those who chose to apply the retirement system under the Labor Pension Act, 6% of their salary is set aside on a monthly basis to their personal pension account with the Labor Insurance Bureau.

### iv. Policy on employees' behavior, ethical principles, and occupational ethics

In order to improve the behavior, attainment, and professional ethics of all employees, the Company has established the Work Rules and employees need to sign the "Employment Contract" and the "Ethical Corporate Management and Integrity Letter of Undertaking" upon reporting to work to govern against violations of laws and regulations or occupation, theft, destruction of the Company's properties or disclosure of the Company's secrets, incomplete handover, acceptance of bribes, and other behavior that results on losses borne by the Company during employment. Examples include:

- (1) R&D staff, depending on the confidentiality of their tasks, sign the Employee Confidentiality Agreement.
- (2) The Computer Data Processing Guidelines are established to ensure control over the flows and security of information of the Company.
- (3) The Gift Management Regulations are established to facilitate centralized utilization of the gifts given to the Company by contractors and customers; acceptance of such gifts by individual employees is prohibited.

- (4) The Regulations to Prevent and Control Sexual Harassment Prevention and to Ensure Gender Equity at Work are established to protect the Company and its affiliated workplaces against sexual harassment.
- (5) Policy on professional ethics:
  - A. Ethical corporate management.
  - B. Insider trading banned.
  - C. No engagement in activities against the Company's interests.
  - D. Honest and thorough documentation.
  - E. Proper giveaways or receptions; no bribery or corruption is allowed.
  - F. Confidentiality required for each of the materials whose ownership belongs to the Company.
  - G. Respect for intellectual property rights.

v. Labor policy as part of corporate social responsibilities

- (1) No hiring of someone less than 16 years old or forcing of employees to perform tasks against their will.
- (2) No discrimination against or differential treatment of any employee or job seeker because of his/her race, class, language, thought, religion, partisanship, nationality, birthplace, gender, sexual orientation, age, marriage, appearance, five senses, disability, constellation, blood type, or prior union membership.
- (3) Respect and protection of employees' basic human rights protected by the Constitution such as freedom of speech, assembly, and association, etc.
- (4) Compliance with applicable labor laws and regulations and applicable customer regulations.

vi. Rewards and penalties for employees

To ensure that its employees act properly and with discipline and to inspire them to make the best of what they have learned and their skills, the Company has established related rewards and penalties systems governing their conduct. They are meant to protect the rights of employees at work, make sure that they fulfill their duties at work, and promote efficiency and morale at work. Examples include:

- (1) The Regulations Governing Rewards for Employees with Outstanding Annual Performance are established to help screen workers who are role models and those with outstanding performance and recognize their achievements.
- (2) The Proposal Submission Regulations are established and prizes are issued reflective of the efficacy of the submitted proposals.

vii. Labor-management agreement:

The Company has always believed in “Labor and Management as One” and “Co-existence and Co-prosperity” and has been instilling the belief in its employees so that they share the same consensus on corporate sustainability and long-term development. Meanwhile, difficulties and problems facing the Company are adequately clarified and the Company’s stance and decision are conveyed so that both employees and the employer are treated equally. In addition, there are the labor-management meeting, email, and employee feedback box in place to maintain optimal communications and interactions at all times for steady and harmonious labor-management relations.

viii. Losses suffered by the Company due to labor-management disputes in the past year up to the date the Annual Report was printed and estimated values now and likely incurred in the future and countermeasures: None.

#### 4.6 Cyber Security Management

i. Risk Management Framework for Cyber Security:

The cyber security of the Company is under the responsibility of the group’s Information Department, which formulates internal cyber security specifications, rules and systems, plans and performs cyber security operations, policies promotion and implementation, and makes appropriate responses based on practical situations. The internal auditors are responsible for checking the implementation of the internal cyber security policy. An audit will be carried out once a year.

ii. Cyber Security Management:

- (1) Formulate corporate regulations and human-machine operation procedures to ensure the normal operation of information equipment and systems related to group operations.
- (2) Enhance the intellectual property preservation and protection management practices, and strengthen the confidentiality operation mechanism to protect the group's important intellectual properties from disclosure.
- (3) Provide cyber security education and training to promote employees' awareness of information security and strengthen their awareness of related responsibilities.
- (4) Regular internal audits are carried out to ensure that all the relevant operations are performed.
- (5) Ensure that the Company's key core systems maintain certain system availability.

iii. Specific management programs, and investments in resources for cyber security management:

(1) Firewall protection

Establish the group's firewall connection management rules. In case of any special connection requirements, a separate application for access should be filed.

(2) Endpoint behavior monitoring and protection software

The endpoint behavior monitoring software is used to detect any abnormal network behaviors in the Company's network domain, and protect important system hosts, critical leaders, external operators, and computers of production-related machines.

(3) Email security control

- A. Set up an email threat protection scanning mechanism to prevent and remove unsafe senders, attached files, phishing and spam emails, and expand the scope of protection against malicious links before users receive emails.
- B. After the PC receives an email, the antivirus software will scan it for unsafe attached files.

(4) Data backup mechanism

- A. All the important information system databases should be set with daily backup.
- B. The important files of the user should be uploaded to the server. The important files of each department within the Company should be stored on the server and backed up and saved by the Information Department.

(5) Relevant regulations that employees shall abide by:

- A. After the Information Department receives the account application form, it will create a "user ID" before visiting the Company's website to use the system.
- B. The use of non-copyright software is prohibited to prevent malicious software such as viruses and Trojans.
- C. After entering the host computer, if the operation is over or the machine has not been used for a long period of time, you shall actively exit the machine or system to avoid the disclosure of confidential data or the trouble of malicious sabotage.
- D. In case of resignation or handover of any new or old position, the information entity shall determine whether data backup, transfer or other appropriate disposal is necessary.

iv. Emergency Reporting Procedure:

During this year, up to the date of printing and release of this Annual Report, the Company has had no major cyber security incidents. In case of a cyber security incident, the related entity will notify the cyber security handling team, determine the type of incident, identify and deal with the trouble immediately and notify the competent authority.

v. Information security education and training:

As of the printing date of this year's annual report, 296 participants have attended the seminars on information security, and seminars on information security are held annually.

#### 4.7 Material Contracts

| Contract Type | Counterparty   | Period               | Major Contents | Restrictions |
|---------------|--|----------------------|----------------|--------------|
| Lease         | Administration of Export Processing Zones under the Ministry of Economic Affairs | 6/1/2016-5/31/2026   | Lease of land  | -            |
| Lease         | Administration of Export Processing Zones under the Ministry of Economic Affairs | 8/1/2016-7/31/2025   | Lease of land  | -            |
| Lease         | Administration of Export Processing Zones under the Ministry of Economic Affairs | 11/1/2020-10/31/2030 | Lease of land  | -            |



## V. Review and Analysis of Financial Conditions, Operating Results, and Risk Management

### 5.1 Review and Analysis of Financial Status

Unit: NTD Thousand

| Entry \ Year                              | 2024       | 2023       | Difference |       |
|---|------------|------------|------------|-------|
|   |            |            | Amount     | %     |
| Current asset                             | 9,655,848  | 7,988,976  | 1,666,872  | 21    |
| Property, plant and equipment             | 3,862,150  | 3,693,813  | 168,337    | 5     |
| Other assets                              | 2,274,531  | 1,967,040  | 307,491    | 16    |
| Total assets                              | 15,792,529 | 13,649,829 | 2,142,700  | 16    |
| Current liabilities                       | 2,524,716  | 1,638,848  | 885,868    | 54    |
| Non-current liabilities                   | 2,556,424  | 2,563,168  | (6,744)    | -     |
| Total liabilities                         | 5,081,140  | 4,202,016  | 879,124    | 21    |
| Equity attributable owners of the company | 10,589,950 | 9,309,776  | 1,280,174  | 14    |
| Ordinary shares                           | 1,281,127  | 1,281,127  | -          | -     |
| Capital surplus                           | 352,907    | 352,907    | -          | -     |
| Retained earnings                         | 8,824,580  | 7,931,978  | 892,602    | 11    |
| Other equities                            | 131,336    | (256,236)  | 387,572    | (151) |
| Non-controlling interest                  | 121,439    | 138,037    | (16,598)   | (12)  |
| Total shareholders' equities              | 10,711,389 | 9,447,813  | 1,263,576  | 13    |

#### i. Analysis of increases/decreases over 20%:

- (1) Increase in current assets: mainly due to the increase in cash and cash equivalents and accounts receivable.
- (2) Increase in current liabilities: mainly due to the increase in short-term borrowings and notes payable.
- (3) Increase in other equities: mainly due to the exchange differences on translation of foreign operations caused by fluctuating exchange rates.

## 5.2 Review and Analysis of Operating Results

Unit: NTD Thousand

| Entry \ Year                                  | 2024      | 2023      | Difference |       |
|---|-----------|-----------|------------|-------|
|   |           |           | Amount     | %     |
| Operating revenue, net                        | 7,519,697 | 7,077,136 | 442,561    | 6     |
| Gross profit                                  | 2,979,747 | 2,743,767 | 235,980    | 9     |
| Profit from operations                        | 1,773,797 | 1,592,445 | 181,352    | 11    |
| Non-operating income and expenses             | 291,463   | 130,102   | 161,361    | 124   |
| Profit before income tax                      | 2,065,260 | 1,722,547 | 342,713    | 20    |
| Income tax expense                            | 532,287   | 411,388   | 120,899    | 29    |
| Net profit                                    | 1,532,973 | 1,311,159 | 221,814    | 17    |
| Other comprehensive income (loss), net of tax | 396,789   | (114,984) | 511,773    | (445) |
| Total comprehensive income                    | 1,929,762 | 1,196,175 | 733,587    | 61    |

### i. Analysis of increases/decreases over 20%:

- (1) Increase in non-operating income and expenses: mainly due to the increase in exchange profit caused by fluctuating exchange rates.
- (2) Increase in profit before income tax and income tax expense: mainly due to the profit growth.
- (3) Increase in other comprehensive income (loss), net of tax and total comprehensive income: mainly due to the increase in exchange differences on translation of foreign operation.

### ii. Reason for the change to the main scope of operation of the Company: The main scope of operation of the Company did not experience major changes.

### iii. Possible impacts of expected sales quantities and their bases on the future financial operations of the Company and the countermeasures: Not applicable; the Company does not prepare financial forecasts.

### 5.3 Review and Analysis of Cash Flow

#### i. Cash Flow Analysis for the Current Year

Unit: NTD Thousand

| Cash and Cash Equivalents, Beginning of Year   | Net Cash Flow from Operating Activities | Net Cash Flow from Investing and Financing Activities | Cash Surplus | Leverage of Cash Deficit |                 |
|--|---|---|--------------|--------------------------|-----------------|
|  |   |   |              | Investment Plans         | Financing Plans |
| 2,599,316  | 1,788,907                               | (1,318,302)   | 3,069,921    | -                        | -               |
| <p>(1) Analysis of change in cash flows of the current year:</p> <p>A. Operating activities: mainly the accounts receivable/payable, expenses on purchases of materials, and payment for income tax as part of normal operations, etc.</p> <p>B. Investing activities: mainly the expansion of production and net purchases of financial assets to meet operational demand.</p> <p>C. Financing activities: mainly increase of loans and distribution of cash dividends.</p> <p>(2) Remedies in case of cash shortage: Not applicable.</p> |   |   |              |                          |                 |

#### ii. Cash Flow Analysis for the Coming Year

Unit: NTD Thousand

| Cash and Cash Equivalents, Beginning of Year  | Net Cash Flow from Operating Activities | Net Cash Flow from Investing and Financing Activities | Cash Surplus | Leverage of Cash Surplus (Deficit) |                |
|---|---|---|--------------|------------------------------------|----------------|
|   |   |   |              | Investment plan                    | Financing plan |
| 3,069,921   | 2,536,278                               | (2,422,919)   | 3,183,280    | -                                  | -              |
| <p>(1) Analysis of change in cash flows:</p> <p>A. Operating activities: mainly the accounts receivable/payable, expenses on purchases of materials, and payment for income tax as part of normal operations, etc.</p> <p>B. Investing activities: mainly projected construction of new premises and purchase of fixed assets, etc.</p> <p>C. Financing activities: mainly borrowings and distribution of cash dividends etc.</p> <p>(2) Projected remedies in case of cash shortage: Not applicable.</p> |   |   |              |                                    |                |

5.4 Impacts of Major Capital Expenditure for the Most Recent Fiscal Year on Financial Operation: None.

5.5 Investment Policy for the Most Recent Fiscal Year, Reasons for Profit (Loss), Improvement Plan and the Investment Plan for the Coming Year:

i. Re-investment policy of the latest year:

The Company's reinvestment policy of the latest year mainly aims to expand the operational scale, to strengthen operational layout in the United States and Southeast Asia and to improve the revenue and investment gains.

ii. Main reasons for profits from reinvestments:

The Company's investment income recognized under the equity method in 2024 was NT 1,172,376 thousand. The investment gains in recent years are mainly due to the increase in profits of subsidiaries with good operating conditions.

iii. Investment plan for the coming year:

The Company will carefully evaluate respective investment plans in order to cope with demand on the market and environmental changes and challenges in the future and to ensure overall steady operational growths, which will hopefully create optimal investment gains.

5.6 Review and Analysis of Risk Management

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

Impacts on profits or losses

| Item   | 2024 (NTD thousand; %) |
|--|------------------------|
| Net interest income (expenses)                               | 115,327                |
| Net (loss) profit from exchange                              | 107,614                |
| Ratio of net interest income/ expenses to net sales          | 1.53%                  |
| Ratio of net interest income/ expenses to pre-tax net profit | 5.58%                  |
| Ratio of net loss/profit from exchange to net sales          | 1.43%                  |
| Ratio of net loss/profit from exchange to pre-tax net profit | 5.21%                  |

#### Changes in interest rate:

The net interest income of the Company for 2024 was NTD 115,327 thousand, accounting for only 1.53% of the operating income. Therefore, impacts of changes in the interest rate impacted minimally on the Company's profitability. The Company will keep track of information about interest rates on the market at all times and adjust its deposits and borrowings in respective currencies while at the same time seeking the most preferred interest rates from banks so that fluctuating interest rates would have a minimal effect on the Company.

#### Changes in exchange rate:

The net losses/profits from foreign exchange incurred by assets and liabilities in foreign currencies for 2024 were NTD 107,614 thousand, accounting for 1.43% of the operating income. The Company will take the corresponding hedging measures according to existing policies for the coming year with regard to its forward foreign exchange income/expenditure.

#### Inflation:

A majority of the Company's products are exported. Therefore, impacts of the domestic inflation on the Company's profits or losses are minimal. In case of inflation on the Asian market, however, it will impact consumers' purchasing power and willingness and the demand for consumer products will hence drop. It will impact the overall revenue and profits or losses of the Company negatively. Given the fact that impacts of international inflations are comprehensive in nature, however, the impacts will not be borne by a single company and governments around the world shall be capable of coping with them. Nevertheless, the Company will devote itself to the research and development as well as distribution of niche products and the reduction of production cost so that its revenue may be maintained with products whose prices are more capable of driving consumer demand and the negative impacts from inflations on the Company's profits or losses may be reduced.

#### ii. 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

The Company does not engage in high-risk or highly leveraged investments; the lending of funds and endorsements and guarantees are processed in accordance with the Company's "Operating Procedure for Lending Funds to Others" and "Regulations on Endorsements and Guarantees", and the objects are all subsidiaries of the Company; Derivatives are traded on the basis of risk avoidance, with receivables/payables or assets/liabilities arising or expected to be incurred as a result of the Company's business activities for hedging and in accordance with the Company's "Financial Derivatives Transaction Procedure."

iii. Future Research & Development Projects and Corresponding Budget

For the Company's future R&D plans, refer to 5.1 i. (4) New Products and Services Planned to be Developed under "V. Operational Highlights" of this Annual Report. In addition, for the sake of consolidating the Company's competitive advantages and maintaining its strengths on the market, the Company spares no effort in research, development, and innovation. Each year, the R&D budget devoted accounts for around 5% to 6% of the revenue and is expected to remain at a comparable level in 2025.

iv. Impacts of important domestic and international policies and regulatory changes on the Company's financial performance and the countermeasures

The Company's business activities are conducted in compliance with national policies and regulations, and the Company will always pay attention to the updates of various policies and regulations in order to carry out risk control and formulate countermeasures. In 2024 and up to the publication date of this annual report, no changes in policies and laws have had a material impact on the Company's financial operations.

v. Effects of and Response to Changes in Technology (Including the cyber security risk) and the Industry Relating to Corporate Finance and Sales:

Any cyber attack may be meant to steal the Company's intellectual properties and formulation of raw materials, among other business secrets to result in undesirable impacts on the Company's operations. The Company has set up a complete cyber and computer safety protection system to control and protect the Company's operating system and the software and hardware equipment resources are enhanced from time to time to reinforce the Company's cyber safety system by importing from various cyber security levels such as email filtering protection/terminal behavior detection/system snapshot. Throughout 2024 and up to the date the Annual Report was printed, the Company had not discovered any major cyber-attack or incident that had or might significantly impact the Company's financial business and operation undesirably and had not been involved in any relevant legal case or regulatory investigation.

vi. The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures: None.

vii. Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: None.

viii. Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: None.

ix. Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration:

(1) Purchases: Individual suppliers of the Company are not monopolies that cannot be replaced. The sources of supply are sufficient, without concerns over shortage. In honor of its decentralized purchase principle, the Company inquires about prices with more than two suppliers and makes purchases accordingly most of the time for the same raw material and maintains long-term steady partnerships with them to avoid the risk of shortage in supply due to force majeure or individual factors and the purchase contracts are often signed in advance. The supply has been steady and minimally impacted by fluctuating prices internationally. The source of supply is not impacted. Since it was established, the Company has not experienced shortage in or interruption of supply.

(2) Sales: The Company's products include positive and negative temperature coefficient thermistors and zinc oxide varistors that are widely applied and are sold mainly to power supply manufacturers, monitor manufacturers, motherboards, mobile phones, and home appliance clients. The sales are growing on a yearly basis. Despite the slight changes to the Top 10 clients over the past two years, there is no single client accounting for the overall sales by more than 10%. In other words, customers where the products are sold to are relatively decentralized and are not obviously focused.

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

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

xii. Litigation or Non-litigation Matters: None.

xiii. Other important risks and countermeasures: None.

5.7 Other Material Items: None.

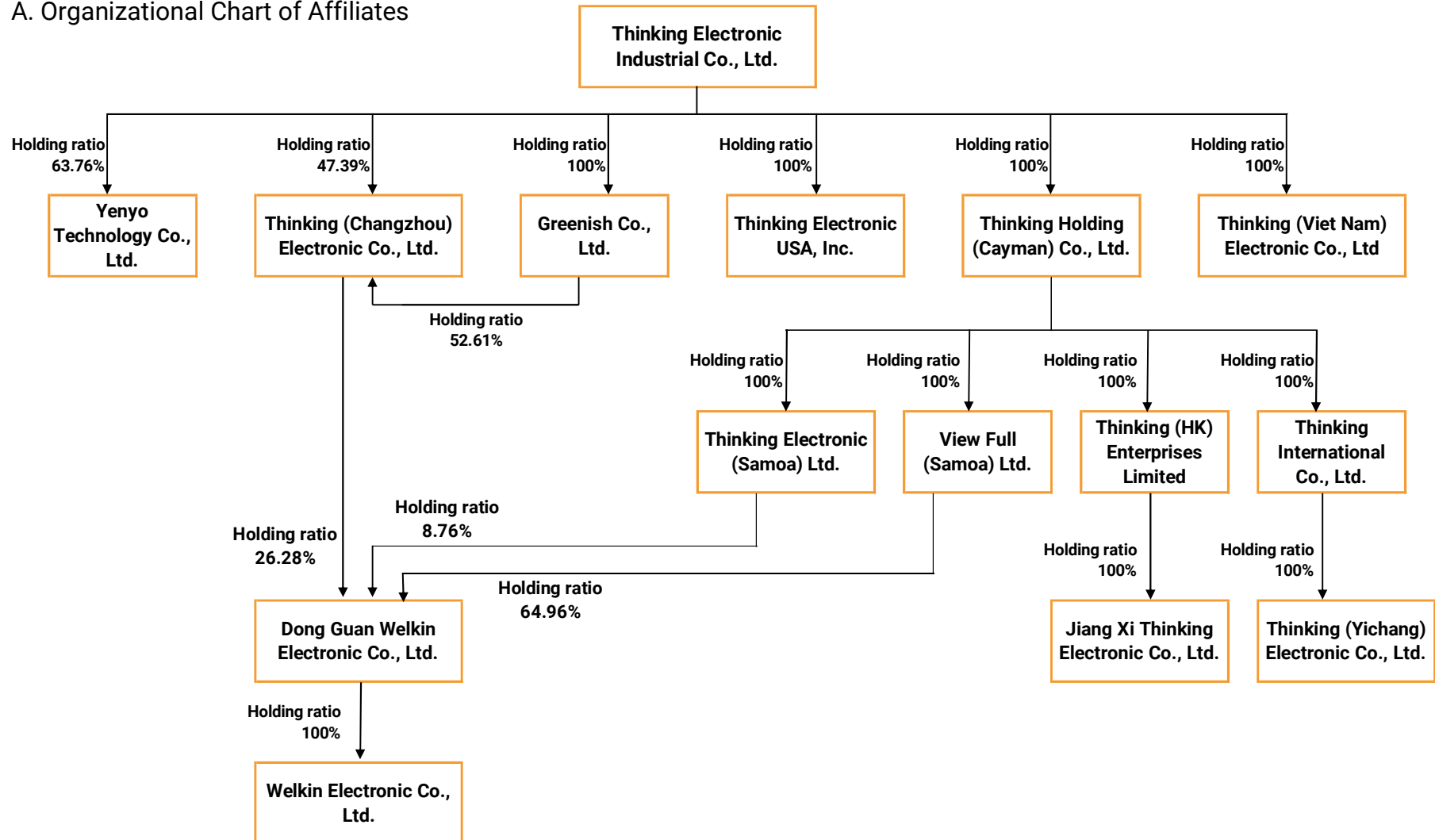
## VI. Special Disclosure

### 6.1 Summary of Affiliated Companies

#### i. Consolidated Business Report of Affiliates

##### (1) Overview of Affiliates

##### A. Organizational Chart of Affiliates





## B. Profile of respective affiliates:

December 31, 2024; Unit: Respective Currencies in Thousands

| Name of affiliate                         | Date established | Address  | Paid-in capital size | Main scope of operation or production                                   |
|---|------------------|--|----------------------|---|
| Yenyo Technology Co., Ltd.                | 8/15/1997        | No. 189, Longquan Road, Longtan Village, Jiaoxi Township, Yilan County   | NTD 403,580          | Processing, selling and manufacturing diodes                            |
| Thinking (Changzhou) Electronic Co., Ltd. | 3/22/1996        | No. 6, Longmen Road, Wujin National Hi-Tech Industrial Development Zone, Changzhou City, Jiangsu Province                    | USD 31,260           | Manufacturing and selling thermistors, varistors and sensors            |
| Greenish Co., Ltd.                        | 2/26/1997        | Sea Meadow House, Blackburne Highway, (P.O.Box 116), Road Town, Tortola, British Virgin Islands                              | USD 7,375            | International trading and investment                                    |
| Thinking Holding (Cayman) Co., Ltd.       | 3/30/2007        | The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O.Box 32052, Grand Cayman, KY1-1208, Cayman Islands | USD 25,476           | International trading and investment                                    |
| Thinking International Co., Ltd.          | 6/3/2004         | Suite 802, St James Court St Denis Street, Port Louis, Mauritius   | USD 6,375            | International trading and investment                                    |
| Thinking (HK) Enterprises Limited         | 9/11/2009        | Room 1204, Yu Sung Boon Bldg., 107-111 Des Voeux Road Central, Hong Kong   | USD 10,040           | International trading and investment                                    |
| View Full (Samoa) Ltd.                    | 4/30/2013        | Le Sanalele Complex, Ground Floor, Vaea Street, Saleufi, Apia, Samoa   | USD 5,055            | International trading and investment                                    |
| Thinking Electronic (Samoa) Ltd.          | 4/30/2013        | Le Sanalele Complex, Ground Floor, Vaea Street, Saleufi, Apia, Samoa   | USD 3,864            | International trading and investment                                    |
| Thinking (Yichang) Electronic Co., Ltd.   | 7/2/2004         | No. 283, Huting Boulevard, Huting District, Yichang City, Hubei Province   | USD 6,300            | Manufacturing and selling thermistors, varistors and sensors            |
| Jiang Xi Thinking Electronic Co., Ltd.    | 11/20/2009       | Anhua Road, Tangying Boulevard, Fuliangxian Ceramics Industrial Park, Jingdezhen City, Jiangxi Province                      | USD 10,000           | Manufacturing and selling thermistors and varistors                     |
| Dong Guan Welkin Electronic Co., Ltd.     | 10/19/2001       | No. 45, Dongda Street, Shatou Community, Changan Township, Dongguan City, Guangdong Province                                 | CNY 194,782          | Manufacturing and selling thermistors, varistors, sensors and equipment |
| Welkin Electronic Co., Ltd.               | 12/18/2020       | No.75 Dexi East Road, Tanzhou Town, Zhongshan City, Guangdong Province   | CNY 150,000          | Manufacturing and selling thermistors, varistors and sensors            |
| Thinking Electronic USA, Inc.             | 12/21/2022       | 1300 E Main Street Unit 109D Alhambra, CA 91801  | USD 1,000            | Electronic product design and marketing                                 |
| Thinking (Viet Nam) Electronic Co., Ltd   | 4/18/2023        | Lot CN8.3, Nam Cau Kien Industrial Park, Hoang Dong Commune, Thuy Nguyen District, Hai Phong City, Vietnam                   | USD 4,800            | Manufacturing and selling thermistors, varistors and sensors            |

C. Data of common shareholders inferred to have control or to be in a subordinate relationship: None.

D. Industries that the scope of operation of affiliates covers and their business relationship with the Company:

| Name of affiliate   | Main scope of operation or production  | Business relationship with the Company  |
|---|--|---|
| Yenyo Technology Co., Ltd.<br>Thinking (Changzhou) Electronic Co., Ltd. | Processing, selling and manufacturing diodes<br>Manufacturing and selling thermistors, varistors and sensors | -<br>The Company purchases products and sells them and then sells the products of the Company |
| Greenish Co., Ltd.  | International trading and investment   | It is an overseas holding company that the Company reinvests in                               |
| Thinking Holding (Cayman) Co., Ltd.                                     | International trading and investment   | It is an overseas holding company that the Company reinvests in                               |
| Thinking International Co., Ltd.  | International trading and investment   | It is an overseas holding company that the Company reinvests in                               |
| Thinking (HK) Enterprises Limited                                       | International trading and investment   | It is an overseas holding company that the Company reinvests in                               |
| View Full (Samoa) Ltd.  | International trading and investment   | It is an overseas holding company that the Company reinvests in                               |
| Thinking Electronic (Samoa) Ltd.  | International trading and investment   | It is an overseas holding company that the Company reinvests in                               |
| Thinking (Yichang) Electronic Co., Ltd.                                 | Manufacturing and selling thermistors, varistors and sensors   | The Company purchases products and sells them and then sells the products of the Company      |
| Jiang Xi Thinking Electronic Co., Ltd.                                  | Manufacturing and selling thermistors and varistors  | The Company purchases semi-finished products and then sells the products of the Company       |
| Dong Guan Welkin Electronic Co., Ltd.                                   | Manufacturing and selling thermistors, varistors, sensors and equipment                                      | The Company purchases products and sells them and then sells the products of the Company      |
| Welkin Electronic Co., Ltd.   | Manufacturing and selling thermistors, varistors and sensors   | The Company purchases products and sells them and then sells the products of the Company      |
| Thinking Electronic USA, Inc.   | Electronic product design and marketing  | -   |
| Thinking (Viet Nam) Electronic Co., Ltd                                 | Manufacturing and selling thermistors, varistors and sensors   | -   |

E. Profile of directors, supervisors, and president of each affiliate

| Name of affiliate                         | Position           | Name or Representative                                      | Shareholding   |                    |
|---|--------------------|---|----------------|--------------------|
|   |                    |   | Shares         | Shareholding ratio |
| Yenyo Technology Co., Ltd.                | Chairman           | Sui Tai-Chung (Representative of Thinking)                  | 25,732,508     | 63.76%             |
|   | Director/President | Ho Yi-Sheng (Representative of Thinking)                    | 25,732,508     | 63.76%             |
|   | Director           | Tseng Lung-Ji (Representative of Thinking)                  | 25,732,508     | 63.76%             |
|   | Director           | Chu You-Mei (Representative of Thinking)                    | 25,732,508     | 63.76%             |
|   | Director           | Cheng Chien-Ming  | 109,432        | 0.27%              |
|   | Supervisor         | Ting Si-Nan   | -              | -                  |
|   | Supervisor         | Chen Yen-Hui  | -              | -                  |
| Thinking (Changzhou) Electronic Co., Ltd. | Chairman           | Sui Tai-Chung (Representative of Thinking)                  | USD 31,260,000 | 100.00%            |
|   | Director           | Chen Su-Ai (Representative of Thinking)                     |                |                    |
|   | Director           | Sui Wan-Ni (Representative of Thinking)                     |                |                    |
|   | Supervisor         | Ting Si-Nan (Representative of Thinking)                    |                |                    |
| Greenish Co., Ltd.                        | Director           | Sui Tai-Chung (Representative of Thinking)                  | USD 7,374,997  | 100.00%            |
| Thinking Holding (Cayman) Co., Ltd.       | Director           | Chen Su-Ai (Representative of Thinking)                     | USD 25,476,302 | 100.00%            |
| Thinking International Co., Ltd.          | Director           | Sui Tai-Chung (Representative of Thinking Holding (Cayman)) | USD 6,375,000  | 100.00%            |
|   | Director           | Chen Su-Ai (Representative of Thinking Holding (Cayman))    |                |                    |
| Thinking (HK) Enterprises Limited         | Director           | Sui Tai-Chung (Representative of Thinking Holding (Cayman)) | USD 10,040,000 | 100.00%            |
|   | Director           | Chen Su-Ai (Representative of Thinking Holding (Cayman))    |                |                    |
| View Full (Samoa) Ltd.                    | Director           | Sui Tai-Chung (Representative of Thinking Holding (Cayman)) | USD 5,055,000  | 100.00%            |
|   | Director           | Chen Su-Ai (Representative of Thinking Holding (Cayman))    |                |                    |

| Name of affiliate                       | Position                                       | Name or Representative   | Shareholding    |                    |
|---|--|--|-----------------|--------------------|
|   |  |  | Shares          | Shareholding ratio |
| Thinking Electronic (Samoa) Ltd.        | Director<br>Director                           | Sui Tai-Chung (Representative of Thinking Holding (Cayman))<br>Chen Su-Ai (Representative of Thinking Holding (Cayman))  | USD 3,864,354   | 100.00%            |
| Thinking (Yichang) Electronic Co., Ltd. | Chairman<br>Director<br>Director               | Sui Tai-Chung (Representative of Thinking International)<br>Sui Chung-Hua (Representative of Thinking International)<br>Chen Su-Ai (Representative of Thinking International)  | USD 6,300,000   | 100.00%            |
| Jiang Xi Thinking Electronic Co., Ltd.  | Chairman<br>Director<br>Director<br>Supervisor | Sui Tai-Chung (Representative of Thinking (HK))<br>Chen Su-Ai (Representative of Thinking (HK))<br>Sui Wan-Ni (Representative of Thinking (HK))<br>Ting Si-Nan (Representative of Thinking (HK))   | USD 10,000,000  | 100.00%            |
| Dong Guan Welkin Electronic Co., Ltd.   | Chairman<br>Director<br>Director<br>Supervisor | Sui Tai-Chung (Representative of Thinking Changzhou and Thinking Samoa)<br>Chen Su-Ai (Representative of Thinking Changzhou and Thinking Samoa)<br>Sui Chieh-Heng (Representative of Thinking Changzhou and Thinking Samoa)<br>Ting Si-Nan (Representative of Thinking Changzhou and Thinking Samoa) | CNY 194,781,918 | 100.00%            |
| Welkin Electronic Co., Ltd.             | Chairman<br>Director<br>Director<br>Supervisor | Sui Tai-Chung (Representative of Dongguan Welkin)<br>Chen Su-Ai (Representative of Dongguan Welkin)<br>Sui Chieh-Heng (Representative of Dongguan Welkin)<br>Ting Si-Nan (Representative of Dongguan Welkin)   | CNY 150,000,000 | 100.00%            |
| Thinking Electronic USA, Inc.           | Chairman                                       | Sui Tai-Chung (Representative of Thinking)   | USD 1,000,000   | 100.00%            |
| Thinking (Viet Nam) Electronic Co., Ltd | Chairman                                       | Sui Tai-Chung (Representative of Thinking)   | USD 4,800,000   | 100.00%            |

(2) Operational overview of respective affiliates

December 31, 2024; Unit: NTD thousands

| Name of affiliate                         | Capital size | Total assets | Total liabilities | Net worth | Operating income | Operating (loss) profit | (Loss) profit of current term (after-tax) | Fundamental earnings per share (NTD) (after-tax) |
|---|--------------|--------------|-------------------|-----------|------------------|-------------------------|---|--|
| Yenyo Technology Co., Ltd.                | 403,580      | 373,821      | 38,534            | 335,287   | 186,626          | (58,645)                | (48,475)                                  | (1.20)   |
| Thinking (Changzhou) Electronic Co., Ltd. | 1,008,050    | 4,495,157    | 691,276           | 3,803,881 | 2,940,743        | 246,436                 | 435,953                                   | Note   |
| Greenish Co., Ltd.                        | 242,300      | 3,128,523    | -                 | 3,128,523 | -                | 3,903                   | 265,246                                   | Note   |
| Thinking Holding (Cayman) Co., Ltd.       | 792,506      | 4,904,462    | -                 | 4,904,462 | -                | (264)                   | 783,082                                   | Note   |
| Thinking International Co., Ltd.          | 205,781      | 1,426,553    | -                 | 1,426,553 | -                | (128)                   | 170,995                                   | Note   |
| Thinking (HK) Enterprises Limited         | 311,753      | 1,148,316    | -                 | 1,148,316 | -                | (265)                   | 196,224                                   | Note   |
| View Full (Samoa) Ltd.                    | 155,108      | 2,049,942    | -                 | 2,049,942 | -                | (23)                    | 366,707                                   | Note   |
| Thinking Electronic (Samoa) Ltd.          | 112,518      | 276,795      | -                 | 276,795   | -                | (23)                    | 49,426                                    | Note   |
| Thinking (Yichang) Electronic Co., Ltd.   | 203,439      | 1,686,840    | 261,478           | 1,425,362 | 1,377,631        | 156,125                 | 171,105                                   | Note   |
| Jiang Xi Thinking Electronic Co., Ltd.    | 310,330      | 1,289,035    | 141,330           | 1,147,705 | 1,124,854        | 211,029                 | 196,482                                   | Note   |
| Dong Guan Welkin Electronic Co., Ltd.     | 868,640      | 4,259,956    | 1,106,652         | 3,153,304 | 3,542,119        | 426,609                 | 564,515                                   | Note   |
| Welkin Electronic Co., Ltd.               | 658,145      | 1,117,553    | 263,615           | 853,938   | 1,450,308        | 131,335                 | 129,956                                   | Note   |
| Thinking Electronic USA, Inc.             | 30,715       | 9,713        | 8,718             | 995       | -                | (10,949)                | (10,949)                                  | Note   |
| Thinking (Viet Nam) Electronic Co., Ltd   | 149,313      | 169,416      | 26,133            | 143,283   | -                | (745)                   | (755)                                     | Note   |

Note: The company is a company limited.

## ii. Consolidated Financial Statement of Affiliates

### Declaration

The entities that are required to be included in the consolidated financial statements of affiliates as of and for the year ended December 31, 2024, under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are all the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards 10 “Consolidated Financial Statements”. In addition, the information required to be disclosed in the consolidated financial statements has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Thinking Electronic Industrial Co., Ltd. and subsidiaries do not prepare a separate set of consolidated financial statements.

Very truly yours,

Thinking Electronic Industrial Co., Ltd.

Chairman: Sui Tai-Chung

February 20, 2025

### iii. Affiliation Report

## Declaration

The Affiliation Report of the Company for 2024 (from January 1 to December 31, 2024) is prepared in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises and the information disclosed does not show significant discrepancies from related information disclosed in the notes to financial statements during the above-mentioned period.

Thinking Electronic Industrial Co., Ltd.

Chairman: Sui Tai-Chung

February 20, 2025

Thinking Electronic Industrial Co., Ltd.

Affiliation Report

2024

I. Overview of Relations between Subordinate Companies and Controlling Companies:

Unit: Share; %

| Name of controlling company   | Cause of control                          | Shareholding and pledge status of controlling company |                    |                          | Directors, supervisors, or managers assigned by the controlling company |
|-------------------------------|---|---|--------------------|--------------------------|---|
|                               |   | Number of shares held                                 | Shareholding ratio | Number of shares pledged | Title/Name  |
| Boh Chin Investment Co., Ltd. | With substantial control over the Company | 27,178,247  | 21.21%             | -                        | Chairman/Sui Tai-Chung<br>Director/Chen Su-Ai                           |

II. Current Transaction:

(I) Purchases/Sales: None

(II) Properties: None

(III) Capital financing: None

(IV) Asset lease: The Company spent NTD 480 thousand in 2024 for renting buildings and land from Boh Chin Investment Co., Ltd.

III. Endorsements/guarantees: None



6.2 Any Private Placement of Securities for the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

6.3 Other Matters Requiring Supplementary Information: None

## **VII. Matters with Important Impacts on Shareholders' Equity or Prices of Securities**

Matters with important impacts on shareholders' equity or prices of securities as indicated in Article 36 Paragraph 3 Subparagraph 2 of the Securities and Exchange Act in the past year up to the date the Annual Report was printed: None.